

REPUBLIC OF KENYA



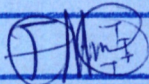
OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 MAR 2019 TUESDAY	
TABLED BY:	MAJORITY WHIP
CLERK-AT THE-TABLE:	

THE FINANCIAL STATEMENTS OF
STATE DEPARTMENT FOR SPORTS
DEVELOPMENT

FOR THE YEAR ENDED
30 JUNE 2018



REPUBLIC OF KENYA



**MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018**

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

MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The State Department for Sports Development was one of the two State Departments in the Ministry of Sports, Culture and The Arts established through the Executive Order No. 2 of May 2013. The Ministry comprised of the State Department for Sports Development and the State Department for Culture and the Arts. At cabinet level, the State Department for Sports Development was represented by the Cabinet Secretary for Sports, Culture and The Arts, who was responsible for the general policy and strategic direction of the Ministry.

The State Department had two technical Departments and four Semi-Autonomous Government Agencies (SAGAs). The Departments were; The Sports Department and The Office of Sports Registrar. The four SAGAs in Sports Department were; Sports Kenya (SK), Kenya Academy of Sports (KAS), National Sports Fund (NSF) and Anti-Doping Agency of Kenya (ADAK).

1.1 Vision and Mission of the State Department

i. Vision

A global leader in the provision of Sports services

ii. Mission

To develop and promote the sports industry through provision of world class sports facilities, nurturing of sports talent and enhancement of clean competitive sport for socio-economic development.

1.2 Strategic Objectives of the State Department

- i. To undertake policy, legal and institutional reforms in order to facilitate implementation of the state Department mandate and functions;
- ii. To promote sporting activities for national identity, pride, integration and cohesion;
- iii. To harness, develop, preserve and promote Kenya's sporting heritage
- iv. To build adequate capacity to enhance provision of quality and efficient services and enhance the image of the state department.

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1.3 Mandate of the State Department

According to the Executive Order No. 1 of 2016 the mandate of the State Department was as follows:

- Promotion, development and regulation of Sports and Sports Facilities,
- Development and management of Sports Industry Policy,
- Training of Athletes and Sports Personnel,
- Expansion of the Sports industry,

1.4 Core Functions

Arising from its Mandate, the core functions were:

- i. Formulation of policies on the Sports Industry,
- ii. Coordination, facilitation and harmonization of activities of the Sports sector,
- iii. Development, promotion, and preservation of Kenya's Sports Heritage

1.5 Core Values

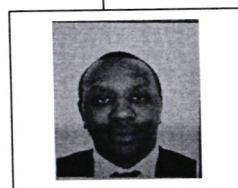
- i. **Appreciation of diversity:** We recognize and value the diversity of our cultural and national heritage.
- ii. **Customer focus:** We are committed to upholding the highest standards in our service delivery to all customers.
- iii. **Integrity:** We are committed to acting in an honest, impartial, fair and transparent manner.
- iv. **Teamwork:** Employees' involvement and contribution at all levels shall be the hallmark of the Ministry.
- v. **Creativity and Innovation:** We are a Ministry that encourages and facilitates creativity, innovative performance, and embraces change.
- vi. **Professionalism:** We shall be patriotic to the cause of the Ministry and be guided by professional ethics in all our undertakings.
- vii. **Participatory Approach:** We undertake to seek the views of and involve stakeholders in all our programmes and activities

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(b) Key Management

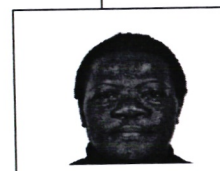
Senior Management – State Department for Sports Development



Rashid Echesa Mohamed
Cabinet Secretary, Ministry of Sports Culture and the Arts



Amb. Kirihi Peter Kaberia, CBS
Principal Secretary, State Department for Sports Development



Ms. Josephtha Mukobe, CBS,
Principal Secretary, State Department for Arts and Culture



Mr. Kassim M. Farrah
Secretary Administration



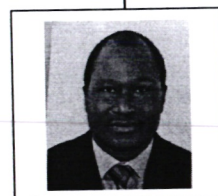
John O. Nyabwari
Chief Finance Officer



Christabel A. Musyoka (Mrs)
Assistant Accountant General
Head of Accounting Unit



Mr. Japhter Rugut
Chief Executive Officer
Anti-Doping Agency of Kenya



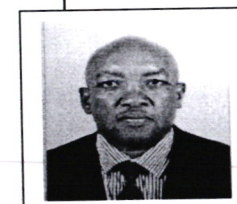
Mr. Gordon Oluoch
Director General
Kenya Academy of Sports



Ms. Saima Ondimu
Ag. Chief Executive Officer
Sports Kenya



Ms. Rose M. N. Wasike
Registrar of Sports



Japson Gitonga
Ag. Commissioner of Sports

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I. KEY ENTITY INFORMATION AND MANAGEMENT *(Continued)*

Senior Management – State Department for Sports Development

 Rashid Echesa Mohamed Cabinet Secretary Ministry of Sports Culture and the Arts	Mr. Rashid Echesa Mohamed assumed the position of Cabinet Secretary, Ministry of Sports and Heritage in February 2018 after formation of the new cabinet following the re-election of President Uhuru Kenyatta. Mr. Rashid Echesa Mohamed is charged with the responsibility of formulating and ensuring implementation of policies geared towards improvement of sporting, heritage and cultural activities. Mr. Rashid has wide experience in Business Management and entrepreneur.
 Amb. Kirimi Peter Kaberia, CBS Principal Secretary State Department for Sports Development	Amb. Kirimi Peter Kaberia joined the Ministry of Sports, Culture and the Arts on 1st April, 2017 as the Principal Secretary for Sports Development. Amb. Kaberia is the Accounting Officer for the State Department for Sports Development. He is responsible for Implementation of government policies on both finance and procurement. He is a career Diplomat and has served as an Ambassador to Brazil, Argentina, Chile, Colombia and Venezuela. He has also served as Deputy Ambassador to France, Spain and other Diplomatic postings in Washington DC and China. Amb. Kaberia holds a LLM degree from ISDE-Spain, and degree in Journalism and Communication from Marquette University in USA.
 Mr. Kassim M. Farrah Secretary Administration	Kassim Mohamed Farrah, Secretary Administration, joined the Ministry of Sports and Heritage in March 2018. Before then, he had been a long serving Administrator from District Officer, District Commissioner and lastly County Commissioner, last station - Homa Bay District.
 Christabel A. Musyoka (Mrs) Assistant Accountant General	CPA Christabel Musyoka (Mrs) assumed the position of Head of Accounting Unit, State Department for Sports Development in June 2018 and is responsible for prudent public financial management. She has a working experience of 22 years in the public service. She holds a Master of Business Administration in Strategic Management from the University of Nairobi and Bachelor of Commerce (Finance Option) from the Catholic University. She also holds an Executive Public Management Development Certification from University of Pretoria. She is also a Certified Public Accountant of Kenya (CPA-K).

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Mr. John O. Nyabwari
Chief Finance Officer

Mr. John O. Nyabwari joined the State Department for Sports Development on 15th November 2017 as the Chief Finance Officer. He is responsible to the Accounting Officer for effective discharge of financial matters. He has over twenty (20) years' experience in public financial management. He holds a Bachelor of Commerce degree (Accounting Option) and an MBA (Finance) degree from Kenyatta University and is a member of the Institute of Internal Auditors (IIA) Kenya.



Mr. Japhter Rugut
Chief Executive Officer
Anti-Doping Agency
of Kenya

Mr. Rugut was gazetted as the Chief Executive Officer, Anti-Doping Agency of Kenya (ADAK) with effect from 5th February 2016. The Agency is a Semi-Autonomous State Corporation set up under the Anti-Doping Act No. 5 2016 with a mission to lead a coordinated national education awareness programme, testing and promotion of integrity for doping-free sport. He has a wealth of experience having worked with the Civil Service for over 30 years as an administrator. He holds a Master's degree in Business Administration from Jomo Kenyatta University of Agriculture and Technology. He also worked as the Secretary, Sports in the Ministry of Youth Affairs and Sports for two years



Mr. Gordon O. Onyango, MBS, HSC
Ag. Chief Executive Officer
Kenya Academy of Sports

Mr. Onyango was appointed as the Ag. Chief Executive Officer of the Kenya Academy of Sports in March, 2017. He holds a Bachelor's degree in Education from Kenyatta University, a diploma in Education from the University of Nairobi and an on-going E-MBA at the Jomo Kenyatta University of Agriculture and Technology. Mr. Onyango has a vast experience in the public sector and has previously served as a Commissioner of Sports in the State Department for Sports Development and as an Ag. Director General of Sports Kenya.



Ms. Saima Ondimu
Ag. Director General
Sports Kenya

Saima Ondimu was appointed Ag. Director General Sports Kenya on 13th May, 2017. Sports Kenya was formed by the Sports Act 2013 with a mandate to promote sports programmes and develop sports infrastructure to enhance sports and its related purposes on behalf of the Government. She has a wealth of experience having worked in the Civil Service for 32 years in different capacities as an administrator and a career diplomat. She holds Master Degree in International Hospitality Management & Tourism from Strath Clyde University (UK) and a Postgraduate Diploma in Diplomacy & International relations from University of Nairobi. She has previously also worked as a Senior Deputy Secretary at the Ministry of Sports, Culture & the Arts.

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Ms. Rose M. N. Wasike
Registrar of Sports

Ms. Rose Wasike was appointed as the Sports Registrar in the Ministry of Sports, Culture and the Arts in April, 2014. She holds a Master degree in Women's Law (MA) from the University of Zimbabwe, a Postgraduate Diploma in Law from The Kenya School of Law, this qualified her as an advocate of the high court of Kenya. She also has a Postgraduate Diploma in International Labour Standards from the International Labour Organization Training Centre, Turin-Italy. Ms. Wasike has previously served in various capacities in the Public Service, such as: The Acting Registrar, Industrial Court of Kenya, Deputy Registrar (Legal) of the Industrial Court of Kenya, Senior Labour Officer (Senior Legal Officer), Labour Officer (Legal Officer) in the Ministry of Labour.



Mr. Japson G. Gitonga
Ag. Commissioner of Sports

Mr. Jaspon Gitonga Gerald was appointed as the Ag. Commissioner of Sports on 16th March, 2018. He is responsible to the Accounting Officer for providing technical advice on sports and recreation activities in the country. He holds a Bachelor of Education (Arts) degree from Kenyatta University and ongoing Master of Science degree in Leisure and Recreation Management at Kenyatta University. He has over thirty (30) years' experience in sports training, management and administration, having served as the Director of Kenya National Sports Institute (now Kenya Academy of Sports), Ag. Assistant Director at the National Youth Talent Academy, Provincial Director of Sports, District Sports Officer and Physical Education Tutor/Teacher.

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I. KEY ENTITY INFORMATION AND MANAGEMENT (*Continued*)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Cabinet Secretary, Ministry of Sports, Culture and the Arts	Rashid Echesa Mohamed
2.	Principal Secretary, State Department for Sports Development	Amb. Kirimi Peter Kaberia, CBS
3.	Administrative Services	Mr. Kassim Mohammed Farrah
4.	Financial Services	Mr. John Ongesa Nyabwari
5.	Accounting Services	CPA.Christabel A. Musyoka (Mrs)
6.	Supply Chain Management	Peter Ngugi Machariah
7.	Human Resource	Peter Njagi Mwathi
8.	Other AIE Holders	Directors

(d) Fiduciary Oversight Arrangements

Composition of the Audit Committee Members

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independent knowledge and judgement to the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

All committee members are required to re-submit themselves for re-appointment after expiry of their term.

i. Audit and Finance Committee Activities

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

1. Ambrose O. Agenga (Chairman)
2. John Longacha Ejore (Member)
3. Eunice Muyoka Juma (Member)
4. Gabriel Ouko (Member)

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I. KEY ENTITY INFORMATION AND MANAGEMENT (*Continued*)

(d) Fiduciary Oversight Arrangements (*continued*)

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury.
- Reviewing and making recommendations on management programs established, to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.
- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.

i. Audit and Finance Committee Activities

The main functions of the audit committee include:

- Address audit issues raised by both the Internal and External auditors;
- Assist the Accounting officer in enhancing oversight, governance, enforcement, and compliance with internal and external audit findings and recommendations;
- Resolve unsettled and unimplemented Public Accounts Committees' recommendations; and,
- Provide a channel of communication between management, internal and external audit, and fostering an independent internal audit function.

ii. Budget Committee Activities

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

- To review and consider the cash flow plans
- To review utilization of the cash limits and consider any changes that may be required;
- To review the utilization of the donor funds voted for the State Department.
- To advice the accounting officer on the challenges related to the budget implementation
- To review and recommend the reallocation of funds.
- To review and approve the submission of the payment returns, payroll IPPD, pending bills and A-I-A returns for the State Department and recommend actions to be taken

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I. KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Oversight Arrangements (continued)

