

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY

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OF

THE AUDITOR-GENERAL

ON

**KENYA NATIONAL BUREAU OF
STATISTICS**

**FOR THE YEAR ENDED
30 JUNE, 2021**



KENYA NATIONAL BUREAU
OF
STATISTICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

Table of Contents

1.	KEY INFORMATION AND MANAGEMENT	iii
2.	THE BOARD OF DIRECTORS	vii
3.	KEY MANAGEMENT TEAM	xviii
4.	THE CHAIRMAN'S STATEMENT	xxiii
5.	REPORT OF THE CHIEF EXECUTIVE OFFICER	xxiv
6.	STATEMENT OF BUREAU'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021	xxvi
7.	CORPORATE GOVERNANCE STATEMENT	xxviii
8.	MANAGEMENT DISCUSSION AND ANALYSIS	xxxii
9.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxxv
10.	REPORT OF THE BOARD OF DIRECTORS	xxxvii
11.	STATEMENT OF DIRECTORS' RESPONSIBILITY	xxxviii
12.	REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS FOR KENYA NATIONAL BUREAU OF STATISTICS	xxxix
13.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021.. - 1 -	
14.	STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021	- 2 -
15.	STATEMENT OF CHANGES IN NET ASSETS	- 3 -
16.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021	- 4 -
17.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021	- 5 -
18.	NOTES TO THE FINANCIAL STATEMENTS	- 6 -
	APPENDIX.....	30

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

Acronyms

AfDB	-	African Development Bank
A-I-A	-	Appropriations in Aid
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
GOK	-	Government of Kenya
ICT	-	Information Communication Technology
IDA	-	International Development Agency
IFRS	-	International Financial Reporting Standards
ILO	-	International Labour Organisation
IPSAS	-	International Public Sector Accounting Standards
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
KPHC	-	Kenya Population and Housing Census, 2019
MICS	-	Multiple Indicator Cluster Survey
NIPFN	-	National Information Platform for Food and Nutrition
NSS	-	National Statistical System
NSSF	-	National Social Security Fund
PPRA	-	Public Procurement Regulatory Authority
SCB	-	Statistical Capacity Building
SIDA	-	Swedish International Development Cooperation Agency
UNDP	-	United Nations Development Programme
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
USAID	-	United States Agency for International Development

1. KEY INFORMATION AND MANAGEMENT

(a) Background information

Overview

Kenya National Bureau of Statistics (KNBS) is a Semi-Autonomous Government Agency established by the Statistics Act, 2006, under The National Treasury and Planning. Its ultimate parent is the Government of Kenya.

Vision

To be a global leader in the provision of quality statistical services.

Mission

To provide, manage and promote quality statistical services through utilization of best practices for evidence-based decision making.

Core Values

- i. **Professionalism:** Strictly abide by professional considerations, including scientific principles and ethics on methods, standards and procedures for provision of quality statistical services.
- ii. **Integrity:** Will adhere to the principles of good governance to ensure transparency and accountability in undertaking its programmes and activities.
- iii. **Confidentiality:** The Bureau will treat all information provided by stakeholders with strict confidentiality and use exclusively for statistical purposes.
- iv. **Customer focus:** Commits itself to align its programmes to the expectations of its stakeholders and attaining the highest standards in service delivery.
- v. **Innovation:** Will continuously embrace creativity and innovation for value-addition in its business processes.
- vi. **Teamwork:** Will embrace teamwork in pursuing timely attainment of targeted results at all levels, through coordination and networking.

Strategic Themes / Key Result Area (KRAs)

The Bureau identified five areas of focus / key result areas, which will enable it to deliver benefits to the stakeholders and effectively realize its mandate:

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

- i. Production of quality statistics
- ii. Coordination of the National Statistical System (NSS)
- iii. Capacity building
- iv. Financial resource mobilization and management, and
- v. Enhance corporate image

(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:

- i. Planning, authorising, co-ordinating and supervising all official statistical programmes undertaken within the national statistical system;
- ii. Establishing standards and ensuring the use of best practices and methods in the production and dissemination of statistical information across the national statistical system;
- iii. Collecting, compiling, analyzing, abstracting and disseminating statistical information on the matters specified in the First Schedule of the Act;
- iv. Conducting the Population and Housing Census every ten years, and such other censuses and surveys;
- v. Maintaining a comprehensive and reliable national socio-economic database.
- vi. Developing and maintaining sampling frames;
- vii. Collaborating with and assisting the county governments or any other institutions in the production of official statistics;
- viii. Providing technical advice on statistics to other state entities;
- ix. Promoting co-ordination among producers, users and suppliers of official statistics by forming appropriate sector committees; and
- x. Designating statistics produced by national statistical system as official statistics on being satisfied that the necessary criteria have been followed.

(c) Key Management

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

- i. Director General;
- ii. Directorate of Corporate Services;
- iii. Directorate of Production Statistics;
- iv. Directorate of Macro Economics Statistics;
- v. Directorate of Population and Social Statistics;
- vi. Directorate of Statistical Co-ordination and Methods

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Director General	Macdonald G. Obudho
2	Director – Corporate Services	Ann Mburu
3	Director – Production Statistics	Robert Nderitu
4	Director – Macro Economics Statistics	Collins Omondi
5	Director – Population & Social Statistics	Abdikadir A. Awes
6	Head of Procurement	Charles Muinde
7	Director – Statistical Co-ordination and Methods	Benjamin Avusevwa

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight cover:

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

(f) Kenya Bureau of Statistics Office

Real Towers,
Hospital Hill Road,
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,

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NAIROBI.

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


(i) Independent Auditors

Auditor General
Office of the Auditor-General
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


2. THE BOARD OF DIRECTORS

1	 <p>Mr. Peter Nginga Kiguta, MBS (Retired Board Chairman on 11th May 2021)</p>	<p>Mr. Peter Nginga Kiguta was appointed as the Board Chairman in May 2018. He holds an MA, Economics Policy (1985), Boston University, Massachusetts, USA and BA, Economics - Upper 2nd Class (1981), University of Nairobi, Kenya.</p> <p>He was employed by the government of Kenya on 20th November 1981 as Economist I, where due to his good performance, he was promoted through five ranks in a span of 14 years (Economist II; Senior Economist; Principal Economist; Deputy Chief Economist) to the level of Chief Economist in 1995.</p> <p>He was a Lecturer in Economics, Boston University, Boston - Massachusetts, USA, between January and September 1985, where he taught under graduate students in Macro and Micro economics and problems of African Economic Development.</p> <p>He has authored various academic papers in economics for presentation in conferences and policy dialoguing, and also contributed papers as input in publications by World Bank. He has also published papers in respected trade journals.</p> <p>He first joined the East African Community as the Macroeconomist on 28th September 1996. He was appointed on merit as the first Director General (Customs & Trade) of the East African Community on 7th December 2004, where he retired on 31st December 2016 upon reaching mandatory retirement age, having worked as the Director General for 12 years. As a Director General, customs and trade, he had the overall responsibility of ensuring that the EAC Customs union takes off and functions effectively. He led a cross functional, multinational team of customs and trade experts with an annual budget of around US\$9 million.</p>
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**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

2	 <p>Mr. Stephen Wainaina, MBS</p> <p>(Appointed Board Chairman on 6th October 2021)</p>	<p>Mr Stephen Wainaina, MBS, is an Economic Policy specialist, with strong background in statistics and Public Policy Formulation, analysis and implementation. He possesses wide experience in Strategic Policy formulation, implementation and monitoring, especially in the area of Development planning.</p> <p>Since January, 2015, Mr Wainaina has been working full-time as Development and Public Policy Consultant. He served as a Director in the Partnership for Economic Policy (PEP) Board in the period 2013 - 2016.</p> <p>Mr Wainaina holds an MA Degree in Development Economics, which he attained at the Center for Development Economics, Williams College, Massachusetts, USA in 1985. For his undergraduate studies, he attended the University of Nairobi, Kenya, and was awarded a BA Honours degree in Economics in 1981.</p> <p>In addition, he also undertaken other Courses, Benchmarking Tours and Visits, Conferences and Seminars in the fields of Economic Development, Research and Management.</p> <p>Mr Wainaina served for over 33 years in the Public Service rising to the Position of Economic Planning Secretary in the Planning department, a Position he held for nearly 10 years. During this period he took official leave from Government Service and Served in two UN Agencies, namely UNCHS (Habitat) and UNCTAD, as regular staff member and as a Consultant.</p> <p>In 2008, Mr Wainaina was honored with the Award of the Moran of the Order of the Burning Spear</p>


**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>(MBS) by the President of the Republic of Kenya for his exemplary Services in the Public Sector.</p> <p>His most recent engagements in Consulting include assignments with: SIDA, USAID (Futures Group/Palladium Group), IGADD, ACBF, UNDP, IFAD and World Bank, among development Agencies.</p>
3	 <p>Ms. Katherine Chiteri Muoki, HSC, OGW</p>	<p>Alternate to Principal Secretary – State Department for Planning, Katherine Chiteri Muoki is a long serving career Civil Servant who has risen through the ranks to the position of Economic Planning Secretary. She holds a Bachelor of Education Degree (Economic & Business Studies), 1st Class Honours from Kenyatta University and a Masters of Arts (Economics) Degree from the University of Nairobi.</p> <p>Mrs. Muoki has technical expertise in a number of areas that include; Economic Policy Formulation, Development Planning and Analysis; Strategic Planning; Project Management, Monitoring and Evaluation and Impact Analysis; Speech Writing; Participatory Poverty Assessment; Qualitative and Quantitative Statistics Analysis; Human Development Analysis; Research Techniques; Public Finance Management including Budgeting; and Capacity Building.</p> <p>Among the key activities that she has initiated and/ or coordinated and provided leadership include the drafting of the Poverty Reduction Paper, the Economic Recovery Paper for Wealth Creation, the Vision 2030 and the three Medium Term Plans for the implementation of the Vision 2030. Further she was a member of the think tank that initiated the Medium Term Expenditure Framework (MTEF) Budgeting Framework. She has co-convened various MTEF budget Sector Working Groups for several years. Further she has initiated development of other key</p>


**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>policy documents such as the National Gender Policy, the Status of Women Report, and Kenya National Human Development Reports among others. She has also provided leadership in Participatory Poverty Analysis Studies.</p> <p>Over the years, Mrs. Muoki has served on several boards. These include, the pioneer boards of the National Commission for Gender and Development; Women Enterprise Fund Advisory Board; Uwezo Fund Oversight Board; Anti-Female Genital Mutilation Board and Affirmative Action Social Development Fund Board. She has also sat on the National Commission for Science and Technology and the Lake Basin Development Authority Board.</p> <p>Mrs. Muoki is the recipient of two (2) State Awards; Head of State Commendation (HSC) in 2013 and Order of the Grand Warrior (OGW) in 2016.</p>
4	 <p>Mr. Samuel Wambugu</p>	<p>Alternate to the Principal Secretary, National Treasury, Samuel is a Chief Economist in Macro and Fiscal Department of the National Treasury and Planning.</p> <p>Apart from being a Board Member of KNBS, he also represents the CS, National Treasury and Planning at Jomo Kenyatta Foundation (JKF) Board of Directors.</p> <p>He holds an M.A in Economic Policy Management degree from Makerere University, Uganda and B.A in Economics from University of Nairobi. Besides the above, he has attended Strategic Leadership Development Programme (SLDP) at Kenya School of Government and several courses in Financial and Strategic Management, Leadership and Policy Formulation locally and abroad, and has also</p>



