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REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
NATIONAL COHESION AND  
INTEGRATION COMMISSION

FOR THE YEAR ENDED  
30 JUNE 2016

OFFICE  
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**NATIONAL COHESION AND INTEGRATION COMMISSION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2016**

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

**National Cohesion and Integration Commission**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2016**

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**I. KEY COMMISSION INFORMATION AND MANAGEMENT**

**(a) Background information**

The Commission is a statutory body established under the National Cohesion and Integration Act (Act No. 12 of 2008) and is domiciled in Kenya. The Commission is represented by the Commissioners who are responsible for the general policy and strategic direction of the Commission.

**(b) Principal Activities**

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

**Key Management**

The Commissions day-to-day management is under the following key organs:

- Commission Secretary
- Commissioners

**(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Commission Secretary	Hassan Sheikh Mohamed, OGW
2.	Director Finance, HR and Administration	Dr. Benjamin Kituku
3.	Director Programmes	Millicent Okatch

**(d) Fiduciary Oversight Arrangements**

The funds of the Commission consist of;

- a) Monies appropriated by parliament
- b) Monies on asset as may accrue to the Commission in the course of the exercise of its powers in the performance of its functions under the National Cohesion and Integration Act.
- c) Monies from donors.

With regard to the Commissions finances, the Commission Secretary is the Accounting Officer. Administration of funds is as per the annual estimates / work plans and funding agreements with different donor agencies. This shall be guided by the Public Procurement disposal Act 2005, National Cohesion and Integration Act (No.12 of 2008), Government financial regulations and procedures and Public Finance Management (PFM) Act, 2013

The accounts of the Commission are audited and reported upon by the Auditor General in accordance with the provisions of the Public Audit Act 2003(No 12 of 2003).

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In addition, development partners usually have independent audits of programs/projects that they fund directly as part of their oversight role as and when agreed.

**(e) Commission Headquarters**

KMA Centre  
6<sup>th</sup> Floor  
Mara Road, Upper Hill  
P. O. Box 7055 – 00100  
Nairobi  
Kenya.

**(f) Commission Contacts**

Telephone: 020-258701/2/3 Cell: 0702-777000  
E-mail: [info@cohesion.or.ke](mailto:info@cohesion.or.ke)  
Website: [www.cohesion.or.ke](http://www.cohesion.or.ke)

**(g) Commission Bankers**

Kenya Commercial Bank  
Sarit Centre Branch, Nairobi

Standard Chartered Bank  
Harambee Avenue Branch, Nairobi

National Bank of Kenya  
Harambee Avenue Branch, Nairobi

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II COMMISSIONERS

### Chairperson Hon. Francis Xavier Ole Kaparo EGH, SS



Hon. Francis Xavier Ole Kaparo EGH, SS. is a lawyer by profession with vast experience in Kenya's political and development discourse. He holds a Bachelor of Laws (LLB) degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Hon. Kaparo was admitted to the roll of Advocates as an Advocate of the High Court of Kenya in 1977.

Hon. Francis Ole Kaparo has served the Government and the people of Kenya in different capacities. He was the Member of Parliament for Laikipia East from 1988 to 1992. Hon. Kaparo has served as an Assistant Minister in a number of government ministries. These include the Ministry for National Guidance and Political Affairs (1988 - 1989); the Ministry for Supplies and Marketing (1989-1990) and the Ministry for Labour (1990 - 1991). Between 1991 and 1993, he was the Minister for Industry. Hon. Kaparo was the second longest serving Speaker of the National Assembly of Kenya, having served from 1993 to 2008. Hon. Francis Ole Kaparo is the current Chief Scout of the Kenya.

In the international field, Hon. Francis Ole Kaparo has also served in various capacities. He chaired several Commonwealth Parliamentary Associations (CPA) engagements. For instance, he was the Chairman of the Commonwealth Parliamentary Association – Kenya Branch (1993 - 2008); Vice-Chairman, Commonwealth Parliamentary Association – Africa Region (1993 - 1995); Chairman, Commonwealth Parliamentary Association – Africa Region (1995 -1997); Chairman, Steering Committee of Speakers' Conference – Africa Region (1997 - 1999) and the Chairman of the Steering Committee of Speakers' Conference of the CPA International (2004 - 2006). Hon. Kaparo was a Member of the Executive Committee of the CPA International (1993 - 1996); a Member of the Executive Committee of the Inter Parliamentary Union (2004 - 2007) and the President of the Inter Parliamentary Union (IPU) General Assembly in 2006. Arising from these engagements, Hon.

Kaparo has attended numerous conferences and workshops of the CPA, IPU and the Speakers' Conferences around the world. Hon. Kaparo was a Member of the African Union Observer Mission to the Zimbabwe Election in 2008 and a Resource person to Commonwealth Secretariat Workshop for West African members of Parliament on Democracy and Good Governance in the same year.

Arising from his great passion for environmental conservation, Hon. Kaparo has been the Chairman of several Conservancies in Kenya. These include Lewa Wildlife Conservancy, Northern Rangelands Trust, IingwesiBandas, Lekurruki Conservancy and Kijabe Conservancy. He is also a Board Member of Laikipia Wildlife Forum and Ol Pejeta Conservancy. Hon. Kaparo was the Patron for the Pastoralist Parliamentary Group between 1996 and 2013. He has also served in several secondary school Boards of Management.

Before joining the Commission, Hon. Kaparo was appointed by the His Excellency the President as the chief mediator for the Marsabit and Mandera Counties Peace Processes, together with Senator Mohamed Yusuf Hajj. Hon. Francis Ole Kaparo had also been the Chairman of the National Environmental Management Authority (NEMA) and the United Republican Party (URP). Hon. Kaparo was born on 1<sup>st</sup> September, 1950.

#### **Vice Chairperson Commissioner Irene NjeriWanyoike**



Commissioner Irene N. Wanyoike holds a Bachelor of Laws degree from the University of Nairobi and a post graduate Diploma in Laws from Kenya School of Law. Commissioner Irene is an Alternative Dispute Resolution (ADR) Practitioner with emphasis in Mediation. She is a member of the Chartered Institute of Arbitrators (CI Arb) in both Kenya and London Branches. Currently she is the Honorary treasurer and Council member of CI Arb. Irene Wanyoike has also been a private

Consultant, working closely with FIDA in Family Mediation and the Chartered Institute of Arbitrators.

Irene Wanyoike has a wide knowledge in the field of Mediation and Arbitration, Public Sector Reforms, Governance, Human Rights, and is very passionate on issues of Women and Youth Empowerment. She is a Civic Educator in the National Steering Committee of the Kenya National Integrated Civic Education (K-Nice) which had been under the then Ministry of Justice and Constitutional Affairs. She is also in the Panel of Mediators at the newly established Strathmore

Dispute Resolution Centre at Strathmore University Campus. Irene Wanyoike is the Convenor of the Association of Professional Societies in East Africa's (APSEA) Constitutional Implementation and Oversight Committee and a member of Professional Integrity and Ethics Committee of APSEA.

Commissioner Irene N. Wanyoike serves in various Professional Bodies in different positions. She is the Chairperson of the Centre for Alternative Dispute Resolution (CADR), and a Senior 1st Vice Chairperson of the Association of Professional Societies in East Africa (APSEA). She is the Honorary Treasurer of the Chartered Institute of Arbitrators (CI Arb), and a Board Member of the Kenya Private Sector Alliance (KEPSA). Irene also serves in several committees and secondary school boards and offers pro bono services on Family Mediation and Reconciliation. Commissioner Njeri Wanyoike was born on 29<sup>th</sup> December, 1955.

#### **Commissioner Belinda AkothOchiel**



Commissioner Linda Ochiel is a seasoned policy, advocacy, and communications expert with national, regional and international experience in peace building, democracy, governance, and human rights. The youngest Commissioner in the Republic of Kenya, Linda is a champion of youth affairs and is keen to create a vivid link between the youth, economic empowerment and peace building.

Prior to being appointed Commissioner with the National Cohesion and Integration Commission (NCIC), Linda served as a Director for Policy, Advocacy, and Communications at the Commission on Administrative Justice (Office of the Ombudsman) Kenya. Previously, she spearheaded national

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peace and human rights initiatives and was instrumental in the investigations and documentation of 2007/2008 post-election violence in Kenya. She has also played an active role in promoting compliance with administrative justice principles and standards, as well promoting transitional justice, accountability, constitutional, institutional and electoral reforms in Kenya. Commissioner Linda initiated the Annual Human Rights and Democracy Awards of the Kenya National Human Rights and Equality Commission, the Huduma Ombudsman Awards, the first public service Awards in Kenya and the Taifa Awards, an Awards scheme that recognizes institutions that have represented the diversity of Kenyan people in public service.

A producer with a diverse background in documentary film making, Commissioner Linda has been at the forefront of video advocacy documenting and exposing violence, human violations and injustices. Her most recent productions include titles such as 'The Ombudsman, I am Here to Serve you', a dramatized video exposing maladministration in public service, 'Robbed of Choice', a documentary exposing forced Sterilization of HIV +Ve Women in Kenya, 'Youth Fact Book', a production documenting the youth bulge in Kenya and 'In Search of My Land Rights', an advocacy video agitating for women's land rights following promulgation of Kenya's 2010 Constitution. Linda founded the Open Society Initiative for Eastern Africa (OSIEA)'s journal, 'Amplifying Voices'; the Kenya National Commission on Human Rights Journal, 'Pillars of Rights' (NguzozaHaki) and Commission on Administrative Justice's Newsletter, 'The Ombudsman'. She is also a published poet and biographer.

She holds a Masters of Arts in Communications Studies, Masters of Arts in Diplomacy, and a Post Graduate Diploma Degree in Mass Communications and Public Relations of the University of Nairobi. She also holds BED Arts Degree of Moi University as well as diplomas in human rights and video advocacy from prestigious national, regional and international institutions. She is an alumni of the Women in Public Service Project of the Wilson Centre, Bryn Mawr College, Philadelphia, Equitas International Human Rights Training Programme, John Abbot College, Montreal, and the Witness Video Advocacy Institute (VAI) in conjunction with Concordia University, Montreal. Commissioner Belinda was born on 22<sup>nd</sup> February, 1977.

**Commissioner Adan Abdi Mohammed**



Commissioner Adan Abdi Mohamed has 23 years of working experience, both as educationist and community development worker. He rose from being a high school teacher to an Assistant Director of Education and later community driven development programme coordinator. He has coordinated drought management initiatives where he has been managing several development projects as well as humanitarian emergency operation programmes based on community based targeting. Mr. Mohamed has coordinated a number of drought mitigation responses as well as facilitated conflict dialogues and mitigations. He has also coordinated a number of development agencies in Government Departments, Civil societies, NGOs and UN Agencies at County level.

Mr. Adan Mohamed holds a Master of Science degree in Project Planning and Management from the University of Bradford – UK; and a Bachelor of Education degree in Economics and Business Administration from Kenyatta University. Mr. Adan Mohamed has also attended several courses including Senior Management Course (SMC) at the Kenya Institute of Administration; and Water Management, Decision Making, Environmental Aspect and Risk Reduction at University of Hebrew in Israel. He has also studied Monitoring and Evaluation as well as Training of Trainers (ToT) in Methodology and Training Needs Assessment at Kenya Institute of Administration; and Participatory Development Methodology on Community based Development Approaches by Intermedia Training Consultants.

Prior to his appointment at the Commission, Commissioner Adan Mohamed was working for the National Drought Management Authority (NDMA) as the County Drought Management Coordinator. He also worked with the Arid Lands Resource Management Programme as a Drought Management Coordinator from 2002 to 2010, and community driven development programme coordinator between 1996 and 2000. Mr. Mohamed has also served in the Ministry of Education, Science and Technology (MoEST) as an Assistant Director of Education from 1993 - 1996 as well as in the Teachers Service Commission as a High School Teacher from 1990 to 1993. Commissioner Adan was born on 22<sup>nd</sup> December, 1964.

**Commissioner Dr. Roba D. Sharamo**



Dr. Roba D. Sharamo has over 16 years of experience in international development, diplomacy and conflict analysis and resolution where he worked in senior management positions with the United Nations Development Programme (UNDP) in Kenya, Government of Kenya, non-governmental organizations and a leading think-tank, Institute for Security Studies in Addis Ababa and Nairobi, among other international institutions. Most recently, he worked for UNDP as the Team Leader for Peace Building and Conflict Prevention Unit. He received his Doctorate in Conflict Analysis and Resolution from George Mason University, United States of America (USA) in 2012. His doctoral dissertation is entitled, "Predatory Politics and Struggles of Peacemaking in Somalia," at George Mason University, Arlington, Virginia, US.

Dr. Roba has a Masters degree in Sustainable International Development from Brandeis University, Boston, USA, 2002 and a Bachelor of Science from Kenyatta University, Nairobi, Kenya, 1998. He

has lectured and made presentations at numerous regional and international conferences and published key monographs and scholarly articles on peace and security in Africa. He also co-edited two monographs: with BeroukMesfin entitled Regional Security in Post-Cold War Horn of Africa (April 2011); and The State of Human Security in Africa (co-edited with C. Ayangafac) in April 2012, respectively. He is committed to the institutionalization of the inter-related agendas of peace, cohesion and integration in Kenya. His areas of specialization include conflict analysis and resolution, political economy, peace building, cohesion, community security, mediation and negotiation. Dr. Roba Sharamo was born on 4<sup>th</sup> March, 1972.

**Commissioner Dr. Joseph Wamocha Nasongo**



Commissioner Dr. Joseph Wamocha Nasongo is holder of PhD degree in Conflict Resolution and Management of Masinde Muliro University of Science and Technology, Master's degree in Philosophy of Education and Bachelor's degree in Education arts of Kenyatta University. His PhD thesis was titled 'An analysis of feminist epistemology: Logical pedagogical implications to education in Kenya'. He joins the Commission from the world of academia with twenty four years' experience as an educationist, seven of which he taught in secondary schools, six years at Maseno University and eleven years at MasindeMuliro University of Science and Technology. He has vast experience in teaching, research and publications. His research interests include: Peace studies, conflict resolution and management, Education, feminism, and philosophy. He has attended and presented papers at conferences in local as well as international conferences.