- To participate in sector working groups
- To review budgets, supplementary estimates and performance of budget against actual for the State Department in consultation with Heads of Department.

iii. Budget Committee Members

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

1. Kassim M. Farrah	Secretary Administration	Chairman
2. Rose Wasike	Sports Registrar	Member
3. Japson Gitonga	Ag. Commissioner of Sports	Member
4. Christabel A. Musyoka	Assistant Accountant General	Member
5. John O. Nyabwari	Chief Finance Officer	Secretary
6. Ann Wairimu	Head – CPPMU	Member

iv. Human Resources Management Advisory Committee

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

<u>Name</u>	<u>Designation</u>	<u>Position</u>
7. Amb. Kirimi P. Kaberia, MBS	Principal Secretary	Chairman
8. Kassim M. Farrah	Secretary Administration	Alternate Chairman
9. Rose Wasike	Sports Registrar	Member
10. Japson Gitonga	Ag. Commissioner of Sports	Member
11. Peter N. Mwathi	Director – HRM & Development	Secretary

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

v. Human Resources Management Advisory Committee Activities

Their duties include:

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

(d) Fiduciary Oversight Arrangements (continued)

vi. Training Committee Members

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

<u>Name</u>	<u>Designation</u>	<u>Position</u>
1. Amb, Kirimi P. Kaberia, MBS	Principal Secretary	Chairman
2. Kassim M. Farrah	Secretary Administration	Alternate Chairman
3. Japson Gitonga	Ag. Commissioner of Sports	Member
4. Ali M. Yussuf	Director – HRM & Development	Secretary

vii. Training Committee activities

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

- Overall coordination of the training functions in the State Department.
- Review and implementation of the State Department training plan;

(e) State Department for Sports Development Headquarters

P.O. Box 49849-00100
KENCOM Building
Moi Avenue
Nairobi, KENYA

(f) Entity Contacts

Telephone No. +254-020-2251164/005, 2250576
Fax 254-020-316187
Website: www.minspoca.go.ke

(g) Entity Bankers

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

National Bank of Kenya
Kenyatta Avenue Branch
Nairobi, KENYA

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I. KEY ENTITY INFORMATION AND MANAGEMENT *(Continued)*

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II FORWARD BY THE CABINET SECRETARY

Rashid Echesa Mohamed
Cabinet Secretary, Ministry of Sports Culture and the Arts



The Ministry is mandated to develop promote, preserve and disseminate Kenya's diverse cultural and arts heritage; and promote sports and film industry to build national pride and improve livelihoods of the Kenyan people through provision of world class sports facilities, nurturing of sports talent and enhancement of clean competitive sports for social-economic development.

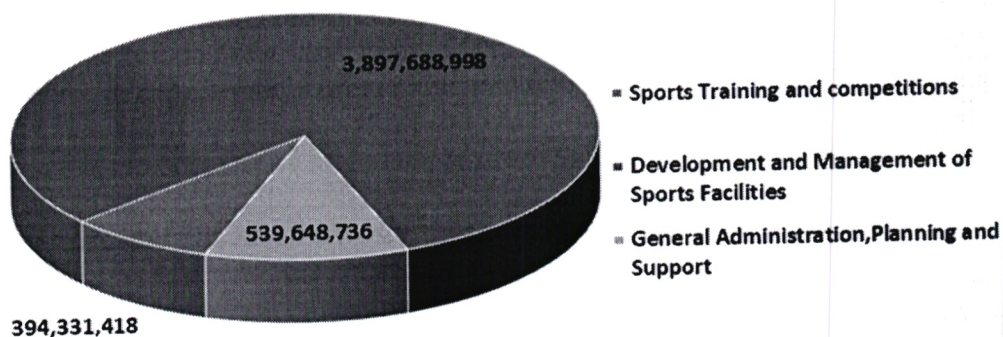
In pursuit of his mandate the State Department will ensure prudent Financial Management in accordance with the Public Finance Management Act 2012 and public procurement Asset Disposal Act 2015.

BUDGET ALLOCATION

In the financial year 2017/18 the State Department for Sports Development had a gross budget of **Kshs 4,831,669,152** which was made up of **Kshs. 2,584,769,171** and **Kshs. 2,246,899,981** for recurrent and development vote respectively.

The State Department spent the gross budget of **Kshs 4,831,669,152** under the following two programmes:

BUDGET ALLOCATION BY PROGRAMMES



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II. FOWARD BY THE CABINET SECRETARY (*Continued*)

I. Programme 1: SPORTS

The objective of this programme is development and management of Sports Facilities and Sports Training and competitions. This programme was allocated **Kshs 4,292,020,416** representing 88.83% of the budget. The allocation was spent under the following sub programmes:

- a. Sub-programme.1.1: Development and Management of Sports Facilities **Kshs 3,936,400,428**
- b. Sub-programme 1.2: Sports Training and Competitions **Kshs 358,735,697**

II. Programme 2: General Administration, Planning and Support Services

The objective of this programme is to give personnel manpower to run the organization in order to achieve its objectives. This programme was allocated **Kshs. 539,648,736** representing 11.17% of the budget. A total of **Kshs 599,123,924** was spent under the following sub programme:

- a. Sub-programme 2.1: General Administration, Planning and Support Service **Ksh. 509,623,788**

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2018 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Financial Performance Summary

Actual Performance against Budget for Year to 30th June 2018

Financial Performance	Printed Estimates	Actual	Variance	%
	Kshs	Kshs	Kshs	Utilisation Variance
Total Receipts	4,831,669,152	4,809,210,037	22,459,115	100%
Total Payments	4,831,669,152	4,804,759,913	26,909,238	99%
Surplus for the Year	-	4,450,124	(4,450,124)	>100%

Actual payments were 1% below budget. This is attributable to under-utilisation of budget allocation for other grants and transfers which stood 85% of the total allocated budget.

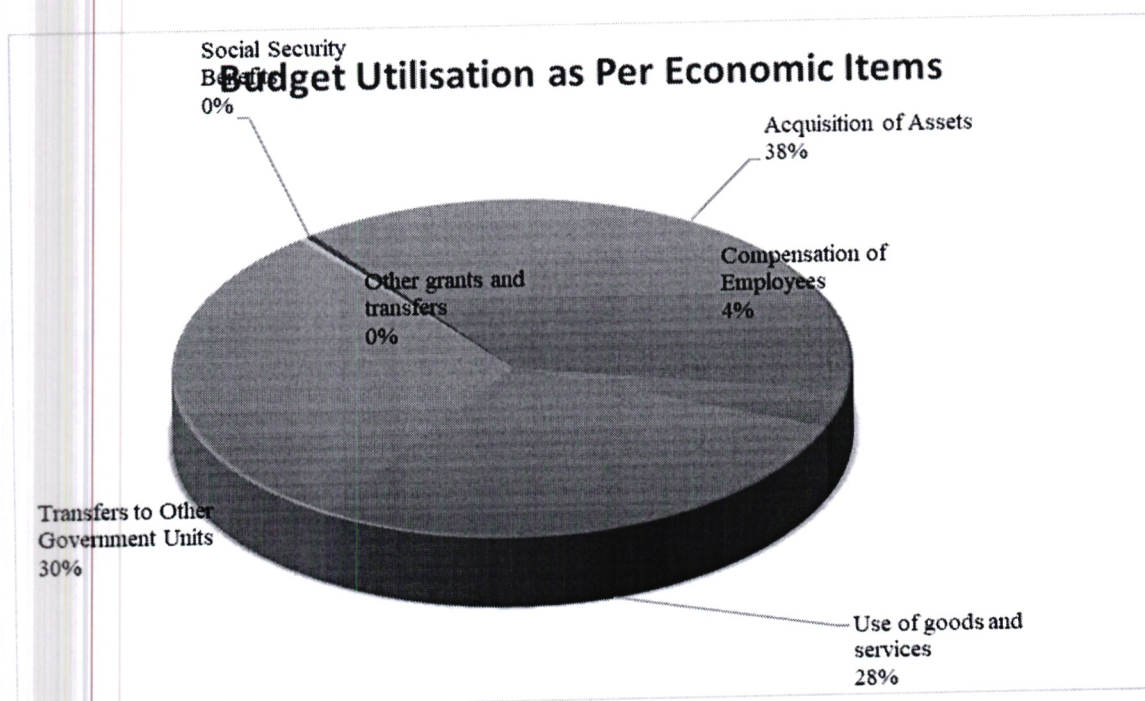
Budget Utilisation

The State Department spent **Kshs. 4,804,759,913** against an approved budget of **Kshs. 4,831,669,152** representing absorption of **99%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

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II. FORWARD BY THE CABINET SECRETARY (Continued)

	Approved Budget Allocation	Actual Payments	Variance
	Ksh	Ksh	Ksh
Compensation of Employees	177,160,000	173,280,986	3,879,014
Use of goods and services	1,388,718,161	1,342,017,359	46,700,802
Transfers to Other Government Units	1,473,024,229	1,439,178,867	33,845,363
Other grants and transfers	20,800,000	17,698,400	3,101,600
Social Security Benefits	21,517,138	20,540,178	976,960
Acquisition of Assets	1,750,449,624	1,812,044,124	- 61,594,500
Total Payments	4,831,669,152	4,804,759,913	26,909,238



It is noted that 30% of the State Department's budget was used in Transfers to Other Government Entities Semi-Autonomous Government Agencies (SAGAs). 4% of the budget was utilised on employee compensation while 28% was utilised in use of goods and services while 38% of the budget was spent on Acquisition of Assets.

Current Year Performance against Prior Year

Note	2017/2018 Kshs	2016/2017 Kshs	change	%Change
RECEIPTS				
TOTAL REVENUES	4,809,210,037	5,489,570,500	- 680,360,463	-12.39%
PAYMENTS				
TOTAL PAYMENTS	4,804,759,913	5,482,073,173	- 677,313,259	-12.36%
SURPLUS/DEFICIT	4,450,124	7,497,327	- 3,047,204	-40.64%

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**II. FOWARD BY THE CABINET SECRETARY (Continued)
Key Performance Highlights (Continued)**

Total receipts and payments reduced by 12% due to budget reduction.

Receipts

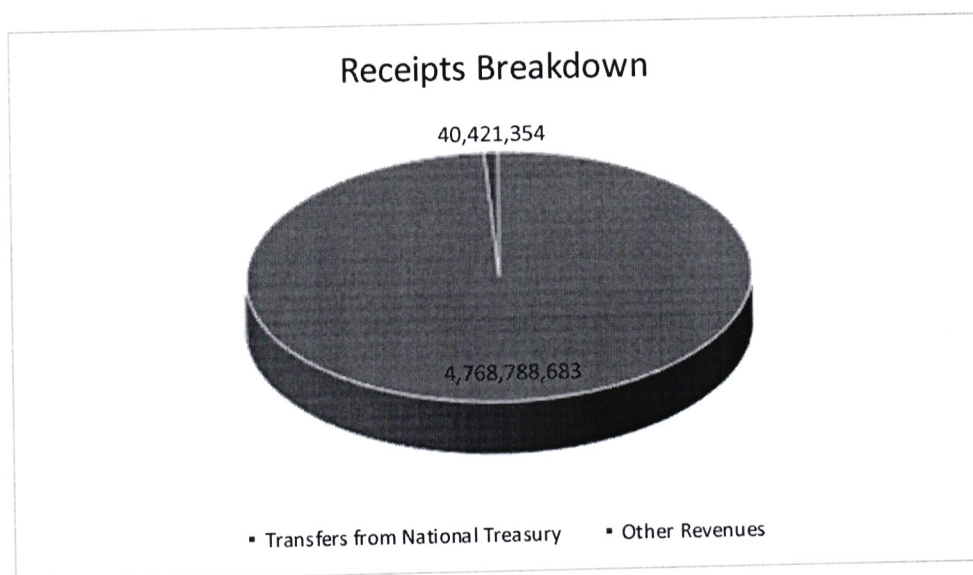
The State Department's receipts mainly comprise of exchequer releases from the National Treasury. Other receipts are from sale of tender documents and A.I.A from World under 18 Championships activities.

The total receipts for FY 2017/2018 stood at Kshs 4.809 Million, representing a 12% decrease from Kshs 5.489 Million for FY 2016/2017

Total Receipts Breakdown

	2017/2018 Kshs	2016/2017 Kshs	Change	%Change
RECEIPTS				
Transfers from National Treasury	4,768,788,683	5,489,364,000	- 720,575,317	-13.13%
Other Revenues	40,421,354	206,500	40,214,854	100.00%
TOTAL REVENUES	4,809,210,037	5,489,570,500	- 680,360,463	-12.39%

The decrease in total receipts is as a result of a decrease in exchequer releases from the National Treasury by Kshs 720.5 Million due to reduced budgetary allocation. There was also an Increase in Other revenues by Kshs 40.214 million attributed to World under 18 Championships activities.



