

Kenya National Bureau of Statistics

2015/2016

Annual Report

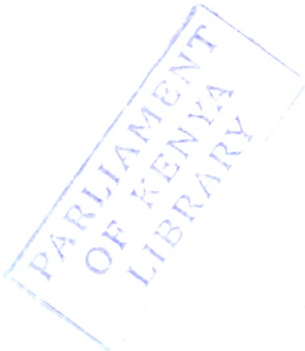
“Keeping you informed”



Paper laid on the
Table of the House
by the Leader of
the Minority
Party on Wednesday
13th September 2017
(Afternoon)



A handwritten signature in blue ink, appearing to be 'W. W. W.', is written over the right side of the circular stamp.



KENYA NATIONAL BUREAU OF STATISTICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2016

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

Kenya National Bureau of Statistics is **ISO 9001:2008 Certified**



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ACRONYMS

AfDB	-	African Development Bank
A-I-A	-	Appropriations in Aid
CIDA	-	Canadian International Development Agency
COMESA	-	Common Market for Eastern and Southern Africa
DfID	-	Department for International Development
DG	-	Director General
EAC	-	East African Community
FAO	-	Food and Agriculture Organization
FDR	-	Fixed Deposit Receipts
FMR	-	Financial Monitoring Reports
GOK	-	Government of Kenya
ICT	-	Information Communication Technology
IDA	-	International Development Agency
IFRS	-	International Financial Reporting Standards
ILO	-	International Labour Organisation
KCB	-	Kenya Commercial Bank
KDHS	-	Kenya Demographic Health Survey
KENINFO	-	Kenya Information
KIHBS	-	Kenya Integrated Household Budget Survey
KMIS	-	Kenya Malaria Indicator Survey
KNBS	-	Kenya National Bureau of Statistics
MICS	-	Multiple Indicator Cluster Survey
NSS	-	National Statistical System
NSSF	-	National Social Security Fund
PPOA	-	Public Procurement Oversight Authority
SCB	-	Statistical Capacity Building
SIDA	-	Swedish International Development Cooperation Agency
UNDP	-	United Nations Development Programme
UNECA	-	United Nations Economic Commission for Africa
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
USAID	-	United States Agency for International Development
WTO	-	World Trade Organisation

I. Key Information and Management

(a) Background information

Overview

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

Vision

A centre of excellence in production and management of quality statistics

Mission

To develop, provide and promote quality statistical information for evidence based decision making.

Core Values

- **Professionalism:** Strictly abide by professional considerations on the methods, standards and procedures for statistical production.
- **Confidentiality:** Guarantee confidentiality of data providers as stipulated in the Statistics Act
- **Collaboration:** Collaborate with stakeholders so as to enhance the quality of statistical information.
- **Teamwork:** To embrace teamwork as the hallmark of success. Pursue timely attainment of targeted results at all levels through a high level of coordination, networking and collaboration within staff.
- **Customer focus:** Commitment to meet the needs of our customers and always focus on customer satisfaction.
- **Accountability and Transparency:** Conduct business and lend services to stakeholders in a transparent and accountable manner.
- **Efficiency and effectiveness:** Promote high productivity, competence and usefulness of resources at the national and county level.
- **Innovation and Creativity:** Committed to innovation, invention, creativity and resourcefulness in service delivery.

Strategic Focus, Objectives and Strategies

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

Arising from the situational analysis, as well as the core functions, the Bureau will focus on the following areas:

- i. Address statistics data gaps
- ii. Data quality
- iii. Communication, dissemination and access to statistical information
- iv. Mainstream statistics in Ministries, Departments and Agencies (MDAs) and, County Governments
- v. Strengthen human and physical capital
- vi. Undertake Institutional reforms and good governance

(b) Principal Activities

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

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

(c) Key Management

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

- Director General;
- Director – Finance and Administration;
- Director – Production Statistics;
- Director – Macro Economics Statistics;
- Director – Population and Social Statistics;
- Director – Strategy and Development; and
- Director – Information and Communication Technology

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

- | | |
|--|-----------------------|
| 1. Director General | Zachary Mwangi |
| 2. Director – Finance and Administration | Margaret N. Nyakang'o |
| 3. Director – Production Statistics | James Gatungu |
| 4. Director – Macro Economics Statistics | Collins Omondi |
| 5. Director – Population & Social Statistics | MacDonald Obudho |
| 6. Ag. Director – Strategy and Development | Mary Wanyonyi |
| 7. Director – ICT | Cleophas Kiio |

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements cover:

- Finance and Administration Committee activities
- Audit and Risk Management Committee activities
- Technical Committee activities

(f) Registered Office

Herufi House,
Lt. Tumbo Avenue,
P.O Box 30266 – 00100,
NAIROBI

(g) Contacts

Telephone: (254) 3317586 / 8
E-mail: directorgeneral@knbs.or.ke
Website: www.knbs.or.ke

(h) Bankers

1. Kenya Commercial Bank Limited,
Moi Avenue Branch,
P.O. Box 30081 – 00100,
NAIROBI.
2. Co-operative Bank of Kenya,
Kimathi Street Branch,
P.O. Box 7512 – 00100,
NAIROBI.
3. National Bank of Kenya Ltd,
Harambee Avenue Branch,
NAIROBI.

(I) Independent Auditors

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

(j) Principal Legal Adviser

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

II. The Board of Directors who served during the year 2015/2016



Prof. T.C.I. Ryan - Chairman



**Eng. Ezra Odhiambo
Member**



**Mr. Anthony Muriu
Alt. to the PS - Finance**



**Dr. Mary K. Lonyangapuo
Member**



**Dr. Josephine Kibaru-Mbae
Member**



**Ms. Sabina W. Maghanga
Member**



**Mr. Billington Mwangi Gituto
Member**



**Mr. Zachary Mwangi, Director General and
Secretary to the Board of Directors**



Prof. T.C.I. Ryan - Chairman

Prof. Ryan is a Kenyan born economist who graduated from Trinity College, Dublin and the Massachusetts Institute of Technology. He lectured in the University of Nairobi until 1983 when he was appointed Director of Planning in the Ministry of Planning and National Development of the Kenya Government. In 1988 he became the first Economic Secretary in the Ministry of Finance of the Kenya Government. Following his retirement from the Kenyan Civil Service in 1995, he has been appointed to various posts requiring his experience and expertise. These include the Commission for Higher Education, the Local Committee for Income Tax Appeals and the Monetary Policy Committee of the Central Bank of Kenya.

He is currently the Chairman of the Kenya National Bureau of Statistics. He was also Chairman of the Micro and Small Enterprise Task Force. He has done consultancy work for the World Bank, UNDP, the Organization for African Union and the Economic Commission for Africa of the European Union. He has been advisor on fiscal considerations to Treasuries in Southern Africa. He has been a long serving Resource Person for the African Economic Research Consortium. He was Chairman of the Governing Council of Strathmore University in Nairobi for 14 years during which the University came into being; he maintains his links with Strathmore by being a Member of the Advisory Committee of the Strathmore Business School.



Eng. Ezra Odhiambo

Mr Odhiambo has broad business management experience which ranges from strategic planning, business administration, maintenance management, engineering, information systems, project management, and business systems analysis, among others. Mr Odhiambo has proven expertise in the strategic planning, business process re-engineering and improvement, change management, design and implementation of operational systems, telecommunications systems, computer systems, design and development of application software, human resource management systems, computer networks and hands-on experience in business analysis and management. This expertise has been acquired in the consulting environment covering a diverse range of complex business

environments such sugar company operations, maintenance management, financial services, postal services, telecommunication systems, computer systems, trading companies, water and sewerage services and project management among others.

This is backed by sound and relevant academic and technical education and training. Postgraduate education EMBA Jomo Kenyatta University of Agriculture & Technology – 2009 and Post Graduate Diploma in Telecommunications Management Studies -1988 (Bailbrook College, England). Undergraduate Bsc Electrical Eng. (Second Class Honours) University of Nairobi, Kenya 1979. Technical Training in Microwave Systems Engineering Japan) 1984, Radio Systems (Italy) 1981, Transmission Systems (Holland) 1981, Satellite Technology (Intelsat) 1987, Oracle Database System (Afralti) 1989, Digital Equipment Corporation VMS Systems (Protec) 1989, Leadership in Management (2009), Fraud Examination (2011).

Positions held include the following: Member of the Board of Directors Kenya National Bureau of Statistics 2014 to date, Chairman Apxex Construction Company Ltd 2013 to date, Member of the Board of Directors Netcom Information System Ltd 1992 to date, Member of the Board of Directors BOMAS of Kenya 2004/2007, Member of the Board of Governors- Kokuro Secondary School 2003/2006, Executive Committee Member. Information Standards Technology Association (Kenya) 1992/1997 and Member of Computer Society of Kenya



Mr. Anthony Muriu

Alternate to the Principal Secretary, National Treasury, Mr. Muriu is a Chief Economist and Head of the Central Planning and Project Monitoring Unit of the National Treasury. He is a Career Civil Servant with over 20 years' experience having risen through the ranks to the current position.

He holds a Bachelor of Arts in Economics from the University of Nairobi and Masters Degree in International Development Studies from the Graduate Institute of Policy Studies in Tokyo, Japan. He has also attended numerous short training courses both locally and abroad. Over the years, Mr. Muriu has worked in many Ministries and served in numerous Committees and Taskforces of the Government of Kenya.



Dr. Mary K. Lonyangapuo

Dr. Mary K. Lonyangapuo is a holder of Bachelor of Arts in Education from Kenyatta University, a Masters Degree in Linguistics from Leeds University, UK and a PHD in Linguistics from Egerton University. She has over 15 years university teaching experience in the area of Theoretical and Applied Linguistics and has vast knowledge in humanities and social sciences. Her key research areas are in: Syntax, Sociolinguistics and Applied communication and has carried out various researches in linguistics and communicative aspects of language, has written a number of research papers in refereed journals and is a Research Assistant with CASA.