**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>undertaken a training on Corporate Governance under Mwongozo facilitated ICS and SCAC.</p>
5	 <p>Mr. Japh Okoth Olende</p>	<p>Japh has been a Senior Business Consultant since the beginning of 2016 after his tenure at AIG Insurance Company spanning over 36 years. At AIG, he was the Chief Executive in charge of East Africa Region for over 19 years. He has considerable international working experience having worked briefly in the US and Europe.</p> <p>During his tenure at AIG he acquired extensive experience in all technical aspects of the business, having worked in all departments including Finance, Claims, Underwriting and Distribution. He was part of the AIG Africa Executive Committee which was charged with the responsibility of developing and implementing key business strategies for the Africa Zone including expansion of the brand in East, West and Southern Africa</p> <p>Japh played leading roles in the insurance industry including serving in various industry related committees, leading to being honoured with a Life Time Achievement award for outstanding role in developing the insurance industry in the region.</p> <p>Japh has played leadership roles in the past as: President of American Chamber of Commerce Kenya Chapter and Director General of the Insurance Institute of Kenya. He has been a director of a number of institutions & organization including, Retirement Benefits Authority; KEPSA; AIG Kenya; AIG Uganda and Muthaiga Golf Club.</p> <p>He currently holds directorships of a number of companies including: Absa Bank Kenya Ltd; Chairman Absa Bank Insurance Agency; Jadala Investments company; Ler Limited; 25th Investment Company, and Jumbo Chem Company Kenya Ltd</p>

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>He has presented papers at a number of international conferences including Brookings Institute in Washington DC and Chatham House in London, Japh is a graduate of the University of Nairobi and is a Chartered Insurer of CII London as well as a Member of the Institute of Directors and Certified Trustee.</p>
6	 <p>Dr. Mary K. Lonyangapuo, HSC</p>	<p>Dr. Mary K. Lonyangapuo is a holder of Bachelor of Arts in Education from Kenyatta University, a Master's 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</p> <p>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.</p> <p>She is a member of the Editorial Board, Jarida la Mwanga wa Lugha, an academic journal at Moi University.</p> <p>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.</p> <p>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.</p>

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

7	 <p>Dr. Caxton M. Munyoki</p>	<p>Dr. Caxton Munyoki holds a PhD in Business Administration, a Master's in Business Administration and a Bachelor of Commerce in Business Administration, all from the University of Nairobi.</p> <p>Dr. Munyoki has 20 years' experience in the private sector and seven years' experience in the Public sector. He has been a Chief Executive Officer in Kenya Broadcasting Corporation, Allan Holdings, Kenital Solar, Kenya Bunduki, and Tracker Group of Companies. He also served as a Deputy Chief Executive Officer in TARDA and Kenya Broadcasting Corporation. Dr Munyoki has worked with Bata Shoe company limited as a Marketing Manager.</p> <p>He has several publications under his name, among them; 'The Role of Competitive Strategies on Performance of Kenya State Corporations' – by Dr. Caxton Munyoki (International Journal for Innovation Education and Research – IJIER) November 2015' and "The Joint Influence of Organizational Autonomy, Positioning and Competitive Strategies on Performance of Kenyan State Corporations" – by Dr. Caxton Munyoki (International Journal of Humanities and Social Science) Vol. 5, No. 10(1); October 2015.</p> <p>He is a member of the Marketing Society of Kenya.</p>
8		<p>Richard has considerable experience in the field of Biotechnology, and brings to the Board extensive expertise in research and bio-statistics. His active research focuses on using modern biotechnologies including genetic engineering to improve local staple food crops such as maize, sweet potato, cassava and sorghum against diseases, drought, aflatoxin, and Striga. He holds a patent on a stress-inducible promoter with the World Intellectual Property Organization and Chairs the Kenya University Biotechnology Consortium; a professional body that</p>

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

	<p>Prof. Richard Oduor Okoth</p>	<p>brings together experts in Biotechnology from public and private universities to promote safe use and application of modern biotechnology in Kenya. In 2017, Richard was among the 52 African Scientists celebrated by the South African Department of Science and Technology for their outstanding contributions in advancing research in the continent.</p> <p>Richard has won several research grants, supervised several graduate students and published widely in the discipline. Currently he serves as an Associate Professor and Head of Plant Transformation Laboratory in the department of Biochemistry, Microbiology and Biotechnology at Kenyatta University, Nairobi, Kenya. Richard holds a PhD in Molecular and Cell Biology from University of Cape Town, an MSc (Biotechnology) and BSc (Biochemistry) both from Kenyatta University, Kenya. In addition, Richard has a postdoctoral training, in drug discovery from Pfizer, UK.</p> <p>He also holds an Executive Master’s of Science in Management and Organizational Development from United States International University, Africa; a Graduate Diploma in Forensic Sciences from Blackford Institute, UK and a Certificate in Science communication from University of Cape Town. He is currently an Honorary Visiting Fellow of the University of Leicester.</p>
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**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

9



Dr. Mohamed A. Sheikh

Dr. Mohamed A. Sheikh is the Director General for the National Council for Population and Development (NCPD), a Semi-Autonomous Government Agency under The National Treasury and Planning. He previously served as the Head of Family Health Department, Ministry of Health Kenya. He is a Medical Doctor and hold a master degree in International Public Health and a second Master in Maternal and Child health.


A seasoned civil servant, Dr Sheikh, has served with excellence having had over sixteen years of experience in senior level health management systems and leadership. As the head of the department of family health, he oversaw the coordination and development of policies, strategies, guidelines and capacity building in Reproductive, Maternal, newborn, adolescent health and nutrition in the country.

Dr. Sheikh is credited for the introduction of innovative interventions including the breast milk bank being piloted in Kenya, use of chlorohexidine for cord care, introduction of amoxicillin DT for treatment of pneumonia in children and introduction of new vaccines. These great ideas have greatly contributed to reduction in maternal and child morbidity and mortality in the Kenya.

While serving as the provincial director of medical services, North Eastern Province of Kenya, he contributed immensely to the improvement of maternal and child health indicators through introduction of innovative programmes within the region.

Dr. Sheikh serves as board director of the Anti-Female Genital Mutilation (FGM) in Kenya, He is also an advisor of a multi donor trust fund for GFF.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

10	 <p data-bbox="279 676 619 795">Macdonald G. Obudho, MBS Director General</p>	<p data-bbox="678 224 1380 515">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.</p> <p data-bbox="678 571 1380 940">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 in cartographic 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.</p> <p data-bbox="678 952 1380 1075">He has coordinated the writing of very many reports like census monographs, demographic and health surveys and Multiple Cluster Surveys.</p> <p data-bbox="678 1131 1380 1467">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.</p> <p data-bbox="678 1512 1380 1590">Macdonald serves as a Board Director of Tourism Research Institute, among other boards.</p>
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**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

11





**Mr. Josiah Morara
Omosa**

Josiah is an alumni of the University of Nairobi having earned a Masters of Law Degree in 2013. He also earned a Diploma in Legal Practice from the Kenya School of Law in 1998 and a Bachelor of Law Degree (2nd Class Honors, Upper Division) from the University of Nairobi in 1997. He is a registered Certified Public Secretary of Kenya, a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) Member No.R/CPSB/2214 and the Law Society of Kenya (LSK) and an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Notary Public.

He has been an advocate of the High Court for the past 20 years (10 of which he has been the Legal Manager and later promoted to be a Corporation Secretary at the Bureau). He is a lawyer, with a wide spanning career in law and corporate governance. He has been responsible for driving the corporate governance agenda in the Bureau, providing guidance and support to the Board and has been the Secretary to the Board and all its Committees. Further, he has considerable experience in Commercial and Public Procurement Law having represented the Bureau before the Public Procurement Board and the Constitutional and Judicial Review Divisions of the High Court.



3. KEY MANAGEMENT TEAM

<p>1</p>	 <p>Macdonald G. Obudho, MBS Director General</p>	<p>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.</p> <p>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 in cartographic 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.</p> <p>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.</p> <p>Macdonald serves as a Board Director of Tourism Research Institute, among other boards.</p>
<p>2</p>	 <p>Robert Nderitu, OGW Dir., Production Statistics</p>	<p>Mr. Robert Nderitu is a statistician by profession and holds a Master of Science Degree (Statistics) from Kenyatta University. He has more than twenty (20) years' experience in the field of Statistics and through appropriate training and experience both locally and internationally, has been undertaking duties related to production and management of Statistics. This includes; preparing concept papers and proposals; providing economic planning, analytical, statistical, demographic and other related services; designing</p>


**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>and maintaining of business register and sampling frames; designing data collection instruments; designing surveys and censuses; collecting and analyzing statistics on various thematic areas; monitoring living conditions by collecting, compiling and disseminating data on Consumer Price Indices (CPI) as well as income and expenditure levels; and compiling other development Indexes including Human Development Indexes.</p> <p>He is the Director in charge of Production Statistics Directorate whose mandate involves collection, analysis, generation and dissemination of statistics in the areas of Labour, Prices, Industrial, Agriculture and Livestock, Environment and Nutrition statistics. He is also a qualified quality management system internal auditor and currently heads a team of champions, implementing the ISO 9001:2015 Quality Management System in the Bureau.</p>
3	 <p>Collins Omondi, OGW Dir., Macro Economic Statistics</p>	<p>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.</p> <p>He heads Macroeconomics Statistics Directorate that is 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.</p>


**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

<p>4</p>	 <p>Ms. Ann M. Mburu, HSC Director, Corporate Services</p>	<p>Ms. Ann Mburu holds a Master of Science Degree in Human Resource Management from SALFORD University in the UK. She also holds a Bachelor’s Degree in Economics and Government from the University of Nairobi in Kenya.</p> <p>Ann has attended various Management/Leadership courses to include: Change Management from the Royal Institute in the UK, Labour Management Course under the World Bank in Washington - USA, Strategic Management Skills from University of Connecticut USA, Strategic Planning Course from University of Wits Waterberg in South Africa, Strategic Leadership program from Kenya School of Government, Gender Mainstreaming Management from East and Southern African Management Institute, among others.</p> <p>Ms. Mburu has worked as a Management Consultant in the Management Consultancy Services under the Office of the President, Directorate of Public Service Management. She has also worked as a Director of Human Resource Management and Development, last appointment being the State Department for Planning before joining Kenya National Bureau of Statistics as a Director, Corporate Services.</p>
<p>5</p>	 <p>Mr. Benjamin Avusevwa Director, Statistical Coordination and Methods</p>	<p>Benjamin Avusevwa is the Director of Statistical Coordination and Methods.</p> <p>He was appointed to this post in October 2020. Avusevwa joined the then Central Bureau Statistics 1995 as a Statistician and later joined the Kenya National Bureau of Statistics (KNBS) in 2009. Prior to this appointment, he was Head of External, Fiscal and Financial Statistics Division and Coordinator of National Strategy for the Development of Statistics.</p> <p>His career is focused on strategic planning, production and management of official statistics. He has vast experience in the compilation and analysis of Macroeconomic Statistics with expertise in External Sector Statistics. He has also extensive experience of business survey methodology and</p>