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II. FOWARD BY THE CABINET SECRETARY (Continued)

RECEIPTS

The diagram above depicts the share of major categories of receipts for the fiscal year ended 30th June 2018. The major source of funding for the State Department for Sports Development is exchequer releases that account for 99% of the total receipts, while other revenues comprise of Kshs. 40,421,354 respectively.

Payments

The State Department's payments mainly comprise of Transfers to Other Government entities i.e. Semi-Autonomous Government Agencies (SAGAs), employee compensation and acquisition of assets.

The total payments for FY 2017/2018 stood at Kshs 4,804 Million, representing a 12% decrease from Kshs 5,482 Million for FY 2016/2017.

Total Payment Breakdown

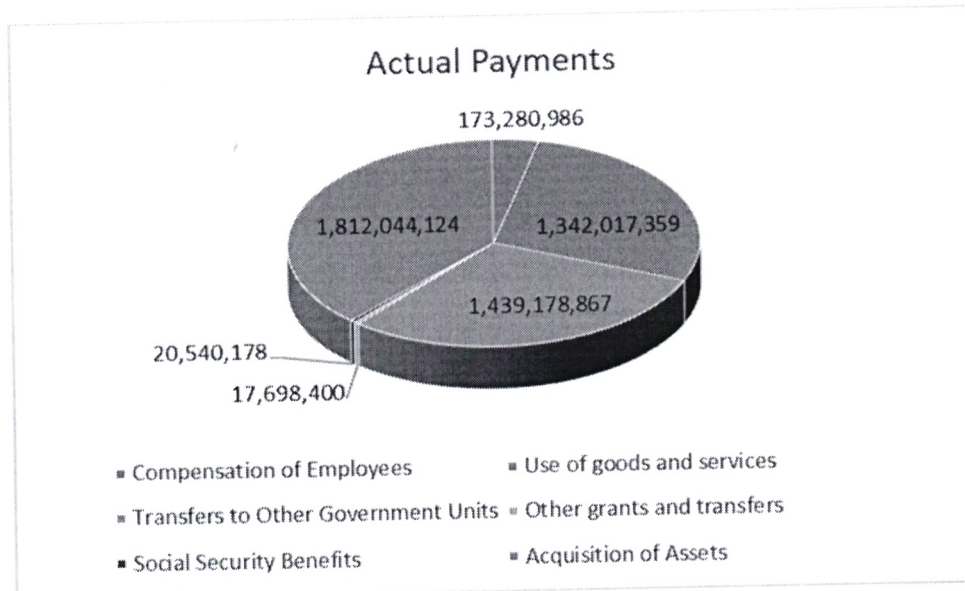
	2017/2018 Kshs	2016/2017 Kshs	Change	%Change
PAYMENTS				
Compensation of Employees	173,280,986	276,353,702	- 103,072,716	-37.30%
Use of goods and services	1,342,017,359	1,409,811,805	- 67,794,446	-4.81%
Transfers to Other Government Units	1,439,178,867	3,772,293,495	- 2,333,114,628	-61.85%
Other grants and transfers	17,698,400	10,322,897	7,375,503	71.45%
Social Security Benefits	20,540,178	3,802,080	16,738,098	440.24%
Acquisition of Assets	1,812,044,124	9,489,194	1,802,554,930	18995.87%
TOTAL PAYMENTS	4,804,759,913	5,482,073,173	- 677,313,259	-12.36%

The decrease in payments is attributable to a significant decrease in Compensation of Employees which was reduced in the budget by 37%. Attributed to reorganization of government where the Ministry was separated into two State departments. Further Transfers to other Government Units reduced by 61% due to splitting into two State departments where State Corporations & SAGAS reduced.

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II. FOWARD BY THE CABINET SECRETARY (Continued)

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2018



Financial Assets Summary

	2017/2018	2016/2017		
	Kshs	Kshs	Change	%Change
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	189,868,910	985,797,562	- 795,928,652	-80.74%
Cash Balances	-	448,326	- 448,326	-100.00%
Total Cash And Cash Equivalents	189,868,910	986,245,888	- 796,376,978	-80.75%
Accounts Receivables - Outstanding Imprest and Clearance Accounts	20,774,079	21,631,123	- 857,044	-3.96%
TOTAL FINANCIAL ASSETS	210,642,989	1,007,877,011	- 797,234,022	-79.10%

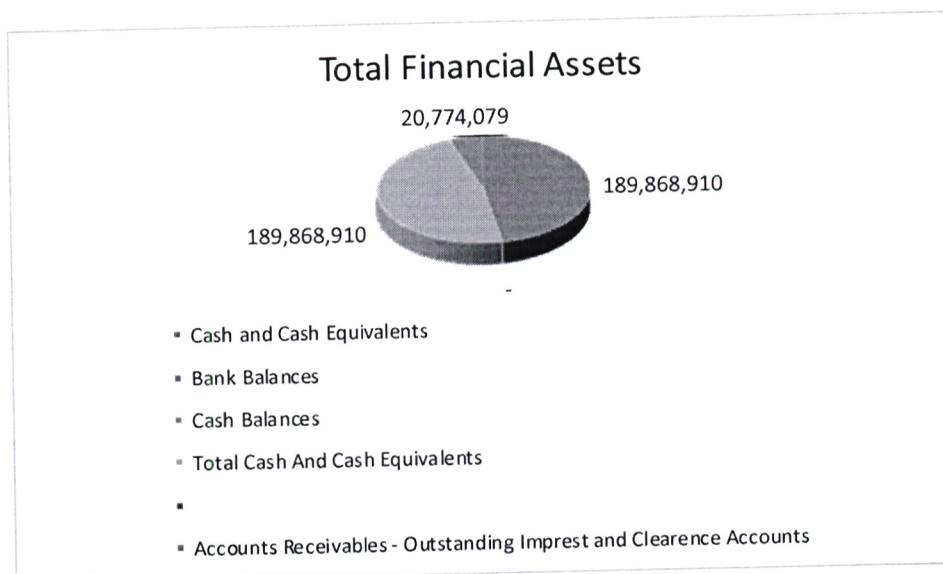
Bank balances reduced by 80.74% as a result of a pay out of retention monies from the Deposit Bank Account (World under 18 Championships activities).

Cash balances declined by 100% due to measures put in place to reduce holding huge cash balances.

There is also a decrease in accounts receivables by 4% as a result of prompt accounting for imprest salary/ advance by the imprest/salary holders mainly towards year end.

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II. FOWARD BY THE CABINET SECRETARY (Continued)



Cash Flows and Cash Position

The cash and bank balances held by the State Department for Sports Development as at 30th June 2018 was Kshs 189.8 Million compared to Kshs 986.2 Million held as at 30th June 2017. The breakdown of the cash and bank balances is as summarized in the table below.

	2017/2018 Kshs	2016/2017 Kshs	change	%change
FINANCIAL ASSETS				
Cash and Cash Equivalents				
Bank Balances	189,868,910	985,797,562	- 795,928,652	-80.74%
Cash Balances	-	448,326	- 448,326	-100.00%
Total Cash And Cash Equivalents	189,868,910	986,245,888	- 796,376,978	-80.75%

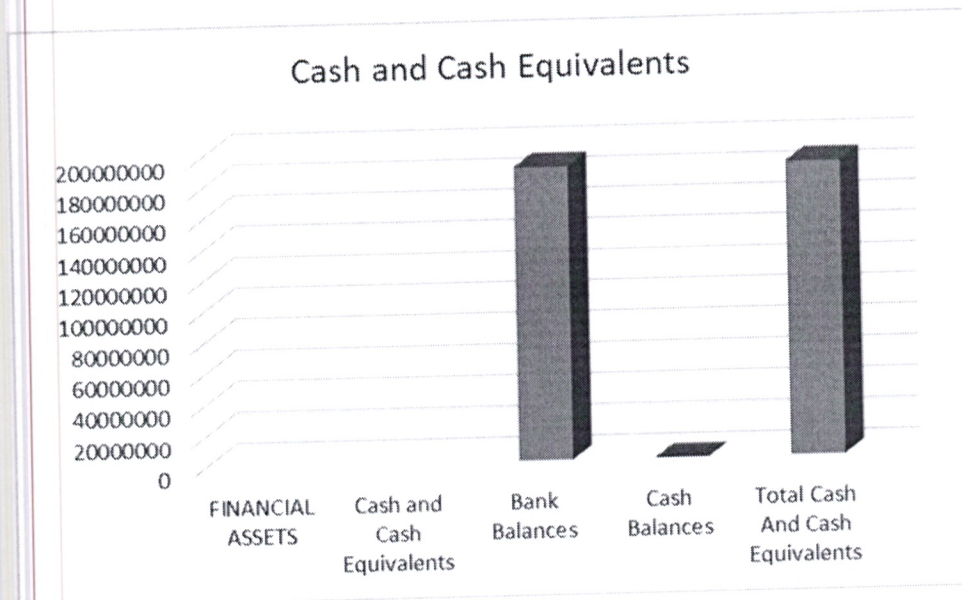
Cash and Bank Balance

Bank balances decreased by 80.75 as a result of a payout of retention Monies under the Deposit Bank Account (World under 18 Championships activities).

Cash balances declined by 100% due to measures put in place to reduce holding huge cash balance.

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II. FOWARD BY THE CABINET SECRETARY (Continued)



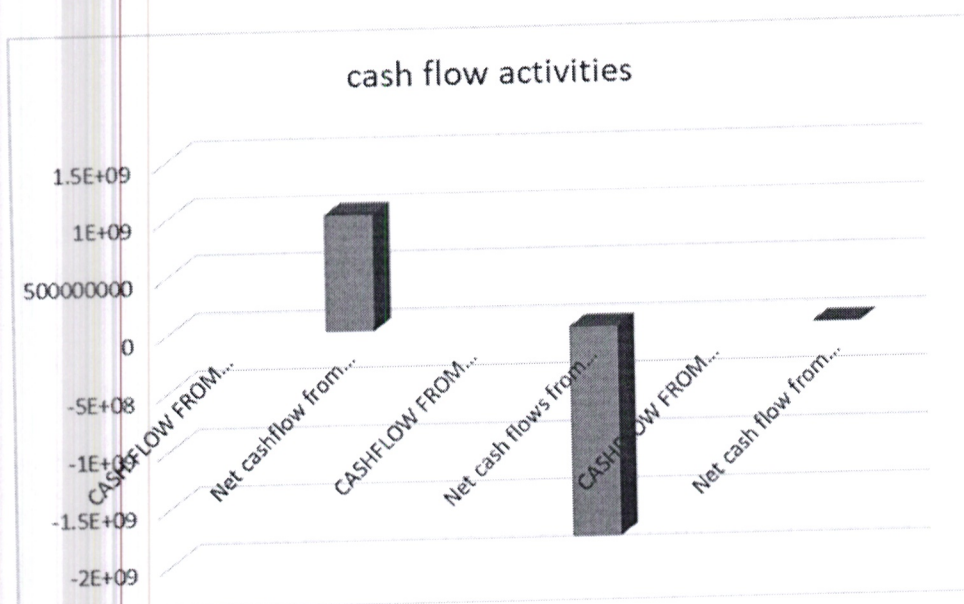
Cash Flow Activities

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

	2017/2018 Kshs	2016/2017 Kshs	Change	%Change
CASH FLOW FROM OPERATING ACTIVITIES				
Net cashflow from operating activities	1,015,667,146	814,590,518	201,076,628	24.68%
CASHFLOW FROM INVESTING ACTIVITIES				
Net cash flows from Investing Activities	(1,812,044,124)	(9,489,194)	- 1,802,554,930	18995.87%
CASHFLOW FROM BORROWING ACTIVITIES				
Net cash flow from financing activities	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	(796,376,978)	805,101,324	- 1,601,478,302	-198.92%
Cash and cash equivalent at BEGINNING of the year	986,245,888	181,144,564	805,101,324	444.45%
Cash and cash equivalent at END of the year	189,868,910	986,245,888	- 796,376,978	-80.75%

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II. FOWARD BY THE CABINET SECRETARY (Continued)



Net cash flows utilised in investing activities increased significantly due to a increase in amounts utilised in the acquisition of assets by the State Department for Sports Development whereas there was increase in net cash flow from operating activities due to increase in expenditure relating to operations in the year under review.