She is a member of the Editorial Board, *Jarida la Mwanga wa Lugha*, an academic journal at Moi University.

She has served as the Head of Department, Linguistics and Foreign Languages, Moi University; Dean, School of Arts and Social Sciences, Moi University and served as a Council Member, Kenyatta University.

She sits on various School Boards and is currently a Senior lecturer, Department of Linguistics and Foreign Languages, Moi University, where she is also the Patron of I Choose Peace Consortium



Dr. Josephine Kibaru-Mbae

Dr. Josephine Kibaru-Mbae is the Director General of National Council for Population and Development. Prior to joining NCPD in February 2014, Dr. Kibaru-Mbae had been the Director General at the East, Central & Southern Africa Health Community (ECSA-HC; Former Commonwealth Regional Health Secretariat) since 2010. ECSA-HC is an Intergovernmental Organization whose aim is to foster regional cooperation and collaboration in health. It comprises of 10 active members; Kenya, Lesotho, Malawi, Mauritius, Seychelles, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

Dr. Kibaru-Mbae is a Medical Doctor, specialized in Obstetrics, Gynaecology and Public Health. She has about 30 years' experience in the public health sector, with about 20 of these years in Leadership and Management positions at different levels of the health sector in the Republic of Kenya. She started at the District level and rose through the ranks to the level of Senior Deputy Director of Medical Services in charge of Family Health Services, Ministry of Health; Kenya. Dr. Kibaru-Mbae has represented the government in various national and international fora such as the WHA, ICPD etc. During her tenure at the Division of Reproductive Health, in collaboration with other stakeholders, she successfully lobbied for the first ever budget-line for Family Planning in Kenya in 2005.

Dr. Kibaru-Mbae has excellent networking experience working with policy makers and programme experts such as Ministers, Ambassadors, Principal Secretaries, Directors, population and health professionals, representatives of collaborating partners and donors and the media.



Mrs. Sabina Wakio Maghanga

Alternate to the Principal Secretary, Ministry of Devolution and Planning, Mrs. Sabina Wakio Maghanga is currently the Director of Planning in charge of Macro Planning and International Cooperation in the Ministry. She holds a Masters degree from York University and a Bachelors degree from University of Nairobi. She is a career civil servant who has worked for the government for over 30 years. Her current job involves coordination of national economic policy formulation and promotion of regional and international economic cooperation towards realization of Vision 2030. Some of her work includes coordination of the development of the Second Medium Term Plan 2013 – 2017, the sector specific plans and the East African Community and the European Union Economic Partnership Negotiations.



Mr Billington Mwangi Gituto

Mr Billington Mwangi Gituto holds a Bachelor's degree in Anthropology from the University of Nairobi and a Master's degree in Communication from Daystar University. Gituto has broad interests in development, social policy, strategic and cause communications. He is an experienced social development practitioner with wide research and practice in various areas of human development and capability. He also has extensive experience in various fields of strategic communications. His organizing work has seen him play key leadership and advisory roles in various development interventions, programmes and organizations.

Gituto has authored numerous publications on social policy including *Beyond CDF: Making Kenya's Sub-sovereign Finance Work for the Socially Excluded*; *Affirmative Action: The Promise of a New Dawn* and *Making Women Count: Gender and Public Budgeting*. Gituto has been an educator in communications and development at St Paul's University and Daystar University in Nairobi and is currently the Director of the Mekatilili Institute in Nairobi where he is working in the areas of assets and social policy, wellbeing and multidimensional poverty, the application of capabilities approach for measuring wellbeing, equality and advancing human rights and the use of strategic communications to solve social problems.

III. The Senior Management Team

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



**Mr Zachary Mwangi,
Director General**

Mr Zachary Mwangi Chege has over 24 years' experience in the public service. He holds a Bachelor of Arts (First Class Honors) from University of Nairobi and a Masters of Arts in Economic Policy Management, Makerere University, Uganda. He has expertise in official statistics, strategic management, surveys and censuses implementation, public policy analysis, budgeting, and project management, among others.

Prior to his current appointment as the Director General of the Kenya National Bureau of Statistics (KNBS), he was the Director of Macroeconomic Statistics, KNBS, from 2008 to 2012. From 1991 to 2008 he worked in the mainstream civil service rising to the position of Chief Economist in the then Ministry of Planning and National Development.

He has coordinated the preparation of various publications including, Annual Economic Survey reports, Annual Statistical Abstract reports, Quarterly GDP reports, Socio Economic Atlas, various survey reports, Public Expenditure Review reports, Quarterly Budget Review reports and District Development Plans.

He has attended various courses and workshops, both locally and abroad, on Regional Integration, Statistical Developments, Public Expenditure Management, Financial Programming and Policies, Risk Management, Quality Management System, Project Management, Macroeconomic analysis and modelling, among others.



**Mr James Gatungu
Dir., Production Statistics**

Mr James Gatungu has a vast experience in Statistics, Economics and Data Management Skills drawn from over 20 years of work experience with various Public Sector Institutions. He holds Master of Arts in Economics Policy Management (University of Ghana, Legon) and Bachelor of Science (Statistics and Computer Science) – Moi University). He has attended various Management and Statistical related courses.

Mr Gatungu serves in various school Boards, Community welfare groups and church leadership as a contribution to the betterment of the society. He heads Production Statistics Directorate responsible for coordination, collection, analyses, generation and dissemination of production statistics in the areas of Labour, Industrial, Agricultural, Environment and Nutrition Statistics.



Mary M. Wanyonyi

Ag. Dir., Strategy & Development

Ms. Mary Wanyonyi has vast experience in designing and conducting sample surveys, compilation of official statistics, socio-economic database development and environment statistics. She has a wide range of expertise in poverty and other social statistics analyses. She is the coordinator for the National Strategy for the Development of Statistics (NSDS) and the focal person for the post 2015 Development Agenda on Sustainable Development Goals (SDGs), at KNBS.

She is the Ag. Director in charge of Strategy and Development that comprise: Policy and Planning, Statistical Standards & Methods, Research and Development, and coordination of the National Statistical System (NSS). She is also responsible for the implementation of Kenya Integrated Household Budget Surveys.



Mr Macdonald G. O. Obudho

Dir., Population & Social Statistics

Macdonald George Obudho has worked in Kenya National Bureau of Statistics since 1995 to date. He holds a Bachelor of Science degree in Mathematics and Computer Science (Second class honours - Upper Division) from Jomo Kenyatta University of Agriculture and Technology and a Master of Science degree in Statistics from the same university. He has vast experience in conducting population and housing census, designing and carrying out sample surveys and compilation of official statistics. From the statistical background, he has experience incartographic work, designing different types of statistical household sampling frames and maintenance of the same. He has been in management for 13 years that brings about both administrative and technical experience.

He has coordinated the writing of very many reports like census monographs, demographic and health surveys and Multiple Cluster Surveys. He has a number of certificates under his name that arise from short courses, workshops and seminars attended both locally and internationally. Some of them are on censuses, post census enumeration surveys, Statistical Designs and Development, Sampling and weighting of data, Strategic Leadership Development Programme, Risk Management, Quality Management System, among many others



Mrs. Margaret Nyakang'o

Dir., Finance and Administration

Mrs Margaret Nyakang'o is a holder of a Bachelor of Commerce Hons. (Accounting Option) and an MBA degree (Strategic Management), both from the University of Nairobi. She has recently completed her thesis in Strategic Workforce Planning, in fulfilment of her Doctorate in Business Administration degree with the University of Liverpool, UK, graduating at the end of 2016. In addition she a Certified Public Accountant, registered with the Institute of Certified Public Accountants of Kenya as a practising member, in good standing.

Mrs Nyakang'o has broad experience in Financial management, Administration, Strategy, Auditing, Accounting, Tax and Human resource management, all gained in a variety of organizations both in the public and private sectors. Mrs Nyakang'o started her career in the National Audit office, where she left at the position of Principal Auditor, having audited Government institutions, local authorities and State corporations as well as donor funded programmes. She later worked as Financial Controller for LBDA, a key state corporation in Kisumu as well as in the now defunct KACA, where she was a Corruption Preventive officer. She has held key positions in the Cooperative sector as Deputy General Manager of Harambee Sacco, in the insurance industry, where she was a Chief Accountant of Corporate Insurance Co Ltd and in the security industry, where she was the Finance Manager of BM Security. Before joining KNBS in 2008, she worked as Finance Director of Africa International University. She has also managed her own audit practice, M.N.Nyakang'o & Associates, in which she handled attestation functions including systems auditing and computerized accounting for a variety of clients.

Mrs Nyakang'o has undertaken a wide range of trainings within and outside her line of work. She is a qualified woman Board director with hands on skills in corporate governance and a member of the Women on Boards Network as well as the Association of Women Accountants of Kenya. In her spare time, Mrs Nyakang'o plays golf and loves reading factual material.



Mr Collins Omondi
Dir., Macro Economic Statistics

Mr Collins Omondi has a vast experience in Statistics, Economics and Data Management Skills drawn from over 19 years of work experience with the statistics Institution. He holds Master of Arts in Economics (University of Nairobi) and Bachelor of Science in Statistics (University of Nairobi). He has attended and participated in various Macroeconomics statistics related forums both locally and internationally.

He heads Macroeconomics statistics Directorate responsible for coordination, collection, analyses, generation and dissemination of macroeconomic statistics in the following main areas: National Accounts, External sector statistics, Monetary and Financial statistics, Public Finance, Tourism and migration, and Transport, Storage and Communications statistics.