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

		<p>contributed to the development of the <i>UN International Merchandise Trade statistics: Concepts and definitions 201</i></p> <p>In the past, he has represented the KNBS on several technical groups and committees. Internationally, he has worked closely with the International Monetary Fund (IMF), Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) on development and use of statistical frameworks and methodologies. He has complemented his KNBS experience with being a member of EAC High-level Task Force for the development of East African Monetary Union protocol, member of Kenya delegation in the negotiation of EAC Common Market protocol, and Kenya delegation team leader in the development of the bill for establishment of East African Statistics Bureau.</p> <p>Avusevwa is a statistician by profession having obtained a Master of Science degree in Statistics from the University of Nairobi in 2005 and a Bachelor of Science degree in Statistics and Computer Studies from Kenyatta University in 1994. He is also a holder of a certificate in computer network engineering from Okinawa International Centre under Japan International Cooperation in 2001. He is an accredited statistician with Kenya National Statistics Society.</p>
6	 <p>Mr. Abdulkadir Amin Awes Director Population and Social Statistics</p>	<p>Mr Abdulkadir Amin Awes holds a Master of Arts degree in Economic Policy Management (EPM) from Makerere University of Kampala (MUK), Master of Science in Population Studies from University of Nairobi, Bachelor of Arts (Second Class Honors, Upper Division) from University of Nairobi and Diploma on Decentralized Planning for Rural Development from National Institute of Rural Development, Hyderabad (India). He has over 29 years' experience in public service in the areas of Statistics, Economic planning, HIV/AIDs, monitoring and evaluation.</p> <p>He joined Kenya National Bureau of Statistics (formerly Central Bureau of Statistics) as a Senior Manager in charge of</p>

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

		<p>social statistics. He has been involved in the production of various plans and statistical publications, which include, District Poverty Reduction Paper, District Development Plans, Annual Economic Survey reports, Annual Statistical Abstract reports and County Statistical Abstracts.</p> <p>He has a vast experience in planning, designing, coordinating and providing technical expertise in various national surveys and population and housing censuses (1999, 2009 and 2019). He authored a number of survey and census reports.</p>
7	 <p>Mr. Josiah Morara Omosa</p>	<p>Josiah is an alumni of the University of Nairobi having earned a Masters of Law Degree in 2013. He also earned a Diploma in Legal Practice from the Kenya School of Law in 1998 and a Bachelor of Law Degree (2nd Class Honors, Upper Division) from the University of Nairobi in 1997. He is a registered Certified Public Secretary of Kenya, a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) Member No.R/CPSB/2214 and the Law Society of Kenya (LSK) and an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Notary Public.</p> <p>He has been an advocate of the High Court for the past 20 years (10 of which he has been the Legal Manager and later promoted to be a Corporation Secretary at the Bureau). He is a lawyer, with a wide spanning career in law and corporate governance. He has been responsible for driving the corporate governance agenda in the Bureau, providing guidance and support to the Board and has been the Secretary to the Board and all its Committees. Further, he has considerable experience in Commercial and Public Procurement Law having represented the Bureau before the Public Procurement Board and the Constitutional and Judicial Review Divisions of the High Court.</p>

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

4. 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 financial year ended 30th June 2021. This is an opportunity to report on the activities and performance of the Bureau.

During the 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. Various reports arising from the 2019 Kenya Population and Housing Census were produced. Other surveys and censuses were also carried out so as to strengthen the quality of statistical information released to all stakeholders.

The Bureau continued to strengthen the National and County Statistics Offices, but still faces the challenges of office accommodation especially in the Counties, staff retention and visibility. The process of shifting all the headquarter staff to the new office block was completed. In the long term, the Bureau requires to own a building to house its headquarters.

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



**Stephen Wainaina, MBS
BOARD CHAIRMAN**

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

According to the Statistics Act 2006, 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 use of best standards and methods in the production of statistics across the National Statistical System (NSS). This annual financial report, therefore, highlights achievements made by the Bureau during the period under review.

Production of 2019 Census Monographs

The outline, tabulation plans and drafting of 12 Analytical reports for the 2019 census were developed in October 2020. Fertility and Nuptuality, Migration and Disability Analytical Reports were finalized in December 2020. Preparation of the tabulation plan and drafting of the Analytical reports on Labour Force and Agriculture commenced and draft zero reports were prepared.

Kenya Strategy for Development of Statistics

In the Financial Year the Bureau launched the Kenya Strategy for Development of Statistics (KSDS). The KSDS is a framework to strengthen statistical capacity across the National Statistical System (NSS) through statistical planning. It is a national statistics master plan that provides a vision for development of all official statistics for the country. The KSDS is currently regarded as the best practice in statistical planning as it lays considerable emphasis on the entire NSS as opposed to the National Statistical Office only. This framework will not only broaden and deepen the co-ordination between Bureau and the sectors, but will also streamline relations among the sectors that are involved in production of statistics, including counties.

Through the KSDS framework, producers of statistics are encouraged to prepare and implement statistical programmes within their institutions for enhancing the production of statistics. The KSDS will culminate in establishment of functional statistical units in sectors, enhance the statistical capacity of the NSS to develop, produce and use official quality statistics in a cost-effective manner.

The KSDS is aligned to the MTP III and the Big Four and covers the period 2018/19 to 2022/23 financial years.

Quality Management System

During the period under review, the Bureau continued to implement and maintain its Quality Management System (QMS) based on ISO 9001:2015 Standard. Internal audits were conducted to assess the implementation status thus ensuring that the Bureau maintained the QMS as per the requirements of the Standard.

Performance Contracting for FY 2020-2021

The Bureau implemented the agreed targets as per the vetted 2020-2021 Performance Contract. Four quarterly progress reports were prepared and submitted to The National Treasury and

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

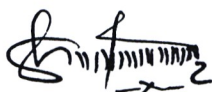
Planning and Office of Performance Management Contracting and Coordination as guided by 17th Cycle Performance Guidelines.

The Kenya Statistics Program-For-Results (KSP-for-R)

The Kenya Statistics Program for Results (KSP-for-R) is a financing agreement between the Government of Kenya and World Bank aimed at supporting statistical development in the Country from 2015/16 to 2019/20. The credit amount was SDR 35.6 Million (USD 50.0 Million equivalent) and supported selected activities of the Bureau's Strategic Plan. The program commenced on 9th October 2015 and became effective on 10th February, 2016. It was a "results based" program where disbursements were largely tied to achievement of agreed "Disbursement Linked Indicators (DLIs)". Each DLI had several Disbursement Linked Results (DLRs) or milestones, which, when achieved, triggered disbursement. The National Treasury funds the Bureau's budget through the exchequer releases and was reimbursed the agreed amount, upon achievement of the results, and completion of the verification process.

The program implementation ended on 31st December 2020. The verification and request for withdrawal of funds for DLRs achieved was granted up to 30th June 2021. As at the end of the financial year, the Bureau had achieved all the thirty four (34) Disbursement Linked Results (DLRs). A total of USD 49.5 million (99% of the total credit) had been disbursed to The National Treasury for the results achieved and verified. For the DLR 2.4(2019 poverty report), the World Bank agreed to reimburse 80% (USD 2 million) instead of the total amount (USD 2.5 million) since the National Treasury did not clear the report for uploading. Through the program, the Bureau has also been able to digitize data collection processes for most surveys/censuses and a lot of microdata has been disseminated through the Bureau's website. The program has been rated as successful by the World Bank and negotiations for a phase II are ongoing.

Sincere appreciation to the Board, entire staff and our development partners who have been of great help in the development of statistics not only at the Bureau but in the country as a whole. Particular gratitude goes to AfDB, Statistics Sweden through SIDA, UNICEF, UNDP, UNFPA UN Women and World Bank for both financial and technical support that facilitated the Bureau in conducting 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.



**Macdonald G. Obudho, MBS
DIRECTOR GENERAL**

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

6. STATEMENT OF BUREAU'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

The Bureau has 5 strategic themes and objectives within the current Strategic Plan for the FY 2018/19 to FY 2022/23. These strategic themes are as follows:

Theme 1: Production of quality statistics;

Theme 2: Coordination of the National Statistical System (NSS);

Theme 3: Capacity Building;

Theme 4: Financial resource mobilization and management; and

Theme 5: Corporate Image.

The Bureau develops its annual work plans based on the above themes. Assessment of the Bureau's performance against its annual work plan is done on a quarterly basis. The Bureau achieved its performance targets set for the 2020/2021 period for its 5 strategic themes, as indicated in the diagram below:

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Theme 1: Production of quality statistics	To produce quality statistics that meet user requirements	1. 2019 KPHC Analytical Reports 2. Rebased National Accounts	1. Produced 2019 KPHC Analytical Reports in order to generate indicators in various thematic areas (demographic and socio economic) for monitoring and evaluation of programmes and projects at all levels. 2. Rebasing National Accounts	1. Nine Analytical reports were peer reviewed: i. Fertility and Nuptuality; ii. Mortality; iii. Household and Family Dynamics; iv. Education; v. Housing Conditions, Amenities and Household Assets; vi. ICT; vii. Youth and Adolescents; viii. Ageing and Vulnerable Population. ix. Gender Dimensions

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Theme 1: Production of quality statistics (Continued).....				<ol style="list-style-type: none"> 1. Generated Rebased National Accounts hence improved the Economic Survey reports 2. Undertook The Kenya Continuous Household Survey which assisted in the generation of Poverty Reports and Quarterly Labour Force Reports 3. Undertook the Construction Input Price Indices survey.
Theme 2: Coordination of the National Statistical System (NSS);	To establish a well-coordinated National Statistical System	Kenya Strategy for Development of Statistics (KSDS)	Develop and Launch KSDS	KSDS launched on 21st April 2021
Theme 3: Capacity Building	To build adequate capacity to provide quality, efficient and effective services	Trained Staff	Strengthen internal skills and expertise through training.	Undertook virtual training in collaboration with Statistics Sweden, Office for National Statistics and IMF. Selected staff were also trained on the Public Procurement and Assets Disposal Act, 2015.
Theme 4: Financial resource mobilization and management	To increase the financial base for the Bureau.	Amount of resources mobilized Disbursement dates	Diversify the sources of funds	Partnership and additional financial support with development partners in undertaking surveys and censuses to the extent of Sh.120 Million per Notes 2b and 2c.