Key Achievements of the State Department for Sports Development in the Financial Year 2017/2018
The State Department for Sports Development plays a crucial role in overall development of the Sports industry of Kenya through management and development of sports and sports facilities. The state department accomplished the flowing during the financial year 2017/2018:

1. Refurbishment and rehabilitation of regional stadia –In phase II of the programme, rehabilitation of 7 regional stadia was ongoing with the following milestones:
 - Sports Kenya Signed Memorandum of Understanding with the respective county governments and completed contractual engagements to rehabilitate 7 regional stadia;
 - Targeted works have been completed as follows: Marsabit in Marsabit County (20%), Kamariny in Elgeyo Marakwet County (20%), Wote in Makueni County (20%), Kipchoge Keino Phase II in Uasin Gishu County (30%), Karatu in Kiambu County (30%), Ruring'u in Nyeri County (5%) and Chuka in Tharaka Nithi County (20%).
2. Construction of International Sports Academy Phase 1. This phase was 80% complete and comprise the following units:
 - i. 8 floor hostels;
 - ii. Classrooms and Administration office; and
 - iii. Three sports pitches (2 Football, 1Rugby)

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II. FOWARD BY THE CABINET SECRETARY (*Continued*)

3. Establishment of Satellite Sports Academies: The Kenya Academy of Sports established 4 satellite academies as follows;
 - i. Rabai Road Centre, Nairobi County – Rabai Road Primary School;
 - ii. Acagoro Centre, Nairobi County – Korogocho Community;
 - iii. Karuri Cricket Centre, Kiambu County – Karuri Primary School;
 - iv. Makueni Academy, Makueni County – Makueni County Government (in progress).
4. 857 athletes tested on doping; 22,134 persons reached through Anti-Doping Education and Sensitization Campaigns;
5. Capacity building of sports technical personnel: The Ministry through Kenya Academy of Sports trained 30 coaches and 35 sports administrators who are spread within the national federations and schools. Sports coaches and administrators were equipped with coaching and management skills.
6. Identification and nurturing of athletes: The Kenya Sports Academy identified and trained 250 athletes in seven sports disciplines namely; Chess, Football, Volleyball, Rugby, Skating, Swimming, and Taekwondo. Football (girls and boys) and volleyball girls who excelled during training have joined the Kenya National Junior teams. The Academy has also collaborated with United Nations Children Fund (UNICEF) and Kenya Institute of Curriculum Development (KICD) to develop a draft Curriculum for 5 sports disciplines (Athletics, Basketball, Cricket, Football and Volleyball).
7. The National Sports Lottery Fund: The fund in collaboration with six partners namely; Brookside, Young Africa Leaders Initiative (YALI), Kass Media, Kenya Power Ltd, Safaricom Limited and Airtel mobilized Kshs. 24 million from the above mentioned partners and disbursed to support sports events. The regulations have been passed and are being operationalized.
8. Registration, Licensing and Regulation of Sports Organizations and Persons:
 - Issued 45 interim certificates to sports organizations
 - Developed a Strategic Plan for 2018-2022 for Sports Registrar's Office.
10. The Ministry has fully implemented the Sports Act, 2013 through operationalizing all the Institutions established under the Act (Sports Dispute Tribunal, Sports Registrar, National Sports Fund, Kenya Academy of Sports and Sports Kenya.
11. The Ministry successfully hosted World Youth Championships in July, 2017.

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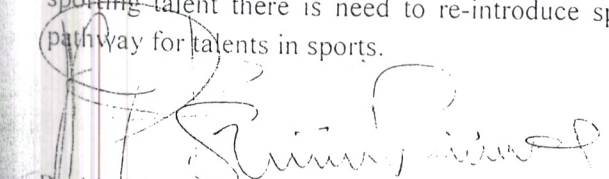
II. FOWARD BY THE CABINET SECRETARY (*Continued*)

Challenges

- ❖ There is a lack/weak regulatory framework and institutions to regulate the sports industry.
- ❖ There is scarce/incomplete data collection in the industry hence the economic contribution cannot be accurately quantified.
- ❖ There is a perception of the sports industry being viewed as a social entertainment and not a profession.
- ❖ There is inadequate mechanism for talent identification, nurturing and promotion.
- ❖ Inadequate human resource and budgetary provision affecting projects completion timelines and sometimes leads to stalling of projects:
- ❖ The sports industry is faced with the digital technology challenge necessary in order to remain competitive.
- ❖ Centralized Services of Sports Registrar's Office in Nairobi while sports organizations are spread across the country in the face of inadequate budget and human resource;
- ❖ Lack of modern equipment and capacity of officers in technical areas is a huge challenge in the face of the constant changes in technology;
- ❖ Lack of adequate number of World Anti-Doping Agencies accredited laboratories in Africa making testing of athletes expensive.
- ❖ Technological advancement in the use of prohibited substances and ahead of anti-doping measures.
- ❖ There is resistance towards regulations in the sports industry.

Emerging issues

- ❖ Increased cases of doping among athletes in international competitions and allegations in the media may water down the great efforts that have been made to produce world beating athletes. The State Department has put effort to reach out to sports persons through sensitization campaigns so as to reduce the doping cases recorded.
- ❖ Another emerging issue is sport betting which has increasingly become popular and has consequently led to increased financial support from the Corporate World. However, this support is not structured. This has also promoted match fixing that has prompted the need to review gaming and betting law and the sports Act 2013. In order to develop and nurture sporting talent there is need to re-introduce sports in the schools' curriculum as a career pathway for talents in sports.


Rashid M. Echesa

Cabinet Secretary

Ministry of Sports Culture and the Arts

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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

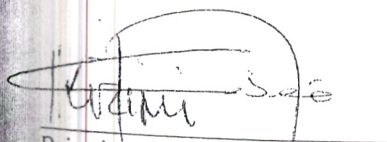
The Accounting Officer in charge of the State Department for Sports Development is responsible for the preparation and presentation of the state department's financial statements, which give a true and fair view of the state of affairs of the state department for and as at the end of the financial year period ended on June 30, 2018. 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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Sports Development accepts responsibility for the department's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the state department's financial statements give a true and fair view of the state of the department's transactions during the financial year ended June 30, 2018, and of the state department's financial position as at that date. The Accounting Officer in charge of the State Department for sports Development further confirms the completeness of the accounting records maintained for the department, which have been relied upon in the preparation of the department's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The State Departments for Sports Development financial statements were approved and signed by the Accounting Officer on 21st September, 2018.



Principal Secretary
Amb. Kiriimi Peter Kaberia, CBS



Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)
ICPAK No.7263

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR SPORTS DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the State Department for Sports Development set out on pages 10 to 27, which comprise the statement of assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 State Department for Sports Development as at 30 June, 2018, 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. Unsupported Expenditure on Supply, Delivery and Installation of Security, Access Control, Communications, Audiovisual and Pitch Lighting Systems in Various Stadiums

On 14 September 2017 the State Department of Sports Development (SDSD) awarded a contract to M/s Auditel Kenya Ltd trading as Auditel Ingenieria Services in Spain at contract sum of USD 15,892,980.63 (Kshs.1,609,037,145). The contract was for the design, supply, testing, commissioning and supervision of security, access control, communications, audiovisual and pitch lighting systems.

The works were to be completed within a period of four (4) months and involved remodeling of 5 No. Stadiums which included Jomo Kenyatta Stadium in Machakos, Moi Kinoru Stadium in Meru, Kipchoge Keino Stadium in Eldoret, Nyayo Stadium in Nairobi, Kasarani Stadium in Nairobi and 10 No. training pitches that were earmarked for use during the CHAN 2018 Championships. The event was however relocated to Morocco due to slow progress of the works.

Report of the Auditor-General on the Financial Statements of State Department for Sports Development for the year ended 30 June 2018

A review of the State Department's payment records for the year ended 30 June 2018 disclosed that M/s Auditel Kenya Ltd was paid a 20% advance payment of USD 3,178,596.13 (Kshs.330,537,997) vide P.V. No.0618 dated 30 January 2018. The advance

payment was based on a security guarantee issued by a Bankinter SA Bank in Madrid - Spain dated 30 October 2017. It was however noted that the security guarantee was valid up to 28 February 2018 and had therefore expired by the time of the audit carried out in November 2018 and no evidence was presented to confirm its re-validation.

In view of the foregoing, there is a risk of not recovering advanced amount of Kshs.330,537,997 as the security guaranteeing the amount had expired and had not been replaced. It is also not clear when and if the project will be completed considering that the funding was withdrawn by the National Treasury.

2. Irregular Payments to Members of Parliament (MPs)

An amount of Kshs.2,461,872 was on 29 June 2018 transferred by the State Department to the National Sports Fund for the purpose of catering for MPs during the FIFA World Cup Games held in Russia in July 2018. The funds were meant to cater for two MPs expenses during the last two weeks of the games (1st – 17th July 2018). The payments were based on requests from the Clerk of the National Assembly Ref. No. KNA/DCS/SCT/2018 (023) of 14 June 2018 and Ref. No. NA/WCC/2018/VOL.1/02 of 18 June 2018.

The members of the National Assembly serve under Parliamentary Service Commission and all their expenses should be paid from there.

In the circumstances, the State Department should pursue refund of Kshs.2,461,872 irregularly requested and paid to the two Members of Parliament from the Clerk of the National Assembly.

3. Excess – Development Appropriation Vote

A review of the summary statement of development appropriation for the year ended 30 June 2018 revealed that development vote expenditure amounted to Kshs.2,280,773,796 against a budget of Kshs.2,246,899,981 resulting to an excess vote of Kshs.33,873,815. The over expenditure was mainly attributed to acquisition of assets where a total of Kshs.1,812,044,124 was spent against a budget of Kshs.1,748,211,106 resulting to an over expenditure of Kshs.63,833,018 or about 4%.

Though management has explained that this over utilization resulted from adjustments in the supplementary budget after expenditure had already been incurred, there was no evidence to show subsequent approval from the National Treasury or parliament as required.

4. Pending Bills

The financial statements for the year ended 30 June 2018 reflect pending bills totalling Kshs.329,768,724 carried forward to 2018/2019 financial year. Had these bills been cleared and charged to the vote, the statement for receipt and payments for the year ended 30 June 2018 would have reflected a deficit of Kshs.325,318,600 instead of a net surplus of Kshs.4,450,124 now shown. The management states that the accumulation of the pending bills over last three financial years was mostly due to under exchequer issues and has engaged with the National Treasury for enhanced budgetary provision. It was however not clarified why the pending bills did not form the first charge in the subsequent year as required.

Consequently, the validity, and propriety of the pending bills could not be ascertained.

5. Un-budgeted Disbursement and Excess Vote to National Sports Fund

An amount of Kshs.404,444,538 was transferred by the State Department as special grants to National Sports Funds. However, the National Sports Fund had not budgeted for these funds. Further, the Fund's management were not involved in the procurement process for payments made from this funding. In addition, included in this amount was Kshs.63,390,000 meant for the Commonwealth Games but the National Sports Fund spent a total of Kshs.130,553,340 for this event resulting to unauthorized over expenditure of Kshs.67,163,340. The over expenditure was funded through reallocation of funds meant for World Rally Championships held in Naivasha without approval of the National Treasury.

In the circumstances, it has not been possible to ascertain if transfer of special grants to National Sports Funds amounting to Kshs.404,444,538 was lawful and whether the resultant expenditure on Commonwealth Games totalling Kshs.130,553,340 was a proper charge to public funds together with the resulting excess vote of Kshs.67,163,340.

6. Advance from the Anti-Doping Agency of Kenya

An amount of Kshs.4,400,000 was in July 2017 advanced to the State Department of Sports Development by the Anti-Doping Agency of Kenya for the purpose of paying athletes who participated in the World Under 18 Championship held in Nairobi from 12th to 16th July 2017. The amount was to be refunded immediately the State Departments books of account for the 2017/2018 were opened. However, only Kshs.2,000,000 has been refunded leaving a balance of Kshs.2,400,000 outstanding.

In consequence, the recovery of advance of Kshs.2,400,000 remains doubtful.

7. Unresolved Prior Year Matters

7.1 Supply and Delivery of Petroleum Products in Bulk

As previously reported, during the IAAF World Under-18 Championships held in Nairobi from 12 July and 16 July 2017, a contract between the State Department of Public Works-

Supplies Branch and M/s Ramji Haribhai Devani Limited was adopted for the supply and delivery of petroleum products in bulk totalling Kshs.11,123,960.

According to the adopted contract, a discount of Kshs.4.25 on the Energy Regulatory Commission unit prices was to be offered for every liter of diesel or petrol supplied. A review of the fuel analysis indicate the Local Organizing Committee did not enjoy this discount, and yet it was in the contract. It was also not clear why the fuel was procured in bulk yet buses, minibuses, vans, saloon cars and luxury cars had been hired.

The management has stated that, "with regard to failure to enjoy the benefit in the contract, the supplier has been contacted with a view to agreeing on the contractual obligations of each party." However, no evidence was produced to support this assertion.

7.2 Theft of Parking Lights at Kasarani Stadium

As previously reported, one hundred and thirty (130) parking lights installed at the Stadium with an estimated value of Kshs.3,615,950 installed during the IAAF World Under-18 Championships-Nairobi 2017 were stolen. Although the security firm at the stadium acknowledged the theft and requested to replace the security lights, no replacement had been done as at the time of audit in November 2018. The management has however stated that it has withheld retention money until replacement is done. However, no evidence was produced to support the withholding of the retention money.

7.3 Other Matters arising from the audit 2016/17 Report

The report for 2016/17 was discussed by the Parliament Accounts Committee and the Accounting Officer was requested to avail supporting documents to the Office of the Auditor General for their verification. The status of the exercise is as per attached appendix.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Department for Sports Development in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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.