Mr Cleophas Kiio
Dir., ICT

Mr Kiio has a rich experience in ICT Skills drawn from over 20 years of work experience both in Private and Public Sector Institutions. He holds Master of Science degree in Information Systems and Bachelor of Science degree from the University of Nairobi and is currently pursuing a PhD in Business Administration (Strategic Information Systems). He is a certified IT professional in Systems management and is a member of computer society of Kenya (CSK) and Kenya institute of Management (KIM)

Mr Kiio has continuously served in School Boards, and in Community Based Organizations (CBOs), Social Welfare groups and church committees. He heads the Information and Communication Directorate in the KNBS.

IV. The Chairman's Statement



It is with great pleasure that I present to you the Financial Statements for Kenya National Bureau of Statistics for the year ended 30th June 2016. This is the third report in my tenure as the KNBS Board Chairman. As said in the previous reports, this is yet again another opportunity to report the activities and performance of the Bureau. I wish to appreciate the Board and the management for the commitment and team work shown throughout the financial year in carrying out various activities as detailed in other parts of this report.

Last financial year, the Bureau lived to its mandate in providing users and policy-makers with timely and reliable statistics to facilitate decision-making. Various surveys as per the Director General's report were conducted and some reports on the same were released, while other reports are still under preparation. The National Surveys that continued to be carried out included the Kenya Integrated Household Budget Survey, (KIHBS) and Micro, Small and Medium Enterprises (MSME). The preparatory activities for the 2019 Housing and Population Census such as mapping have commenced. The Bureau will continue to carry out statistical activities that will strengthen the quality of statistical information released to all stakeholders.

The Bureau finalized proposals of amending the Statistics Act to be in line with the Constitution of Kenya, 2010 and they were forwarded to the Attorney General for further necessary action. The Bureau also continued to strengthen the National and County Statistics Offices. The Bureau still faces the challenges of office accommodation at the headquarters and Counties, staff retention and visibility. However, the process of identifying a building for leasing for the headquarter offices has commenced. In the long term, the Bureau requires to own a building to house its headquarters.

Finally, I wish to recognize with appreciation, the continued technical and financial support we have received from the Government, and the development partners over the years that has enabled to Bureau come this far. The Bureau staff is also appreciated for the efforts they are putting to ensure timely and quality work.

Prof. Terry Ryan

V. The Director General's Report



According to the Statistics Act 2006, the Kenya National Bureau of Statistics is the principal agency of the national government for the collection, compilation, analysis and dissemination of official statistics for planning, policy making and monitoring and evaluation. It is also mandated to ensure best standards and methods in the production of statistics across the National Statistical System (NSS).

This annual financial report, therefore, highlights achievements made by KNBS.

Kenya Integrated Household Budget Survey (2015/2016 KIHBS)

During the 2015-2016 Financial Year, major activities were completed. Key among them was training of Research Assistants who were to undertake data collection. Data Collection commenced on 1st September 2015 and continued throughout the year. Quarterly data collection reports were produced.

National Strategy for Development of Statistics

The process of developing National Strategy for Development of Statistics (NSDS) a strategy to guide the generation of statistics across NSS which commenced in the FY 2014-2015 continued. During the FY 2015-2016, a workshop with sectors across NSS was held in order to assess the status of statistics in those sectors.

Performance Contracting for FY 2015-2016

The 2015-2016 Performance Contract between KNBS and the Ministry of Devolution and Planning was vetted and the Bureau implemented the agreed targets during the period under review. In order to monitor the PC implementation, four quarterly progress reports were prepared and submitted the Performance Contracting Secretariat, the parent ministry and Inspectorates of State Corporations and other agencies as guided by the Performance Contract 12th Cycle guidelines. An evaluation of 2014-2015 KNBS Performance Contract was also carried out during the period under review.

Quality Management System

During the period under review, the Bureau continued to implement and maintain its Quality Management System (QMS) based on ISO 9001:2008 Standard. Following the revision of ISO 9001:2008 Standard by International Organization for Standardization (ISO) to ISO

9001:2015 Standard, the Bureau embarked on the process of transiting to the new Standard. Trainings on the new Standard was conducted as well as undertaking gap analysis thus generating documentation compliant to ISO 9001:2015.

Economic Survey 2016 and its Popular Version report

The Economic Survey 2016 report highlighted the performance of the economy in 2015 and also provided key socio-economic statistics for the period 2011-2015. The report, together with its popular version, was prepared by April 2016 and provided key indicators that informed the National Government budgetary process.

The report is used widely by the government, researchers, academicians, development partners, non-governmental organisations and the media among other users for planning, analysis, budgeting, monitoring and evaluation purposes.

Quarterly National Accounts (QNA)

The Bureau produced four Quarterly National Accounts reports which provided a snapshot of performance of the economy in the four quarters of 2015/16 financial year, including Balance of Payment. These reports facilitated the work of data users within and outside the National statistical system.

Fin Access Household Survey;

The bureau, jointly with Central Bank of Kenya (CBK) and Financial Sector Deepening Kenya (FSD Kenya), successfully conducted the Fin Access Household Survey between August and October, 2015.

The Informal Cross Border Trade (ICBT) survey;

The Bureau implemented two cycles of ICBT in November, 2015 and in June 2016. The main objective of ICBT 2015/16 survey was to collect data and information on the magnitude and direction of unrecorded trade, and to provide insights on the economic interdependence.

Inbound/Outbound Tourism Expenditure survey;

The Bureau implemented two cycles of Inbound/Outbound Tourism Expenditure survey undertaken in December, 2015 and 20th June, 2016. The objective of the Survey was to collect data to inform the development of the Tourism Satellite Account.

National Information and Communication Technology (ICT) survey;

The Bureau, in collaboration with The Communications Authority of Kenya (CA) successfully conducted the ICT Survey between February-April 2016.

County Statistical Abstracts

The Bureau commenced the preparation of county specific data for all the counties.

Routine Survey Exercises; in the financial year 2015/16,

The Bureau conducted the various routine surveys, whose results are meant to provide socio-economic indicators including; Monthly Survey of Hotels/Conferences; Monthly Survey on International Visitor Arrivals/Departures; Monthly Survey on Visitors to Tourist attractions; Annual Survey of Transport and Storage; Monthly Survey of air transport at JKIA - International Arrivals and Departures.

- Report writing and Dissemination of Kenya Urban Reproductive Health Initiative Survey key findings. The survey covered Nairobi, Mombasa, Kisumu, Kakamega and Machakos.

The dissemination was done centrally in Nairobi.

- Preparatory activities for 2019 Kenya Population and Housing Census was initiated and a draft 2019 KPHC proposal and Cabinet Memorandum developed. A study tour mission to Senegal was undertaken to learn how a census can be done using computer aided personal interviewing (CAPI). Development of 2019 Kenya Population and Housing Census Cartographic Mapping instruments and Procurement of GIS materials and Stores National launch of the 2014 Kenya Demographic and Health Survey (KDHS) main report was done in January 2016.
- Data collection for 2015 Kenya Malaria Indicator Survey was done in August 2015.
- Implementation of both National Tuberculosis (TB) Prevalence Survey and STEPS Survey of non-communicable diseases risk factor. Both were funded by the Ministry of Health.
- Development of Draft reports for all the 47 counties.
- A total of 1,569 clusters in NASSSEP V were upgraded and 859 new clusters developed.
- Micro, Small and Medium Enterprises (MSME) survey preparation, pilot and fieldwork were undertaken during 2015/16.
- Long rains agriculture data validation: This was undertaken with an aim of improving agriculture and livestock data collection and analysis
- Consumer Price Index and inflation rates were released on monthly basis during the 2015/16.
- Monthly Leading Economic Indicators were produced and disseminated on timely basis
- The Producer Price Index for manufacturing sector was produced on quarterly basis.
- Weekly retail market prices data collection was done and data compiled and reported on monthly basis.
- Quarterly Gross Domestic Product: The directorate participated in the collection and provision of input indicators required to produce Quarterly Gross Domestic Product (QDDP).
- National Construction Authority data from contractors was keyed and will be used to form basis for revising building and construction base year.
- Supply Utilization accounts(SUA)/Food Balance Sheet updating
- Harmonised Consumer Price Index
- Updating of the KenInfo and CountryStat databases

Other key non-survey activities

- Two offices were upgraded from timber to block buildings in Kirinyaga and Machakos counties. Six other counties were renovated within the reporting period.
- Installation and Maintenance of Internet in all the county offices
- Purchase of New computing equipment
- Upgrade of accounting system (Pastel Evolution)
- Implementation of e-procurement system
- Installation of Backup software
- Procurement of Volume licenses for MS office and servers

Meetings and workshops

- Agriculture, Nutrition, Environment Statistics (ANES) committee held all its 2015/16 quarterly meetings. The committee is charged with the responsibility of reporting, harmonizing and validation of agriculture, nutrition and environment statistics.
- 2015 African Statistics day celebrations: These celebrations are held annually every 18th day of November with an objective of increasing public awareness on statistics. The

theme was 'Open data for accountability and inclusiveness'.

- Inter-Agency collaboration meetings. The department hosted several missions from Statistics Sweden with an aim of improving production statistics.

Challenges:

- i) Inadequate staff and technical capacity
- ii) Inadequate office space
- iii) The Impending relocation to new headquarters made us postpone some of the implementations so as to do them in the new offices.
- iv) Data quality at the county level is wanting and in some cases, it is not available.
- v) Some clusters are affected by insecurity in different pockets of the country.
- vi) Inadequate data quality in the Counties due to inadequate technical capacity
- vii) Poor working environment mainly due to staff congestion and inadequate sanitation
- viii) Inability to produce and avail County disaggregated data

Way Forward

- Carry out the scheduled activities with the resources available
- Request for more staff
- Undertake training to fill the skills gaps
- Allocation of office space

In conclusion, I laud the efforts of the Board, entire staff and other stakeholders for the support provided during the period that ensured the Bureau implemented majority of the planned activities.