7. 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 corporate governance arrangements for the Bureau are set by the Board having regard to the Corporate Governance Principles and Recommendations, corporate best practice and the best interests of all stakeholders. The Bureau is committed to adopting best practice in corporate governance where these practices are appropriate and add value. Consistent with the ongoing review of the Bureau's corporate governance framework to ensure that reflects best practice, the Bureau's Charters and Policies are updated continuously. The documents define the process and structure used to direct and manage business affairs of the Bureau with the aim of enhancing prosperity and organizational accountability.

The Board has adopted a Board Charter that details the functions and responsibilities of the Board, Chairman and individual Directors. Responsibility for the day to day management and administration of the Board is delegated to the Director General (DG) who is Chief Executive Officer (CEO), assisted by the management. The DG manages the Bureau in accordance with the strategy, financial plans and delegations approved by the Board. The Board is responsible for the overall operation and stewardship of the Bureau and, in particular for the long term strategies, policies and financial objectives of the Bureau and for monitoring the implementation of those policies, strategies and financial objectives.

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:

- i. 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.
- ii. Approving the Bureau's Budget, annual work plans, procurement plan and performance contract.
- iii. Approving the Bureau's Annual Report and reviewing its periodic financial reports.
- iv. Evaluation of the management's performance over the preceding year.
- v. 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.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

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

a) Finance & Administration Committee Functions

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

b) Audit & Risk Management Committee Functions

- i. Monitor the implementation of the risk management policy framework;
- ii. 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 periodic review and supervision missions;
- iii. Overseeing continuing efficacy of accounting and internal control standards, policies and practices
- iv. Ensuring compliance with legal covenants of Development Partners funding agreement on projects by them
- v. Monitoring performance of key internal audit staff against approved performance contracts.

c) Technical Committee Functions

- i. To review and approve the Bureau's annual work-plan to ensure that it is in line with the Strategic Plan
- ii. To review requests from Agencies other than the Bureau who intend to undertake a census or survey at national sub-regional and local level;
- iii. Reviewing policies on the standardization of methodology and standards for data collection, reporting and dissemination;
- iv. Review the Quarterly reports on the activities of the Bureau,
- v. Review collaboration activities and partnerships with other agents.

The above responsibilities shall not prevent the committees from carrying out any other tasks that are reasonably within its mandate. All reviews and recommendations by these committees are submitted to the Board for adoption.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

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 2021 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 members of the Board of 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, 2021:

Name of Member	Regular Meetings	Special Meetings	Board Committees	Other Board Activities
Mr. Peter Nginga Kiguta	4	4	None	10
Mrs. Katherine Muoki	4	4	10	3
Mr Samuel Wambugu	4	4	10	3
Mr Macdonald Obudho	2	2	4	3
Mr Japh Okoth Olende	2	2	4	3
Dr. Mohamed A. Sheikh	1	2	2	3
Dr. Caxton Munyoki	4	4	11	3
Dr. Mary Lonyangapuo	4	4	11	3
Prof. Richard Oduor	4	4	10	3

Board membership status

The members' appointment and expiry dates are as follows:

Name of Member	Date of Appointment	Date of Term Expiration
Mr. Peter Nginga Kiguta	11 th May 2018	Retired 11 th May 2021
Mr. Stephen Wainaina	Appointed 6 th October 2021	
Mrs. Katherine Muoki	Alternate to PS –State Department for Planning	
Mr Samuel Wambugu	Alternate to PS –The National Treasury	
Mr Macdonald Obudho	1 st November 2020	31 st October 2023

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

Mr Japh Okoth Olende	16 th Oct., 2019	15 th Oct., 2022
Dr. Mohamed A. Sheikh	1 st June 2020	31 st May 2023
Dr. Caxton Munyoki	21 st Dec. 2018	20 th Dec. 2021
Dr. Mary Lonyangapuo	21 st Dec. 2018	20 th Dec. 2021
Prof. Richard Oduor	21 st Dec. 2018	20 th Dec. 2021

8. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The entity's operational and financial performance

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 quarterly report, therefore, highlights achievements made by KNBS.

The Kenya Statistics Program-For-Results (KSP-for-R)

The Kenya Statistics Program for Results (KSP-for-R) is a financing agreement between the Government of Kenya and World Bank aimed at supporting statistical development in the Country from 2015/16 to 2019/20. The credit amount is SDR 35.6 Million (USD 50.0 Million equivalent) and supports selected activities of the KNBS Strategic Plan. The program commenced on 9th October 2015 and became effective on 10th February, 2016.

Kenya Strategy for Development of Statistics

The process of developing Kenya Strategy for Development of Statistics (KSDS) a strategy to guide the generation of statistics across NSS continued.

Quality Management System

During the period under review, the Bureau continued to implement and maintain its Quality Management System (QMS) based on ISO 9001:2015 Standard. Process for recertification continued since the certificate expired. However, internal audits were conducted to assess the implementation status thus ensuring that the Bureau maintained the QMS as per the requirements of the Standard.

Kenya Continuous Household Survey Programme (KCHSP)

Data collection during the period was undertaken.

Census of Commercial Farms, Green Houses and Farms, Institutional Farms and Specialty Crops (CCFGH)

During the financial year, data cleaning for CCFGH was ongoing.

Consumer Price Index (CPI)

Consumer Price Index and inflation rates were released on monthly basis during the period.

SECTION B

Key projects and investment decisions the entity is planning/implementing

The preparation of the 2019 Kenya Population and Housing Census analytical reports continued within the period.

The Bureau, after evaluating its cash requirements, has been investing in Treasury Bills in compliance with Treasury Circular No.4/2017. There were no treasury bills investments within the period.

SECTION C

Major risks facing the entity

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.

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.

Interest rate risk

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

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

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

accepted standards of corporate behaviour. The Bureau has put in place various measures to manage operational risk.

SECTION E

Material arrears in statutory/financial obligations

The Bureau did not have any material outstanding statutory obligations as at the end of the period.

SECTION F

The entity's financial probity and serious governance issues

The Bureau does not have any major financial improbity at the moment; and there are no serious governance issues among the members of the Board and top management, including conflict of interest.

SECTION G

Related Party

The expenses incurred and remuneration of the Chairman to the Board and other Board members are as per Note 6.

There were no other transactions that involved these parties and the Bureau.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The policies guiding the hiring process are as follows:

a. Human Resource Policies and Procedures Manual for Permanent Staff

According to the Bureau's Human Resource Policies and Procedures Manual for permanent staff, the recruitment procedure commences with the Director General declaring to the Board in accordance with the procedures set, all vacant posts within the establishment which are to be filled substantively or in an acting capacity. Such declaration originates from the various Heads of Department and must be supported by good justification for the recruitment and confirmation that the positions are not only within the approved establishments but also fully funded.

No panellist at either the short listing or interviewing stage will participate in cases where there is an applicant who is related to him in any way to avoid conflict of interest. The principles of affirmative action, apply on appointment/promotion as applicable.

b. Recruitment Guidelines for Temporary Survey Personnel

These guidelines enhance efficiency and improve transparency in the recruitment process to enable the Bureau fulfil its mission of providing and promoting quality statistical information, for evidence based decision making through recruitment of competent and qualified temporary personnel to conduct surveys and censuses. The specific objectives are:-

- i. To ensure fairness, accountability and transparency during the recruitment of survey personnel;
- ii. To build the capacity of officers involved in the recruitment process;
- iii. To provide equitable opportunity to all persons especially, women youth and persons with disability.

c. Internship Policy

This policy provides for engagement and management of internship programmes in the Bureau. It outlines the various provisions and requirements of the programme, selection procedures and roles and responsibilities of various stakeholders in the internship programme. Further, it takes cognizance of the various legal and policy provisions on which the internship policy is based on the following:

d. Consideration on gender ratio

The Bureau shall:

- i. Ensure a gender responsive human resource function;
- ii. Empower all staff to provide gender responsive services and products;
- iii. Establish sustainable gender responsive systems and structures in recruitment, promotion and training.
- iv. Set up sustainable sex disaggregated databases on recruitment, promotion and training and other Human Resource functions;
- v. Embrace affirmative action to address gender disparities;

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

vi. Observe at least 30 percent gender representation in all recruitments and promotions as required by the law.

e. Training Policy

The Bureau's policy on training is to ensure continuous upgrading of employee's core competencies, knowledge, skills and attitudes including their ability to assimilate technology to enable them to create and seize opportunities for social advancement, economic growth and individual fulfilment. The Bureau shall therefore make adequate budgetary provisions for training.

f. Career Guidelines

The career guidelines were developed to provide an institutional framework to address issues of staff remuneration and progression. This ensures that the Bureau is able to attract and sustain competent and motivated staff. The Career Guidelines set out the minimum qualifications and/or experience required for advancement from one grade to another. It is however, emphasized that these are minimum requirements entitling an officer for consideration for appointment to the grade.

g. Staff Appraisal

The Bureau recognizes performance management system as a critical component of Human Resource Management function whose overall objective is to manage and improve performance of the Bureau by enabling higher level of employee participation and involvement in planning, delivery and evaluation of work performance.

h. Corporate Social Responsibility

The Bureau did not undertake any corporate social responsibility activities during the period.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

10. REPORT OF THE BOARD OF DIRECTORS

The Directors submit their report together with the financial statements for the year ended June 30, 2021 which show the state of affairs of the Bureau.

i. 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.

ii. Results

The financial performance of the Bureau for the year ended June 30, 2021 are set out from **page I** of the financial statements.

iii. Board of Directors

Members of the Board who served during the year are set out on **page vii to page xvii**.

iv. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Bureau did not make any surplus during the year and hence no remittance to the Consolidated Fund.

v. Auditors

The Auditor General is responsible for the statutory audit of the Bureau in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2021.

By Order of the Board



Mr. Josiah Morara Omosa - Corporation Secretary

Date: *12/5/2021*

11. 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, 2021. 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 Bureau; (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, 2021, and of its financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for 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.

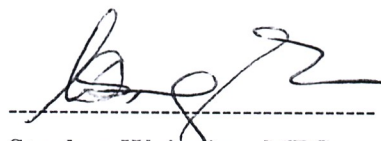
Nothing has come to the attention of the Directors to indicate that the Bureau will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Bureau's financial statements were approved by the Board of Directors on 28th September, 2021 and signed on its behalf by:



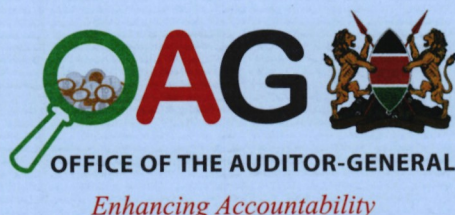
Macdonald G. Obudho, MBS
Director General



Stephen Wainaina, MBS
Board Chairman

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL BUREAU OF STATISTICS FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements which considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations which have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner, to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the Bureau has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the Bureau.