Other Matter

1. Budget and Budgetary Performance

1.1 Receipts

The State Department of Sports Development had budgeted for receipts totalling Kshs.4,831,669,152 but realised Kshs.4,809,210,037 resulting to a shortfall of Kshs.22,573,115 or 0.5%. as follows:

Revenue Head	Budget Kshs.	Actual Kshs.	(Excess)/Shortfall Kshs.	Variance %
Exchequer Releases	4,791,133,798	4,768,788,683	22,459,115	0.5
Other Receipts	40,535,354	40,421,354	114,000	0
Total	4,831,669,152	4,809,210,037	22,573,115	0.5

1.2 Expenditure

The Department had budgeted to spend Kshs.4,831,669,152 but actual expenditure amounted to Kshs.4,804,759,913 resulting to an under expenditure of Kshs.26,909,238 or 1% as follows:

Expenditure Head	Budget Kshs.	Actual Kshs.	Under/(over) Kshs.	Variance %
Compensation of Employees	177,160,000	173,280,986	3,879,014	2
Use of Goods and Services	1,388,718,161	1,342,017,359	3,879,014	2
Transfer to Other Government Units	1,473,024,229	1,439,178,867	46,700,802	3
Other Grants and Transfers	20,800,000	17,698,400	3,101,600	15
Social Security Benefits	21,517,138	20,540,178	976,960	5
Acquisition of Assets	1,750,449,624	1,812,044,124	(61,594,500)	(4)
Total	4,831,669,152	4,804,759,913	26,909,238	1

The underutilization on other grants and transfers of Kshs.3,101,600 or 15% was as a result of late submission of requests while the over-expenditure on acquisition of assets of Kshs.61,594,500 or 4% was a result supplementary budget cut after expenditure had already been incurred.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for conclusion

The audit was conducted in accordance with ISSAI's 1315 and ISSAI 1330. 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 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.

In preparing the financial statements, management is responsible for assessing the State Department's ability to continue as a going concern/ sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of

accounting unless the management either intends to liquidate the State Department or to cease operations, or have no realistic alternative but to do so. Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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 manner.

Those charged with governance are responsible for overseeing the State Department's 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 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 review is planned and performed to express a conclusion with assurance 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 non-compliance. 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 State Department's policies and procedures may deteriorate.

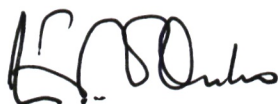
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 State Department's ability 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 State Department 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 State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



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

Nairobi

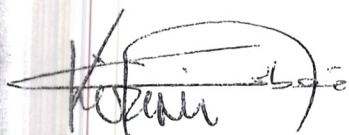
28 December 2018

MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT
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V. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017/2018 Kshs	2016/2017 Kshs
RECEIPTS			
Transfers from National Treasury	1	4,768,788,683	5,489,364,000
Other Revenues	2	40,421,354	206,500
TOTAL REVENUES		4,809,210,037	5,489,570,500
PAYMENTS			
Compensation of Employees	3	173,280,986	276,353,702
Use of goods and services	4	1,342,017,359	1,409,811,805
Transfers to Other Government Units	5	1,439,178,867	3,772,293,495
Other grants and transfers	6	17,698,400	10,322,897
Social Security Benefits	7	20,540,178	3,802,080
Acquisition of Assets	8	1,812,044,124	9,489,194
TOTAL PAYMENTS		4,804,759,913	5,482,073,173
SURPLUS/DEFICIT		4,450,124	7,497,326

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 21st September, 2018 and signed by:



Principal Secretary
 Amb. Kirimi Peter Kaberia, CBS



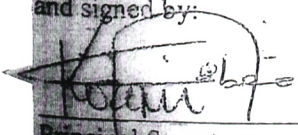
Assistant Accountant General
 CPA Christabel A. Musyoka (Mrs)
 ICPAK No.7263

MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT
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VI. STATEMENT OF ASSETS AND LIABILITIES

KES			
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9A	189,868,910	985,797,562
Cash Balances	9B	-	448,326
Total Cash And Cash Equivalents		189,868,910	986,245,888
Accounts Receivables - Outstanding Imprest and Clearance Accounts	10	20,774,079	21,631,123
TOTAL FINANCIAL ASSETS		210,642,989	1,007,877,011
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	11	177,510,512	978,337,613
NET FINANCIAL ASSETS		33,132,478	29,539,398
REPRESENTED BY			
Fund balance b/fwd	12	29,539,398	58,859,574
Prior year adjustments	13	-857,044	-36,817,503
Surplus/Deficit for the year		4,450,124	7,497,327
NET FINANCIAL POSITION		33,132,478	29,539,398

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 21st September, 2018 and signed by:


Principal Secretary
Amb. Kirihi Peter Kaberia, CBS

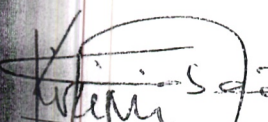

Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)
ICPAK No.7263

MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT
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VII. STATEMENT OF CASHFLOWS

	Note	2017/2018 Kshs	2016/2017 Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	4,768,788,683	5,489,364,000
Other Revenues	2	40,421,354	206,500
		4,809,210,037	5,489,570,500
Payments for operating expenses			
Compensation of Employees	3	(173,280,986)	(276,353,702)
Use of goods and services	4	(1,342,017,359)	(1,409,811,805)
Transfers to Other Government Units	5	(1,439,178,867)	(3,772,293,495)
Other grants and transfers	6	(17,698,400)	(10,322,897)
Social Security Benefits	7	(20,540,178)	(3,802,080)
		(2,992,715,789)	(5,472,583,979)
Adjusted for:			
Changes in receivables		857,044	17,189
Changes in payables		(800,827,101)	834,404,311
Adjustments during the year	13	(857,044)	(36,817,503)
Net cashflow from operating activities		1,015,667,146	814,590,518
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(1,812,044,124)	(9,489,194)
Net cash flows from Investing Activities		(1,812,044,124)	(9,489,194)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(796,376,978)	805,101,324
Cash and cash equivalent at BEGINNING of the year		986,245,888	181,144,564
Cash and cash equivalent at END of the year		189,868,910	986,245,888

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 21st September, 2018 and signed by:


Principal Secretary
Amb. Kirimi Peter Kaberia, CBS


Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)
ICPAK No.7263

VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

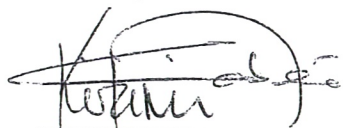
Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	1,514,037,512	3,277,096,286	4,791,133,798	4,768,788,683	22,345,115	100%
Other Receipts	200,000	40,335,354	40,535,354	40,421,354	114,000	100%
Total Receipts	1,514,237,512	3,317,431,640	4,831,669,152	4,809,210,037	22,459,115	100%
Payments						
Compensation of Employees	86,080,000	91,080,000	177,160,000	173,280,986	3,879,014	98%
Use of goods and services	441,371,905	947,346,256	1,388,718,161	1,342,017,359	46,700,802	97%
Transfers to Other Government Units	954,200,000	518,824,229	1,473,024,229	1,439,178,867	33,845,363	98%
Other grants and transfers	10,000,000	10,800,000	20,800,000	17,698,400	3,101,600	85%
Social Security Benefits	8,108,569	13,408,569	21,517,138	20,540,178	976,960	95%
Acquisition of Assets	14,477,038	1,735,972,586	1,750,449,624	1,812,044,124	(61,594,500)	104%
Grand Total	1,514,237,512	3,317,431,640	4,831,669,152	4,804,759,913	26,909,238	99%
Surplus/Deficit	0	0	0	4,450,124	(4,450,124)	

Notes

- Underutilisation on Other grants and transfers of 85% was as a result of late submission of requests while over utilization on Acquisition of Assets of 104% was a result of change of the supplementary budget after expenditure had already been incurred.

The changes between the original and final budget are as a result of additional supplementary funding and thus reallocation of the budget was necessary.

The entity financial statements were approved on 21st September, 2018 and signed by:



Principal Secretary
Amb. Kirimi Peter Kaberia, CBS



Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

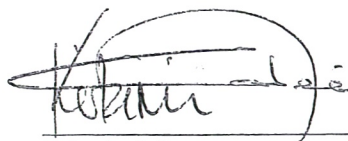
Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS			0			
Exchequer releases	1,234,037,512	1,310,196,305	2,544,233,817	2,522,778,683	21,455,134	99%
Other Receipts	200,000	40,335,354	40,535,354	40,421,354	114,000	100%
Total Receipts	1,234,237,512	1,350,531,659	2,584,769,171	2,563,200,037	21,569,134	99%
PAYMENTS						
Compensation of Employees	86,080,000	91,080,000	177,160,000	173,280,986	3,879,014	98%
Use of goods and services	441,371,905	947,346,256	1,388,718,161	1,342,017,359	46,700,802	97%
Transfers to Other Government Units	684,200,000	290,135,354	974,335,354	970,449,194	3,886,160	100%
Other grants and transfers	10,000,000	10,800,000	20,800,000	17,698,400	3,101,600	85%
Social Security Benefits	8,108,569	13,408,569	21,517,138	20,540,178	976,960	95%
Acquisition of Assets	4,477,038	(2,238,520)	2,238,518	0	2,238,518	0%
Grand Total	1,234,237,512	1,350,531,659	2,584,769,171	2,523,986,117	60,783,054	98%
Surplus/Deficit	0	0	0	39,213,920	(39,213,920)	

Notes

- Underutilisation on Other grants and transfers of 85% was as a result of late submission of requests while underutilization on Acquisition of Assets of 0% was as a result of late submission of invoices.

The changes between the original and final budget are as a result of supplementary budget cut.

The entity financial statements were approved on 21st September, 2018 and signed by:



Principal Secretary
Amb. Kirimi Peter Kaberia, CBS



Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)
ICPAK No.7263

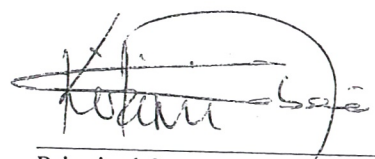
X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			0			
Exchequer releases	280,000,000	1,966,899,981	2,246,899,981	2,246,010,000	889,981	100%
Total Receipts	280,000,000	1,966,899,981	2,246,899,981	2,246,010,000	889,981	100%
Payments						
Transfers to Other Government Units	270,000,000	228,688,875	498,688,875	468,729,673	29,959,203	94%
Acquisition of Assets	10,000,000	1,738,211,106	1,748,211,106	1,812,044,124	(63,833,018)	104%
Grand Total	280,000,000	1,966,899,981	2,246,899,981	2,280,773,796	(33,873,816)	102%
Surplus/Deficit	0	0	0	(34,763,796)	34,763,796	

Notes

- i. Over utilization on Acquisition of Assets of 104% was a result of change in the supplementary budget after expenditure had already been incurred.

The State Department for Sports Development financial statements was approved on 21st September, 2018 and signed by:



Principal Secretary
Amb. Kirimi Peter Kaberia, CBS



Assistant Accountant General
CPA Christabel A. Musyoka (Mrs)
ICPAK No.7263

MINISTRY OF SPORTS, CULTURE AND THE ARTS
STATE DEPARTMENT FOR SPORTS DEVELOPMENT
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XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 30th June, 2018 Kshs	Adjustments Kshs	Final Budget 30th June, 2018 Kshs	Actual on comparable basis 30th June, 2018 Kshs	Budget utilization difference Kshs
SPORTS			4,292,020,416	4,295,136,125	(3,115,709)
Sports Training and competitions	0	0	394,331,418	358,735,697	35,595,721
Development and Management of Sports Facilities	0	0	3,897,688,998	3,936,400,428	(38,711,430)
General Administration, Planning and Support	0	0	539,648,736	509,623,788	30,024,948
General Administration, Planning and Support		0	539,648,736	509,623,788	30,024,948
TOTAL	0	0	4,831,669,152	4,804,759,913	26,909,239

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation

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

This cash basis of accounting has been supplemented with accounting for; a) receivables that include Imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities. The Statement of Assets and Liabilities is not mandatory statement under the IPSAS Cash basis but is encouraged in order to disclose information on assets and liabilities.

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

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

2.Reporting entity

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

Recognition of receipts and payments

a) 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.

Tax receipts

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

**MINISTRY OF SPORTS, CULTURE AND THE ARTS
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XII. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Transfers from the Exchequer

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

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations 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/donation 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.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the Entity may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of employees

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

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XII. SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Use of goods and services

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

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

Acquisition of fixed assets

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

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

3. In-kind contributions

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

4. Cash and cash equivalents

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

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XII SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

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. There were no other restrictions on cash during the year

5 Accounts Receivable

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

MINISTRY OF SPORTS, CULTURE AND THE ARTS
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM NATIONAL TREASURY

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

EXCHEQUER RELEASES		
Description	2017-2018 Kshs	2016-2017 Kshs
Total Exchequer Releases for quarter 1	677,159,748	712,600,000
Total Exchequer Releases for quarter 2	1,763,573,435	1,085,664,000
Total Exchequer Releases for quarter 3	1,169,280,000	1,188,900,000
Total Exchequer Releases for quarter 4	1,158,775,500	2,502,200,000
TOTAL	4,768,788,683	5,489,364,000

During the year the ministry was to receive Kshs 4,791,133,799 however, it received 4,768,788,683 falling short by Kshs 22,345,116.