Dr. Joseph W. Nasongo is also a member of professional associations namely: Association of Disaster Management and Conflict Resolution of Kenya (ADMCRK), Organization of Social Science Research in Eastern Africa (OSSREA) and Association of Third World Studies. He has actively participated in community development through engagement in civic education, review of peace building training manual, research on impact of violent conflicts on education and member of boards of management of schools and sub county district education board. His worldview is guided by the philosophy that the human person has a rich endowment of potential that requires conducive environment to flourish. Conducive environmental factors include: peace, access to basic needs, quality education, respect for human dignity and freedom to exercise talents in enhancing individual and societal development. Dr. Joseph Nasongo was born was born on 18<sup>th</sup> April, 1968.

**Commissioner Morris Dzoro**



Hon. Morris M. Dzoro, EGH has over fifteen years working experience and exposure in leadership and development at both local and international level. He has been keen in empowering communities to determine their own future and realize their full potential and worth by helping them demonstrate their relationship and live at peace with each other and their environment in order to meet their own long-term needs and livelihood with the main aim of transforming their lives.

Hon. Morris Dzoro served as a Cabinet Minister in the Ministry of Tourism and Wildlife from 2003 to 2007; an Assistant Minister for Public Service between 2002 and 2003; and a Member of Parliament from 2002 to 2007. Prior to that, he worked as the Programme Manager for the World Vision – Kenya, in different counties and regions. He has also worked as a Part-Time Lecturer at both the University of Nairobi and Daystar University.

Hon. Morris Dzoro is currently pursuing a PhD degree course on Tourism Management at the Moi University. He holds a Masters of Arts (MA) Degree in Theology and Development from the University of Leeds, UK; a Bachelor of Arts (BA) degree in Community Development from Messiah College, USA; and a Diploma in Communication Arts from the Daystar University, Kenya. Hon. Dzoro has attended training in different fields such as Strategic Planning and Management at CORAT; Proposal Writing and Health Management at AMREF; Cross Cultural and Peace Keeping at the London Institute and Advanced Leadership Course from Singapore. He has also attended several seminars and conferences, including the World Tourism Organization in Malaysia; Public Service Conference in South Africa and International Urban Ministry in Chicago, USA. Hon. Dzoro brings to the Commission valuable knowledge and experience in leadership, peace building and conflict resolution; partnerships and relationships across sectors (networking and collaboration). Commissioner Dzoro was born on 5<sup>th</sup> December, 1950.

**Commissioner Prof. Gitile J. Naituli**



Prof. Gitile Joseph Naituli holds a PhD degree in Business Management from Egerton University, a Masters in Business Administration (MBA) degree in Management and a Bachelor of Arts (BA) degree in Business Administration and Government from MIU-IOWA, USA. His PhD Thesis was entitled: "Constraints on Growth of Micro and Small-Scale Women Enterprises in North and Central Meru, Kenya". Prof. Naituli has over 20 years' experience in Business Management and Leadership gained from extensive consulting, facilitation, teaching and research. Before his appointment as a Commissioner with the National Cohesion and Integration Commission, Prof. Naituli served as the Acting Principal and Deputy Principal (Finance and Administration) and Associate Professor, Business Management and Leadership at Multimedia University of Kenya. He is also a visiting Professor of Management at the University of Virginia, USA and sits on the Advisory Board of Environic Foundation International (EFI) USA, as well as the National Trustee Intervarsity Environmental network (IVEN).

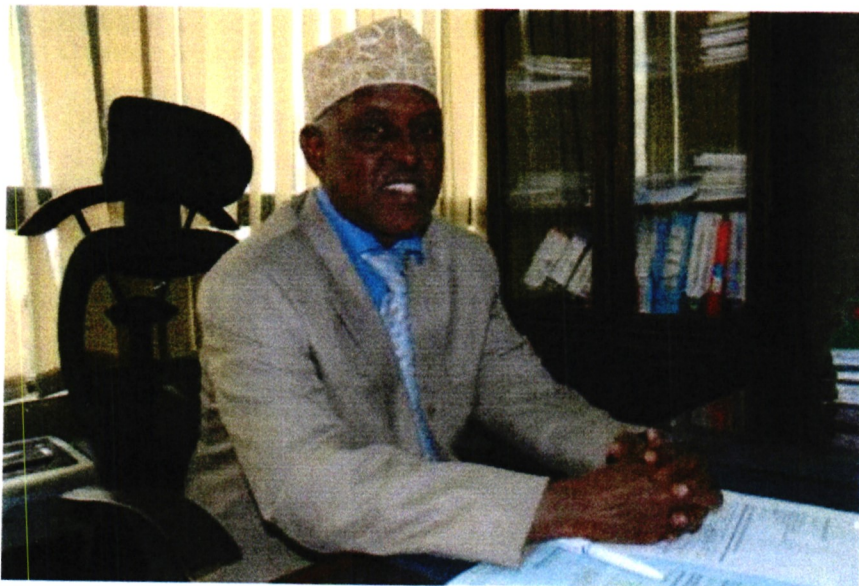
Prof. Gitile Naituli has conducted research in several fields. These include Education for Sustainable Development and its application to Business Systems, Small to Medium Enterprises and the implication for sustainable development, Small Business Development and Management, Gender Issues in Small Business Management and Development and the Implication for Poverty Alleviation Efforts, Climate Change Adaptation and Mitigation, Gender Issues in Organizational Development and Management, Strategic Management and its implications for Organizational Re-engineering, Transformational Leadership and its implication for development and Conflict Resolution and Mitigation. Prof. Naituli is the author of more than 25 papers on Leadership and Management that have been published in professional journals or presented at various professional international conferences. He has also authored and co-authored more than 8 books in business Management.

Prof. Naituli is a Technical Specialist with the United Nations Environment Programme (UNEP), Mainstreaming Environment for Sustainability in African Universities (MESA). He has also been helping African Universities to develop projects on adaptation to climate change and also providing technical assistance to the concerned Universities, besides organizing, planning and participating in

strategic meetings and Seminars/workshops. Prof. Naituli has been a Consultant for UNESCO Windhoek Cluster Office to Angola, Lesotho, Namibia, South Africa and Swaziland. In 2008, Prof. Naituli was appointed as the co-ordinator for the International Training Programme in Education for

Sustainable Development in Higher Education in African Universities by Ramboll Natura AB and SIDA of Sweden. He chaired the University of Gondar (Ethiopia) Senate Committee that helped develop a curriculum based on the United Nations guidelines on Education for Sustainable Development (ESD), which used ESD tool kit as a resource. Prof. Naituli was born on 2<sup>nd</sup> January, 1961.

**Commission Secretary Hassan Sheikh Mohamed, OGW**



Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic & Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration & Management from Glasgow Caledonian University, UK, and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President.

In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006. Mr. Hassan was born on 15<sup>th</sup> July, 1958.

## **EX-OFFICIO MEMBERS**



**Dr. Otiende Amollo**

Mr. Otiende Amollo is the Chairperson of the Commission for the Administration of Justice. He served in the Committee of Experts on Constitutional Review and as the Chairman of the Kenya Section of the International Commission of Jurists (I.C.J). He has also served as the Secretary to the East African Law Society, joint Secretary to the Government of Kenya Implementation Committee on the Report of the Task Force on HIV and AIDS. He is the Sub-Editor to the East African Lawyer magazine and a board member to 'Kituo Cha Sheria' a legal advice center.



**Ms. Kagwiria Mbogori**

Ms. Kagwiria Mbogori is an accomplished Human Rights Practitioner with broad work experience at the national and regional level. She provides authoritative policy direction in keeping with the mandate of National Human Rights Institution (NHRI).

Ms. Mbogori holds a Masters of Law from the University of Notre Dame, majoring in International and Regional Human Rights Protection Systems, International Humanitarian Law and Transitional Justice. She is a Law Graduate from the University of Nairobi and hold a post graduate diploma from the Kenya School of Law.

Ms. Kagwiria Mbogori has worked for a number of regional and international organisations. She served at the United Nations Development Programme (UNDP) as a Chief Technical Advisor. She has provided strategic policy direction for the South Sudan Judiciary, as well as working as Head of Advisory Unit of United Nations Mission in Liberia (UNMIL). She also served as Human Rights Officer (UNMIL), Country Programme Manager United Nations Development Fund for Women (UNIFEM) and Executive Director Kenya Section of the International Commission of Jurists.



**Commissioner Winfred Lichuma**

Commissioner Winfred Lichuma is the current Chairperson of the National Gender and Equality Commission (NGEC). Winfred is a lawyer of over 20 years standing. Previously she has served as a Commissioner at the Kenya National Commission on Human Rights and has been a legal adviser to the National Aids Control Council. She also has worked as a practising Advocate of the High Court of Kenya.

Commissioner Winfred Lichuma began her career as a Magistrate of the High Court of Kenya, a position she held for ten years and served around the country, growing up the ranks to Senior Resident Magistrate. Winfred has a wide experience in gender mainstreaming and human rights promotions and programming.

### III. MANAGEMENT TEAM



Hassan Sheikh Mohamed, OGW  
Commission Secretary/ CEO

Mr. Hassan Mohamed has been the Commission Secretary since June 2010. He holds an MA in Economic and Social Studies (Development Administration and Management) from University of Manchester UK, Post Graduate Diploma in Public Administration and Management from Glasgow Caledonian University, UK; and Diploma in Range Management from Egerton University.

Mr. Hassan is a career Civil Servant who has served in various Government Ministries culminating in his promotion to the rank of Senior Deputy Secretary. He was awarded the Order of the Grand Warrior of Kenya in 2009 for Peace building efforts whilst serving as the Coordinator of the National Steering Committee for Peace Building and Conflict Management in the Office of the President. In addition to the aforementioned, Mr. Hassan also received exposure in international peace while he was on secondment as a Special Envoy of IGAD to the Sudan Peace Process in 2009 - 2010. He has extensive knowledge in Government Financial Management, having served as a Budget Supply Officer in the Ministry of Finance in 1997 – 2006.



Dr. Benjamin M. Kituku, CPA  
**Director Finance, HR and Administration**

Dr. Kituku is the **Director Finance, Hr and Administration** which is the administrative arm of the commission and is composed of the following divisions; Finance and Accounts, Human Resource, Administration, Supplies Management and ICT.

Dr. Kituku is a Certified Public Accountant of Kenya (CPA - K) and a member of ICPAK. He holds a Masters In Business Administration (MBA) Finance and Strategic Management from the University of Nairobi and a BVMPH from the same university.



Millicent Apondi Okatch  
**Director Programmes and Technical Services**

Millicent is the Director Programmes and Technical Services. She holds a Masters of Arts Degree with specialization in Sociology and Community Development and Bachelor of Arts Degree in Sociology and Communication both from the University of Nairobi. She is a certified Bullet Proof Management and Development specialist having been trained by APMG and Raiser Group.

Millicent is a results-oriented, hands-on Social Development expert, with a successful 19 year career, having worked for various International Relief and Development Non-Governmental Organizations (NGOs) in different capacities. A better part of her career growth has been realized while working for Care International, Community Aid International and World Vision International in different capacities in Programmes Management. She has also short stints working for Goal Kenya and People Against Torture (PAT).

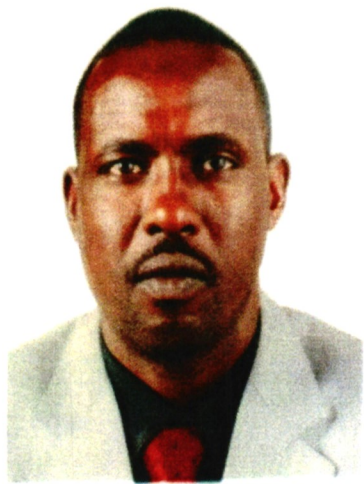
Prior to Joining NCIC, Millicent worked for World Vision International in the Capacity of National Programme Coordinator with a portfolio of over 70 programmes and projects across 47 counties in Kenya. She successfully steered teams in designing, implementing, monitoring and evaluating programmes in Peace, Advocacy, Health, HIV & AIDS, Child Protection, Education, Gender Empowerment and Relief.

Millicent's great management skills and ability to enhance partnership and linkages enabled her to oversee sensitive projects funded by donors.



Ms. Olive C Metet- Bii, MPRSK  
**Assistant Director**  
**Communication and Knowledge Management**

Olive is the Assistant Director Communication and Knowledge Management. She has over 12 years in the field of Corporate Communication and Knowledge Management. She has excellent skills in Strategic Corporate Communications and Public Relations, spearheading award winning publications as well as media campaigns having grown through the ranks, from a public relations officer to Head of Corporate Communications and Customer Experience. She joined the Commission from the Higher Education Loans Board among working in other Government Parastatal. She holds a Masters of Arts Communication Studies from the University of Nairobi and a Bachelor of Arts degree Communication-Public Relations (Honors) from the Daystar University. She is a member of Public Relations Society of Kenya (PRSK). She has established, spearheaded and manages communication and Knowledge function at NCIC.



Liban Guyo  
**Assistant Director Reconciliation and Integration**

Liban Guyo is the **Assistant Director; Reconciliation and Integration** at the National Cohesion and Integration Commission. This department is involved in the promotion and sustenance of the national peace and reconciliation agenda. Mr. Guyo holds a Masters Degree in Governance and Development from Sussex University and a BA in International Relations from United States International University-Africa Nairobi, Kenya.