Sincere appreciation to our development partners who have been a great help in the development of statistics not only at the Bureau but in the country as a whole. Particular gratitude goes to AfDB, CIDA, SIDA, UNICEF, UNDP, UNFPA and World Bank for both financial and technical support that facilitated KNBS conduct key surveys to bridge some of the existing data gaps.

The Bureau greatly recognises and appreciates the invaluable support and feedback by our data producers, suppliers and users that enabled the institution achieve its mandate.

Zachary Mwangi

VI. Corporate Governance Statement

Objective

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

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

The Board's principal responsibilities include:

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

Board Committees and their functions

The Board has approved the delegation of certain authority to Board Committees where applicable, as well as to the management. The Board has three committees which are guided by clear terms of reference, and are instrumental in monitoring the Bureau operations, conduct of business systems and internal controls.

The three Committees are the Finance & Administration Committee, the Audit & Risk Management Committee and the Technical Committee.

a) Finance & Administration Committee

Functions

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

The above responsibilities shall not prevent the committee from carrying out any other tasks that are reasonably within its mandate. All review and recommendations by this committee will be submitted to the Board for final approval.

The Committee is made up of the following Directors:

- | | | | |
|----|---------------------|---|---------------------------------------|
| 1. | Eng. E. Odhiambo | - | Chairman |
| 2. | Mrs. S. W. Maghanga | - | Alt to PS, Min. Devolution & Planning |
| 3. | Mr B. M. Gituto | - | Member |
| 4. | Dr. K. I. Athuman | - | Member |
| 5. | Mr. A. Muriu | - | Member (Alt to PS National Treasury) |

b) Audit & Risk Management Committee

Functions

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

The Committee is made up of the following Directors:

- | | | | |
|----|--------------------|---|-------------|
| 1. | Dr. J. K. Mbae | - | Chairperson |
| 2. | Dr. M. Lonyangapuo | - | Member |
| 3. | Mr B. M. Gituto | - | Member |
| 4. | Mr A. Muriu | - | Member |
| 5. | Ms. S. Maghanga | - | Member |

c) Technical Committee

Functions

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

All review and recommendations by this committee will be submitted to the Board for adoption.

The Committee is made up of the following Directors:

1. Dr. M. Lonyangapuo - Chairperson
2. Eng. E. Odhiambo - Member
3. Dr. J. K. Mbae - Member
4. Ms. S. Maghanga - Member
5. Dr. K. I. Athuman - Member

Directors' Remuneration

The remuneration for the directors consists of sitting allowances in connection with attendance at Board and Committee meetings. The aggregate amount of the expense during the financial year ended 30th June 2016 are contained in Note 6 to the financial statements in this annual report

Code of Conduct

The Bureau has a code of conduct which seeks to guide employees in ethical conduct of business. All directors, management and employees are expected to observe high standards of integrity and ethical conduct when dealing with customers, staff, suppliers of data, goods and services and regulators.

Internal Control

The effectiveness of the Bureau's internal control systems is monitored on a regular basis by the Internal Audit function, which reviews the Bureau's compliance with the laid down policies and procedures as well as assessing the effectiveness of the internal control structures. The Internal Audit function reports to the Audit and Risk Management Committee of the Board.

Board/Board Committees Attendance

The following table gives the record of attendance of the KNBS Board and its Committee meetings for the year ended 30th June, 2016:

Name of Board Member	Meetings attended				
	Main Board	Finance & Administration Committee	Audit & Risk Management Committee	Technical Committee	Special board
Prof. Terry Ryan	4	n/a	n/a	n/a	4
Eng. E. Odhiambo	4	4	n/a	4	5
Dr. J. K. Mbae	4	n/a	2	3	5
Dr. M. Lonyangapuo	4	n/a	4	4	5
Ms. S. Maghanga	3	2	1	2	3
Mr B. M. Gituto	3	3	4	n/a	4
Mr A. Muriu	4	2	2	n/a	4
Mr Zachary Mwangi	4	3	4	4	4
Dr. K. I. Athuman	0	0	n/a	0	0

Key:

n/a means not applicable.

VII. Corporate Social Responsibility Statement

The Bureau nominated nine (9) members of staff to visit Mama Ngina Children's Home in Kisumu on 1st December, 2015. The home accommodates ninety (90) children who are either infected or affected by HIV and AIDS and were previously abandoned on the streets and rescued by the community or the County government officials.

On the 3rd December, 2015, the same team visited Kifafa Children's Home in Homa Bay County. The home accommodates girls who have mental challenges which exposes them to be vulnerable and can easily be abused and exposed to HIV infection. It is noted that Homa Bay County has the highest prevalence rate of new HIV infections.

The main aim of the above visits was also to celebrate World AIDS Day with the children in the homes. The Bureau facilitated some members of staff who donated foodstuffs, clothing, toys, beddings, engraved wall clocks and Christmas Cards. The exercise cost about Kshs.1.1 million. The staff members also provided emotional support to the children and in the process also enhanced the corporate image of the Bureau.

VIII. Report of the Directors

The Directors have pleasure in submitting their report together with the financial statements for the year ended June 30, 2016 which disclose the state of affairs of the Bureau.

Principal activities

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

Results

The financial performance of the Bureau for the year ended June 30, 2016 are set out on page 28.

Directors

The members of the Board of Directors who served during the year and up to the date of this report are set out on page 6.

Auditors

The Auditor General is responsible for the statutory audit of the Bureau in accordance with Section 32 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to audit or nominate other auditors to carry out the audit on his behalf.

IX. Statement of Directors' Responsibility

Section 81 of the Public Finance Management Act, 2012 and the Statistics Act, 2006, require the Directors to prepare financial statements in respect of the Bureau, which give a true and fair view of the state of affairs at the end of the financial year and its operating results for that year. The Directors are also required to ensure that the Bureau keeps proper accounting records which disclose with reasonable accuracy its financial position. The Directors are also responsible for safeguarding of the assets.

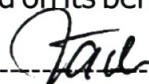
The Directors are responsible for the preparation and presentation of the Bureau's financial statements, which give a true and fair view of its state of affairs as at the end of the financial year ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements 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 Bureau; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Bureau's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act (2012) and the Statistics Act (2006). The Directors are of the opinion that the Bureau's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2016, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained by the Bureau, which have been relied upon in the preparation of these financial statements as well as the adequacy of the systems of internal financial control.

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

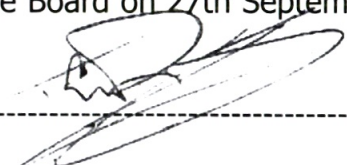
Approval of the financial statements

The Bureau's financial statements were approved by the Board on 27th September, 2016 and signed on its behalf by:



Zachary Mwangi
Director General

Date..... 27-09-2016



Prof. Terry Ryan
Chairman

Date..... 27-09-16

X. Report of the Auditor General

REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL BUREAU OF STATISTICS FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya National Bureau of Statistics (KNBS) set out on pages 28 to 56, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts 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.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Cash and Cash Equivalent

The cash and cash equivalents balance of Kshs.2,556,194,019 as at 30 June 2016 include County accounts balances totaling Kshs.1,868,658. No bank reconciliations and cash books for these accounts were provided for audit review hence, it was not possible to ascertain that all bank transactions and bank balances during the year under audit were fairly stated.

2. Receivables

(a) Long Outstanding Imprests

The receivables balance of Kshs.216,043,618 as at 30 June 2016 and as disclosed under note 13 to the financial statements includes an amount of Kshs.4,438,906 in respect of 2009 census exercise that has remained outstanding to date. It also includes pending imprest balance of Kshs.162,401,937 of which, an amount of Kshs.31,054,944 had been outstanding for over 180 days.

In addition amounts totaling to Kshs.135,087,864.80 are owed by 135 staff all of whom held more than one unaccounted for imprest as at 30 June 2016, clearly indicating that employees were issued with imprest before surrendering the previous ones.

(b) Long Outstanding Receivable

The receivables balance of Kshs.216,043,618 as at 30 June 2016 also includes a receivable amount of Kshs.23,433,873 in respect of ERP development that is the subject of a court case and has remained outstanding for over three years.

It was not possible to confirm whether or if so, when the Bureau will be able to recover the above advanced amounts. Any provision that would have been necessary in relation to these uncertainties has not been incorporated in these financial statements.

3. Non-Current Assets

(i) Fixed Assets Register

As previously reported, although the Bureau's plant and equipment were independently valued in November 2010, a fixed asset register to record all assets transactions and accounting treatment for the Bureau has to date not been prepared and reconciled.

(ii) Lack of Title Deed

The property, plant and equipment balance of Kshs.254,477,977 as at 30 June 2016 included a parcel of land measuring 0.16ha with a building valued at Kshs.8,494,071 situated in Embu Town. The Bureau does not have the original title document for this land.

(iii) Intangible Assets

Based on the accounting policy, the amortization for the year should have been Kshs.4,249,100 and not the reported amount of Kshs.4,202,948 and the maximum net book value of intangible assets should have been Kshs.10,444,883 whereas the amount reported in the financial statements is Kshs.10,456,921. The variance of Kshs.12,038 in amortization and net book value was not explained. Consequently the accuracy of the intangible assets balance of Kshs.10,456,921 as at 30 June 2016 could not be confirmed.

The situation above is indicative of significant impairment on some of the properties. Consequently, it is not possible to confirm whether the carrying values as stated in the financial statements reflect the fair values of the properties.

4. Reserves

(i) Revenue Reserve

The revenue reserve balance of Kshs.2,607,048,966 as at 30 June 2016 includes an adjustment referred to as net changes on restatement of reserves amounting to Kshs.57,355,487 which had not been supported with information and documentation thus casting doubt on its accuracy and validity.

(ii) Revaluation Reserve

The revaluation reserve balance as at 30 June 2016 is a debit balance of Kshs.56,827,694 which has had no movement since 2013/14 financial year. The negative revaluation reserve cannot be explained and therefore its validity cannot be confirmed.

Under the circumstances, the accuracy and validity of revenue and revaluation reserves as at 30 June 2016 could not be ascertained.

5. Statement of Changes in Net Assets

The statement of financial position revenue reserve balance of Kshs.2,607,048,966 as reflected in the statement of changes in net assets balance included unsupported net changes/restatement on reserves figure of Kshs.57,355,487 hence it was not possible to confirm the accuracy and validity of the amount.

6. Budget Underutilization

The statement of comparison of budget and actual amounts reflect actual total expenses of Kshs.2,165,295,163 that differs with the final expenses budget of Kshs.3,172,971,000 by a variance of Kshs.1,006,775,837. The underutilization implies that there were planned activities that were never executed thereby occasioning shortfall in service delivery and achievement of the target objectives of the Bureau. The 32% underutilization of the approved budget has not been satisfactorily explained.

7. Income Taxes

The bureau has reflected a provision tax payable from specific source amounting to Kshs.65,727,808 in the statement of financial performance which has been accounted for the first time in the current year. Although information available indicates that the provision was made upon the recommendation of Kenya Revenue Authority, no documentation was availed in support of this provision. In addition the tax liabilities as assessed by Kenya Revenue Authority and that are yet to be paid have not been disclosed in the financial statements.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya National Bureau of Statistics as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Statistics Act, 2006 of the laws of Kenya.



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

Nairobi

03 March 2017

XI. Statement of Financial Performance For the Year Ended 30th June 2016

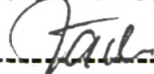
		2015/2016	2014/2015
	Notes	KShs.	KShs.
Revenue			
Revenue from non-exchange transactions			
GOK Grants	2-a	3,171,958,297	847,380,000
Revenue Reserves	2-a	-	80,400,000
Donor Funds	2-b	20,566,621	318,761,506
Revenue from other donors	2-c	11,045,907	7,738,586
		3,203,570,825	1,254,280,092
Revenue from exchange transactions			
Interest Income	3-a	217,789,310	135,391,091
Other Income - AIA	3-a	6,065,106	15,170,451
		223,854,416	150,561,542
Total Revenue		3,427,425,241	1,404,841,634
Expenses			
Project Expenses	4	1,352,434,422	352,275,156
Staff costs	5	570,574,125	635,397,564
Directors' expenses	6	10,127,770	6,131,596
Depreciation and Amortisation	7	31,208,856	66,523,912
Repairs and Maintenance	8	54,218,588	35,180,195
Insurance Costs	9	74,728,875	70,950,183
Other Operating Expenses	10	102,718,303	68,937,903
Bank charges	11	493,079	308,564
Total Expenses		2,196,504,018	1,235,705,073
Surplus before tax		1,230,921,223	169,136,561
Provision for tax	3-b	(65,727,808)	-
Surplus for the period		1,165,193,415	169,136,561

The notes set out on pages 34 to 52 form an integral part of the Financial Statements.

XII. Statement of Financial Position As at 30th June 2016

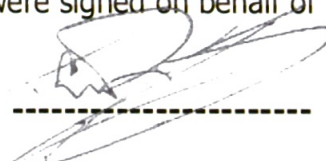
		2015/2016	2014/2015
	Notes	Kshs.	KShs
ASSETS			
Current Assets			
Cash & Cash Equivalents	12	2,556,194,019	1,585,073,049
Receivables	13	216,043,618	86,297,807
		2,772,237,637	1,671,370,856
Non- current assets			
Property, Plant & Equipment	14	272,333,337	100,268,172
Intangible Assets	15	10,456,921	9,466,254
		282,790,258	109,734,426
TOTAL ASSETS		3,055,027,895	1,781,105,282
LIABILITIES			
Current Liabilities			
Payables	16	27,281,743	16,623,843
Refundable Deposits	18	1,716,482	58,872
Provisions	19	53,438,295	19,794,261
Unutilised Grants	20	9,846,672	1,467,793
		92,283,192	37,944,769
Non-current Liabilities			
Staff Gratuity	17	14,221,685	17,186,397
TOTAL LIABILITIES		106,504,877	55,131,166
NET ASSETS		2,948,523,018	1,725,974,116
RESERVES			
Revenue Reserve		2,607,048,966	1,384,500,064
Revaluation Reserve		(56,827,694)	(56,827,694)
Capital Reserve		398,301,746	398,301,746
TOTAL RESERVES		2,948,523,018	1,725,974,116

The Financial Statements set out on pages 29 to 52 were signed on behalf of the Board of Directors by:



Zachary C. Mwangi
 Director General

Date 27-09-2016



Prof. Terry Ryan
 Chairman

Date 27-09-16

XIII. Statement of Changes in Net Assets For the Year Ended 30th June 2016

	REVENUE RESERVE	REVALUATION RESERVE	CAPITAL RESERVE	TOTAL
	KShs.	KShs.	KShs.	KShs.
At 01.07.2014	1,262,642,419	(56,827,694)	398,301,746	1,604,116,471
Transfer from Reserves	(80,400,000)			(80,400,000)
Surplus for the Year	169,136,561			169,136,561
Net Changes/ Restatement on Reserves	33,121,084			33,121,084
Balance 30.06.2015	1,384,500,064	(56,827,694)	398,301,746	1,725,974,116
At 01.07.2015	1,384,500,064	(56,827,694)	398,301,746	1,725,974,116
Surplus for the Year	1,165,193,415			1,165,193,415
Net Changes/ Restatement on Reserves	57,355,487			57,355,487
Balance 30.06.2016	2,607,048,966	(56,827,694)	398,301,746	2,948,523,018

The net changes and restatements in reserves are the adjustments in reserves involving recoveries of staff imprests and expenses relating to the previous period. These expenses include surrender of imprests for expenses incurred in 2014/2015.

The Statement of Changes in Net Assets is to be read in conjunction with the Notes to, and forming part of the Financial Statements set out on Pages 34 to 52.

XIV. Statement of Cash Flows For the Year Ended 30th June 2016

		2015/2016	2014/2015
	Notes	KShs	KShs.
Surplus for the Year		1,165,193,415	169,136,561
Adjusted for:			
Depreciation & Amortisation	7	31,208,856	66,523,912
Contribution to Provisions	19	33,644,034	1,917,280
Net Changes in Reserves		57,355,487	(47,278,916)
Working Capital Adjustments			
Decrease (Increase) in Receivables	13	(129,745,811)	(28,105,705)
(Decrease) Increase in payments received in Advance	18	1,657,610	(78,000)
Increase (Decrease) in Payables	16/17/20	16,072,067	(37,436,561)
Net Cash Flows from Operating Activities		1,175,385,658	124,678,571
Cash Flow From Investing Activities			
Purchase of Fixed Assets	14/15	(204,264,688)	(17,688,085)
Adjustments for ERP Softwares	22.IV	-	29,382,342
Adjustments for PPE depreciation	14	-	(31,871,067)
Net cash flows from investing activities		(204,264,688)	(20,176,810)
Net Changes in Cash & Cash Equivalents		971,120,970	104,501,761
At Start of Year		1,585,073,049	1,480,571,288
At End of Year		2,556,194,019	1,585,073,049

The Cash Flow Statement is to be read in conjunction with the notes to, and forming part of the Financial Statements set out on Pages 29 to 52.

XV. Statement of Comparison of Budget and Actual Amounts

A reconciliation of the period's surplus is on Note 21.

	Original Budget	Final Budget	Actual Amount	Variance	%Variance
	KShs.	KShs.	KShs.	KShs.	
Revenues					
GOK Grants	3,100,958,297	3,100,958,297	3,171,958,297	71,000,000	2.29%
Donor Funds	-	-	20,566,621	20,566,621	
Other Donor Funds	-	-	11,045,907	11,045,907	
A-I-A	71,000,000	71,000,000	223,854,416	152,854,416	215.29%
Total Income	3,171,958,297	3,171,958,297	3,427,425,241	255,466,944	
Expenses					
Project Expenses	2,139,100,000	2,139,100,000	1,352,434,422	(786,665,578)	-36.78%
Staff Costs	674,591,000	674,591,000	570,574,125	(104,016,875)	-15.42%
Directors' Expenses	18,000,000	18,000,000	10,127,770	(7,872,230)	-43.73%
Repairs and Maintenance	60,500,000	60,500,000	54,218,589	(6,281,411)	-10.38%
Insurance Costs	85,760,000	85,760,000	74,728,875	(11,031,125)	-12.86%
Other Operating Expenses	194,120,000	194,120,000	102,718,303	(91,401,697)	-47.09%
Bank Charges	-	-	493,079	493,079	
Total Expenses	3,172,071,000	3,172,071,000	2,165,295,163	(1,006,775,837)	-31.74%
Surplus	(112,703)	(112,703)	1,262,130,078	-	-

The Bureau received increased AIA due to investment of funds awaiting the undertaking of surveys.

The variance on project expenses relates to timing differences of the implementation of the various surveys such as KIBHS, which were still ongoing by year end.

A staff salary review was expected, but did not materialise, within the period.

Most of the operational expenses were taken up by the projects and surveys while some of the planned activities for the Board of Directors such as training were not undertaken within the period.