2 OTHER REVENUES

OTHER REVENUES		
	2017-2018 Kshs	2016-2017 Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	40,135,354	
Receipts from Sale of Incidental Goods	286,000	206,500
TOTAL	40,421,354	206,500

3 COMPENSATION OF EMPLOYEES

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

COMPENSATION OF EMPLOYEES		
	2017-2018 Kshs	2016-2017 Kshs
Basic salaries of permanent employees	99,648,300	164,849,707
Basic wages of temporary employees	9,209,901	
Personal allowances paid as part of salary	64,422,785	111,503,995
TOTAL	173,280,986	276,353,702

There was a decrease in compensation of employees as a result of decrease in the number of employees in the current year due to reorganization of the Ministry into two State Departments.

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XIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 USE OF GOODS AND SERVICES

These comprise the total value of goods and services consumed.

USE OF GOODS AND SERVICES		2017-2018	2016-2017
		Kshs	Kshs
Utilities, supplies and services		25,244,384	30,674,600
Communication, supplies and services		1,663,740	9,431,133
Domestic travel and subsistence		142,734,565	132,490,460
Foreign travel and subsistence		694,795,163	698,341,636
Printing, advertising and information supplies & services		279,466	528,639
Rentals of produced assets		27,373,433	53,697,153
Training expenses		4,658,030	7,068,808
Hospitality supplies and services		111,305,768	408,931,765
Specialised materials and services		32,682,856	19,591,342
Office and general supplies and services		2,969,973	7,557,539
Other operating expenses		5,359,333	31,291,500
Routine maintenance – vehicles and other transport equipment		288,626,710	4,898,269
Routine maintenance – other assets		4,256,728	1,661,096
Fuel Oil and Lubricants		67,209	3,647,865
Exchange Rate Losses			
TOTAL		1,342,017,359	1,409,811,805

There was an increase in use of goods and services as a result of increase in foreign travel due to increase of Budget for International games held in the current Financial Year and Hospitality supplies and services for paying cash awards to sports men and women

5 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

These amounts transferred to Other Government entities.

TRANSFER TO OTHER GOVERNMENT ENTITIES		
Description	2017-2018	2016-2017
	Kshs	Kshs
Transfers to National Government entities (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300)	1,439,178,867	3,772,293,494
TOTAL	1,439,178,867	3,772,293,494

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

The above transfers were made to the following self-reporting entities in the year:			
Description	Recurrent Development		2017-2018
	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs			-
Kenya Academy of Sports	29,500,000	37,500,000	67,000,000
Sports Kenya	123,263,840	130,000,000	253,263,840
National Sports Fund	235,300,000	10,972,014	246,272,014
Kenya National Sports Council	2,250,000	-	2,250,000
World Youth Championships	280,135,354	290,257,659	570,393,013
Anti Doping Agency	300,000,000	-	300,000,000
TOTAL	970,449,194	468,729,673	1,439,178,867

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XIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

Find transferred amounts with the recipient entities attached as an annex to this financial statement. However, Ksh. 570,393,013 relates to World Youth Championships which is not self-reporting but its expenditures are incurred within the State Department of Sports.

6 OTHER GRANTS AND TRANSFERS

OTHER GRANTS AND OTHER PAYMENTS		2017-2018	2016-2017
		Kshs	Kshs
Membership dues and subscriptions to international organizations		17,698,400	10,322,897
Total		17,698,400	10,322,897

7 SOCIAL SECURITY BENEFITS

SOCIAL SECURITY BENEFITS		2017-2018	2016-2017
		Kshs	Kshs
Government pension and retirement benefits		20,540,178	3,802,080
TOTAL		20,540,178	3,802,080

8 ACQUISITION OF ASSETS

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

ACQUISITION OF ASSETS		2017-2018	2016-2017
		Kshs	Kshs
Purchase of Office Furniture and General Equipment		-	9,025,394
Purchase of ICT Equipment, Software and Other ICT Assets		-	463,800
Rehabilitation of Civil Works		1,812,044,124	-
Sub Total		1,812,044,124	9,489,194
TOTAL		1,812,044,124	9,489,194

9A: BANK ACCOUNTS

Bank Accounts					
Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2017-2018	2016-2017
				Kshs	Kshs
Central Bank of Kenya, 1000302488,KShs	Ksh	Reccurent	-	517,116	1,512,128
Central Bank of Kenya, 1000302518,KShs	Ksh	Development	-	11,841,282	10,000,001
Central Bank of Kenya, 1000302526,KShs	Ksh	Deposit	-	174,907,851	38,275,796
Central Bank of Kenya, 1000307463,KShs	Ksh	National Sports Fund	-	-	131,400,457
Central Bank of Kenya, 1000307471,KShs	Ksh	World Youth Championships 2017	-	2,602,661	804,609,180
Total	-			189,868,910	985,797,562

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XIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 B: CASH IN HAND

Cash in hand			
	2017-2018	2016-2017	
	Kshs	Kshs	
Cash in Hand – Held in domestic currency	-	448,326	
TOTAL	-	448,326	

Cash in hand should also be analysed as follows:			
	2017-2018	2016-2017	
	Kshs	Kshs	
Headquarters, Kencom Hse Building, Cashoffice		448,326	
TOTAL	-	448,326	

10. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

Outstanding Imprests		
Description	2017-2018	2016-2017
	Kshs	Kshs
Government Imprests	-	456,836
Salary advances	17,753	417,961
District suspense	20,756,326	20,756,326
TOTAL	20,774,079	21,631,123

There was no outstanding imprests within the Financial Year 2017/18, however previous imprests were surrendered within the Financial Year 2017/18. The District suspense remains outstanding because those functions were transferred to department of Arts and Culture.

11. ACCOUNTS PAYABLE

Accounts Payables		
	2017-2018	2016-2017
	Kshs	Kshs
Deposits	5,057,911	978,337,613
Retentions	172,452,601	
TOTAL	177,510,512	978,337,613

12. FUND BALANCE BROUGHT FORWARD

BALANCES BROUGHT FORWARD		
	2017-2018	2016-2017
	Kshs	Kshs
Bank accounts	985,797,562	180,691,238
Cash in hand	448,326	453,326
Receivables - Outstanding Imprests	21,631,123	21,648,312
Payables - Deposits	(978,337,613)	(143,933,302)
TOTAL	29,539,398	58,859,574

These are fund balances brought forward from FY 2016/17.

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XIII. NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. PRIOR YEAR ADJUSTMENTS

PRIOR YEAR ADJUSTMENTS	2017-2018	2016-2017
Description of the error	Kshs	Kshs
Adjustments on bank account balances	0	(36,757,936)
Adjustments on receivables	(857,044)	(59,567)
Others (specify)		
TOTAL	(857,044)	(36,817,503)

The prior year adjustments relate to adjustment on receivables of Kshs 456,836 and Ksh 400,208 relate to imprest and Salary Advance respectively amounts accounted in the current year but relate to the prior year.

These adjustments affect the Statement of Assets as they result into the reduction of the fund balance brought forward.

14. RELATED PARTY DISCLOSURES

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

The following comprise of related parties to the State Department of Sports Development

- State Corporations and Semi-Autonomous Government Agencies.

Related party transactions:

RELATED PARTY DISCLOSURES	2017-2018	2016-2017
	Kshs	Kshs
Key Management compensation	24,316,719	-
Transfers to other State Corporations and Semi-Autonomous Government Agencies	1,439,178,867	3,772,293,495

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017-2018	2016-2017
	Kshs	Kshs
Construction of civil works	37,755,220	-
Supply of goods	110,739	46,895,473
Supply of services	151,283,384	212,980,643
TOTAL	189,149,343	259,876,116

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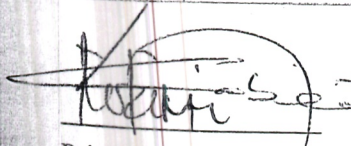
16. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

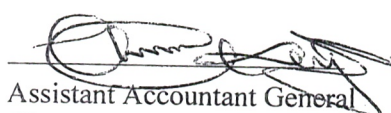
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
MOSCA/SD/AC/11 VOL.I/(11)	Shortfall in revenue collection	The funds were channeled directly to the project implementers and the same has been reflected in the Ministry's Financial Statements after capturing expenditure of donor's funds in respect of Sports Kenya as Kshs. 6,000,000	Assistant Accountant General - CPA Christabel A. Musyoka	Resolved	
MOSCA/SD/AC/11 VOL.I/(11)	Over expenditure	The over expenditure on acquisition of assets was due to supplementary estimates which reduced the original estimates after expenditure had already been incurred	Assistant Accountant General - CPA Christabel A. Musyoka	Resolved	
MOSCA/SD/AC/11 VOL.I/(11)	Outstanding Imprests	HR department instructed to recover the officers	MR. Mwathi H/HRM	On-going	2 Months

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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)
MOSCA/SD/AC/11 VOL.I/(11	Pending Bills	The Ministry is in the process of clearing its pending bills after getting budgetary provisions for the same.	Assistant Accountant General - CPA Christabel A. Musyoka	On-going	6 Months
MOSCA/SD/AC/11 VOL.I/(11	Salary Advances	Recoveries are underway.	Assistant Accountant General - CPA Christabel A. Musyoka	On-going	3 Months
MOSCA/SD/AC/11 VOL.I/(11	District Suspense	The Ministry reconciled the District suspense items and have send demand letters	Assistant Accountant General - CPA Christabel A. Musyoka	Resolved	
MOSCA/SD/AC/11 VOL.I/(11	Capital Grants to Government Agencies	The Differences in the figures accounted by the Ministry and by the SAGAS differed because of difference in treatment an item of Acquisition of Assets	Assistant Accountant General - CPA Christabel A. Musyoka	Resolved	
MOSCA/SD/AC/11 VOL.I/(11	Grounded Motor Vehicles	Disposal of Grounded vehicle plan are underway	Disposal committee	ongoing	



Principal Secretary
 Amb. Kirimi Peter Kaberia, CBS



Assistant Accountant General
 CPA Christabel A. Musyoka (Mrs)
 ICPAKNo.7263

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ANNEX 1 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

PENDING BILLS FY 2017-2018						
No	Supplier of Goods or Services	Original Amount	Date Contracted		Outstanding Balance 2018	
1	African Marsh Safaris & Travel	120,000.00	2017-2018	-	120,000.00	
2	Anti-Doping Agency of Kenya	4,400,000.00	2017-2018	-	4,400,000.00	
3	Athletics Kenya	2,509,700.00	2017-2018	-	2,509,700.00	
4	Bestways Travel & Tours Ltd	1,191,360.00	2017-2018	-	1,191,360.00	
5	E.S.A.M.I.	119,600.00	2017-2018	-	119,600.00	
6	Government Printers	3,480,000.00	2017-2018	-	3,480,000.00	
7	ICDC Rent Account	11,518,826.20	2017-2018	-	11,518,826.20	
8	Institute Of Human Resource Management	208,800.00	2017-2018	-	208,800.00	
9	Institute Of Internal Auditors	10,000.00	2017-2018	-	10,000.00	
10	Janet Kisa	761,833.50	2017-2018	-	761,833.50	
11	KECOSO	960,000.00	2017-2018	-	960,000.00	

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12	Kenya Golf Union	344,560.00	2017-2018	-	344,560.00
13	Kenya Life Saving Federation	100,000.00	2017-2018	-	100,000.00
14	Kenya Netball Federation	162,893.00	2017-2018	-	162,893.00
15	Kenya School Of Government	55,700.00	2017-2018	-	55,700.00
16	Kenya Table Tennis Association	472,184.00	2017-2018	-	472,184.00
17	Knight Frank	4,615,106.00	2017-2018	-	4,615,106.00
18	Knight Frank	4,109,445.00	2017-2018	-	4,109,445.00
19	Milestone Tours & Travel Ltd	29,850.00	2017-2018	-	29,850.00
20	Milestone Tours & Travel Ltd	1,130,550.00	2017-2018	-	1,130,550.00
21	Milestone Tours & Travel Ltd	130,200.00	2017-2018	-	130,200.00
22	Milestone Tours & Travel Ltd	286,450.00	2017-2018	-	286,450.00
23	Milestone Tours & Travel Ltd	298,765.00	2017-2018	-	298,765.00
24	Milestone Tours & Travel Ltd	273,900.00	2017-2018	-	273,900.00
25	Milestone Tours & Travel Ltd	1,025,500.00	2017-2018	-	1,025,500.00
26	Milestone Tours&	586,765.00	2017-2018	-	586,765.00