Charllow Kyalo Mwengi  
**Assistant Director Complaints, Legal and Enforcement**

Mr. Mwengi is the **Assistant Director Complaints, Legal and Enforcement department**, which receives and investigates complaints of ethnic and racial discrimination and makes recommendations to the parliament and any other relevant government department or authority.

Mr. Mwengi is an advocate of the high court of Kenya and a member of the law society of Kenya. He holds a Bachelors degree in Social Legislation (BSL), Bachelors in Laws (LLB) and a Diploma in Law from the Kenya School of Law.



Kilian Nyambu Machila  
**Assistant Director, Civic Education and Advocacy**

Kilian Nyambu is the **Assistant Director, Civic Education and Advocacy** at the National Cohesion and Integration Commission. The department spearheads initiatives aimed at policy influence and advocacy, public education and awareness, capacity development and outreach

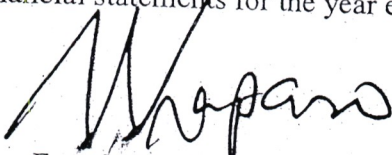
Mr. Kilian Nyambu holds a Master of Education (M.Ed) in Educational Administration and Planning as well as Bachelor of Education (Arts) degree from the University of Nairobi. He has multiple certificates in various management programmes from different training institutions including the Kenya Institute of Administration.

#### IV. CHAIRMAN'S STATEMENT

The National Cohesion and Integration Commission hereby presents its Financial Statements for the year ended 30 June 2016 in accordance to the Public Finance Management Act 2015 and the NCI Act. This is a very key aspect in the area of governance and accountability especially in reference to the management of public finances and any other funding the Commission has received to support its huge mandate.

As a Commission we have put a concerted effort towards achievement of our mandate despite the huge financial limitation that continuously inhibits the attainment of NCIC's full potential through the implementation of complete programme related interventions. The Commission remains not only one of the robust key agencies but the instrument of government in the implementation of Kenya's Cohesion and Integration agenda, hence the urgent need for more funding especially in the run up to the upcoming 2017 general elections.

However in my conclusion I wish to note that NCIC made some key strides with a lot of achievements in the financial year ended due to the support we received from the Government of Kenya, Treasury, Ministry of Interior and Co-ordination of National Government and other Key development partners. As a Commission we highly acknowledge that support as we present our financial statements for the year ended 30 June 2016



Hon. Francis Ole Kaparo EGH, SS  
**Commission Chairman.**

## **V. REPORT OF THE CHIEF EXECUTIVE OFFICER**

The Commission exists to facilitate and promote National Cohesion, Integration and peaceful co-existence of people of different diversities. The desire for its establishment (NCIC) being in recognition of the need for a national institution that rallies Kenyans towards national identity and values, the mitigation of ethno-political competition and ethnically motivated violence, eliminate all forms of discrimination, promote national reconciliation and healing.

During the year ended 30 June 2016 the Commission launched its new strategic plan (2015-2020). This provides a clear road map towards the realization of the Commission's objectives through strategies that create sustainable approaches that work to enjoin Kenyans in developing a well-knit nation with adherence to the Constitution, NCI Act, Vision 2030 and a number of government policies and programs that provide avenues for promoting national unity, inclusion and tolerance for diversity. The Commission is thus in the process of implementing its strategic plan with great achievements as set in the strategic objectives.

The Commission also conducted an Ethnic and Diversity Audit of a number of public entities and county governments. This is a key mandate of NCIC towards ensuring ethnic diversity in public institutions recruitment and geared towards the representation of the diversity of Kenya in employment. The findings of those reports are being used to present the country with policy recommendations that will ensure ethnic equality and equitable distribution of opportunities in the public service.

With the emerging challenges of radicalization and violent extremism, the Commission conducted de-radicalisation trainings for the youth, women and interfaith leaders in the Coast region to sensitize them on the dangers they are exposed to through radicalisation and violent extremism. The Commission further issued an advisory to the Government of Kenya to grant unconditional amnesty to youth who were ready and willing to denounce violent extremism and de-radicalisation. In line with the amnesty there has been a great positive response with a number of youth having surrendered and undergoing a rehabilitation program at the NCTC (National Counter Terrorism Centre). In addition the Commission supported other education training programs that increased public awareness towards the advancement of peace and harmony hence enhance co-existence amongst Kenyans of different walks of life.

As we present the Commission's financial year statements for the ended 30 June 2016, I greatly appreciate the continued support from the Government of Kenya and other key development partners.



Hassan Sheikh Mohamed, OGW  
**Secretary/ Chief Executive Officer**

## **VI. CORPORATE GOVERNANCE STATEMENT**

In line with sound Corporate Governance, the Commission conducted its operations in accordance with best practices, taking into consideration Professional ethics, integrity, accountability, compliance to relevant guidelines, Laws and regulations. This was under the direction and guidance of;

- i. The Constitution of Kenya 2010
- ii. The Public Finance Management Act
- iii. The National Cohesion and Integration Act
- iv. The Public Officers Ethics Act
- v. Government Financial regulations and procedures
- vi. Terms and agreements between NCIC and Donors

To further enhance good governance the Commission has in place systems and structures that enhance effective management through efficiency of operations, accountability and service delivery. Among these are Commission Committees that are very key in providing policy directions and guidelines in the Commission's functions. The Committees include;

- a) Finance and Administration
- b) Legal Complaints and enforcement
- c) Research Policy and Planning
- d) Civic Education and Advocacy
- e) Reconciliation

Each of these Committees is chaired by a Commissioner with all of them actively engaged hence a strong commitment and sense of responsibility towards sound corporate governance.

The quality and status of governance is a key factor to the operational success of any corporate institution. It is the Commissioners responsibility to ensure proper and sound governance within NCIC.

## **VII. REPORT OF THE COMMISSIONERS**

The Commissioners submit their report together with the audited financial statements for the year ended June 30, 2016 which show the state of the Commission's affairs.

### **Principal activities**

The principal activities of the Commission are to facilitate and promote equality of opportunity, good relations, harmony and peaceful co-existence between persons of different ethnic and racial communities of Kenya, and to advise the Government on all aspects thereof.

### **Results**

The results of the Commission for the year ended June 30, 2016 are set out on page 1

### **Commissioners**

The Commissioners who served during the year are shown on page iv to xv

### **Auditors**

The Auditor General is responsible for the statutory audit of the Commission in accordance with the Section 68 of the Public Finance Management (PFM) Act, 2013, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Commission



**Hassan Sheikh Mohamed, OGW**  
**Secretary/Chief Executive Officer**

## VIII. STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2015 and section 14 of the State Corporations Act, require the Commissioners to prepare financial statements in respect of that Commission, which give a true and fair view of the state of affairs of the Commission at the end of the financial year/period and the operating results of the Commission for that year/period. The Commissioners are also required to ensure that the Commission keeps proper accounting records which disclose with reasonable accuracy the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission.

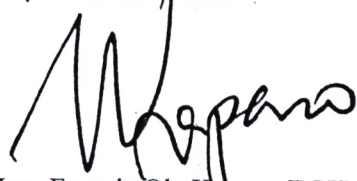
The Commissioners are responsible for the preparation and presentation of the Commission's financial statements, which give a true and fair view of the state of affairs of the Commission for and as at the end of the financial year (period) ended on June 30, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission; (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 Commission; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Commissioners accept responsibility for the Commission's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Commissioners are of the opinion that the Commission's financial statements give a true and fair view of the state of Commission's transactions during the financial year ended June 30, 2016, and of the Commission's financial position as at that date. The Commissioners further confirm the completeness of the accounting records maintained for the Commission, which have been relied upon in the preparation of the Commission's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Commissioners to indicate that the Commission 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 Commission's financial statements were approved by the Commission on 14<sup>th</sup> March 2017 and signed on its behalf by:



Hon. Francis Ole Kaparo EGH, SS  
**Commission Chairman.**



## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL COHESION AND INTEGRATION COMMISSION FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the National Cohesion and Integration Commission set out on pages 1 to 13, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

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

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

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

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

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Cohesion and Integration Commission as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Cohesion and Integration Commission Act, 2008.

### **Other Matter**

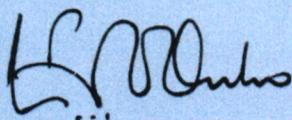
#### **Un registered Lease agreement**

During the financial year 2015/16, the commission paid Rent of Kshs.21,553,095.14 and Kshs.1,607,200 to Gimco Limited and Dr. Alfred Adhiambo Otieno respectively.

Although the Commission has forwarded the documents to the Ministry of Lands for registration, the Ministry had not yet completed the process by 30 June 2016.

Further it was observed that the Commission did not have an IT strategic committee, steering committee, strategic plan and a comprehensive procurement plan.

My opinion is not qualified in respect of this matter.



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

**Nairobi**

**24 April 2017**

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<b>X. STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>For the year ended 30 June 2016</b>			
	<i>Note</i>	<b>2015-2016</b>	<b>2014 - 2015</b>
		<b>Kshs 000</b>	<b>Kshs 000</b>
<b>Revenue from non-exchange transactions</b>			
Public contributions and donations	3	28,035	84,372
Transfers from other governments	4	311,107	364,120
		<b>339,142</b>	<b>448,492</b>
<b>Revenue from exchange transactions</b>			
Other income	5	12	842
<b>Total revenue</b>		<b>339,154</b>	<b>449,334</b>
<b>Expenses</b>			
Employee costs	6	130,329	101,058
Depreciation and amortization expense	7	32,387	34,209
Repairs and maintenance	8	11,201	7,366
General expenses	9	260,603	206,621
<b>Total expenses</b>		<b>434,520</b>	<b>349,254</b>
<b>Other gains/(losses)</b>			
Loss on sale of motor vehicle			
Loss on disposal of assests	10	(77)	(290)
<b>Surplus for the period</b>		<b>(95,443)</b>	<b>99,790</b>

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<b>XI. STATEMENT OF FINANCIAL POSITION</b>			
<b>As at 30 June 2016</b>			
	<i>Note</i>	<b>2015-2016</b>	<b>2014 - 2015</b>
		<b>Ksh 000</b>	<b>Ksh 000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	1,033	711
Receivables from non-exchange transactions	11	7,828	97,270
		<b>8,861</b>	<b>97,981</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	120,450	127,768
Intangible assets	13	123	186
		120,573	127,954
<b>Total assets</b>		<b>129,435</b>	<b>225,935</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Cash and cash equivalents	15	-	9,602
Trade and other payables from exchange	14	9,984	1,438
		9,984	11,040
<b>Non-current liabilities</b>		-	-
<b>Total liabilities</b>		9,984	11,040
<b>Net assets</b>		<b>119,451</b>	<b>214,895</b>
<b>Reserves</b>			
Accumulated surplus		8,847	8,847
<b>Total net assets and liabilities</b>		<b>119,451</b>	<b>214,895</b>

The Financial Statements set out on pages 1 to 13 were signed on behalf of the Board of Commissioners by:



Hassan Sheikh Mohamed, OGW  
 C.E.O/ Commission Secretary

Date... 14/03/2017

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<b>XII. STATEMENT OF CHANGES IN NET ASSETS</b>			
<b>For the year ended 30 June 2016</b>			
	<b>Capital reserve</b>	<b>Accumulated surplus</b>	<b>Total</b>
	<b>Kshs 000</b>	<b>Kshs 000</b>	<b>Kshs 000</b>
<b>Balance as at 30 June 2014</b>			
	8,847	106,258	115,105
Surplus/(deficit) for the period		99,790	99,790
<b>Balance as at 30 June 2015</b>	<b>8,847</b>	<b>206,048</b>	<b>214,895</b>
Surplus for the period		(95,443)	(95,443)
<b>Balance as at 30 June 2016</b>	<b>8,847</b>	<b>110,605</b>	<b>119,452</b>

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<b>XII. STATEMENT OF CASH FLOWS</b>			
	<i>Note</i>	<b>2015-2016</b>	<b>2014-2015</b>
		<b>Ksh 000</b>	<b>Kshs 000</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	3	28,035	84,372
Government grants and subsidies	4	311,107	364,120
Other income	5	12	842
		<b>339,153</b>	<b>449,334</b>
<b>Payments</b>			
	16	<b>304,145</b>	<b>402,747</b>
<b>Net cash flows from operating activities</b>		<b>35,008</b>	<b>46,587</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets	12&13	(25,084)	(67,788)
<b>Net cash flows used in investing activities</b>		<b>(25,084)</b>	<b>(67,788)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,924</b>	<b>(21,201)</b>
Cash and cash equivalents at 1 July		(8,891)	12,310
<b>Cash and cash equivalents at 30 June</b>	15	<b>1,033</b>	<b>(8,891)</b>

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<b>XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS</b>					
	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2015-2016</b>	<b>2015-2016</b>	<b>2015-2016</b>	<b>2015-2016</b>	<b>2015-2016</b>
	<b>Kshs 000</b>	<b>Kshs 000</b>	<b>Kshs 000</b>	<b>Kshs 000</b>	<b>Kshs 000</b>
<b>Revenue</b>					
Public contributions and donations	45,000	(17,915)	27,085	28,035	(950)
Government grants and subsidies	800,940	(489,833)	311,107	311,107	-
Other income	-	-	-	12	(12)
<b>Total income</b>	<b>845,940</b>	<b>(507,748)</b>	<b>338,192</b>	<b>339,153</b>	<b>(961)</b>
<b>Expenses</b>					
Compensation of employees	166,940	(16,940)	150,000	130,329	19,671
Rent paid	25,000	(1,000)	24,000	23,456	544
Repairs and maintenance	8,500	3,500	12,000	11,201	799
Depreciation	-	-	-	32,387	(32,387)
General expenses	645,500	(357,500)	288,000	237,146	50,854
<b>Total expenditure</b>	<b>845,940</b>	<b>(371,940)</b>	<b>474,000</b>	<b>434,519</b>	<b>39,481</b>
Loss on disposal of assets				(77)	77
<b>Surplus for the period</b>	<b>-</b>			<b>(95,443)</b>	<b>(40,365)</b>

**XV. NOTES TO THE FINANCIAL STATEMENTS**

**1. Statement of compliance and basis of preparation – IPSAS 1**

The Commission's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Commission and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented.