An unmodified opinion does not necessarily mean that the Bureau has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya National Bureau of Statistics set out on pages 1 to 30, which comprise the statement of financial position

as at 30 June, 2021, and the statement of financial performance, statement of cash flows, statement of changes in net assets, 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya National Bureau of Statistics as at 30 June, 2021, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and complies with the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1.0 Material Uncertainty Relating to Going Concern

The statement of financial performance for the year ended 30 June, 2021 reflects a deficit for the period under review of Kshs.1,689,690,623 (2019/2020 - Kshs.3,621,820,560) totaling to increased deficit of Kshs.5,311,511,183 for the two years.

Although the Management, under Note 1p has indicated that it has resources to continue in business for the foreseeable future, increased deficit casts doubt on the entity's ability to continue as a going concern.

2.0 Unrecoverable Receivables

The statement of financial position as at 30 June, 2021 reflects an amount of Kshs.236,458,585 under receivables which includes staff imprest Kshs.4,438,906 in respect of 2009 census which the Management is awaiting approval to write it off from its books. Further, included in the amount for receivables is Kshs.64,850,985 for sundry debtors out of which Kshs.23,433,873 relate to an ERP development debt that is subject to a court case.

My opinion is not modified on the effect of the above matters.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2021 reflects total income budget and actual on comparable basis of Kshs.1,574,307,000 and Kshs.1,524,662,58 respectively resulting to an under-funding of Kshs.49,644,412 or 3% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.1,708,560,000 and Kshs.1,760,922,207 respectively, resulting to over-expenditure of Kshs.52,362,207 or 3% of the budget.

Further, the final budget under project expenses is Kshs.537,659,270 against actual expenditure of Kshs.694,207,954 resulting to an over-expenditure of Kshs.156,548,684 or 29%. Although the Management has attributed the over-expenditure on project expenses to budget adjustments, there is no evidence of approval for the over-expenditure. This is in contravention of Section 47(1) of the Public Finance Management – National Government Regulations, 2015 that states that the Accounting Officer shall inform his or her responsible Cabinet Secretary immediately of any circumstances that are likely to affect materially the budgetary results either through revenue or expenditure or other receipts and payments of the National Government Entity.

Based on the approved estimates, under funding may have impacted negatively on service delivery to the public while the Management is in breach of the law with regards to over- expenditure.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources Section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Procurement of Car Hire Services

The statement of financial performance reflects project expenses as Kshs.694,207,954 as disclosed in Note 4 to the financial statements. Included in the balance is

Kshs.376,549,995 for prefeasibility expenses out of which Kshs.13,263,157 was for provision of car hire services. The examination of payment vouchers and other supporting documents revealed that Postal Corporation of Kenya was paid the amount for provision of car hire services to transport officers during census of commercial institutions.

It was noted that that the Kenya National Bureau of Statistics (KNBS) entered into a contract agreement with Postal Corporation of Kenya (PCK) on 1 May, 2019 in respect of provision of motor vehicles to be used for the 2019 Kenya population and housing census.

Further, Postal Corporation of Kenya sub contracted a logistics Company for provision of transport logistics and airlifting services and signed a contract agreement on 9 December, 2019. However, tender documents relating to sub contracted services to Postal Corporation of Kenya which could have formed the basis of tender preparation by tenderer and subsequent negotiations were not provided for audit review.

Although the Management has explained that the services were provided by a Government Department to another Government Department and that it was not a procurement under the Public Procurement and Assets Disposal Act, 2015, the Management has not demonstrated that Postal Corporation of Kenya is mandated to offer transport services that can be extended to another Government Department.

In addition, sub-contracting of services by Postal Corporation of Kenya is evidence that the Corporation did not have the required vehicles to carry out the exercise. The log books of motor vehicles provided indicate the vehicles were privately owned. The rates of hire for the motor vehicles also included comprehensive insurance. It was not clear why Postal Corporation included the cost on private vehicles. No explanation has been provided for this anomaly.

In the circumstance, the validity of the expenditure on project expenses could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in

compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Bureau's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Bureau to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Bureau to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

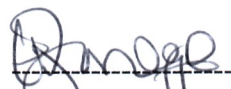
13 June, 2022


Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

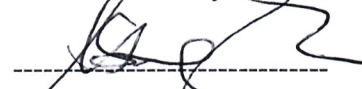
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

			RESTATED	AUDITED
		2020 / 2021	2019 / 2020	2019 / 2020
	Notes	KShs.	KShs.	KShs.
Revenue				
Revenue from non-exchange transactions				
GOK Grants	2-a	1,317,560,000	10,683,140,729	10,683,140,729
Development Partners' Funds	2-b	71,315,855	59,845,169	59,845,169
Revenue from other donors	2-c	49,741,235	52,275,565	52,275,565
		1,438,617,090	10,795,261,463	10,795,261,463
Revenue from exchange transactions	3-a			
Income from AIA		86,045,498	66,758,020	66,758,020
		86,045,498	66,758,020	66,758,020
Total Revenue		1,524,662,588	10,862,019,483	10,862,019,483
Expenses				
Project Expenses	4	694,207,954	11,876,190,647	10,083,382,911
Employee costs	5	701,091,697	741,348,040	741,348,040
Directors' expenses	6	13,759,347	10,038,818	10,038,818
Depreciation and Amortization	7	1,428,548,588	1,394,716,771	1,394,716,771
Repairs and Maintenance	8	20,093,565	48,592,557	48,592,557
Insurance Costs	9	94,001,947	88,780,080	88,780,080
Other Operating Expenses	10	237,212,163	297,207,088	297,207,088
Bank charges	11	555,534	7,817,468	7,817,468
Total Expenses		3,189,470,795	14,464,691,469	12,671,883,733
(Deficit) / Surplus before tax		(1,664,808,207)	(3,602,671,986)	(1,809,864,250)
Provision for tax	3-b	(24,882,416)	(19,148,574)	(19,148,574)
(Deficit) / Surplus for the period		(1,689,690,623)	(3,621,820,560)	(1,829,012,824)

The notes set out on pages 7 to 33 form an integral part of the Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:


 Elias N. Njoroge
 Head of Finance
 ICPAK No. 3030


 Macdonald G. Obudho, MBS
 Director General


 Stephen Wainaina, MBS
 Board Chairman

Date 12/5/2021

Date 12/5/2021

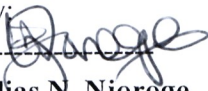
Date 12/5/2021

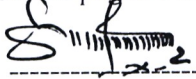
Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

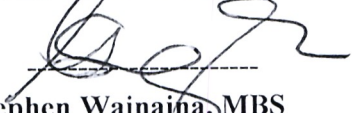
14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

			RESTATED	AUDITED
		2020 / 2021	2019 / 2020	2019 / 2020
	Notes	Kshs.	Kshs.	Kshs.
ASSETS				
Current Assets				
Cash & Cash Equivalents	12	2,141,033,689	2,583,114,649	2,583,114,649
Receivables	14	236,458,585	1,928,707,398	1,928,707,398
		2,377,492,274	4,511,822,047	4,511,822,047
Non- current assets				
Property, Plant & Equipment	15	1,538,463,587	2,954,414,685	2,954,414,685
		1,538,463,587	2,954,414,685	2,954,414,685
TOTAL ASSETS		3,915,955,861	7,466,236,732	7,466,236,732
LIABILITIES				
Current Liabilities				
Payables	17	44,325,703	85,776,469	85,776,469
Refundable Deposits	19	2,150,231	15,313,115	15,313,115
Provisions	20	29,286,497	28,125,604	28,125,604
Taxation	21	12,441,208	15,616,453	15,616,453
Unutilized Grants	22	3,039,177	7,032,906	7,032,906
		91,242,816	151,864,547	151,864,547
Non-current Liabilities				
Staff Gratuity	18	7,585,477	14,746,258	14,746,258
TOTAL LIABILITIES		98,828,293	166,610,805	166,610,805
NET ASSETS		3,817,127,568	7,299,625,927	7,299,625,927
RESERVES				
Revenue Reserve		3,415,927,458	6,898,425,817	6,898,425,817
Capital Reserve		401,200,110	401,200,110	401,200,110
TOTAL RESERVES		3,817,127,568	7,299,625,927	7,299,625,927

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:


Elias N. Njoroge
Head of Finance
ICPAK No. 3030

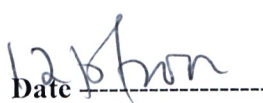

Macdonald G. Obudho, MBS
Director General


Stephen Wainaina, MBS
Board Chairman

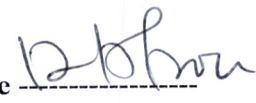
Date



Date



Date



Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2021

	REVENUE RESERVE	REVALUATION RESERVE	CAPITAL RESERVE	TOTAL
	KShs.	KShs.	KShs.	KShs.
As at July 1 2019	8,727,438,641	59,726,058	341,474,052	9,128,638,751
Surplus for the Year	(1,829,012,824)			(1,829,012,824)
Balance 30.06.2020	6,898,425,817	59,726,058	341,474,052	7,299,625,927
RESTATED				
As at 30.06.2020	6,898,425,817	59,726,058	341,474,052	7,299,625,927
Prior year adjustments	(1,792,807,736)			(1,792,807,736)
Balance 30.06.2020	5,105,618,081	59,726,058	341,474,052	5,506,818,191
Deficit for the Year	(1,689,690,623)			(1,689,690,623)
Balance 30.06.2021	3,415,927,458	59,726,058	341,474,052	3,817,127,568

The prior year adjustments relate to imprest surrenders that were surrendered and accounted for during the period as well as payments to the census personnel whose bank details were corrected or confirmed much later. These related to prior year expenses.