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	Travel Ltd			-		
27	N.S.S.F	2,803,086.00	2017-2018	-	2,803,086.00	
28	N.S.S.F	678,600.00	2017-2018	-	678,600.00	
29	Naivas Limited	30,000.00	2017-2018	-	30,000.00	
30	Naivas Limited	80,739.00	2017-2018	-	80,739.00	
31	National Oil Corporation	400,000.00	2017-2018	-	400,000.00	
32	National Sports Fund	1,755,030.00	2017-2018	-	1,755,030.00	
33	National Sports Fund	2,375,000.00	2017-2018	-	2,375,000.00	
34	National Sports Fund	436,254.00	2017-2018	-	436,254.00	
35	National Sports Fund	69,092,833.00	2017-2018	-	69,092,833.00	
36	Principal Secretary-SDSD	3,104,510.00	2017-2018	-	3,104,510.00	
37	Principal Secretary-SDSD	6,138,564.00	2017-2018	-	6,138,564.00	
38	Proteta Holding Ltd	33,355,219.80	2017-2018	-	33,355,219.80	
39	Seamless Creative's And Event Management	1,000,000.00	2017-2018	-	1,000,000.00	
40	Silver Africa Tours	169,500.00	2017-2018	-	169,500.00	

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41	Skyward Express	319,300.00	2017-2018	-	319,300.00	
42	Sports Kenya	8,383,616.00	2017-2018	-	8,383,616.00	
43	Sports Kenya	709,250.00	2017-2018	-	709,250.00	
44	Sports Kenya	7,000,000.00	2017-2018	-	7,000,000.00	
45	Texas Tour And Travel	1,015,000.00	2017-2018	-	1,015,000.00	
46	Texas Tour And Travel	100,000.00	2017-2018	-	100,000.00	
47	Texas Tour And Travel	210,000.00	2017-2018	-	210,000.00	
48	Texas Tour And Travel	270,000.00	2017-2018	-	270,000.00	
49	Zipjoe Agencies	10,795,253.00	2017-2018	-	10,795,253.00	
					189,123,742.50	

PENDING BILLS FY 2016-2017

No	Supplier of Goods or Services	Original Amount	Outstanding Balance 2017	Amount Paid To-date		Date Contracted
1	ACADEMY OF CERIFIED HUMAN RESOURCE	PARTICIPATION FEES WHILE ATTENDING 2017 ANNUAL HUMAN RESOURCE SYMPOSIUM	135,140.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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	PROFESSIONAL LTD					
2	ADMAZ PRODUCTS	PAYMENT FOR THE SUPPLY OF TRACK SUITS	45,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
3	AFRICAN TOUCH SAFARIS	PROVISION OF ACCOMMODATION AND CONFERENCE SERVICES	19,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
4	AFRICAN TOUCH SAFARIS	PROVISION OF AIR TICKETS FOR AMB.RICHARD EKAI AND PETER AJORE	28,330.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
5	ATHLETIC KENYA	HIRE OF TOYOTA COASTER KCJ 608W DURING WORKSHOP AT KASARANI	150,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
6	ATTIC TOURS AND TRAVEL	PROVISION OF AIR TICKETS	355,090.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
7	ATTIC TOURS AND TRAVEL	PROVISION OF AIR TICKETS FOR LIGI NDOGO 7PAX TO SWEDWN ON 16TH AND 17TH JULY TO 23RD AND 24TH JULY 2016	1,866,430.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
8	BESTWAYS TRAVEL AND TOURS LTD	PROVISION OF RETURN AIR TICKETS TO TUNISIA	210,115.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
9	CARSON WANGONLIT TRAVEL	PROVISION OF AIR TICKETS TO ZIMBAMBWE FOR JUNIOR GOLF FOUNDATION KENYA	741,165.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
10	CHIOMA ENTERPRISES	SUPPLY AND DERIVERY OF SIX SEATER SOFA SET	385,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17

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11	CLIFF AUTO GARAGE	REPAIR OF GK 983L	60,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
12	E.A.S.A.M.I	TUITION FEES FOR MR. ALI MOHAMMED YUSUF FOR PUBLIC SECTOR FINANCIAL MANAGEMENT PROGRAMME IN TANZANIA	280,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
13	EMART	SUPPLY AND DERIVERY OF EXECUTIVE DESK, CHAIR , SECRETARIAL SEATS ORTHOPAEDIC	300,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
14	EXECUTIVE DIASPORA	HIRE AND REPAIR OF VEHICLES	486,380.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
15	FLIGHT CENTRE TRAVEL LTD	PROVISION OF AIR TICKET SERVICES FOR 2 PAX TO GABON	398,910.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
16	FLIGHT CENTRE TRAVEL LTD	RETURN AIR TICKETS FOR KENYA PRISON, VOLLEYBALL TO TUNISIA APRIL, 2017	4,458,960.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
17	FLIGHT CENTRE TRAVEL LTD	PROVISION OF RETURN TICKETS FOR 31 PAXFOR HARAMBEE STARS TRAVELLING TO SIERRA LEON FOR AFCOM QUALIFIERS	8,851,750.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
18	GOVERNMENT PRINTER	SUPPLY OF LIBRARY MATERIALS	187,280.00	GOODS	LACK OF BUDGET PROVISION	2016/17
19	GREENBAY TRAVEL LIMITED	COST OF AIR-TICKET FROM LOWDAR FOR AMB.RICHARD EKAI	28,270.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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20	GREENBAY TRAVEL LIMITED	COST OF AIR TICKET FOR MS.CHARITY NDIRANGU TRAVELING TO KISUMU	29,190.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
21	GREENBAY TRAVEL LIMITED	COST OF AIR TICKET FOR MR.RICHARD EKAI AND MR.AJOER PETER TRAVELLING FROM LODWAR	39,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
22	GREENBAY TRAVEL LIMITED	AIR TICKETS FOR AMB. RICHARD EKAI AND PETER AJORE TO LODWAR	39,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
23	GREENBAY TRAVEL LIMITED	PROVISION OF AIR TICKETS FOR AMB.RICHARD EKAI,MR AJORE PETER TRAVELLING TO LODWAR	42,990.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
24	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR TICKET TO LODWAR FOR RICHARD EKAI AND AJOER PETER	57,200.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
25	GREENBAY TRAVEL LIMITED	PROVISION OF RETURN TICKETS FOR CS AND SECURITY OFFICERS TO ELDORET TO INSPECT KIPCHOGE KEINO STADIUM	59,510.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
26	GREENBAY TRAVEL LIMITED	COST OF AIR TICKET FROM BUJUMBURA TO NAIROBI FOR MR. MAKENZI BENSON	59,620.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
27	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR TICKET TO LODWAR RICHARD EKAI AND AJORE PETER	74,480.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
28	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR-TICKETS TO MOMBASA PAVAN FABIO AND OCHIENG ISAACK	77,770.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
29	GREENBAY TRAVEL LIMITED	COST OF AIRTICKET FOR MR HARON KOMEN TO ENTEBBE	106,715.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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30	GREENBAY TRAVEL LIMITED	RETURN AIRTICKETS FOR AMB. RICHARD EKAI AND PETER AJORE TO MOMBASA	107,460.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
31	GREENBAY TRAVEL LIMITED	COST OF AIR TICKET RETURN TO MOMBASA HON.ARERO HASSAN AND MOHAMED HALKANO	117,855.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
32	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR TICKET AND COST OF CHANGES TO MOMBASA	121,466.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
33	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR-TICKETS TO MOMBASA FOR MR.PAUL TRGAT(BUSINESS CLASS)MR. VITALIS GODE AND MR. GITONGA JAPSON	138,800.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
34	GREENBAY TRAVEL LIMITED	PROVISION OF RETURN AIR TICKETS TO MOMBASA	251,700.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
35	GREENBAY TRAVEL LIMITED	PROVISION OF AIR TICKET FOR 1 PAX TRAVELLING TO JAPAN FOR KAYAK INTERNATIONAL CHAMPIONSHIP	251,700.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
36	GREENBAY TRAVEL LIMITED	COST OF AIRTICKET FOR MR MUDIBO ANDREW TO MOROCCO	262,565.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
37	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR TICKET TO MOMBASA FOR MR.GORDON OLUOCH,MR.ONYANGO LUCAS,MR AKARANGA,AKITSA,KIRIMA,OKWEMBA.	263,700.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
38	GREENBAY TRAVEL LIMITED	COST OF RETURN AIR-TICKET FOR MR.NDEDE TOM OKIKI TRAVELLING TO FUKUOKA,JAPAN	283,890.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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39	GREENBAY TRAVEL LIMITED	PROVISION OF AIR TICKET FOR 1 PAX TRAVELLING TO AUSTRALIA	497,480.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
40	GREENBAY TRAVEL LIMITED	PROVISION OF AIRTICKETS FOR HARAMBEE STARS DURING PREPARATION FOR AFCON 2019	2,130,540.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
41	GREENBAY TRAVEL LIMITED	PROVISION OF RETURN TICKETS FOR 23 PAX FOR KENYA BOXING TEAM TRAVELLING TO CONGO BRAZAVILLE FOR AFRICA BOXING CHAMPIONSHIPS	4,625,360.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
42	HAGA KAREMO CO. LTD	SERVICING OF GKA 368N	23,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
43	HAGA KAREMO CO. LTD	REPAIR AND SERVICE FOR GKA 368N TOYOTA PRADO	44,500.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
44	HAGA KAREMO CO. LTD	PAYMENT FOR REPAIR OF GKB 478M TOYOTA PRADO	73,300.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
45	HAGA KAREMO CO. LTD	PAYMENT FOR REPAIR AND SERVICE OF GKA 729N NISSAN TILDA	280,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
46	I.C.D.C	RENT AND CAR PARK FOR MINISTRY OFFICES AT UCHUMI HOUSE	4,392,471.40	SERVICES	LACK OF BUDGET PROVISION	2016/17
47	INSTITUTE OF HUMAN RESOURCE MANAGEMENT	PAYMENT OF WORKSHOP FEE FOR 2017 ANNUAL HR CONGRESS	301,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
48	INTERCONTINENTAL HOTEL	OFFICIAL MEDIA LUNCH OF THE IAAF WORLD YOUTH CHAMPIONSHIPS	114,500.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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49	JEMA AUTO GARAGE	PAYMENT FOR REPAIR OF GKB 368N TOYOTA PRADO	16,300.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
50	JEMA AUTO GARAGE	PAYMENT FOR SUPPLY AND REPLACEMENT OF SPARE PART FOR GK VEHICLES	412,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
51	JIMMON SERVICES	PROVISION OF DAILY CLEANING SERVICES	1,359,396.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
52	K.I.C.C	HIRE OF FACILITY DURING HANDING OF COMMONWEALTH BATON	1,278,465.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
53	K.I.C.C	HIRING OF FACILITY DURING HOSTING OF THE QUEENS BARATON	1,501,765.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
54	KABURN CONSTRUCTION	PAYMENT FOR CREATION OF CASH OFFICE AND FIXING NEW DOORS AT NSSF BUILDING	845,555.80	CIVIL WORKS	LATE PROCUREMENT OF SERVICES	2016/17
55	KAWAGOE AGENCIES	SUPPLY OF PHOTOCOPYING PAPERS	78,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
56	KAWAGOE AGENCIES	SUPPLY OF LASERJET PRINTER AND TONNERS	177,600.00	GOODS	LACK OF BUDGET PROVISION	2016/17
57	KAWAGOE AGENCIES	SUPPLY OF 10 DESK TOP COMPUTERS AND 5 HP LAPTOPS	2,089,250.00	GOODS	LACK OF BUDGET PROVISION	2016/17
58	KENYA INSTITUTE OF SUPPLIES MANAGEMENT	PAYMENT OF TRAINING FEES DURING THE PUBLIC PROCUREMENT AND ASSETS DISPOSAL	90,306.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
59	KENYA SAFARI LODGES AND HOTELS	ACCOMMODATION SERVICES	846,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
60	KOROZA AGENCIES	SUPPLY OF (5) STEEL FILLING CABINET 4D EXECUTIVE (10) FILE TRAYS (STEEL),(2) STABDARD OFFICE TABLE AND (2)	243,552.00	GOODS	LACK OF BUDGET PROVISION	2016/17