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

**2. Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions – IPSAS 23**

**Fees, taxes and fines**

The Commission recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Commission and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other 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 Commission and can be measured reliably.

**b) Budget information – IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Commission. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Commission differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**c) Property, plant and equipment – IPSAS 17**

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. When

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significant parts of property, plant and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Full year depreciation is charged in the year of purchase and none in the year of disposal. Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates.

	<u>Rate - %</u>
Motor vehicles	25
Furniture & Fittings	12.5
Computers, copiers & faxes	33.3

**d) Intangible assets–IPSAS 31**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life at an annual rate of 33.3%.

The useful life of the intangible assets is assessed as either finite or indefinite.

**e) Changes in accounting policies and estimates – IPSAS 3**

The Commission recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**f) Employee benefits – IPSAS 25**

**Retirement benefit plans**

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the Commission pays fixed contributions into a separate fund, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The NCIC Staff Pension Scheme was established under irrevocable trust and commenced on 1 July 2012 and is governed by Trust Deed and Rules dated 1 July 2012. Employees who are the members contribute to the scheme at the rate of **5%** of their basic salary while the employer, also Founder, contributes at the rate of **10%** of the Member's basic salary. In addition, members are allowed to make additional voluntary contributions.

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**h) Financial instruments**

*Financial assets*

*Initial recognition and measurement*

Financial assets within the scope of IPASA 29 Financial instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Commission determines the classification of its financial assets at initial recognition.

*Receivables*

Receivables are amounts advanced to staff as temporary imprests to carry out official duties and should be accounted for or surrendered within 7 working days after returning to duty station. Where the amount is not accounted for or is not returned as required, the amount of the advance not accounted for or not returned becomes a debt owed by an officer and is recognized in the books at actual cost in the year advanced. Where the imprests remain outstanding for long periods of time and the amount is deemed irrecoverable from the imprest holder, the Commission institutes write-off mechanisms as prescribed in the PFM Regulations (2015).

**i) Related parties**

The Commission regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission or vice versa. The Commissioners and key management are considered as the Commission's related parties. The Commission has 8 full time commissioners and 3 ex-officio members being the chairpersons of the Commission for Administration of Justice (CAJ), National Gender and Equality Commission (NGEC) and the Kenya National Commission on Human Rights (KNCHR). The Commissioners are charged with policy formulation and direction while the key management led by the Commission secretary (who is the CEO) are charged with the implementation and day-to-day running of the Commission.

**i) Comparative figures**

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

**j) Inventories**

The Commission's stock is in the form of low cost consumables which were expensed at the point of purchase hence there is no reflection of closing inventory in the financial statements.

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**3. Public contributions and donations**

	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Shs 000</b>	<b>Shs 000</b>
SIDA	27,085	76,372
UNDP-Uwiano	950	8,000
<b>Total transfers and sponsorships</b>	<b><u>28,035</u></b>	<b><u>84,372</u></b>

**4. Transfers from other governments – gifts and services-in-kind**

	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Ksh 000</b>	<b>Kshs 000</b>
<b>Unconditional grants</b>		
Operational grant	311,107	364,120
<b>Total government grants and subsidies</b>	<b><u>311,107</u></b>	<b><u>364,120</u></b>

**5. Other income**

	<b>2015-2016</b>	<b>2014 - 2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Sale of Tender documents	12	-
Income adjustment	-	842
<b>Total other income</b>	<b><u>12</u></b>	<b><u>842</u></b>

As at 30 June 2015, cheque payments amounting to Ksh 842,000 were reversed as they had become stale. The expenses were however not paid during the year as no claims on them were made. The surplus for 2013/2014 was therefore less than it should have been. This adjustment was thus done in FY 2014/2015

**6. Employee costs**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Employee related costs - salaries and wages	124,693	95,704
Employee related costs - contributions to pensions and medical aids	5,636	5,354
	<b><u>130,329</u></b>	<b><u>101,058</u></b>

**7. Depreciation and amortization expense**

	<b>2015 - 2016</b>	<b>2014 - 2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Property, plant and equipment	32,325	34,116
Inangible assets	62	93.00
<b>Total depreciation and amortization</b>	<b><u>32,387</u></b>	<b><u>34,209</u></b>

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**8. Repairs and maintenance**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Vehicles	9,829	5,962
Other	1,372	1,404
<b>Total repairs and maintenance</b>	<b>11,201</b>	<b>7,366</b>

**9. General expenses**

The following are included in general expenses:

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Advertising	16,239	11,775
Audit fees	1,044	1,044
Conferences and delegations	25,718	23,624
Fuel and oil	9,743	8,441
Electricity	662	-
Postage	285	257
Printing and stationery	13,494	8,773
Hire charges	9,145	14,155
Rental	23,456	23,121
Telecommunication	1,778	1,618
Insurance	17,453	16,711
Training	4,489	3,311
Domestic travel and subsistence	100,112	67,493
Foreign travel and subsistence	26,560	14,794
Specialized material and supplies	98	1,349
Contracted guards and cleaning services	2,400	1,969
Membership fees, dues, subscriptions	1,411	409
Contracted professional services	3,178	5,251
Parking charges	6	3
Confidential expenditure	891	135
Project sponsorships	555	817
Bank charges	91	56
Internet connectivity	1,795	1,515
<b>Total general expenses</b>	<b>260,603</b>	<b>206,621</b>

**10. Loss on disposal of assets**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Ksh 000</b>	<b>Ksh 000</b>
Cost of assets	115	785
Less accumulated depreciation (Note 12)	38	495
Net book value	77	290
Proceeds from sale	-	-
<b>Total loss on sale of assets</b>	<b>(77)</b>	<b>(290)</b>

**National Cohesion and Integration Commission**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2016**

**11. Receivables from non-exchange contracts**

Current receivables	2015-2016	2014-2015
	Ksh 000	Ksh 000
<b>Imprest</b>		
GOK	118	1,155
SIDA	4,178	5,443
UWIANO	116	2,178
Total imprest	4,412	8,777
Commissioners Advances	783	7,992
Staff advances	933	502
Bank Guarantee deposit	1,700	
Grants receivable	-	80,000
<b>Total current receivables</b>	<b>7,828</b>	<b>97,270</b>

**12. Property, plant and equipment**

	Computers & Printers	Furniture & Fittings	Motor Vehicles	Total
	Shs 000	Shs 000	Shs 000	Shs 000
<i>Cost or Valuation:</i>				
<b>At 1 July 2014</b>	<b>13,860</b>	<b>74,641</b>	<b>83,247</b>	<b>171,748</b>
Additions during the year	6,240	4,277	56,993	67,510
Disposals	(336)	(449)		(785)
<b>As at 30th June 2015</b>	<b>19,764</b>	<b>78,469</b>	<b>140,240</b>	<b>238,474</b>
Additions during the year	2,528	2,474	20,082	25,084
Disposals	(115)	0	-	(115)
<b>As at 30th June 2016</b>	<b>22,177</b>	<b>80,943</b>	<b>160,322</b>	<b>263,443</b>

**Depreciation and impairment**

<b>At 1 July 2014</b>	<b>9,236</b>	<b>20,284</b>	<b>47,564</b>	<b>77,084</b>
Depreciation	3,618	7,329	23,169	34,116
Disposal	(276)	(219)	-	(495)
<b>At 30 June 2015</b>	<b>12,578</b>	<b>27,394</b>	<b>70,733</b>	<b>110,706</b>
Depreciation	3,235	6,693	22,397	32,325
Disposals	(38)	-	-	(38)
<b>At 30 June 2016</b>	<b>15,775</b>	<b>34,087</b>	<b>93,130</b>	<b>142,993</b>
<b>Net book values</b>				
<b>At 30 June 2016</b>	<b>6,402</b>	<b>46,856</b>	<b>67,192</b>	<b>120,450</b>
<b>At 30 June 2015</b>	<b>7,186</b>	<b>51,075</b>	<b>69,507</b>	<b>127,768</b>

During the year two laptops and a camera worth Ksh 219,750 and Ksh 1,050,000 respectively were stolen during a break-in to the Commission's office. Investigations were yet to be concluded at the close of the financial year hence the assets still appear in the fixed asset register

**National Cohesion and Integration Commission**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2016**

13. Intangible assets - software	Shs 000
<b>Cost</b>	
At 1 July 2014	-
Additions	278
<b>At 30 June 2015</b>	278
Additions	-
<b>At 30 June 2016</b>	278
<b>Amortization and impairment</b>	
At 1 July 2014	-
Amortization	93
<b>At 30 June 2015</b>	93
Amortization	62
<b>At 30 June 2016</b>	155
<b>Net book values</b>	
At 30 June 2016	123
At 30 June 2015	186

**14. Trade and other payables from exchange transactions**

	2015-2016	2014-2015
	Ksh 000	Ksh 000
KENAO	1,044	1,044
VAT withheld	172	224
Withholding Tax	-	22
PAYE	2,425	-
Other creditors	6,343	148
<b>Total trade and other payables</b>	<b>9,984</b>	<b>1,438</b>

**15. Cash and cash equivalents**

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Bank KCB	54	(9,602)
Bank - NBK	703	398
Bank - Standard Chartered Bank	75	83
Cash on hand and in transit	202	229
<b>Total cash and cash equivalents</b>	<b>1,033</b>	<b>(8,891)</b>

**Detailed analysis of the cash and cash equivalents**

**(a) Banks**

Name of the Bank	Bank Account Number	Currency	2015-2016	2014-2015
			Ksh 000	Ksh 000
Kenya Commercial Bank	11189199238	KES	54	(9,602)
National Bank of Kenya	0102815036400	KES	703	398
Standard Chartered Bank	01020060864600	KES	75	83
			<u>832</u>	<u>(9,120)</u>

**(b) Cash on hand and in transit**

Form of cash holding	2015-2016	2014-2015
	Ksh 000	Ksh 000
Liquid cash	202	229

**16. Payments**

	2015-2016	2014-2015
	Ksh 000	Ksh 000
Compensation of employees	130,329	101,058
General expenses	260,603	206,621
Repairs & Maintenance	11,201	7,366
(Decrease)Increase in receivables	(89,442)	85,297
Increase(Decrease) in payables	(8,546)	2,405
	<u>304,145</u>	<u>402,747</u>



PAPER LAID BY  
THE MAJORITY  
PARTY WHICH  
HON. BENJAMIN  
WACHIAHI ON  
27.09.2017

REPUBLIC OF KENYA  
THE NATIONAL TREASURY



MEMORANDUM ON SUPPLEMENTARY ESTIMATES NO. 1  
FOR THE FINANCIAL YEAR 2017/18

1. In accordance with Article 223 (1) (a) & (b) of the Constitution, the National Government may spend monies that have not been appropriated by Parliament if the amount appropriated under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated; or if the money has been withdrawn from the Contingencies Fund. Further, Article 223 (5), requires the National Government not to spend more than 10% of the sum appropriated by Parliament for a given financial year unless, in special circumstances, Parliament has approved a higher percentage. In the event that any of the above happens, an approval from Parliament requires to be granted within two months after the first withdrawal of the money.

2. Since we commenced the implementation of the FY2017/18 Budget, we have faced a number of challenges with huge financial implications. These include but not limited to prolonged drought, insecurity, implementation of agreed CBAs, a repeat of the Presidential Election, and shortfalls in revenue collection occasioned by prevailing business environment.

3. Given that the economy has not generated new resources to finance the emerging needs, we are proposing to reorganize the planned expenditures for the FY2017/18 in line with Article 223 of the Constitution and Section 44 of the Public Finance Management Act (PFMA), 2012.

4. For the Financial Year 2017/18, the National Assembly approved funds amounting to **KSh.2,638.8 billion** as the total appropriation for Government, including **KSh. 306.2 billion** as allocation to Counties. Out of this approval, the total appropriation for the National Government amounted to **KSh. 2,332.6 billion** and comprising of **KSh. 699.2 billion** for Consolidated Fund Services; **KSh. 990.5 billion** for Ministerial Recurrent Expenditures; and **KSh. 642.9 billion** for Ministerial Development Expenditures.

5. These expenditures have been revised under Supplementary Estimates No. 1 to accommodate additional spending requirements which were unforeseen or unavoidable.

**Table 1: Summary of Gross Changes to the FY 2017/18 Budget**

Details of Expenditures		FY2017/18 Printed Estimates	FY2017/18 Supplementary Estimates No. 1	Gross Change
		A	B	C=B-A
<b>1.0 Total Expenditure</b>		<b>2,638,809.3</b>	<b>2,661,077.3</b>	<b>22,268.0</b>
Of which:	<b>1.1 National Government</b>	<b>2,332,609.3</b>	<b>2,354,877.3</b>	<b>22,268.0</b>
	1.1.1 Consolidated Fund Services(CFS)	699,224.6	699,224.6	-
	1.1.2 Recurrent - National MDAs	990,487.3	1,043,387.5	52,900.2
	1.1.3 Development - National MDAs	642,897.3	612,265.2	(30,632.2)
	<b>1.2 County Government</b>	<b>306,200.0</b>	<b>306,200.0</b>	<b>-</b>
<b>2.0 FY 2017/18 Expenditure (% Changes from Printed Estimates)</b>				<b>0.8%</b>
Of which:	<b>2.1 National Government</b>			<b>0.0%</b>
	2.1.1 Consolidated Fund Services(CFS)			5.3%
	2.1.2 Recurrent - National MDAs			-4.8%
	2.1.3 Development - National MDAs			0.0%
	<b>1.2 County Government</b>			<b>0.0%</b>

6. The overall cumulative changes under Supplementary Estimates No. 1 amount to **KSh. 22.3 billion** or 0.8 per cent of the original budget as highlighted in the table above. The recurrent cumulative changes under Supplementary Estimates No. 1 reflect a gross increase of **KSh. 52.9 billion** or 5.3 per cent of the original appropriation. The development cumulative changes under Supplementary Estimates No. 1 reflect a gross decrease of **KSh. 30.6 billion** or minus 4.8 per cent of the original appropriation. The details of changes under individual votes and programmes is provided in Annex 1

7. Taking into account that there are cases where the changes are more than 10 per cent in individual programmes, we are requesting for special approval of the expenditures which are beyond this threshold in line with Article 223 (5).