XVI. Notes to the Financial Statements For the Year Ended 30th June 2016

1. A. STATEMENT OF COMPLIANCE AND BASIS OF ACCOUNTING

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

The Bureau's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity and all values are rounded to the nearest Shilling (Ksh). The accounting policies have been consistently applied to all the years presented.

FIRST TIME ADOPTION OF IPSAS

The Bureau adopted the IPSAS for the first time in the 2013/2014 financial year.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

B. SIGNIFICANT ACCOUNTING POLICIES

I. REVENUE RECOGNITION

i. Revenue from non-exchange transactions

- **Transfers from other government entities**

Revenues from non-exchange transactions with government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

- **Donor funds**

Grants received for specific purposes are treated as unutilised grants and credited to the statement of financial performance when the activities for which they were provided for have been undertaken. Any unutilised funds are carried forward as liabilities.

ii. Revenue from exchange transactions

Sale of goods/services

Bureau's revenue include sale of maps, publications, tenders, library user fees and AIA from surveys. It is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods.

Interest income

Interest income is generated from investments in fixed deposits of any surplus funds held in commercial banks. It is accrued using the straight line method, by estimating future cash receipts through the expected life of the fixed deposit. The

method applies to the principal outstanding to determine interest income for each period.

II. CORPORATE TAX

Current income tax liability is measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management has evaluated the appropriate income and established provisions as appropriate.

The net amount of income tax payable to the taxation authority is included as part of provisions in the statement of financial position.

III. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

No depreciation is made in the year of purchase but a full year's depreciation is charged in the year of disposal. No depreciation is provided on freehold land.

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

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

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

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

IV. INTANGIBLE ASSETS

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

Amortization is charged on a straight-line basis over their useful lives as estimated by management from time to time. The rate of amortization has been set at 33.3% pa.

V. ACCOUNTING FOR ASSETS DONATED TO THE BUREAU

If an asset is transferred to the Bureau, it is recorded at the transfer value. It is subsequently revalued by a professional valuer and recorded at that value. If the transfer value is not known it is recorded at Director's valuation pending valuation by a professional valuer.

VI. EMPLOYEE BENEFITS

i. Pension Scheme

The KNBS Retirement Benefits Scheme became operational from November 2011. The members of the scheme, who stood at 476 at the end of the period, contribute 10% of their basic pay, while the employer contributes 20%, to the scheme.

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

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

ii. Staff Gratuity

The Bureau has six Management Staff, employed on a 5-year, renewable contract basis, who are eligible to gratuity upon expiry of their respective contracts.

The Bureau therefore operates a separate Gratuity Account for them, where amounts equivalent to 31% of the employee's monthly basic salary are remitted. Movements in this account are clearly tabulated and accounted for in the statements.

iii. Staff Annual Leave Accrual

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

VII. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and cash at bank, 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

VIII. INVENTORIES

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

IX. FINANCIAL INSTRUMENTS

Financial Assets

Initial recognition and measurement

Financial assets are classified at fair value through surplus or deficit, and held-to-maturity investments, as appropriate. The Bureau determines the classification of its financial assets at initial recognition.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Bureau has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. The losses that may arise from impairment are recognized in surplus or deficit.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at fair value through surplus or deficit, and the Bureau determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

X. PROVISIONS

Provisions are recognized when the Bureau has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

The Bureau did not recognize a contingent liability, but has disclosed details in the notes to the financial statements, as the possibility of an outflow of resources embodying economic benefits or service potential is remote.

XI. LEASES – OPERATING

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Bureau. Leased premises are contracted for the periods of between one and five years, with renewal options available in certain instances.

Operating lease payments are the rental expenses, and are recognized as an operating expense in the statement of financial performance.

XII. NATURE AND PURPOSE OF RESERVES

Revaluation Reserve

This represents the change in the values of assets after a revaluation undertaken during the year 2009/2010, by M/s. Metrocosmo Limited, Registered Valuers. A new valuation and tagging exercise by M/s Njihia Muoka Rashid Co. Ltd was underway during period.

Capital Reserve

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

XIII. CHANGES IN ACCOUNTING POLICIES

The Bureau recognizes the effects of changes in accounting policy. The effects of changes in accounting policy have been applied prospectively since retrospective application is impractical.

XIV. RELATED PARTIES

The Bureau regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over it, or vice versa. Members of key management are regarded as related parties and comprise the Chairman to the Board, Board Members, Director General and Heads of Directorates.

XV. SEGMENT REPORTING

The Bureau does not have any branches or reporting segments. All the operations of the Bureau are managed from the headquarters. The core business of the Bureau is as stipulated in the Statistics Act, 2006.

XVI. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION AND UNCERTAINTIES

The preparation of the Bureau's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Bureau's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

Going concern

The Bureau's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bureau's ability to continue as a going concern. Therefore the financial statement continues to be prepared on the going concern basis.

XVII. BUDGET INFORMATION

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Bureau. A reconciliation between the actual comparable amounts and the amounts presented has been included, as well as a separate additional financial statement in the statement of comparison of budget and actual amounts.

XVIII. COMPARATIVES

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

XIX. SUBSEQUENT EVENTS

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

C. FINANCIAL RISK MANAGEMENT

The Bureau's activities expose it to a variety of financial risks including credit risk, liquidity risks, interest rate risk and operational risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Bureau's risk management framework. Risk Management is carried out by the management under policies approved by the Board of Directors. Management identifies, evaluates and manages financial risk in close co-operation with various divisional and unit heads.

Credit risk

The Bureau's credit risk is primarily attributable to its receivables. However it is limited because the customers are staff members with whom the Bureau has legal enforceable right for the recovery of the outstanding amounts.

The credit risk on liquid funds with financial institutions is low. This is because the bank balances are held with regulated financial institutions and are fully performing.

The amount that best represents the company's maximum exposure to credit risk as at 30 June 2016 and 30 June 2015 is made up as follows:

	Fully Performing	Past Dues	Impaired	Total
	KShs.	KShs.	KShs.	KShs.
At 30.06.2016				
Cash & Cash Equivalents	2,556,194,019			2,556,194,019
Receivables	216,043,618			216,043,618
Total	2,772,237,637	-	-	2,772,237,637
At 30.06.2015				
Cash & Cash Equivalents	1,585,073,049			1,585,073,049
Receivables	86,297,807			86,297,807
Total	1,671,370,856	-	-	1,671,370,856

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet our obligations. The Bureau manages liquidity risk by maintaining banking facilities through continuous monitoring of forecast and actual cash flows.

The table below analyses the company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	2015/2016	2014/2015
	KShs	Kshs
Financial Assets		
Receivables	216,043,618	86,297,807
Cash & Cash Equivalents	2,556,194,019	1,585,073,049
	2,772,237,637	1,671,370,856
Financial Liabilities		
Payables	(27,281,744)	(16,623,843)
Net Liquidity Gap	2,744,955,893	1,654,747,013

Interest rate risk

The interest rate risk exposure arises mainly from interest rate movements on the Bureau's cash balances.

At 30th June 2016, if the interest rates on the bank balances had decreased/increased by 5 percentage points with all other variables held constant, the impact on surplus for the year would have been higher/lower as hereunder:

	2015/2016	2014/2015
	KShs	KShs
Interest Income	217,789,310	135,391,091
Change In Interest Rates		
5%	10,889,466	6,769,555
-5%	(10,889,466)	(6,769,555)

Operational risk

This is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bureau's processes, personnel, technology and infrastructure and from external factors other than credit, interest and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Bureau has put in place various measures to manage operational risk.

2. Revenue from non-exchange transactions

These are made up of the following:

(a) GOK grants are the exchequer releases.

	2015/2016	2014/2015
	KShs	KShs
Recurrent	1,732,958,298	748,980,000
Development	1,438,999,999	98,400,000
	3,171,958,297	847,380,000
Transfer from Reserves	-	80,400,000
Total	3,171,958,297	927,780,000

The World Bank, through The National Treasury, is supporting some of the Bureau's activities under the Kenya Statistics Programme For Results (KSP4R). During the period, the support was KShs.1,050,000,000 for Recurrent Budget and KShs.1,389,000,000 for the Development Budget.

(b) Donor Funds are from development partners that come directly to the Bureau.

	2015/2016	2014/2015
	KShs	KShs
UNICEF	-	369,500
USAID	-	64,800,774
Financial Service Centre	1,293,926	16,830,848
UNDP	-	679,500
WHO	-	2,736,790
UNECA	-	15,896,361
KfW Banken Gruppe	-	39,862,283
ICF Consulting Group	8,374,495	65,192,626
World Bank through Ministry of Public Health	8,785,800	110,618,824
PPOA	2,112,400	1,774,000
Total	20,566,621	318,761,506

c) Revenue from other donors are funds from development partners and donors for specific on-going projects. The projects have independent bank accounts. Their actual amounts have been adjusted by the unutilized grants as at the year end.

	2015/2016	2014/2015
	KShs	KShs
COMESA - SCB Project	7,768	5,529,528
UNFPA	3,249,411	2,201,138
UNICEF - MICS & KenInfo	7,788,728	7,920
Total	11,045,907	7,738,586

3. Revenue from exchange transactions

a. These are made up of the following:

	2015/2016	2014/2015
	KShs	KShs
Interest on Deposits	217,789,310	135,391,091
Other Income - A-i-A		
Library Usage	132,079	181,773
Sale of Publications	1,064,660	1,165,233
AIA From Surveys	211,400	245,350
Sale of Maps	4,421,650	2,791,961
Sale of Tenders	21,000	16,000
Commissions	214,317	216,207
Sale of Assorted Items	-	48,727
Insurance Compensation	-	10,505,200
	6,065,106	15,170,451
Total	223,854,416	150,561,542

The insurance compensation is the amount received from M/S UAP Insurance, in respect of items destroyed by fire in July 2013. This is an extra-ordinary income.

b. Interest Income is received from earnings made on bank deposits.