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 from Pages 7.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

			RESTATED	AUDITED
		2020 / 2021	2019 / 2020	2019 / 2020
	Notes	Kshs.	Kshs.	Kshs.
Deficit for the year		(1,689,690,623)	(3,621,820,560)	(1,829,012,824)
Adjusted for:				
Depreciation and Amortization	7	1,428,548,588	1,394,716,771	1,394,716,771
Contribution to Provision	20	1,160,893	1,638,506	1,638,506
Taxation	21	(3,175,245)	9,574,287	9,574,287
Prior Year Expenses Adjustments		(1,792,807,736)	1,792,807,736	-
Working Capital adjustments				
Decrease (Increase) in Receivables	14	1,692,248,813	2,577,545,003	2,577,545,003
(Decrease) Increase in Payments received in advance	19	(13,162,884)	(3,154,614)	(3,154,614)
Increase (Decrease) in Payables	17/18/22	(52,605,276)	(132,777,824)	(132,777,824)
Net Cash Flows from Operating Activities		(429,483,470)	2,018,529,305	2,018,529,305
Cash Flow from Investing Activities				
Purchase of Fixed Assets	15/16	(12,597,490)	(4,057,718,706)	(4,057,718,706)
Net Cash Flows From Investing Activities		(12,597,490)	(4,057,718,706)	(4,057,718,706)
Net Changes in Cash and Cash Equivalents		(442,080,960)	(2,039,189,401)	(2,039,189,401)
At Start of Year		2,583,114,649	4,622,304,050	4,622,304,050
At End of Year		2,141,033,689	2,583,114,649	2,583,114,649

The adjustment arose from 2019 Kenya Population and Housing census and other survey imprints surrendered during the FY2020/2021 and had erroneously formed part of the current year's expenditure. This was corrected through Journal Entries as prior year expenses. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:




 Elias N. Njoroge

Head of Finance

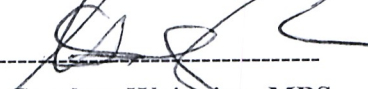
ICPAK No. 3030

Date 10/11/2021



 Macdonald G. Obudho, MBS
 Director General

Date 12/11/2021



 Stephen Wainama, MBS
 Board Chairman

Date 12/11/2021

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
 THE YEAR ENDED 30 JUNE 2021**

A reconciliation of the period's surplus is on Note 23.

	Original Budget	Adjustments	Final Budget	Actual Amount	Performance Difference	% Variance of Utilization
	KShs.	KShs.	KShs.	KShs.	KShs.	
Revenues	A	B	C=a+b	D	E=C-D	F=D/C
GOK Grants	1,497,560,000	(120,000,000)	1,377,560,000	1,317,560,000	(60,000,000)	4%
Donor Funds	140,000,000	(14,253,000)	125,747,000	121,057,090	(4,689,910)	4%
A-I-A	71,000,000	-	71,000,000	86,045,498	15,045,498	-21%
Total Income	1,708,560,000	(134,253,000)	1,574,307,000	1,524,662,588	(49,644,412)	3%
Expenses						
Project Expenses	537,659,270		537,659,270	694,207,954	156,548,684	-29%
Employee Costs	784,300,730		784,300,730	701,091,697	(83,209,033)	11%
Board Members' Expenses	18,000,000		18,000,000	13,759,347	(4,240,653)	24%
Repairs and Maintenance	20,000,000		20,000,000	20,093,565	93,565	0%
Insurance Costs	98,000,000		98,000,000	94,001,947	(3,998,053)	4%
Other Operating Expenses	250,000,000		250,000,000	237,212,163	(12,787,837)	5%
Bank Charges	600,000		600,000	555,534	(44,466)	7%
Total Expenses	1,708,560,000		1,708,560,000	1,760,922,207	52,362,207	-3%
Deficit Before Tax	-	(134,253,000)	(134,253,000)	(236,259,619)	-	

The Bureau did not receive all its development exchequer releases for the period.

Donor funds were amounts received during the period to facilitate some Bureau activities.

The NIPFN Project received Sh.46 million out of an expected amount of Sh.90 million.

The variance on project expenses was due to the budget adjustments.

The Phase I of the implementation of the staff structure did not commence, and is still awaiting necessary approvals

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

**18. NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

1. General Information

Kenya National Bureau of Statistics is a Semi-Autonomous Government Agency established by, and derives its authority and accountability from an Act of Parliament – the Statistics Act, 2006.

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

2. Statement of Compliance and Basis of Accounting

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bureau's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the Notes below.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Bureau.

The financial statements have been prepared in accordance with the PFM Act, the Statistics Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of new and revised standards

The Bureau did not early adopt any new or amended standards during the year 2020/2021.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Summary of Significant Accounting Policies

a. 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. The grants are recognized in the statement of comprehensive income.

Donor funds

Grants received and not utilised within the period are treated as liabilities and credited to the statement of financial performance when the activities for which they were provided for have been undertaken.

ii. Revenue from exchange transactions

Sale of goods/services

Bureau's revenue includes 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.

a. 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.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

b. 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
a. Computer System	33.3%
b. Furniture & Fittings, Equipment & Library Books	12.5%
c. Motor Vehicles	20.0%
d. Buildings	2.5%
e. Plant and machinery	12.5%

c. Intangible Assets

Intangible assets consist of various computer software purchased for use in the Bureau. The Bureau recognizes Intangible Assets and 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.

d. Accounting for Assets Donated to The Bureau

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, it is initially measured at its fair 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 management's valuation pending professional valuation.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

e. Employee Benefits

i. Pension Scheme

The KNBS Retirement Benefits Scheme became operational from November 2011. The members of the scheme contribute 10% of their basic pay, while the employer contributes 20% on a monthly basis.

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 KSh.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 for 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.

The Bureau's policy on staff annual leave is that it cannot be commuted for cash. However, the Director General may approve commutation of leave depending on the circumstances which made it impossible for the employee to utilize the leave days.

f. Cash and Cash Equivalents

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

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

g. Inventories

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

h. Financial Instruments

a. 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.

b. 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.

i. 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.

j. 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.

k. 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.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

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

l. Nature and Purpose of Reserves

Revaluation Reserve

An asset valuation and tagging exercise. The revaluation reserve arose from an asset valuation exercise undertaken during the year 2015/2016. The reserve has been adjusted accordingly, with the new valuations.

Capital Reserve

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

m. 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.

n. 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.

The Government of Kenya is the principal shareholder of the Bureau. Other related parties include:

- i) The National Treasury and Planning
- ii) Key management personnel
- iii) Board of directors

o. 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.

p. 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.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

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.

In the application of the going concern concept of accounting, the Bureau's computation of depreciation is on the basis of expected economic life of fixed assets rather than their current market value, with the assumption that the operations will continue for an indefinite period of time and the assets will be used until fully depreciated. In this regard, the depreciation amount was Sh.1,428,548,588 during the period as compared to Sh.1,394,716,771 during the prior period, 2019/2020.

The financial statements continue to be prepared on the going concern basis. Further, as can be noted from the statement of financial position, the Bureau held cash in bank as part of its reserves.

q. Budget Information

The original budget for FY 2020-2021 was approved by The National Treasury and Planning on 8th July 2020.

The Bureau's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the basic difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Note 23 of these financial statements.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

r. Comparatives

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

s. Events after the Reporting Period

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, 2021.

t. Financial Risk Management

The Bureau's activities expose it to a variety of financial risks including credit and liquidity risks. The Bureau's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Bureau does not hedge any risks.

The entity's financial risk management objectives and policies are detailed below:

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 2020 and 30 June 2021 is made up as follows:

	Fully Performing	Past Dues	Impaired	Total
	KShs.	KShs.	KShs.	KShs.
At 30.06.2020				
Cash & Cash Equivalents	2,583,114,649			2,583,114,649
Receivables	1,928,707,398			1,928,707,398
Total	4,511,822,047	-	-	4,511,822,047
At 30.06.2021				
Cash & Cash Equivalents	2,141,033,689			2,141,033,689
Receivables	236,458,585			236,458,585
Total	2,377,492,274	-	-	2,377,492,274

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 Bureau'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.

	2020 / 2021	2019 / 2020
	KShs	KShs
Financial Assets		
Receivables	236,458,585	1,928,707,398
Cash & Cash Equivalents	2,141,033,689	2,583,114,649
	2,377,492,274	4,511,822,047
Financial Liabilities		
Payables	44,325,703	85,776,469
Net Liquidity Gap	2,421,817,977	4,597,598,516

Interest rate risk

Interest rate risk is the risk that the Bureau's financial condition may be adversely affected as a result of changes in interest rate levels. The Bureau's interest rate risk arises from bank deposits. This exposes it to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Sensitivity analysis:

The Bureau analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by 5%.

At 30th June 2021, 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:

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2020 / 2021	2019 / 2020
	KShs	KShs
Interest Income	82,941,385.00	63,828,579
Change In Interest Rates		
5%	4,147,069	3,191,429
-5%	(4,147,069)	(3,191,429)

2. Revenue from non-exchange transactions

These are made up of the following:

(a) GOK grants are the exchequer releases.

	2020 / 2021	RESTATED 2019 / 2020	AUDITED 2019 / 2020
	KShs	KShs	KShs
Recurrent	1,246,560,000	9,626,390,729	9,626,390,729
Development	71,000,000	1,056,750,000	1,056,750,000
Total	1,317,560,000	10,683,140,729	10,683,140,729

The transfers from the State Department for Planning, as shown above, were received as per Appendix I and II.

The World Bank, through The National Treasury, is supporting some of the Bureau's activities under the Kenya Statistics Programme for Results (KSP4R).

b. Funds from development partners that came directly to the Bureau.

	2020 / 2021	RESTATED 2019 / 2020	AUDITED 2019 / 2020
	KShs	KShs	KShs
1. The National Treasury			
COVID-19 Household Impact Survey Funds	-	28,443,561	28,443,561
Regional Integration Implementation Programme	5,000,000	5,000,000	5,000,000
	5,000,000	33,443,561	33,443,561
2. Other Development Partners			
OECD - Data Planning Tool	-	1,059,660	1,059,660
ILO - Disability Statistics	3,730,500		
OXFAM - Time Use Survey		594,900	594,900

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

UNFPA	9,877,900	18,533,400	18,533,400
UN Women	37,754,006	-	-
Statistics Sweden	1,292,735	2,301,948	2,301,948
PPRA - Market Prices Survey	13,660,714	3,911,700	3,911,700
	66,315,855	26,401,608	26,401,608
Total	71,315,855	59,845,169	59,845,169

UN Women has been facilitating the Bureau during the development of Gender Dimensions Monograph editing and in data collection for Time Use Survey.

COMESA and PPRA funds market price surveys for comparative purposes. COMESA also funds the regional integration programme through The National Treasury. The World Bank Consulting Services funded the preparation of County Gross Domestic Product (CGDP).

These amounts were received per Appendix II.

Statistics Sweden meets the salary dues for 8 interns, attached within the Bureau, for a period of one year. The expense amount is on a reimbursement basis.

- a. 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, per Note 21.