8. **Compliance with Fiscal Responsibility Principles and Financial Objectives;** Section 44 (3) requires that the Supplementary Budget to include a Statement showing how the additional expenditure relates to the fiscal responsibility principles and financial objectives. Our financial objectives have not changed in the supplementary budget 1.

9. *Over the medium term, a minimum of 30 percent of the National Budget shall be allocated to development expenditure.* The National Government's Development Budget allocation is 37.0% of the total ministerial budgets while Recurrent is 63.0% under the FY2017/18 supplementary budget way above the minimum of 30 percent requirement.

10. *The National Government's expenditure on the compensation of employees (including benefits and allowances) for public officers shall not exceed 35 percentage of the national government equitable share of revenue raised nationally.* The share of wages and benefits, with respect to National Government revenues is 33.7 per cent in the FY 2017/18 Supplementary Estimates, which is within the 35 percent threshold proposed in the PFM regulation.

11. *Over the medium term, the National Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.* It is the Government's policy to restrict external financing only for development projects, a practice which is in line with this principle. In addition, domestic borrowing is consistently less than the allocation to domestically financed development projects in line with the stated principle.

12. Similarly, a cautious approach is adopted in the issuance of external Government loan guarantees to minimize the level of contingent liabilities. Our debt sustainability indicators show that Kenya's debt is still within sustainable levels.

13. *Fiscal risks shall be managed prudently.* The Government has improved macroeconomic forecasts and regularly reviews the impact of macroe

projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability.

14. *A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.* The Government has simplified and modernized the VAT and Tax Appeals Tribunal legislations. A new excise tax act is fully operational and the income tax law is under review. These reforms are intended to lock in predictability and enhance compliance with the tax system.