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		COFFEE TABLE GLASS				
61	LAKE NAIVASHA PANORAMA PARK	10 PAX FULL DAY CONFERENCE	60,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
62	LANCOM ELECTRICAL AND ELECTRONIC SYSTEM	PROVISION FOR INTERNET, INSTALLATION OF NANO LINK	488,900.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
63	MARABS AGENCIES LTD	SUPPLY OF (4) SECRETARIAL TABLES	343,824.00	GOODS	LACK OF BUDGET PROVISION	2016/17
64	MARIDADI PIX LIMITED	PAYMENT OF COLOUR PHOTOS DURING DEVOLUTION CONFERENCE	11,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
65	MARIDADI PIX LIMITED	PROVISION OF PHOTO SERVICES	15,660.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
66	MILAKOT AGENCIES	SUPPLY AND DELIVERY OF ASSORTED STATIONARY	31,967.00	GOODS	LACK OF BUDGET PROVISION	2016/17
67	MILAKOT AGENCIES	SUPPLY AND DELIVERY OF ASSORTED STATIONARY	56,362.00	GOODS	LACK OF BUDGET PROVISION	2016/17
68	MILAKOT AGENCIES	SUPPLY AND DELIVERY OF ASSORTED STATIONARY	103,900.00	GOODS	LACK OF BUDGET PROVISION	2016/17
69	MULTI CHOICE KENYA	ANNUAL SUBSCRIPTION FEES FOR MULTI CHOICE DSTV	89,980.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
70	MULTI PRODE ENTERPRISES	SUPPLY OF TONNERS	77,500.00	GOODS	LACK OF BUDGET PROVISION	2016/17
71	NAIROBI SPORTS HOUSE	PAYMENT FOR PURCHASE OF VARIOUS SPORTS ITEMS FOR VARIOUS TEAMS AND EVENTS	7,066,630.00	GOODS	LACK OF BUDGET PROVISION	2016/17

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72	NANWOYA ENTERPRISES	REFURBISHMENT OF EXISTING OFFICES AND KENCOM HOUSE	2,058,228.00	CIVIL WORKS	LATE PROCUREMENT OF SERVICES	2016/17
73	NATION MEDIA GROUP	PROVISION ADVERTISEMENT MINISTRIES ACHIEVEMENT	1,374,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
74	NATIONAL YOUTH SERVICE	HIRE OF BUS	11,850.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
75	NATIONAL YOUTH SERVICE	HIRE OF BUS	11,850.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
76	NATIONAL YOUTH SERVICE	HIRE OF BUS	17,300.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
77	NATIONAL YOUTH SERVICE	HIRE OF A BUS AND A MINIBUS	27,680.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
78	NJEKIN AGENCIES	PROVISION OF 5 RETURN AIR TICKETS TO MOMBASA ATTENDING 33 RD ANNUAL ICPAK CONFERENCE	214,900.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
79	NYAMBARIK OFFICE AGENCIES	SUPPLY AND DELIVERY OF ONE COLOURED LASER PRINTER AND SCANNER	190,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
80	ONIWAL AGENCY	PRINTING OF STRATEGIC PLAN 2013-2017	280,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
81	ORYX OFFICE SOLUTIONS	SUPPLY AND INSTALLATION FUSER ROLLER	60,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
82	ORYX OFFICE SOLUTIONS	SERVICE AND REPAIR OF PHOTOCOPIER MACHINE	101,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
83	PAGO AIRWAYS	PROVISION OF AIR TICKET SERVICES TO ELDORET	34,840.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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84	PAGO AIRWAYS	PROVISION OF AIR TICKET SERVICES TO MOBASA	157,300.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
85	PAGO AIRWAYS	PROVISION OF RETURN TICKETS FOR 38 PAX TRAVELLING TO MADAGASCAR FOR 38TH SENIOR JUDO AFRICAN CHAMPIONSHIPS	3,755,115.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
86	PAGO AIRWAYS	PROVISION OF RETURN TICKETS FOR 41 PAXFOR TRAVELLING TO NASSAU-BAHAMAS FOR IAAF WORLD RELAYS CHAMPIONSHIP	9,593,991.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
87	PAGO AIRWAYS	PROVISION OF RETURN TICKETS FOR 41 PAX TRAVELLING TO NASSAU-BAHAMAS WORLD RELAYS CHAMPIONSHIPS	14,593,991.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
88	RICOH NET AFRICA	REPAIR AND SERVICING OF 3 PHOTOCOPIES	25,600.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
89	RUBYSTAR CATERERS AND HOSTELS	PROVISION FOR FULL BOARD ACCOMMODATION FOR VISITORS FROM SRI LANKA ATHLETICS	168,800.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
90	RUBYSTAR CATERERS AND HOTELS	ACCOMMODATION OF TAEKWONDO YOUNGSTERS	108,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
91	SAFARI PARK HOTEL	PAYMENT FOR PRESIDENTIAL OUTSIDE CATERING SERVICES FOR HOSTING OF THE QUEENS BARATON RECEPTION	1,200,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
92	SAMWA FASHION LTD	SUPPLY OF CEREMONIAL UNIFORM FOR 11TH ALL AFRICAN GAMES	4,380,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
93	SPEEDPLUS AGENCIES	SUPPLY OF METAL PACKING, TRANSPORT AND LABOUR	764,440.00	GOODS	LACK OF BUDGET PROVISION	2016/17

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94	SPERO AFRICA	HIRE OF EXECUTIVE VEHICLE	576,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
95	SPERO AFRICA	HIRE OF EXECUTIVE MERCEDES BENZ	759,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
96	SPERO AFRICA	HIRE OF ONE EXECUTIVE 4*4 (KCC 853F) FOR THIRTY DAYS FROM 21/11/16 TO 20/12/2016 BEING USED BY PS OFFICE	1,440,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
97	SPERO AFRICA	HIRE OF ONE EXECUTIVE 4*4(KCC 853F) FROM 21/12/16 TO 19/01/2017 BEING USED BY P.S. OFFICE	1,440,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
98	SPERO AFRICA	HIRE OF A BUS FOR THIRTY DAYS	1,536,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
99	SPERO AFRICA	HIRE OF PRADO	2,070,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
100	SPORTS KENYA	PAYMENT OF ACCOMMODATION COST DURING WORKSHOP FOR SRI LANKAN ATHLETICS COACHES HELD AT KASARANI	1,183,664.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
101	SPORTS KENYA	PAYMENT OF ACCOMMODATION FOR DEAFLYMPICS	6,274,440.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
102	SWEET LAKE RESORT	PROVISION OF ACCCOMMODATION AND CONFERENCE	717,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
103	TEXAS TOURS AND TRAVEL	PROVISION OF OFFICE , HOTEL AND AIRPORT TRANSFERS FOR CHAN OFFICIALS	980,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
104	THE HERON PORTICO	PROVISION OF ACCOMODATION FOR 8 PLAYERS FOR TENNIS KENYA	400,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
105	TRAVEL PLAZA	PROVISION OF RETURN AIR TICKETS TO MOMBASA	30,920.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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106	TRAVEL PLAZA	PROVISION OF RETURN AIR TICKETS TO ELDORET	44,210.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
107	TRAVEL PLAZA	CHANGE OF AIRTICKETS RESERVATIONS	118,128.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
108	TRIZWOOD TRADERS	PAYMENT FOR PROVISION OF FUMIGATION SERVICES AT KENCOM AND UCHUMI HOUSE	610,000.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
109	TUYUN	SUPPLY AND DELIVERY OF FLOOR MART FOR WASH ROOM AND SHREDDER	102,250.00	GOODS	LACK OF BUDGET PROVISION	2016/17
110	UTALII HOTEL	PROVISION OF ACCOMMODATION AND CATERING SERVICES	349,800.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
111	VANGUARD SUPPLIES LIMITED	SUPPLY OF (4) EXECUTIVE HIGH BACK LEATHER CHAIRS,(8) VISITOR CHAIRS BLACK AND (4) SECRETARIAL CHAIRS	447,488.00	GOODS	LACK OF BUDGET PROVISION	2016/17
112	YUJO GENERAL SUPPLIES	PAYMENT FOR SUPPLY OF TONNERS	958,000.00	GOODS	LACK OF BUDGET PROVISION	2016/17
113	ZIPJOE AGENCIES	PROVISION OF RETURN AIR TICKETS TO ELDORET	294,800.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
114	ZIPJOE AGENCIES	PROVISION OF RETURN AIR TICKETS FOR KARATE INSTRUCTORS TO DUBAI	463,800.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
115	ZIPJOE AGENCIES	PROVISION OF RETURN TICKETS TO 3 PAX TO TOKYO, JAPAN	894,207.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
116	ZIPJOE AGENCIES	PROVISION OF RETURN AIR TICKETS FOR PARIBAS WHEEL CHAIR LADIES TENNIS	1,194,500.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
117	ZIPJOE AGENCIES	PROVISION OF RETURN AIRTICKETS FOR 8 PAX TRAVELLING TO ASMARA	2,472,320.00	SERVICES	LACK OF BUDGET PROVISION	2016/17
118	ZIPJOE AGENCIES	PROVISION OF AIRTICKETS FOR 10 PAX TO CANADA	5,787,700.00	SERVICES	LACK OF BUDGET PROVISION	2016/17

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			121,413,607.20			
PENDING BILLS FY 2015-2016						
No.	Supplier of Goods or Services	Original Amount	Date Contracted		Outstanding Balance 2016	
1	ATTIC TOURS AND TRAVEL LTD	99,800.00	2015/16	-	99,800.00	
2	CURRENT BUSINESS WORKS	81,000.00	2015/16	-	81,000.00	
3	GOVERNMENT PRINTERS	116,000.00	2015/16	-	116,000.00	
4	KENYA AIRWAYS	3,384,700.00	2015/16	-	3,384,700.00	
5	NAIROBI SPORTS HOUSE	256,000.00	2015/16	-	256,000.00	
6	NAIROBI SPORTS HOUSE	266,680.00	2015/16	-	266,680.00	
7	PAGO AIRWAYS TRAVEL SERVICES	1,809,350.00	2015/16	-	1,809,350.00	
8	PAGO AIRWAYS TRAVEL SERVICES	4,356,300.00	2015/16	-	4,356,300.00	
9	PRIMATE TOURS AND TRAVEL	56,900.00	2015/16	-	56,900.00	
10	PRIMATE TOURS AND TRAVEL	296,000.00	2015/16	-	296,000.00	

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11	PRIMATE TOURS AND TRAVEL	364,500.00	2015/16	-	364,500.00
12	PRIMATE TOURS AND TRAVEL	2,863,590.00	2015/16	-	2,863,590.00
13	PRIMATE TOURS AND TRAVEL	96,000.00	2015/16	-	96,000.00
14	RAYDOLL TOURS AND TRAVEL LTD	88,050.00	2015/16	-	88,050.00
15	RAYDOLL TOURS AND TRAVEL LTD	153,850.00	2015/16	-	153,850.00
16	RAYDOLL TOURS AND TRAVEL LTD	2,869,400.00	2015/16	-	2,869,400.00
17	RUBY TAR CATERERS AND HOSTELS	775,000.00	2015/16	-	775,000.00
18	TRENDMART GENERAL SUPPLIES	464,300.00	2015/16	-	464,300.00
19	URY SIA LTD	23,974.50	2015/16	-	23,974.50
20	WESTON HOTEL	105,100.00	2015/16	-	105,100.00
					18,526,494.50
PENDING BILLS FY 2014-2015					

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No.	Supplier of Goods or Services	Original Amount		Amount Paid To-date	Outstanding Balance 2015	
1	NAIROBI SPORTS HOUSE	140,000.00	2014/15	-	140,000.00	
2	NAIROBI SPORTS HOUSE	564,880.00	2014/15	-	564,880.00	
					704,880.00	

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ANNEX 2 -OTHER PENDING PAYABLES (See Annex 2)

OTHER PENDING PAYABLES (See Annex 2)		
	2017-2018 Kshs	2016-2017 Kshs
Amounts due to third parties	177,510,512	978,337,613
TOTAL	177,510,512	978,337,613

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost e/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Buildings and structures	0	1,812,044,124	0	1,812,044,124
Office equipment, furniture and fittings	9,025,394	0	0	9,025,394
ICT Equipment, Software and Other ICT Assets	463,800	0	0	463,800
Total	9,489,194	1,812,044,124	0	1,821,533,318

NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, State Department of Sports Development. Additions during the year should tie to note 8 on acquisition of assets during the year.

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ANNEX 4 – LISTS OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT OF SPORTS DEVELOPMENT

Ref.	Project Name	Principal Activity of the Project	Accounting Officer	Project Consolidated in these financial statement (yes/no)
1	None	N/A	N/A	N/A

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ANNEX 5 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT OF SPORTS DEVELOPMENT

Ref	SC, SAGA or Public Fund's Name	Principal activity of entity	Accounting Officer	Amount transferred during the year (Kshs)	Inter-entity reconciliations done (yes/no)
1	Kenya Academy of Sports	Enhance sporting talents	Gordon Oluoch - Ag. CEO	67,000,000.00	Yes
2	Sports Kenya	Develop sports infrastructure to enhance sports and related activities	Saima Ondimu - Ag. Director General	253,263,840.00	Yes
3	National Sports Fund	Supporting professional leagues	Mark Wambugu - CEO	246,272,013.80	Yes
4	Kenya National Sports Council	Enhance participation and competition of various sporting activities	Nderitu Gikaria - Chairman	2,250,000.00	Yes
5	Anti-Doping Agency of Kenya	Promote integrity for doping-free sports	Japhter Rugut - CEO	300,000,000.00	Yes
TOTAL				868,785,853.80	

The Amounts relates to Both Recurrent and Development for the Financial Year 2017/2018

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ANNEX 6 - REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes