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
NIPFN	49,732,595	52,266,925	52,266,925
UNFPA	4,320	4,320	4,320
UNICEF - MICS	4,320	4,320	4,320
Total	49,741,235	52,275,565	52,275,565

3. Revenue from exchange transactions

- a. These are made up of the following:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
Interest on deposits	82,941,385	63,828,579	63,828,579
Library Usage	12,900	33,980	33,980
Sale of Publications	1,403,993	1,525,079	1,525,079
AIA from Surveys	391,170	391,170	391,170
Sale of Maps	701,500	560,100	560,100
Commissions	594,550	419,113	419,113
Total	86,045,498	66,758,021	66,758,021

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The income tax provision, based on the gross interest earned during the year, has been arrived at as follows:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
Gross Interest Earned	82,941,385	63,828,579	63,828,579
30% Corporate Tax Charge	24,882,416	19,148,574	19,148,574
Relating to original and reversal of temporary differences.	-	4	4
Tax Expense as Reported in the Statement of Financial Performance	24,882,416	19,148,578	19,148,578

4. Project Expenses

These are the expenses incurred on various surveys and censuses under the various funding schemes:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
2019 Housing and Population Census	-	10,993,922,996	9,228,837,684
Prefeasibility Expenses	376,549,995	492,118,492	478,974,503
KCHB Survey	169,666,062	192,106,848	177,528,413
COVID - 19 Survey	98,050	27,422,056	27,422,056
KIBHS Survey	472,052	-	-
National Strategy for Dvpt of Statistics	14,066,767	12,254,457	12,254,457
System Support and Data Dissemination	82,321,058	103,788,285	103,788,285
Statistics Sweden interns	1,292,735	2,301,948	2,301,948
NIPFN - EU Project	49,732,595	52,266,925	52,266,925
UNFPA Expenses	4,320	4,320	4,320
UNICEF Expenses	4,320	4,320	4,320
	694,207,954	11,876,190,647	10,083,382,911

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Employee 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 30.06.2020 was 450 as compared to 433 as at 30.06.2021.

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
Basic Salaries	446,849,890	470,272,729	470,272,729
Casual Labour	3,768,752	7,380,434	7,380,434
House Allowance	74,562,958	79,025,875	79,025,875
Acting Allowance	815,508	584,436	584,436
Transfer/Baggage Allowance	3,047,786	1,821,458	1,821,458
Interns' payments	1,928,525	2,482,140	2,482,140
Commuting Allowance	52,669,352	56,463,590	56,463,590
Hardship Allowance	4,389,150	4,630,100	4,630,100
Leave Allowance	2,797,893	3,991,568	3,991,568
Extraneous Duty Allowance	18,212,312	18,363,000	18,363,000
NSSF - Employer's Contribution	1,117,060	1,161,300	1,161,300
Pension-Employer's Contribution	85,163,164	88,700,868	88,700,868
Gratuity Contribution	5,769,347	6,470,542	6,470,542
	701,091,697	741,348,040	741,348,040

6. Board Members' Expenses

These are the expenses incurred by the members of the Board of Directors:

		RESTATED	AUDITED
	2020 /2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Board and Committees expenses	3,725,430	2,707,218	2,707,218
Sitting allowances for board members	5,812,500	5,519,400	5,519,400
Conferences and Training	3,393,030	852,200	852,200
Honoraria	828,387	960,000	960,000
Total	13,759,347	10,038,818	10,038,818

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

7. Depreciation and Amortisation

These are made up of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Depreciation			
Motor Vehicles	96,080,068	70,967,188	70,967,188
Furniture & Fittings	7,471,216	3,587,196	3,587,196
Computers	1,322,581,596	1,304,455,374	1,304,455,374
Buildings	177,696	177,697	177,697
Plant, Machinery and Equipment	2,238,012	2,238,012	2,238,012
Amortization			
Software	-	13,291,304	13,291,304
Total	1,428,548,588	1,394,716,771	1,394,716,771

8. Repairs and Maintenance

These comprise of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Routine Maintenance			
Motor Vehicles	10,639,283	7,462,849	7,462,849
Plant Machinery and Equipment	791,607	64,100	64,100
Office Furniture and Fittings	30,160	-	-
Buildings maintenance and Refurbishing	8,115,703	40,251,977	40,251,977
Computers and Servers	516,812	813,631	813,631
Total	20,093,565	48,592,557	48,592,557

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

9. Insurance Expenses

These are made up of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Staff Insurance	81,566,730	76,991,048	76,991,048
Fixed assets Insurance	12,435,217	11,789,032	11,789,032
Total	94,001,947	88,780,080	88,780,080

Staff insurance relates to group personal accident, inpatient and outpatient medical cover and group life cover.

10. Other Operating Expenses

The other operating expenses comprised of the following items.

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs	KShs	KShs
Auditor's Fees	1,740,000	1,740,000	1,740,000
Utilities Supplies and Services	265,264	329,862	329,862
Telephone and Communication	5,966,849	6,504,847	6,504,847
Travelling Expenses	25,238,133	14,269,828	14,269,828
Library Expenses	1,286,006	1,033,042	1,033,042
Advertising and Awareness	2,141,457	3,691,083	3,691,083
Training Expenses	7,668,685	37,813,945	37,813,945
External Travel	-	8,939,213	8,939,213
Stationery	7,876,764	11,800,535	11,800,535
Contracted Professional Services	21,431,806	1,117,773	1,117,773
Rent and Rates	4,130,559	5,237,844	5,237,844
New Office Block Expenses	131,668,930	181,725,498	181,725,498
Risk & Quality Management	4,795,282	9,550,627	9,550,627
Corporate Image - Choir	140,000	-	-
Staff Welfare Expenses	22,862,428	13,452,991	13,452,991
TOTAL	237,212,163	297,207,088	297,207,088

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

11. Bank Charges

These are made up of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
		KShs.	KShs.
KCB GOK - RECURRENT	553,533	7,807,265	7,807,265
KCB DEVELOPMENT	2,001	10,203	10,203
Total	555,534	7,817,468	7,817,468

12. Cash and Cash Equivalents

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

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	Ksh	Ksh
Bank	2,141,033,649	2,583,114,649	2,583,114,649
Total	2,141,033,689	2,583,114,649	2,583,114,649

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

			RESTATED	AUDITED
		2020 / 2021	2019 / 2020	2019 / 2020
Name of Bank	Account Number	KSh.	KSh.	KSh.
KCB -Main Account	1107086183	1,869,452,616	2,308,581,737	2,308,581,737
KCB- Development	1116027593	268,541,896	266,763,787	266,763,787
KCB- County Accounts	County Accounts	-	736,219	736,219
Project Accounts				
KCB: NIPFN - EU	1240875711	827,861	4,812,950	4,812,950
Coop : UNICEF - MICS	01120081528600	53,298	57,618	57,618
Coop: UNFPA	01120081857000	2,158,018	2,162,338	2,162,338
Total		2,141,033,689	2,583,114,649	2,583,114,649

The County Accounts were closed off during the year.

13. Investments in Treasury Bills

There were no investments within the period.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Receivables

These are made up of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Staff Debtors	78,076,732	265,780,908	265,780,908
2009 Census Imprests	4,438,906	4,438,906	4,438,906
2019 KPHC Imprest	8,960,461	1,538,563,613	1,538,563,613
Sundry Debtors	64,850,985	29,895,541	29,895,541
Prepayments	79,967,261	89,864,190	89,864,190
Deposits	164,240	164,240	164,240
TOTAL RECEIVABLES	236,458,585	1,928,707,398	1,928,707,398

- Staff debtors represent outstanding imprests, medical expenses recoverable and salary advances as at end of June 2021.
- 2009 census imprests were amounts advanced to the various District Census Committees, to facilitate various activities during the 2009 Population and Housing Census exercise, but still remains un-surrendered. The Bureau sought authority for write-off of these amounts, and this is still awaited.
- 2019 KPHC imprest were funds advanced to the County Census Committees and whose process of surrender is ongoing.
- Sundry debtors relate to an ERP development amount made to Mareba Computers, the subject of a court case per Note 25.

The NIPFN Project owed Sh.6,268,872 to the Bureau relating to May and June 2021 salary dues. Funds from UN Women relating to various activities under the programme was Sh.35,148,240.

- Prepayments represent the proportion of various service contracts paid in advance as follows:

Item	Amount – KShs.
Staff Medical Insurance - Aug 2021	11,225,201
Prepaid Rent - Jul-Dec 2021	47,328,000
Prepaid Rent - Jul 2021 - Mar 2022	7,464,600
Prepaid Service Charge - Jul -Sep 2021	5,044,500
Emailing Services - Google Apps - Feb 2022	2,891,248
Various Softwares and Maintenance contracts	6,013,713
Total	79,967,262

- Deposits are refundable amounts paid for rent deposit with Kenya Re for the KNBS Kisumu office.

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)
15. Non- Current Assets Movement Schedule

FIXED ASSETS	LAND & BUILDINGS		FURNITURE & FITTINGS		PLANT & EQUIPMENT		MOTOR VEHICLES		COMPUTERS		TOTAL
											AMOUNT
COST/Valuation											
At 1st July 2019	13,601,955		28,697,570		17,904,095		354,835,936		131,730,604		546,770,160
Additions	-		29,527,000		699,224		125,564,408		3,906,457,552		4,062,248,184
Adjustments									(4,529,478)		(4,529,478)
At 30th June 2020	13,601,955		58,224,570		18,603,319		480,400,344		4,033,658,678		4,604,488,866
Additions	-		147,000		554,590				11,895,900		12,597,490
Adjustments	-										-
At 30th June 2020	13,601,955		58,371,570		19,157,909		480,400,344		4,045,554,578		4,617,086,356
DEPRECIATION											
At 1st July 2019	450,000		9,446,644		5,915,721		164,311,243		88,525,106		268,648,714
Charge for the Year	177,697		3,587,196		2,238,012		70,967,188		1,304,455,374		1,381,425,467
At 30th June 2020	627,697		13,033,840		8,153,733		235,278,431		1,392,980,480		1,650,074,181
Charge for the Year	177,696		7,471,216		2,238,012		96,080,068		1,322,581,596		1,428,548,588
Adjustments											
At 30th June 2021	805,393		20,505,056		10,391,745		331,358,499		2,715,562,076		3,078,622,769
NET BOOK VALUE											
30th June 2020	12,974,258		45,190,730		10,449,586		245,121,913		2,640,678,198		2,954,414,685
30th June 2021	12,796,562		37,866,514		8,766,164		149,041,845		1,329,992,502		1,538,463,587

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Intangible Assets

These include the values of Networks and Software.

	2020 / 2021	2019 / 2020
	Kshs.	Kshs.
COST/Valuation		
At beginning of year	156,702,548	156,702,548
Additions	-	-
At year end	156,702,548	156,702,548
AMORTISATION		
At beginning of year	156,702,548	143,411,244
Charge for Year		13,291,304
At year end	156,702,548	156,702,548
Net Book Value	-	-

17. 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.

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	Kshs.	Kshs.	Kshs.
Creditors and Accruals	41,383,078	78,854,486	78,854,486
2019 Census Bank Rejections	2,942,625	6,921,983	6,921,983
TOTAL	44,325,703	85,776,469	85,776,469

The 2019 census bank rejections are amounts received from various paying banks for the census personnel, arising from wrong bank details. The amounts are being reprocessed as corrected details are received, and follow ups are continuing.