**HENRY K. ROTICH**  
**CABINET SECRETARY/THE NATIONAL TREASURY**

**September 26, 2017**

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Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017-18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL		
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	%	
1011 The Presidency	8,702,407,012	1,110,000,000	9,812,407,012	7,866,966,719	893,500,000	8,760,466,719	(835,440,293)	(216,500,000)	(1,051,940,293)	(10.7)	
0702000 Cabinet Affairs	2,136,449,651	217,000,000	2,353,449,651	1,730,039,614	645,250,000	2,375,289,614	(406,410,037)	428,250,000	21,839,963	0.9	
0703000 Government Advisory Services	1,014,969,780	-	1,014,969,780	975,772,905	-	975,772,905	(39,196,875)	-	(39,196,875)	(3.9)	
0704000 State House Affairs	3,352,971,500	321,000,000	3,673,971,500	3,246,554,755	230,250,000	3,476,804,755	(106,416,745)	(90,750,000)	(197,166,745)	(5.4)	
0734000 Deputy President Services	2,198,016,081	572,000,000	2,770,016,081	1,914,599,445	18,000,000	1,932,599,445	(283,416,636)	(554,000,000)	(837,416,636)	(30.2)	Reduction is as a result of budget
1021 State Dept. for Interior	106,819,293,000	17,616,796,889	124,436,089,889	111,919,293,000	18,082,496,889	130,001,789,889	5,100,000,000	465,700,000	5,565,700,000	4.5	
0601000 Planning Services	78,583,788,581	11,425,000,000	90,008,788,581	81,026,788,581	9,925,000,000	90,951,788,581	2,443,000,000	(1,500,000,000)	943,000,000	1.0	Enhancement of security operation expenditure
0602000 Policy Coordination & Support Services	21,090,126,501	4,116,500,000	25,206,626,501	23,747,126,501	6,082,200,000	29,829,326,501	2,657,000,000	4,622,700,000	18.3		
0603000 Government Printing Services	770,983,833	150,000,000	920,983,833	770,983,833	150,000,000	920,983,833	-	-	-	-	
0605000 Population Management Services	6,249,244,085	1,925,296,889	8,174,540,974	6,249,244,085	1,925,296,889	8,174,540,974	-	-	-	-	
0736000 NGO Regulatory Services	125,150,000	-	125,150,000	125,150,000	-	125,150,000	-	-	-	-	
1023 State Dept. for Correctional Services	21,535,369,313	900,000,000	22,435,369,313	21,535,369,313	900,000,000	22,435,369,313	-	-	-	-	
0624000 Betting Control, Licensing & Regulation Services	119,933,224	-	119,933,224	119,933,224	-	119,933,224	-	-	-	-	
0604000 Correctional Services	21,014,616,887	854,336,504	21,868,953,391	21,014,616,887	854,336,504	21,868,953,391	-	-	-	-	
0623000 General Admin., Planning & Support Services	400,819,202	45,663,496	446,482,698	400,819,202	45,663,496	446,482,698	-	-	-	-	
1032 State Dept. for Devolution	1,107,800,000	3,539,300,000	4,647,100,000	1,007,391,630	3,539,300,000	4,546,691,630	(100,408,370)	-	(100,408,370)	(2.2)	
0712000 Devolution Services	822,962,634	2,519,300,000	3,342,262,634	792,462,645	2,519,300,000	3,311,762,645	(30,499,989)	-	(30,499,989)	(0.9)	
0732000 General Admin., Planning & Support Services	284,837,366	1,020,000,000	1,304,837,366	214,928,985	1,020,000,000	1,234,928,985	(69,908,381)	-	(69,908,381)	(5.4)	
1033 State Dept. for Special Programmes	2,153,110,000	4,519,450,000	6,672,560,000	4,338,445,872	4,552,275,000	8,890,720,872	2,185,335,872	32,825,000	2,218,160,872	33.2	Provision for drought related
0713000 Special Initiatives	1,158,276,929	-	1,158,276,929	3,379,407,801	-	3,379,407,801	2,221,130,872	-	2,221,130,872	191.8	
0733000 Accelerated ASAL Development	700,086,095	4,501,350,000	5,201,436,095	734,723,595	4,547,750,000	5,282,473,595	34,637,500	46,400,000	81,037,500	1.6	
0743000 General Admin., Planning & Support Services	294,746,976	18,100,000	312,846,976	224,314,476	4,525,000	228,839,476	(70,432,500)	(13,575,000)	(84,007,500)	(26.9)	Reduction is as a result of budget
1034 State Dept. for Planning & Statistics	5,714,450,000	37,478,856,000	43,193,306,000	5,383,995,235	27,977,673,156	33,361,668,391	(330,454,765)	(9,501,182,844)	(9,831,637,609)	(22.8)	
0706000 Economic Policy & National Planning	1,234,437,055	32,005,082,400	33,239,519,455	1,110,781,029	25,978,817,356	26,689,598,385	(123,656,026)	(6,426,265,044)	(6,549,921,070)	(19.7)	Reduction is as a result of budget
0707000 National Statistical Information Services	2,333,333,297	1,454,800,000	3,788,133,297	2,333,333,297	1,454,800,000	3,788,133,297	-	-	-	-	
0708000 Monitoring & Evaluation Services	154,476,511	171,973,600	326,450,111	128,169,530	128,180,800	256,344,330	(26,312,981)	(43,792,800)	(70,105,781)	(21.5)	Reduction is as a result of budget
0709000 General Admin., Planning & Support Services	525,571,973	-	525,571,973	349,705,548	-	349,705,548	(175,866,425)	-	(175,866,425)	(33.5)	Reduction is as a result of budget
1013000 Integrated Regional Development	1,466,631,164	3,847,000,000	5,313,631,164	1,462,011,831	815,875,000	2,277,886,831	(4,619,333)	(3,031,125,000)	(3,031,125,000)	(57.1)	Reduction is as a result of budget
1041 Ministry of Defence	103,574,400,000	45,000,000	103,619,400,000	105,261,384,819	45,000,000	105,306,384,819	1,686,984,819	-	1,686,984,819	1.6	
0801000 Defence	102,141,000,000	45,000,000	102,186,000,000	103,941,000,000	45,000,000	103,986,000,000	1,800,000,000	-	1,800,000,000	1.8	
0802000 Civil Aid	200,000,000	-	200,000,000	200,000,000	-	200,000,000	-	-	-	-	
0803000 General Admin., Planning & Support Services	1,233,400,000	-	1,233,400,000	1,120,384,819	-	1,120,384,819	(113,015,181)	-	(113,015,181)	(9.2)	
1052 Ministry of Foreign Affairs	17,746,000,000	2,000,000,000	19,746,000,000	14,570,071,499	247,499,999	14,817,571,498	(3,175,928,501)	(1,752,500,001)	(4,928,428,502)	(25.0)	
0714000 General Admin., Planning & Support Services	3,191,491,885	310,000,000	3,501,491,885	2,703,598,372	75,000,000	2,778,598,372	(487,893,513)	(235,000,000)	(722,893,513)	(20.6)	Reduction is as a result of budget
0715000 Foreign Relation & Diplomacy	14,265,108,188	1,690,000,000	15,955,108,188	11,693,435,950	172,499,999	11,865,935,949	(2,571,672,238)	(1,517,500,001)	(4,089,172,239)	(25.6)	Reduction is as a result of budget
0741000 Economic & Commercial Diplomacy	141,913,000	-	141,913,000	43,635,750	-	43,635,750	(98,277,250)	-	(98,277,250)	(69.3)	Reduction is as a result of budget
0742000 Foreign Policy Research, Capacity Dev. & Technical Cooperation	147,486,927	-	147,486,927	129,401,427	-	129,401,427	(18,085,500)	-	(18,085,500)	(12.3)	Reduction is as a result of budget
1063 State Dept. for Basic Education	59,949,000,000	6,406,730,000	66,355,730,000	83,085,411,431	7,156,718,600	90,242,130,031	23,136,411,431	749,988,600	23,886,400,031	36.0	
0501000 Primary Education	16,839,329,784	4,600,563,500	21,439,893,284	16,782,676,771	4,471,955,600	21,254,632,371	(56,653,013)	(128,607,900)	(185,260,913)	(0.9)	
0502000 Secondary Education	34,216,459,318	1,362,616,500	35,579,075,818	57,799,711,118	2,551,375,500	60,351,086,618	25,583,251,800	1,188,759,000	24,772,010,800	69.6	Enhancement of the free day secondary education programme
0503000 Quality Assurance & Standards	4,152,242,784	302,000,000	4,454,242,784	4,142,484,757	83,000,000	4,225,484,757	(9,758,027)	(219,000,000)	(228,758,027)	(5.1)	
0508000 P. 8 General Admin., Planning & Support Services	4,740,968,114	141,550,000	4,882,518,114	4,360,538,785	50,387,500	4,410,926,285	(380,429,329)	(91,162,500)	(471,591,829)	(9.7)	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT Ksh	GROSS CAPITAL Ksh	GROSS TOTAL Ksh	GROSS CURRENT Ksh	GROSS CAPITAL Ksh	GROSS TOTAL Ksh	GROSS CURRENT Ksh	GROSS CAPITAL Ksh	GROSS TOTAL Ksh		
1064 State Dept. for Vocational & Technical Training	2,640,500,000	5,646,000,000	8,286,500,000	2,535,356,993	14,002,301,000	16,538,257,993	(105,143,007)	8,356,901,000	8,251,757,993	99.6	
0505000 Technical Vocational Education & Training	2,373,125,000	3,621,000,000	5,994,125,000	2,333,479,487	11,873,901,000	14,207,380,487	(39,645,513)	8,252,901,000	8,213,255,487	137.0	additional expenditure is on account of donor projects
0507000 Youth Training & Development	62,187,500	2,025,000,000	2,087,187,500	50,969,448	2,139,000,000	2,179,969,448	(11,624,052)	104,000,000	92,375,948	4.4	Reduction is as a result of budget rationalization
0508000 P. 8 General Admin., Planning & Support Services	205,187,500		205,187,500	151,314,058		151,314,058	(53,873,442)		(53,873,442)	(26.2)	
1065 State Dept. for University Education	85,211,517,529	12,668,100,000	98,389,617,529	90,755,304,284	5,435,849,998	96,191,154,282	5,033,786,755	(7,232,250,002)	(2,198,463,247)	(2.2)	
0504000 University Education	81,970,390,214	12,062,100,000	94,032,490,214	87,148,005,550	5,284,349,998	92,432,355,548	5,177,615,336	(6,777,750,002)	(1,600,134,666)	(1.7)	Reduction is as a result of budget
0506000 P. 6 Research, Science, Technology & Innovation	3,099,270,753	606,000,000	3,705,270,753	3,064,418,082	151,500,000	3,215,918,082	(34,852,671)	(454,500,000)	(489,352,671)	(13.2)	Reduction is as a result of budget
0508000 P. 8 General Admin., Planning & Support Services	651,856,562		651,856,562	542,880,652		542,880,652	(108,975,910)		(108,975,910)	(16.7)	rationalization
1071 The National Treasury	77,442,300,000	43,908,042,616	121,350,342,616	81,434,454,275	46,749,013,082	128,183,467,357	3,992,154,275	2,840,970,466	6,833,124,741	5.6	
0717000 General Admin., Planning & Support Services	71,490,609,280	5,068,332,944	76,558,942,224	76,202,471,629	6,775,595,102	82,978,066,731	4,711,867,349	1,707,262,158	6,419,124,507	8.4	
0718000 Public Financial Management	4,456,690,093	37,433,105,872	41,889,795,965	3,878,662,007	38,580,314,180	42,458,976,187	(578,028,086)	1,147,208,308	569,180,222	1.4	
0719000 Economic & Financial Policy Formulation & Management	1,076,617,075	1,351,603,800	2,428,220,875	952,775,318	1,338,103,800	2,290,879,118	(123,841,757)		(13,500,000)	(5.7)	
0720000 Government Clearing Services	340,000,000	55,000,000	395,000,000	340,000,000	55,000,000	395,000,000					Reduction is as a result of budget
1081 Ministry of Health	30,721,820,252	30,929,663,319	61,700,483,571	60,545,321	30,027,431,054	60,653,607,301	(1,788,231)	(17,838,231)	(17,838,231)	(22.8)	
0401000 Preventive, Promotive & RNMCCH	1,640,021,842	7,907,846,057	9,547,867,899	1,588,381,257	7,262,824,415	8,851,205,672	8,851,205,672	(51,640,385)	(96,640,385)	(1.1)	
0402000 National Referral & Specialized Services	15,943,469,578	9,946,863,400	25,890,332,978	15,857,972,328	9,847,363,400	25,705,315,728	(85,517,250)	(99,500,000)	(1,851,017,250)	(0.7)	
0403000 Health Research & Development	5,497,163,179	668,000,000	6,165,163,179	5,497,163,179	473,000,000	5,970,163,179	5,970,163,179	(135,000,000)	(195,000,000)	(3.2)	
0404000 General Admin., Planning & Support Services	5,896,464,125	2,744,137,974	8,640,602,100	5,951,965,750	2,014,905,265	7,966,871,015	55,501,625	(729,232,265)	(673,730,640)	(7.8)	
0405000 Health Policy, Standards & Regulations	1,744,701,728	10,311,837,974	12,056,539,702	1,735,713,733	10,424,337,974	12,160,051,707	(8,967,995)	111,500,000	103,512,005	0.9	
1093 State Dept. of Infrastructure	52,658,000,000	134,987,591,571	187,645,591,571	53,820,632,071	129,987,591,571	183,808,223,642	1,162,632,071	(5,000,000,000)	(3,837,367,929)	(2.0)	
0202000 Road Transport	6,050,700,000	96,769,432,000	102,820,132,000	6,327,131,343	88,969,432,000	95,296,563,343	2,764,431,343	(7,800,000,000)	(7,523,568,657)	(7.3)	increase is due to increase in AIA
1093 State Dept. of Transport	275,030,000	782,000,000	1,057,030,000	218,589,618	783,000,000	991,589,618	(56,440,382)		(56,440,382)	(20.5)	Reduction is as a result of budget
0201000 General Admin., Planning & Support Services	401,321,238	782,000,000	1,183,321,238	689,346,875	75,284,000,000	75,973,346,875	(2,434,557)	(300,000,000)	(300,000,000)	(0.4)	
0203000 Rail Transport	248,310,000	75,584,000,000	75,832,310,000	248,310,000	6,800,000,000	7,048,310,000	(2,434,557)	(7,500,000,000)	(7,502,434,557)	(51.2)	Reduction is as a result of budget
0204000 Marine Transport	367,034,881	14,300,000,000	14,667,034,881	364,600,324	6,800,000,000	7,164,600,324	10,362,600,324	(7,772,696)	(8,772,696)	(0.1)	
0205000 Air Transport	4,837,848,823	5,803,432,000	10,641,280,823	4,480,076,187	5,802,432,000	10,282,508,187	(359,272,636)		(1,387,101)	(0.2)	
0216000000 Road safety	446,185,058	300,000,000	746,185,058	444,797,957	300,000,000	744,797,957	(1,387,101)		(1,387,101)	(0.2)	
1093 State Dept. for Maritime Affairs	275,030,000		275,030,000	218,589,618		218,589,618	(56,440,382)		(56,440,382)	(20.5)	Reduction is as a result of budget
0219000 Shipping & Maritime Affairs	275,030,000		275,030,000	218,589,618		218,589,618	(56,440,382)		(56,440,382)	(20.5)	Reduction is as a result of budget
1094 State Dept. for Housing & Urban Development	1,225,700,000	14,272,000,000	15,997,700,000	1,608,768,601	13,237,065,000	14,845,833,601	(116,931,399)	(1,034,935,000)	(1,151,866,399)	(7.2)	
0102000 Housing Development & Human Settlement	458,603,879	5,959,000,000	6,417,603,879	432,434,189	5,725,000,000	6,157,434,189	(261,169,690)	(234,000,000)	(495,169,690)	(4.1)	
0105000 Urban & Metropolitan Development	272,704,396	8,183,000,000	8,455,704,396	224,977,551	7,719,565,000	7,944,542,551	(47,728,845)	(703,435,000)	(751,163,845)	(8.9)	Reduction is as a result of budget
0106000 General Admin., Planning & Support Services	287,477,103		287,477,103	238,120,895		238,120,895	(49,356,208)		(49,356,208)	(11.0)	Reduction is as a result of budget
0218000 Regulation & Development of the Construction Industry	726,914,622	130,000,000	856,914,622	713,235,966	31,500,000	744,735,966	(13,678,656)	(97,500,000)	(111,178,656)	(13.0)	rationalization
1095 State Dept. for Public Works	846,050,000	2,176,690,000	3,022,740,000	789,575,117	544,022,500	1,333,597,617	(56,744,883)	(1,632,067,500)	(1,688,542,383)	(55.9)	
0103000 Government Buildings	370,698,632	2,039,560,000	2,410,258,632	339,230,686	508,890,000	848,120,686	(31,467,946)	(1,529,670,000)	(1,561,137,946)	(64.8)	Reduction is as a result of budget
0104000 Coastline Infrastructure & Pedestrian Access	83,204,021	136,530,000	219,734,021	79,889,145	34,131,500	114,020,645	(3,314,876)	(102,397,500)	(105,712,376)	(48.1)	Reduction is as a result of budget
0106000 General Admin., Planning & Support Services	332,147,347		332,147,347	370,455,286		370,455,286	(37,307,939)		(37,307,939)	(11.2)	
1103 State Dept. for Water Services	4,017,160,000	29,777,370,000	33,794,530,000	4,404,068,971	32,252,516,698	36,656,585,669	3,845,425,669	2,475,146,698	2,862,055,669	8.5	
1001000 General Admin., Planning & Support Services	646,741,158	151,000,000	797,741,158	593,451,456	151,000,000	744,451,456	(53,289,702)		(53,289,702)	(6.7)	Reduction is for salary shortfall & adjustment for related expenditure
1004000 Water Resources Management	1,294,534,306	4,687,800,000	5,982,334,306	1,564,558,928	6,187,600,000	7,752,158,928	2,702,424,622	1,500,000,000	1,770,024,622	29.6	
1017000 Water & Sewerage Infrastructure Development	2,075,884,536	24,998,770,000	27,074,654,536	2,246,058,587	25,913,916,698	28,159,975,285	1,701,420,749	975,146,698	1,145,320,749	4.2	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES				FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1				INCREASE/DECREASE UNDER FY2017.18 SUPPLEMENTARY ESTIMATES NO. 1				Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	% Change	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	% Change	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	% Change	
	Ksh	Ksh	Ksh	%	Ksh	Ksh	Ksh	%	Ksh	Ksh	Ksh	%	
1104 State Dept. for Irrigation	955,300,000	12,258,300,000	13,213,600,000	1.1	901,423,540	12,458,300,000	13,359,723,540	1.1	(53,876,460)	200,000,000	146,123,540	1.1	
1014000 Irrigation & L& Reclamation	945,240,088	6,428,300,000	7,373,540,088		896,165,609	6,628,300,000	7,524,463,609		(49,076,479)	200,000,000	150,923,521	2.0	
1015000 Water Storage & Flood Control	-	5,830,000,000	5,830,000,000		-	5,830,000,000	5,830,000,000		-	-	-		
1016000 General Admin., Planning & Support Services	10,059,912	-	10,059,912		5,259,931	-	5,259,931		(4,799,981)	-	(4,799,981)	(47.7)	Reduction is as a result of budget
1105 State Dept. for Environment	2,838,300,000	3,629,000,000	6,467,300,000		2,743,441,011	2,165,625,000	4,909,066,011		(94,858,989)	(1,463,375,000)	(1,558,233,989)	(24.1)	
1002000 Environment Management & Protection	1,355,497,179	2,528,700,000	3,884,197,179		1,334,707,697	1,890,550,000	3,225,257,697		(20,789,482)	(638,150,000)	(658,939,482)	(17.0)	Reduction is as a result of budget
1010000 General Admin., Planning & Support Services	369,552,826	-	369,552,826		330,536,643	-	330,536,643		(39,016,183)	-	(39,016,183)	(10.6)	Reduction is as a result of budget
1012000 Meteorological Services	1,113,249,995	1,100,300,000	2,213,549,995		1,078,196,671	275,075,000	1,353,271,671		(35,053,324)	(825,225,000)	(860,278,324)	(38.9)	Reduction is as a result of budget
1106 State Dept. for Natural Resources	13,513,000,000	3,877,320,990	17,390,320,990		12,892,449,917	3,214,070,990	16,106,520,907		(620,550,083)	(1,283,800,083)	(1,904,350,166)	(10.9)	
1003000 Natural Resources Management & Protection	13,513,000,000	3,877,320,990	17,390,320,990		12,892,449,917	3,214,070,990	16,106,520,907		(620,550,083)	(1,283,800,083)	(1,904,350,166)	(10.9)	
1112 Ministry of L&S & Physical Planning	2,464,000,000	3,770,000,000	6,234,000,000		2,312,568,601	3,563,375,000	5,875,943,601		(151,431,399)	(206,625,000)	(358,056,399)	(5.7)	
0101000 Land Policy & Planning	2,464,000,000	3,770,000,000	6,234,000,000		2,312,568,601	3,563,375,000	5,875,943,601		(151,431,399)	(206,625,000)	(358,056,399)	(5.7)	
1122 State Dept. for Information Communications & Technology & Innovation	1,276,290,000	19,247,000,000	20,523,290,000		985,318,078	13,447,478,834	14,432,796,912		(290,971,922)	(5,799,521,166)	(6,090,493,088)	(29.7)	
0207000 General Admin., Planning & Support Services	287,359,425	-	287,359,425		214,359,507	-	214,359,507		(72,999,918)	-	(72,999,918)	(25.4)	Reduction is as a result of budget
0210000 ICT Infrastructure Development	370,999,795	18,697,000,000	19,067,999,795		217,079,529	12,590,750,000	12,807,829,529		(153,020,266)	(6,106,250,000)	(6,259,270,266)	(32.8)	Reduction is as a result of budget
0217000 E-Government Services	618,830,780	550,000,000	1,168,830,780		553,879,042	856,728,834	1,410,607,876		(64,951,738)	306,728,834	241,777,096	20.7	Increase is due to transfer of Ksh 304million from the National
1123 State Dept. for Broadcasting & Telecommunications	2,095,700,000	764,000,000	2,859,700,000		1,957,473,235	191,000,000	2,148,473,235		(138,226,765)	(573,000,000)	(711,226,765)	(24.9)	
0207000 General Admin., Planning & Support Services	311,536,279	-	311,536,279		233,770,111	-	233,770,111		(77,766,168)	-	(77,766,168)	(25.0)	Reduction is as a result of budget
0208000 Information & Communication Services	1,576,713,721	543,000,000	2,119,713,721		1,515,953,124	135,750,000	1,651,703,124		(60,760,597)	(407,250,000)	(468,010,597)	(22.1)	Reduction is as a result of budget
0209000 Mass Media Skills Development	207,450,000	221,000,000	428,450,000		207,450,000	55,250,000	262,700,000		-	(165,750,000)	(165,750,000)	(38.7)	Reduction is as a result of budget
1132 State Dept. for Sports Development	2,468,475,024	560,000,001	3,028,475,025		3,748,333,817	2,950,000,000	6,698,333,817		1,279,858,793	2,389,999,999	3,669,858,792	121.2	Additional Expenditure to cater
0901000 Sports	2,468,475,024	560,000,001	3,028,475,025		3,748,333,817	2,950,000,000	6,698,333,817		1,279,858,793	2,389,999,999	3,669,858,792	121.2	Additional Expenditure to cater
1133 State Dept. for Arts & Culture	2,938,424,896	1,046,978,010	3,985,402,906		2,865,775,296	641,250,000	3,507,025,296		(72,649,600)	(405,728,010)	(478,377,610)	(12.0)	
0902000 Culture	1,357,606,608	421,978,010	1,779,584,618		1,336,613,161	95,000,000	1,431,613,161		(20,993,447)	(326,878,010)	(347,871,457)	(19.6)	Reduction is as a result of budget
0903000 The Arts	707,082,491	95,000,000	802,082,491		692,101,890	23,750,000	715,760,890		(15,071,601)	(7,520,000)	(22,591,601)	(2.8)	Reduction is as a result of budget
0904000 Library Services	701,998,007	530,000,000	1,231,998,007		698,764,569	52,500,000	751,264,569		(3,233,438)	(7,500,000)	(10,693,438)	(0.9)	Reduction is as a result of budget
0905000 General Admin., Planning & Support Services	1,717,779,900	-	1,717,779,900		138,386,676	-	138,386,676		(33,391,114)	-	(33,391,114)	(19.4)	Reduction is as a result of budget
1152 State Dept. for Energy	2,052,500,000	75,166,704,310	77,219,204,310		2,052,500,000	82,548,497,961	84,600,997,961		-	7,381,793,651	7,381,793,651	9.6	
0211000 General Admin., Planning & Support Services	354,889,337	327,000,000	681,889,337		354,889,337	327,000,000	681,889,337		-	(2,072,000,000)	(2,072,000,000)	(11.9)	Reduction is as a result of budget
0212000 Power Generation	786,987,274	16,632,499,652	17,419,486,926		786,987,274	14,560,999,652	15,347,486,926		-	3,795,103,651	3,795,103,651	6.6	
0213000 Power Transmission & Distribution	790,303,296	57,042,204,658	57,832,507,954		790,303,296	60,837,308,309	61,627,611,605		-	5,658,690,000	5,658,690,000	440.3	Provision for Lake Turkana wind
0214000 Alternative Energy Technologies	120,320,093	1,165,000,000	1,285,320,093		1,285,320,093	6,823,690,000	6,944,010,093		-	-	-		
1153 State Dept. for Petroleum	242,010,000	5,138,500,000	5,380,510,000		195,232,407	3,576,875,000	3,772,107,407		(46,777,593)	(1,561,625,000)	(1,608,402,593)	(29.9)	
0215000 Exploration & Distribution of Oil & Gas	242,010,000	5,138,500,000	5,380,510,000		195,232,407	3,576,875,000	3,772,107,407		(46,777,593)	(1,561,625,000)	(1,608,402,593)	(29.9)	Reduction is as a result of budget
1161 State Dept. for Agriculture	6,288,600,000	10,601,800,000	16,890,400,000		10,416,298,340	16,069,094,148	26,485,392,488		4,127,698,340	5,467,294,148	9,594,992,488	56.8	
0107000 General Admin., Planning & Support Services	3,397,732,195	593,000,000	3,990,732,195		4,462,885,676	460,250,000	4,923,135,676		1,065,153,481	(132,750,000)	932,403,481	23.4	provision for drought intervention
0108000 Crop Development & Management	2,716,080,604	8,906,272,274	11,622,352,878		5,789,665,191	14,521,577,422	20,311,242,613		3,073,584,587	5,615,305,148	8,688,889,735	74.8	provision for drought intervention
0109000 Agribusiness & Information Management	174,787,201	1,102,527,226	1,277,314,427		163,747,473	1,087,266,726	1,251,014,199		(11,039,728)	(15,261,000)	(26,300,728)	(2.1)	
1162 State Dept. for Livestock	5,051,412,500	5,498,980,000	10,550,392,500		7,114,150,771	3,693,332,750	10,807,483,521		2,062,738,271	(1,805,647,250)	257,091,021	2.4	
0112000 Livestock Resources Management & Development	5,051,412,500	5,498,980,000	10,550,392,500		7,114,150,771	3,693,332,750	10,807,483,521		2,062,738,271	(1,805,647,250)	257,091,021	2.4	
1164 State Dept. for Fisheries & The Blue Economy	2,056,300,000	914,000,000	2,970,300,000		1,844,465,848	420,920,000	2,265,385,848		(211,834,152)	(493,080,000)	(704,914,152)	(23.7)	
0111000 Fisheries Development & Management	1,580,217,170	861,000,000	2,441,217,170		1,549,912,465	407,670,000	1,957,582,465		(30,304,705)	(453,330,000)	(483,634,705)	(19.8)	Reduction is as a result of budget
0117000 General Admin., Planning & Support Services	184,029,304	-	184,029,304		132,687,033	-	132,687,033		(51,342,271)	-	(51,342,271)	(27.9)	Reduction is as a result of budget
0118000 Development & Coordination of the Blue Economy	292,053,526	53,000,000	345,053,526		161,866,350	13,250,000	175,116,350		(130,187,176)	(39,750,000)	(169,937,176)	(49.2)	rationalization
1172 State Dept. for Investment & Industry	2,341,400,000	5,381,062,000	7,722,462,000		2,189,243,800	2,693,930,120	4,883,173,928		(152,156,192)	(2,687,131,880)	(2,839,288,072)	(36.8)	
0301000 General Admin., Planning & Support Services	491,312,974	180,000,000	671,312,974		386,652,659	180,000,000	566,652,659		(104,660,315)	-	(104,660,315)	(15.6)	Reduction is as a result of budget
0302000 Industrial Development & Investments	897,279,026	3,259,000,000	4,156,279,026		849,783,149	1,597,493,120	2,447,276,269		(47,495,877)	(1,661,506,880)	(1,709,002,757)	(41.1)	Reduction is as a result of budget
0303000 Standards & Business Incubation	952,808,000	1,942,062,000	2,894,870,000		952,808,000	916,437,000	1,869,245,000		-	(1,025,625,000)	(1,025,625,000)	(35.4)	Reduction is as a result of budget