The income tax provision, based on the interest earnings, has been arrived at as follows:

	2015/2016
	KShs
Total Interest Earnings	219,092,694
30% Corporate Tax Dues	65,727,808
Less: 15% Withheld Amount	(32,863,904)
Income Tax Provision	32,863,904

The 15% withholding tax was held at source.

4. Project Expenses

These are the expenses incurred under the various funding schemes:

	2015/2016	2014/2015
	KShs	KShs
UNFPA Expenses	3,249,411	2,201,138
SCB Expenses	7,768	5,529,528
GOK Prefeasibility Expenses	490,200,035	94,674,120
KDHS Expenses	7,131,593	193,010,345
KMIS Survey	44,806,417	14,987,471
KIBHS SURVEY	799,250,470	41,864,634
UNICEF Expenses	7,788,728	7,920
	1,352,434,422	352,275,156

5. Staff Costs

These include payments to members of staff and comprise of basic pay, house allowances and other benefits. The staff complement of the Bureau as at 30.06.2016 was 478 as compared to 483 as at 30.06.2015.

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

	2015/2016	2014/2015
	KShs	KShs
Basic Salaries	345,032,316	392,521,094
Casual Labour	121,680	-
House Allowance	77,773,110	79,585,126
Acting Allowance	3,403,743	3,160,250
Transfer Allowance	254,508	834,298
Commuting Allowance	43,275,670	48,349,538
Hardship Allowance	1,866,795	707,845
Special Duty Allowance	60,035	188,371
Leave Allowance	22,878,890	21,997,261
Other Remunerative Allowance	3,663,226	6,446,419
NSSF - Employer's Contribution	1,230,977	1,184,222
Pension-Employer's Contribution	64,499,005	74,215,472
Gratuity Contribution	6,514,170	6,207,669
	570,574,125	635,397,565

Arrears on salary and allowances were paid during the financial year 2014/2015, hence the lower expense during the current period. This was following a salary review and recommendation to pay the arrears by the Salaries Review Commission (SRC). There were exits during the period, too.

6. Directors' Expenses

These are the expenses incurred by the Board of Directors:

	2015/2016	2014 / 2015
	KSh.	Ksh
Board and Committees expenses	6,264,336	492,526
Sitting allowances for board members	2,503,000	2,480,000
Conferences and Training	400,434	2,199,070
Honoraria	960,000	960,000
Total	10,127,770	6,131,596

The Board was in session during the period, unlike the previous year, when there was no full composition. There was increased activity during the period, too.

7. Depreciation and Amortisation

These are made up of:

	2015/2016	2014 / 2015
	KSh.	Ksh.
Depreciation		
Motor Vehicles	8,692,510	26,547,868
Furniture & Fittings	6,246,388	5,979,544
Computers	6,602,892	24,979,880
Buildings	50,000	50,000
Plant, Machinery and Equipment	5,417,172	4,763,672
Amortisation		
Software	4,199,896	4,202,948
Total	31,208,858	66,523,912

8. Repairs and Maintenance

These comprise of:

	2015/2016	2014 / 2015
	KSh.	Ksh.
Routine Maintenance		
Motor Vehicles	5,624,801	7,726,757
Plant Machinery and Equipment	4,735,898	4,753,863
Office Furniture and Fittings	12,000	10,200
Buildings & Stations	14,793,592	5,683,845
Computers and Servers	29,052,298	17,005,530
Total	54,218,589	35,180,195

9. Insurance Expenses

These are made up of:

	2015/2016	2014 / 2015
	KSh.	Ksh
Group Personal accident Insurance	9,898,359	2,411,353
Group life and Medical Insurance	57,579,056	63,979,463
Motor Vehicle Insurance	6,403,323	4,394,530
Assets Insurance Expense	848,137	164,837
Total	74,728,875	70,950,183

10. Other Operating Expenses

The other operating expenses comprised of the following items:

	2015/2016	2014/2015
	KShs	KShs
Auditor's Fees	1,740,000	1,740,000
Utilities Supplies and Services	1,645,790	1,691,784
Telephone Expenses	4,936,168	5,196,403
Travelling Expenses	16,063,536	10,374,836
Advertising, Publishing and Printing	3,217,435	4,545,427
Library Expenses	1,872,154	1,299,048
Training Expenses	29,052,680	14,210,309
External Travel and Accommodation	17,274,475	6,760,632
Stationery	4,673,663	4,317,589
Contracted Professional Services	-	6,725,571
Rent and Rates	2,902,695	3,803,075
Staff Welfare / Entertainment	19,339,707	8,273,229
TOTAL	102,718,303	68,937,903

Included in staff welfare expenses is Kshs.5.9 million relating to amount spent on staff car park.

11. Bank Charges

These are made up of:

	2015/2016	2014 / 2015
	KShs.	Ksh
KCB GOK - RECURRENT	493,057	281,374
KCB DEVELOPMENT	22	27,190
Total	493,079	308,564

12. Cash and Cash Equivalents

For purposes of the cash flow statement, cash and cash equivalents represent cash in bank and short-term deposits.

	2015/2016	2014 / 2015
	KSh.	Ksh
Bank	696,194,019	85,073,049
Short Term Deposits	1,860,000,000	1,500,000,000
Total	2,556,194,019	1,585,073,049

The detailed analysis of the cash and cash equivalents is as follows:

a. Banks

		2015/2016	2014 / 2015
Name of Bank	Account Number	KSh.	Ksh
KCB -Main Account	1107086183	657,112,887	81,563,449
KCB- Development	1116027593	27,258,694	34,107
KCB- County Accounts	47 County Accounts	1,868,658	1,502,643
NBK- Gratuity Account	1023116785500	107,108	526,957
Project Accounts - Coop Bank			
SCB COMESA	01120081528603	761,725	769,493
UNICEF- KENINFO	01120081528601	63,898	67,858
UNICEF - MICS	01120081528600	1,138,708	85,301
UNFPA	01120081857000	7,882,341	523,241
Total		696,194,019	85,073,049

The details of the 47 County Accounts are as per Appendix 1

b. Short Term Deposits

	2015/2016	2014 / 2015
Name of Bank	KSh.	Ksh
KCB - Main Account	1,860,000,000	1,500,000,000
Total	1,860,000,000	1,500,000,000

13. Receivables

These are made up of:

	2015/2016	2014 / 2015
	KSh.	Ksh
Staff Debtors	162,401,937	8,034,087
Census Imprests	4,438,906	4,438,906
Debtors -ERP Development	23,433,873	23,433,873
Prepayments	13,369,357	11,068,726
Deposits	275,201	275,201
Staff Gratuity- Fixed Deposits	-	17,389,000
Sundry Debtors-UNFPA	-	21,900
	203,919,274	64,661,692
Interest Income	12,124,344	21,636,115
TOTAL RECEIVABLES	216,043,618	86,297,807

- Staff debtors represent outstanding imprests, medical expenses recoverable and salary advances as at end of June 2016.
- Census imprests were amounts advanced to the various District Census Committees, to facilitate various activities in the 2009 Population and Housing Census exercise, but still remains unsurrendered. The Bureau is still following up with the Ministry of Interior and Coordination of National Government.
- The ERP development debtor's amount relates to payments made to Mareba Computers, the subject of a court case per Note 22 (IV).
- Prepayments represent the proportion of various insurance and service contracts paid in 2015/2016, a proportion of which was for the period beginning 01.07.2016.
- Interest income represents the accrued interest earnings on the amounts held in FDRs with KCB. For purposes of the Cash Flow, Interest Income has been dealt with under Note 3.
- Deposits are refundable amounts paid against staff parking fees with Kenya Railways, and rent deposit with Kenya Re for the KNBS Kisumu office.

14. Non- Current Assets Movement Schedule

FIXED ASSETS	LAND & BUILDINGS	FURNITURE & FITTINGS	PLANT & EQUIPMENT	MOTOR VEHICLES	COMPUTERS	TOTAL AMOUNT
COST/Valuation						
AT 1ST JULY 2014	8,494,071	47,836,344	38,109,375	132,739,349	130,967,140	358,146,279
Additions		2,134,750	5,228,015		5,647,900	13,010,665
AT 30th JUNE 2015	8,494,071	49,971,094	43,337,390	132,739,349	136,615,040	371,156,944
AT 1ST JULY 2015	8,494,071	49,971,094	43,337,390	132,739,349	136,615,040	371,156,944
Additions		187,360	-	152,077,985	46,808,780	199,074,125
AT 30th JUNE 2016	8,494,071	50,158,454	43,337,390	284,817,334	183,423,820	570,231,069
DEPRECIATION						
At 1st July 2014	200,000	20,024,317	15,260,761	81,276,070	123,677,727	240,438,875
Charge for the Year	50,000	5,979,544	4,763,672	26,547,868	24,979,880	62,320,964
Adjustments	-	-	-	-	(31,871,067)	(31,871,067)
AT 30th JUNE 2015	250,000	26,003,861	20,024,433	107,823,938	116,786,540	270,888,772
At 1st July 2015	250,000	26,003,861	20,024,433	107,823,938	116,786,540	270,888,772
Adjustments	-	-	-	-	-	-
Charge for the Year	50,000	6,246,388	5,417,172	8,692,509	6,602,891	27,008,960
AT 30th JUNE 2016	300,000	32,250,249	25,441,605	116,516,447	123,389,431	297,897,732
NET BOOK VALUE						
At 30th June 2015	8,244,071	23,967,233	23,312,957	24,915,411	19,828,500	100,268,172
At 30th June 2016	8,194,071	17,908,205	17,895,785	168,300,887	60,034,389	272,333,337

Included in Land and Buildings is the value of a Building valued at Sh2 million, for our Embu County office.

15. Intangible Assets

These include the values of Networks and Software.

	Intangible Assets
	Kshs.
COST/Valuation	
At 1st July 2014	109,987,064
Additions - Work in progress	4,677,420
AT 30th JUNE 2015	114,664,484
At 1st July 2015	114,664,484
Additions - Work in progress	5,190,563
AT 30th JUNE 2016	119,855,047
AMORTISATION	
At 1st July 2014	100,995,282
Charge for Year	4,202,948
AT 30th JUNE 2015	105,198,230
AMORTISATION	
At 1st July 2015	105,198,230
Charge for Year	4,199,896
AT 30th JUNE 2016	109,398,126
Net Book Value 30.06.2015	9,466,254
Net Book Value 30.06.2016	10,456,921

During the period, the work in progress relates to the development of Sage Evolution software, which commenced in 2014/2015 and was commissioned in 2015/2016 at a total cost of Sh.9,867,983.

Work in progress amounting to Kshs.29,382,342 which was included in the financial statements during 2013/2014 was removed from the asset register after it was ascertained that no benefit was expected from the software system. This relates to the cost of development of an ERP system which the supplier failed to implement as per the contract terms.

The Bureau has sued the supplier for the amount already paid amounting to Kshs.23,793,873.60. Also the supplier has sued for the outstanding balance amounting to Kshs. 5,948,468.40. This legal suit has been disclosed as a contingent asset and liability respectively.

16. Payables

These comprise of amounts outstanding arising from dealings with both internal and external customers, and are due to them, but had not been settled by year end.

	2015/2016	2014 / 2015
	KSh.	Ksh.
Sundry Creditors Accrued	23,783,652	16,623,844
Staff dues	3,498,091	-
TOTAL	27,281,743	16,623,844

Staff dues were amounts received as insurance compensation on behalf of deceased staff members and awaiting payment to the next of kin.

17. Staff Gratuity

Staff Gratuity amount is calculated on a monthly basis at the rate of 31% of the basic salaries of the staff on contract. It is made up of:

	2015/2016	2014 / 2015
	KSh.	Ksh.
Staff Gratuity	14,221,685	17,186,397
TOTAL	14,221,685	17,186,397

These are long-term liabilities that will fall due from November, 2018 when some of the current contract terms will be completed.

18. Refundable Deposits

These are amounts that are awaiting to be refunded to the respective payees after unsuccessful bidding for boarded items as well as monies retained on tender biddings:

	2015 / 2016	2014 / 2015
	KSh.	Ksh.
Bid Bonds/ Retention Monies	736,152	23,872
Deposit for boarded items	980,330	35,000
TOTAL	1,716,482	58,872

19. Provisions

These are made up of:

	2015 / 2016	2014 / 2015
	Ksh.	Ksh.
Audit Fees	1,740,000	1,740,000
Corporation Tax	32,863,904	-
Staff Leave Provision	18,834,391	18,054,261
TOTAL	53,438,295	19,794,261

The audit fees are the provisions for the audit expense for the financial statements for the year.

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

20. Unutilised Grants

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

	COMESA (SCB)	UNFPA	KENINFO	MICS	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 01.07.2015	769,493	545,141	67,858	85,301	1,467,793
Receipts	-	10,586,611	-	8,838,175	19,424,786
Less: Project Expenses	(7,768)	(3,249,411)	(3,960)	(7,784,768)	(11,045,907)
As at 30.06.2016	761,725	7,882,341	63,898	1,138,708	9,846,672

21. Reconciliation of Comparison of Budget and Actual Amounts

The Bureau's budget is prepared on an accrual basis. As such, the budget and the financial statements are already on the same basis and further adjustments are not required to align the financial statements to the budget. The following is a reconciliation of the period's deficit.

	Amount
	Ksh.
Surplus for the Year	1,165,193,415
Surplus per budget/actual comparison	1,262,130,078
Provision for Income Tax	(65,727,808)
Depreciation/Amortisation charges	(31,208,855)
	1,165,193,415

There were no changes between the original and the final budget. However, the actual amounts received exceeded the final budget due to some activities being funded by donors on an ad hoc basis, through collaboration. The amounts received are as per Note 2(b) and (c).

22. Contingent Liabilities

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

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

This case involved the 2009 Population and Housing Census and the matter was heard and a ruling was given in favour of the Bureau. All the monographs have since been disseminated.

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

This case involved the godown where the 2009 Population and Census materials were being stored. The claimant is claiming KShs.43 million for loss of business and rent. The Legal Unit is handling the case and is still pending in court.

III. Nakuru HCCC NO 115 OF 2008

Attorney General (KNBS) VS The Standard Newspapers Limited

This case concerned an accident that occurred near Gilgil involving the Bureau's vehicle and another one owned by Standard Newspapers Limited. The Bureau is claiming KShs.1.5 million, being the value of the vehicle that had an accident. The hearing date is yet to be taken.

IV. NAIROBI CHIEF MAGISTRATES CIVIL CASE NO 244 OF 2015 AT MILIMANI COMMERCIAL COURTS.

MAREBA COMPUTERS VS KNBS

The plaintiff claims a sum of KShs.5,948,468 from the Bureau. A counterclaim for a sum of KShs.23,433,873 was put forward by the Bureau as plaintiff did not and has not installed the ERP that the plaintiff procured. The matter is still pending in court.

V. MIGORI PETITION NO 11 OF 2015

SAMUEL GETUBA MAROA & ANOTHER VS KENYA NATIONAL BUREAU OF STATISTICS & 2 OTHERS

This case concerns a boundary dispute that has placed a school in a different location and the inhabitants have challenged the decision. The Bureau does not determine boundaries and has put in place an appropriate defence. The matter is ongoing.

VI. MILIMANI CMCC NO. 1421 OF 2005

BEATRICE KOSKEY VS THE HONOURABLE ATTORNEY GENERAL

Motor vehicle **GK A839** was involved in an accident in the year 2004. It belonged to the then Central Bureau of Statistics. The driver died and another person died. Wife of the other person has sued, seeking compensation. The matter is pending in court, and a hearing date has not been taken.

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

VII. TAX ARREARS FOR THE PERIOD JULY 2011 TO JUNE 2015

The Bureau's tax burden for the period to June 2015 was assessed by KRA and demand notices issued. The Bureau paid the principal amount, and is awaiting the waiver of both penalties and interest totalling about KShs.99 million.

Appendix 1: County Bank Account Balances as at 30.06.2016

S/NO.	REFERENCE	BRANCH NAME	ACCOUNT NUMBER	Bal 30.06.2016
1	Baringo	KCB Kabarnet	1108009875	46,538.70
2	Bomet	K.C.B Litein	1105682595	35,344.00
3	Bungoma	KCB Bungoma	1102068675	1,528.85
4	Busia	KCB Busia	1105253384	1,739.00
5	Elgeyo Marakwet	K.C.B Iten	1103240242	259.10
6	Embu	KCB Embu	1102969087	62,302.00
7	Garissa	KCB Garissa	1107852897	757.40
8	Homabay	K.C.B Homabay	1106831063	13,704.00
9	Isiolo	KCB Meru	1103336606	102,813.00
10	Kajiado	K.C.B Kajiado	1107696070	809.10
11	Kakamega	KCB Kakamega	1101951575	1,522.95
12	Kericho	KCB Kericho	1103619896	2,559.00
13	Kiambu	KCB Thika	1102292338	311.95
14	Kilifi	K.C.B Kilifi	1102302929	3,090.00
15	Kirinyaga	KCB Kerugoya	1104080575	5,440.50
16	Kisii Central	K.C.B Kisii	1102028681	739.55
17	Kisumu	K.C.B Kisumu	1103870858	475,942.55
18	Kitui	KCB Kitui	1106060881	1,999.50
19	Kwale	KCB Kwale	1142411796	12,808.00
20	Laikipia	K.C.B Nanyuki	1103191586	15,029.10
21	Lamu	KCB Lamu	1104814412	113,239.25
22	Machakos	KCB Machakos	1106383516	57,742.10
23	Makueni	KCB Wote	1105353532	4,843.05
24	Mandera	KCB Mandera	1103998161	1,169.17
25	Marsabit	KCB Marsabit	1102671533	35,648.45
26	Meru County	KCB Meru	1103335766	528.00
27	Migori	K.C.B Migori	1106362446	1,192.65
28	Mombasa	KCB Treasury Sq.	1107642051	116,461.00
29	Muranga	KCB Muranga	1108577466	23,603.19
30	Nairobi	KCB Moi Avenue	1174202351	(2,776.00)
31	NAKURU	NAKURU	1101858354	315.00
32	NANDI County	KAPSABET	1102099309	22,771.80

33	Narok	KCB Narok	1102026964	1,494.10
34	NYAMIRA	NYAMIRA	1103337181	(1,663.95)
35	Nyandarua	KCB Nyahururu	1102175196	98.35
36	Nyeri	KCB Nyeri	1102000361	21,322.55
37	Samburu	K.C.B Maralal	1108193749	119,084.00
38	Siaya	K.C.B Siaya	1115339982	1,695.55
39	TAITA TAVETA	WUNDANYI	1103865854	29,760.00
40	Tana River	KCB Hola	1104619156	116,837.70
41	Tharaka	KCB Chuka	1103757067	105,591.55
42	Trans Nzoia	KCB Kitale	1105205592	765.15
43	Turkana	K.C.B Lodwar	1107328861	450.60
44	Uasin Gishu	KCB Eldoret	1102545864	165,844.45
45	Vihiga	KCB Mbale	1104078856	234.00
46	Wajir	KCB Wajir	1105259927	93,428.55
47	West Pokot	KCB Kitale	1105205770	53,739.80
BALANCE IN BANK				1,868,658.31