18. 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:

		RESTATED	AUDITED
	2020 / 2021	2019 2020	2019 2020
	KSh.	KSh.	KSh.
Staff Gratuity	7,585,477	14,746,258	14,746,258
TOTAL	7,585,477	14,746,258	14,746,258

These are long-term liabilities that fall due when the contract terms are completed successfully.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. 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:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KSh.	KSh.	KSh.
Bid Bonds/ Retention Monies	2,150,231	15,313,115	15,313,115
TOTAL	2,150,231	15,313,115	15,313,115

20. Provisions

These are made up of:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	Ksh.	Ksh.	Ksh.
Audit Fees	5,220,000	3,480,000	3,480,000
Staff Leave Provision	24,066,497	24,645,604	24,645,604
TOTAL	29,286,497	28,125,604	28,125,604

The audit fees are the provisions for the audit expense for the financial statements for the last two years, awaiting the final certificates from the auditors.

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

21. Taxation

The appropriate provisions for income tax for the period have been made as follows:

		RESTATED	AUDITED
	2020 / 2021	2019 / 2020	2019 / 2020
	KShs.	KShs.	KShs.
At Beginning of the Year	15,616,453	6,042,166	6,042,166
Tax Charge for the Year (Note 3(b))	24,882,416	19,148,574	19,148,574
Tax paid during the Year:			
Amount Withheld at Source	(12,441,208)	(9,574,287)	(9,574,287)
Amount Paid to KRA	(15,616,453)	-	-
At Year End	12,441,208	15,616,453	15,616,453

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. 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.

	NIFPN	UNFPA	MICS	Total
	Kshs.	Kshs.	Kshs.	Kshs.
As at 01.07.2020	4,812,950	2,162,338	57,618	7,032,906
Receipts	45,747,506	-	-	45,747,506
Less: Project Expenses	(49,732,595)	(4,320)	(4,320)	(49,741,235)
As at 30.06.2021	827,861	2,158,018	53,298	3,039,177

23. 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.
Deficit for the Year	(1,689,690,623)
Surplus per budget/actual comparison	(236,259,619)
Provision for Income Tax	(24,882,416)
Depreciation/Amortization charges	(1,428,548,588)
	(1,689,690,623)

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).

24. Related Party

- a. The Bureau received grants from the Government per Note 2(a) and other grants per Note 2 (b) and (c) above.
- b. The expenses incurred and remuneration of the Chairman to the Board and the Board members are as per Note 6.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)

25. Pending Court Cases

The Bureau has following pending legal cases:

a. Seven cases have so far been filed against the Bureau by the three North Eastern Counties and area Members of Parliament challenging the 2019 census results as indicated below:

- (i) Nairobi High Court Petition No. 102 of 2020: County Government of Mandera –Vs- Kenya National Bureau of Statistics & 3 Others
- (ii) Nairobi High Court Petition No. 103 of 2020: Hon. Abdullah Bashir Sheikh & 5 Others – Vs- Kenya National Bureau of Statistics & 3 Others
- (iii) Nairobi High Court Petition No. 106 of 2020: Hon. Adan Keynan Wehlitye & 4 Others – Vs- Kenya National Bureau of Statistics & 3 Others
- (iv) Nairobi High Court Petition No. 107 of 2020: County Government of Wajir –Vs- Kenya National Bureau of Statistics & 3 Others
- (v) Nairobi High Court Petition No. 110 of 2020: Hon. Abdi Omar Shurie & 3 Others –Vs- Kenya National Bureau of Statistics & 3 Others
- (vi) Nairobi High Court Petition No. 111 of 2020: County Government of Garissa –Vs- Kenya National Bureau of Statistics & 3 Others
- (vii) Garissa High Court Petition No. 3 of 2020: Abdulahi Mohamed Kanyare & 3 Others – vs- Kenya National Bureau of Statistics & 3 Others.

The above cases were consolidated to **Petition No. 4 of 2020: Hon. Abdullahi Bashir Sheikh & 24 Others –Vs- Kenya National Bureau of Statistics & 4 Others**

Ruling in the above matters was delivered on 29th June 2020, where the court gave an order and allowed petitioners to access the Bureau tablets and servers. Subsequently, the petitioners visited the Bureau on 6th September 2021 to access the servers and tablets used to collect data in the areas indicated in the Court Order and gather data in figures of people enumerated. The Bureau provided the access and statisticians ran the tables that responded to the relevant information ordered by the court. Reports are being prepared by all the parties to be filed in court.

This is an active case and the Bureau is exposed to the extent of the court order being implemented.

b. Nairobi HCCC No 79 of 2010 BM Logistics VS KNBS (go down case)

This case involved the go down where the 2009 Population and Census materials were being stored. The claimant was initially claiming KShs.43 million for loss of business and rent. The claimant further amended its claim and increased the figures of its claim to **Kshs70,096,596/=**. The case was heard, concluded and judgment was to be given on notice. The court on 28th April 2020 delivered judgment and awarded the plaintiff a sum of **Kshs 20,746,800/= plus costs and interest as per copy of judgment.**

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

The Management has sought further advice from the AG and also requested the AG to file an appeal in the court of appeal Challenging the award as well as seek a stay of execution of the judgment. The process of appeal is ongoing.

This is an active case and the Bureau is exposed to the extent of the judgment sum plus costs and interest.

c. Nakuru High Court Civil Petition No. 18 of 2019: Robert Njenga –Vs- Kenya National Bureau of Statistics & 2 Others

This case was filed before High Court of Kenya at Nakuru. The KNBS County Statistical Officer and the Nakuru County Commissioner are sued as the 1st and 2nd respondents respectively. The applicants are challenging the recruitment of civil servants who were recruited to carry out census activities within Nakuru County. The two were authorized officers working on behalf of KNBS in the recruitment of 2019 census personnel within Nakuru County. The Bureau's defence as filed by the Honorable Attorney General is that all personnel involved in the 2019 census were recruited competitively, with preference for youths as enumerators while for supervisors, KNBS hired mainly experienced people including civil servants. On various dates, the matter did not proceed for hearing. The last mention date was on 8th September, 2020 when the trial Judge fixed the matter for hearing on **1st October 2020**. The matter is still pending.

d. 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 was extensively damaged in the accident. The matter was heard and concluded on **5th February 2020**. The judgement was delivered on 10th June 2021 in favour of the Bureau for the sum of Sh.1.5 million plus costs and interest. The next step is to extract the decree and certificate of costs in this matter to enable the Bureau to realize the fruits of the judgement. The AG has been representing the Bureau.

This is an active case and the Bureau is pursuing the payment of the judgment sum plus costs and interest.

e. Nairobi Chief Magistrates Civil Case No 244 of 2015: Mareba Computers Vs KNBS

The plaintiff company had been contracted to install an Enterprise Resource Programme, ERP, at the Bureau. Bulky of the contract sum was paid leaving a balance of the sum claimed in this case, that is **KShs. 5,948,468/=**. Since the ERP was not implemented fully by the plaintiff, the Bureau filed counterclaim for a sum of **Kshs. 23,433,873/=** being the sum that had already been paid to the plaintiff but it did not install the ERP that the Bureau had procured. Owing the value of the counterclaim, that exceeds the pecuniary jurisdiction of the Magistrates court, the matter was transferred to the High Court for final determination. The process of transfer took a while as the plaintiff was opposing the said transfer. Subsequently, the matter was transferred

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

to the High Court. The matter is still pending in court, and once a date is fixed by both parties, it shall proceed to hearing. The Corporation Secretary is representing the Bureau.

This is an active case and the Bureau is exposed to the extent of the sum claimed by the plaintiff plus costs and interest.

f. Nairobi 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 who was in the vehicle with the driver also died. The wife of the deceased passenger has sued, seeking compensation. The matter is pending in court. The matter will proceed to hearing once a date is fixed. The AG is representing the Bureau.

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

APPENDIX

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
Prior years' issues to 30 th June 2020		The management appeared before the Parliamentary Investment Committee on all the prior year issues raised upto 30 th June 2020.		Additional documentations and explanations were sought and availed. The Committee's report is awaited.



**Macdonald G. Obudho, MBS
DIRECTOR GENERAL**

Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021

Appendix II: Recording of Transfers from Other Entities

Name of Entity Transferring Funds	Nature	Date Received	Total	Where Recorded		
				Statement of Financial Statement	Receivables	Total Transfer during the Year
1. Ministry of Planning	Exchequer Releases	Various dates per Appendix	1,317,560,000	Revenue from Non- Exchange Transactions	Note 2 (a)	1,317,560,000
		Subtotal	1,317,560,000			
2. Development Partners						
A.UN Women	Gender Dimension	24.05.2021	2,572,397	Revenue from Non- Exchange Transactions	Note 2 (b)	
		31.05.2021	33,369			
		30.06.2021	35,148,240			
B. The National Treasury	Regional Integration	15.09.2020	2,500,000			
		15.03.2021	2,500,000			
C. UNFPA	Data collection	08.10.2020	7,200,000			
		27.10.2020	2,062,950			
		17.05.2021	614,950			
D. ILO	Disability Statistics Committee	29.09.2020	1,500,000			
		10.12.2020	2,043,975			
		31.03.2021	186,525			
E. Public Procurement Regulatory Authority	Market Price surveys	30.10.2020	3,812,160			
		05.11.2020	5,545,684			
		31.03.2021	4,302,870			
		07.06.2021	1,292,735			
			71,315,855			71,315,855
F. Statistics Sweden	Interns		49,732,595			
			4,320			
			4,320			
	Project funds			Revenue from Non- Exchange	Note 2 (C)	
		Subtotal	49,741,235			49,741,235
	TOTAL TRANSFERS		1,438,617,090			1,438,617,090

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

Appendix III: Inter - Entity Transfers

Breakdown of Transfers from The State Department for Planning

	Bank Statement Date	Amount (KShs.)
a. Recurrent Grants	Date Received	Recurrent
	05.08.2020	103,880,000
	31.08.2020	103,880,000
	30.09.2020	103,880,000
	06.11.2020	103,880,000
	02.12.2020	103,880,000
	28.12.2020	103,880,000
	15.01.2021	103,880,000
	03.03.2021	103,880,000
	06.04.2021	103,628,671
	04.05.2021	104,131,329
	03.06.2021	103,880,000
	25.06.2021	103,880,000
	Subtotal	1,246,560,000
b. Development Grants		
	21.08.2020	60,000,000
	21.08.2020	2,750,000
	18.06.2021	8,250,000
	Subtotal	71,000,000
TOTAL GOK GRANTS		1,317,560,000

**Kenya National Bureau of Statistics
Annual Reports and Financial Statements
For the year ended 30th June 2021**

Appendix IV: Projects Implementation

The projects implemented by the Bureau funded by development partners are as follows:

Project Title	Project Number	Donor	Period	Donor Commitment	Separate Donor Reporting required per Agreement	Consolidated in the Financial Statements
2019 Population and Housing Census		UN Women	2021/2022	KSh. 43.93 million	Yes	Yes
NIPFN	FOOD/2017/393-022	European Union	2020/2021	Euro 3.5 Million	Yes	Yes