Summary of Gross Expenditure Changes by Vote &

as in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh		
1173 State Dept. for Cooperatives	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(4.1)	Reduction is as a result of budget
0304000 Cooperative Development & Management	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(4.1)	Reduction is as a result of budget
1172 State Dept. for Trade	2,414,400,000	327,500,000	2,741,900,000	2,164,310,293	71,250,000	2,235,560,293	(256,089,707)	(256,250,000)	(512,339,707)	(18.5)	Reduction is as a result of budget
0307000 Trade Development & Promotion	2,414,400,000	327,500,000	2,741,900,000	2,164,310,293	71,250,000	2,235,560,293	(256,089,707)	(256,250,000)	(512,339,707)	(18.5)	Reduction is as a result of budget
1183 State Dept. for East African Integration	1,551,000,000	65,000,000	1,616,000,000	1,356,495,996	65,000,000	1,421,495,996	(194,504,004)	(194,504,004)	(389,008,008)	(24.9)	Reduction is as a result of budget
0305000 East African Affairs & Regional Integration	1,551,000,000	65,000,000	1,616,000,000	1,356,495,996	65,000,000	1,421,495,996	(194,504,004)	(194,504,004)	(389,008,008)	(24.9)	Reduction is as a result of budget
1184 State Dept. for Labour	2,029,900,000	1,044,100,000	3,074,000,000	1,792,943,512	636,024,999	2,428,968,511	(236,956,488)	(408,075,001)	(645,031,489)	(21.0)	Reduction is as a result of budget
0910000 General Admin. Planning & Support Services	561,483,742	201,000,000	762,483,742	466,033,781	50,250,000	516,283,781	(66,449,961)	(150,750,000)	(217,242,961)	(29.6)	Reduction is as a result of budget
0906000 Promotion of the Best Labour Practice	532,531,709	201,000,000	733,531,709	466,033,781	50,250,000	516,283,781	(66,449,961)	(150,750,000)	(217,242,961)	(29.6)	Reduction is as a result of budget
0907000 Manpower Development, Employment & Productivity Management	935,884,549	843,100,000	1,778,984,549	848,754,798	585,774,999	1,434,529,797	(87,129,751)	(257,325,001)	(344,454,752)	(19.4)	Reduction is as a result of budget
1185 State Dept. for Social Protection	9,447,500,000	14,959,750,000	24,407,250,000	15,218,012,572	14,663,955,283	29,881,967,855	5,770,712,572	(295,794,717)	5,474,917,855	22.4	Reduction is as a result of budget
0908000 Social Development & Children Services	3,337,369,891	1,028,400,000	4,365,769,891	3,010,258,449	894,975,000	3,905,233,449	(327,111,442)	(133,425,000)	(460,536,442)	(10.5)	Reduction is as a result of budget
0909000 National Social Safety Net	5,866,375,070	13,914,350,000	19,790,725,070	12,056,421,924	13,767,230,283	25,823,652,207	6,190,046,854	(157,119,717)	6,032,927,137	30.5	Reduction is as a result of budget
0914000 General Admin. Planning & Support Services	243,555,039	7,000,000	250,555,039	151,332,199	1,750,000	153,082,199	(92,222,840)	(5,250,000)	(97,472,840)	(8.0)	Reduction is as a result of budget
1191 Ministry of Mining	1,464,464,217	1,256,321,429	2,720,785,646	1,287,594,267	1,650,821,429	2,938,415,696	(1,766,967,950)	(394,500,000)	(2,161,467,950)	(18.2)	Reduction is as a result of budget
1007000 General Admin. Planning & Support Services	924,491,089	60,000,000	984,491,089	790,690,898	15,000,000	805,690,898	(80,800,191)	(45,000,000)	(125,800,191)	(15.2)	Reduction is as a result of budget
1008000 Resources Surveys & Remote Sensing	185,028,131	381,000,000	566,028,131	170,572,129	90,250,000	260,822,129	(14,455,912)	(710,250,000)	(854,705,912)	(57.3)	Reduction is as a result of budget
1009000 Mineral Resources Management	354,944,997	835,321,429	1,190,266,426	326,531,150	1,545,571,429	1,871,902,579	(28,618,477)	(710,250,000)	(998,168,477)	(44.6)	Reduction is as a result of budget
1201 Ministry of Tourism	2,856,900,000	3,921,000,000	6,777,900,000	2,777,458,614	980,250,000	3,757,708,614	(79,441,386)	(1,294,750,000)	(1,015,191,386)	(14.6)	Reduction is as a result of budget
0306000 Tourism Development & Promotion	2,856,900,000	3,921,000,000	6,777,900,000	2,777,458,614	980,250,000	3,757,708,614	(79,441,386)	(1,294,750,000)	(1,015,191,386)	(14.6)	Reduction is as a result of budget
1211 State Dept. for Public Service & Youth Affairs	13,516,650,000	12,990,000,000	26,506,650,000	14,455,917,402	11,891,899,727	26,347,817,129	(939,267,402)	(1,098,100,273)	(1,537,367,675)	(6.6)	Reduction is as a result of budget
0710000 Public Service Transformation	1,862,244,489	2,295,484,957	4,157,729,446	1,586,647,286	1,781,211,684	3,368,058,970	(3,688,058,970)	(514,273,273)	(4,202,332,243)	(19.0)	Reduction is as a result of budget
0709000 General Admin. Planning & Support Services	4,169,395,345	10,694,515,043	14,863,910,388	5,551,585,773	10,110,688,043	15,662,273,816	(1,382,190,428)	(583,827,000)	(1,966,017,428)	(4.1)	Reduction is as a result of budget
0711000 Youth Employment	7,485,010,166	3,430,000,000	10,915,010,166	7,317,484,345	17,428,172,386	24,745,656,731	(1,675,575,823)	(1,751,352,823)	(3,426,928,646)	(8.5)	Reduction is as a result of budget
1212 State Dept. for Gender	1,612,700,000	2,130,000,000	3,742,700,000	1,424,218,371	3,187,750,000	4,611,968,371	(188,481,629)	(242,250,000)	(430,731,629)	(11.1)	Reduction is as a result of budget
0911000 Community Development	470,000,000	1,300,000,000	1,770,000,000	753,026,131	1,057,750,000	1,810,776,131	(93,869,370)	(242,250,000)	(336,119,370)	(15.7)	Reduction is as a result of budget
0912000 Gender Empowerment	846,895,501	1,300,000,000	2,146,895,501	201,192,240	1,810,776,131	2,011,964,371	(94,612,259)	(94,612,259)	(189,224,518)	(32.0)	Reduction is as a result of budget
0913000 General Admin. Planning & Support Services	295,804,499	1,445,928,571	1,741,733,070	4,383,634,769	343,178,571	4,726,813,340	(304,375,231)	(1,102,750,000)	(1,407,125,231)	(22.9)	Reduction is as a result of budget
1232 State Law Office & Dept. of Justice	4,688,010,000	14,000,000	4,702,010,000	1,953,662,838	3,500,000	1,957,162,838	(147,357,660)	(10,500,000)	(157,857,660)	(7.5)	Reduction is as a result of budget
0606000 Legal Services	2,101,020,498	14,000,000	2,115,020,498	1,953,662,838	3,500,000	1,957,162,838	(147,357,660)	(10,500,000)	(157,857,660)	(7.5)	Reduction is as a result of budget
0607000 Governance Legal Training & Constitutional Affairs	1,771,778,881	1,360,000,000	3,131,778,881	1,747,977,029	315,000,000	2,062,977,029	(23,801,852)	(1,045,000,000)	(1,068,801,852)	(34.1)	Reduction is as a result of budget
0609000 P. 4 General Admin. Planning & Support Services	815,210,621	71,928,571	887,139,192	681,994,902	2,457,857	706,673,473	(133,215,719)	(47,250,000)	(180,465,719)	(20.3)	Reduction is as a result of budget
1261 The Judiciary	13,432,535,272	4,128,900,000	17,561,435,272	12,561,768,912	3,248,975,000	15,810,743,912	(1,070,766,360)	(879,925,000)	(1,950,691,360)	(11.1)	Reduction is as a result of budget
0610000 Dispensation of Justice	13,432,535,272	4,128,900,000	17,561,435,272	12,561,768,912	3,248,975,000	15,810,743,912	(1,070,766,360)	(879,925,000)	(1,950,691,360)	(11.1)	Reduction is as a result of budget
1271 Ethics & Anti-Corruption Commission	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,268,000,000	4,336,540,000	300,000,000	300,000,000	300,000,000	7.4	Reduction is as a result of budget
0611000 Ethics & Anti-Corruption	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,268,000,000	4,336,540,000	300,000,000	300,000,000	300,000,000	7.4	Reduction is as a result of budget
1281 National Intelligence Service	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	2,550,000	31,304,000,000	3,150,000,000	3,150,000,000	3,150,000,000	11.8	Reduction is as a result of budget
0804000 National Security Intelligence	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	2,550,000	31,304,000,000	3,150,000,000	3,150,000,000	3,150,000,000	11.8	Reduction is as a result of budget
1291 Office of the Director of Public Prosecutions	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,000,000)	(385,637,538)	(16.5)	Reduction is as a result of budget
0612000 Public Prosecution Services	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,000,000)	(385,637,538)	(16.5)	Reduction is as a result of budget
1311 Office of the Registrar of Political Parties	877,750,000	877,750,000	1,755,500,000	798,527,310	989,972,690	1,788,500,000	(26,972,690)	(79,222,690)	(106,195,380)	(9.0)	Reduction is as a result of budget
0614000 Registration, Regulation & Funding of Political Parties	877,750,000	877,750,000	1,755,500,000	798,527,310	989,972,690	1,788,500,000	(26,972,690)	(79,222,690)	(106,195,380)	(9.0)	Reduction is as a result of budget
1321 Witness Protection Agency	432,392,990	432,392,990	864,785,980	311,380,483	553,405,497	864,785,980	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget
0615000 Witness Protection	432,392,990	432,392,990	864,785,980	311,380,483	553,405,497	864,785,980	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget
2011 Kenya National Commission on Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	511,053,700	900,820,000	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget
0616000 Protection & Promotion of Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	511,053,700	900,820,000	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget

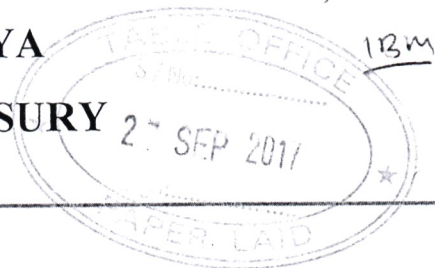
Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY 2017/18 PRINTED ESTIMATES				FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1				INCREASE/DECREASE UNDER FY 2017-18 SUPPLEMENTARY ESTIMATES NO. 1				% Change	Remarks	
	GROSS CURRENT		GROSS TOTAL		GROSS CURRENT		GROSS TOTAL		GROSS CURRENT		GROSS TOTAL				%
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh			
2021 National L& Commission	1,452,000,000	300,000,000	1,752,000,000	1,093,767,550	1,093,767,550	358,232,450	(300,000,000)	(658,232,450)	(180,364,992)	(180,364,992)	(71,470,435)	(37.6)	Reduction is as a result of budget		
0113000 : L& Admin. & Management	382,482,220	-	382,482,220	202,117,228	202,117,228	(180,364,992)	-	(180,364,992)	(71,470,435)	(71,470,435)	(8.0)	Reduction is as a result of budget			
0114000 : General Admin., Planning & Support Services	891,565,780	-	891,565,780	820,095,345	820,095,345	(74,073,544)	-	(74,073,544)	(32,323,479)	(32,323,479)	(94.5)	Reduction is as a result of budget			
0115000 : L& Disputes & Conflict Resolutions	126,171,000	-	126,171,000	52,097,456	52,097,456	(32,323,479)	-	(32,323,479)	(32,323,479)	(32,323,479)	(46.1)	Reduction is as a result of budget			
0116000 : National L& Information Management System	51,781,000	300,000,000	351,781,000	19,457,521	19,457,521	(30,000,000)	(45,000,000)	(9,555,000,000)	(45,000,000)	(45,000,000)	(37.3)	Reduction is as a result of budget			
2031 Independent Electoral & Boundaries Commission	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	30,860,477,459	10,000,000,000	(45,000,000)	9,955,000,000	(45,000,000)	(45,000,000)	(46.1)	Reduction is as a result of budget			
0617000 : Management of Electoral Processes	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	30,860,477,459	10,000,000,000	(45,000,000)	9,955,000,000	(45,000,000)	(45,000,000)	(46.1)	Reduction is as a result of budget			
2041 Parliamentary Service Commission	11,726,950,001	3,150,000,000	14,876,950,001	8,595,502,038	8,595,502,038	(3,131,447,963)	(2,412,500,000)	(5,543,947,963)	(1,285,069,525)	(1,285,069,525)	(22.4)	Reduction is as a result of budget			
0722000 : Senate Affairs	5,747,266,459	-	5,747,266,459	4,462,196,934	4,462,196,934	(1,285,069,525)	-	(1,285,069,525)	(1,285,069,525)	(1,285,069,525)	(46.6)	Reduction is as a result of budget			
0723000 P. 3 General Admin., Planning & Support Services	5,979,683,542	3,150,000,000	9,129,683,542	4,133,305,104	4,133,305,104	(1,846,378,438)	(2,412,500,000)	(4,258,878,438)	(3,692,484,022)	(3,692,484,022)	(17.4)	Reduction is as a result of budget			
2042 National Assembly	21,166,033,200	-	21,166,033,200	17,473,549,178	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(3,692,484,022)	(3,692,484,022)	(62.6)	Reduction is as a result of budget			
0721000 : National Legislation, Representation & Oversight	21,166,033,200	-	21,166,033,200	17,473,549,178	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(3,692,484,022)	(3,692,484,022)	(62.6)	Reduction is as a result of budget			
2051 Judicial Service Commission	490,160,000	-	490,160,000	183,537,700	183,537,700	(306,622,300)	-	(306,622,300)	(306,622,300)	(306,622,300)	(62.6)	Reduction is as a result of budget			
0619000 P. 1 General Admin., Planning & Support Services	490,160,000	-	490,160,000	183,537,700	183,537,700	(306,622,300)	-	(306,622,300)	(306,622,300)	(306,622,300)	(62.6)	Reduction is as a result of budget			
2061 The Commission on Revenue Allocation	365,000,000	-	365,000,000	391,711,063	391,711,063	26,711,063	-	26,711,063	26,711,063	26,711,063	7.3				
0724000 : Inter-Governmental Revenue & Financial Matters	365,000,000	-	365,000,000	391,711,063	391,711,063	26,711,063	-	26,711,063	26,711,063	26,711,063	7.3				
2071 Public Service Commission	1,359,000,000	60,000,000	1,419,000,000	1,351,425,000	1,351,425,000	(67,575,000)	(45,000,000)	(112,575,000)	(45,000,000)	(45,000,000)	(3.7)				
0725000 : General Admin., Planning & Support Services	1,032,143,639	60,000,000	1,092,143,639	1,024,568,639	1,024,568,639	(67,575,000)	(45,000,000)	(112,575,000)	(45,000,000)	(45,000,000)	(4.8)				
0726000 : Human Resource Management & Development	202,189,957	-	202,189,957	202,189,957	202,189,957	-	-	-	-	-	-	-			
0727000 : Governance & National Values	124,666,404	-	124,666,404	124,666,404	124,666,404	-	-	-	-	-	-	-			
2081 Salaries & Remuneration Commission	546,000,000	-	546,000,000	593,934,499	593,934,499	47,934,499	-	47,934,499	47,934,499	47,934,499	8.8				
0728000 : Salaries & Remuneration Management	546,000,000	-	546,000,000	593,934,499	593,934,499	47,934,499	-	47,934,499	47,934,499	47,934,499	8.8				
2091 Teachers Service Commission	201,837,000,000	118,000,000	201,955,000,000	201,893,457,400	201,893,457,400	56,457,400	118,000,000	173,457,400	56,457,400	56,457,400	0.0				
0509000 : Teacher Resource Management	195,058,656,350	-	195,058,656,350	195,473,566,350	195,473,566,350	414,910,000	-	414,910,000	414,910,000	414,910,000	0.2				
0510000 : Governance & Standards	84,515,250	-	84,515,250	53,988,812	53,988,812	(30,526,438)	-	(30,526,438)	(30,526,438)	(30,526,438)	(36.1)	Reduction is as a result of budget			
0511000 : General Admin., Planning & Support Services	6,693,828,400	118,000,000	6,811,828,400	6,365,902,238	6,365,902,238	(327,926,162)	-	(327,926,162)	(327,926,162)	(327,926,162)	(4.8)				
2101 National Police Service Commission	485,990,000	65,000,000	550,990,000	467,393,780	467,393,780	(18,596,220)	(65,000,000)	(83,596,220)	(65,000,000)	(65,000,000)	(15.2)	Reduction is as a result of budget			
0620000 : National Police Service Human Resource Management	485,990,000	65,000,000	550,990,000	467,393,780	467,393,780	(18,596,220)	(65,000,000)	(83,596,220)	(65,000,000)	(65,000,000)	(15.2)	Reduction is as a result of budget			
2111 Auditor General	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	4,902,265,615	(373,734,385)	(176,250,000)	(549,984,385)	(176,250,000)	(176,250,000)	(10.0)	Reduction is as a result of budget			
0729000 : Audit Services	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	4,902,265,615	(373,734,385)	(176,250,000)	(549,984,385)	(176,250,000)	(176,250,000)	(10.0)	Reduction is as a result of budget			
2121 Controller of Budget	575,000,000	-	575,000,000	494,931,000	494,931,000	(80,069,000)	-	(80,069,000)	(80,069,000)	(80,069,000)	(13.9)	Reduction is as a result of budget			
0730000 : Control & Management of Public Finances	575,000,000	-	575,000,000	494,931,000	494,931,000	(80,069,000)	-	(80,069,000)	(80,069,000)	(80,069,000)	(13.9)	Reduction is as a result of budget			
2131 The Commission on Administrative Justice	476,500,000	-	476,500,000	416,789,402	416,789,402	(59,710,598)	-	(59,710,598)	(59,710,598)	(59,710,598)	(12.5)	Reduction is as a result of budget			
0731000 : Promotion of Administrative Justice	476,500,000	-	476,500,000	416,789,402	416,789,402	(59,710,598)	-	(59,710,598)	(59,710,598)	(59,710,598)	(12.5)	Reduction is as a result of budget			
2141 National Gender & Equality Commission	445,870,000	-	445,870,000	352,824,207	352,824,207	(93,045,793)	-	(93,045,793)	(93,045,793)	(93,045,793)	(20.9)	Reduction is as a result of budget			
0621000 : Promotion of Gender Equality & Freedom from Discrimination	445,870,000	-	445,870,000	352,824,207	352,824,207	(93,045,793)	-	(93,045,793)	(93,045,793)	(93,045,793)	(20.9)	Reduction is as a result of budget			
2151 Independent Policing Oversight Authority	600,000,000	150,000,000	750,000,000	695,860,000	695,860,000	(54,140,000)	(150,000,000)	(204,140,000)	(150,000,000)	(150,000,000)	(20.0)	Reduction is as a result of budget			
0622000 : Policing Oversight Services	600,000,000	150,000,000	750,000,000	695,860,000	695,860,000	(54,140,000)	(150,000,000)	(204,140,000)	(150,000,000)	(150,000,000)	(20.0)	Reduction is as a result of budget			
<b>Total for Programmes</b>	<b>990,487,332,665</b>	<b>642,897,327,706</b>	<b>1,633,384,660,371</b>	<b>1,043,387,486,209</b>	<b>1,043,387,486,209</b>	<b>(590,000,000)</b>	<b>612,265,151,359</b>	<b>433,387,486,209</b>	<b>433,387,486,209</b>	<b>433,387,486,209</b>	<b>(30,632,176,347)</b>	<b>1.4</b>			



PAPER LAID BY  
THE MAJORITY  
PARTY WITH  
HON BENJAMIN  
WASHIAKI ON  
27.09.2017

REPUBLIC OF KENYA  
THE NATIONAL TREASURY



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**MEMORANDUM ON SUPPLEMENTARY ESTIMATES NO. 1  
FOR THE FINANCIAL YEAR 2017/18**

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1. In accordance with Article 223 (1) (a) & (b) of the Constitution, the National Government may spend monies that have not been appropriated by Parliament if the amount appropriated under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated; or if the money has been withdrawn from the Contingencies Fund. Further, Article 223 (5), requires the National Government not to spend more than 10% of the sum appropriated by Parliament for a given financial year unless, in special circumstances, Parliament has approved a higher percentage. In the event that any of the above happens, an approval from Parliament requires to be granted within two months after the first withdrawal of the money.

2. Since we commenced the implementation of the FY2017/18 Budget, we have faced a number of challenges with huge financial implications. These include but not limited to prolonged drought, insecurity, implementation of agreed CBAs, a repeat of the Presidential Election, and shortfalls in revenue collection occasioned by prevailing business environment.

3. Given that the economy has not generated new resources to finance the emerging needs, we are proposing to reorganize the planned expenditures for the FY2017/18 in line with Article 223 of the Constitution and Section 44 of the Public Finance Management Act (PFMA), 2012.

4. For the Financial Year 2017/18, the National Assembly approved funds amounting to **KSh.2,638.8 billion** as the total appropriation for Government, including **KSh. 306.2 billion** as allocation to Counties. Out of this approval, the total appropriation for the National Government amounted to **KSh. 2,332.6 billion** and comprising of **KSh. 699.2 billion** for Consolidated Fund Services; **KSh. 990.5 billion** for Ministerial Recurrent Expenditures; and **KSh. 642.9 billion** for Ministerial Development Expenditures.

5. These expenditures have been revised under Supplementary Estimates No. 1 to accommodate additional spending requirements which were unforeseen or unavoidable.

Table 1: Summary of Gross Changes to the FY 2017/18 Budget

Details of Expenditures		FY2017/18 Printed Estimates	FY2017/18 Supplementary Estimates No. 1	Gross Change
		A	B	C=B-A
<b>1.0 Total Expenditure</b>		<b>2,638,809.3</b>	<b>2,661,077.3</b>	<b>22,268.0</b>
Of which:	<b>1.1 National Government</b>	<b>2,332,609.3</b>	<b>2,354,877.3</b>	<b>22,268.0</b>
	1.11. Consolidated Fund Services(CFS)	699,224.6	699,224.6	-
	1.1.2 Recurrent - National MDAs	990,487.3	1,043,387.5	52,900.2
	1.1.3 Development - National MDAs	642,897.3	612,265.2	(30,632.2)
	<b>1.2 County Government</b>	<b>306,200.0</b>	<b>306,200.0</b>	<b>-</b>
<b>2.0 FY 2017/18 Expenditure (% Changes from Printed Estimates)</b>				<b>0.8%</b>
Of which:	<b>2.1 National Government</b>			<b>0.0%</b>
	2.11. Consolidated Fund Services(CFS)			5.3%
	2.1.2 Recurrent - National MDAs			-4.8%
	2.1.3 Development - National MDAs			0.0%
	<b>1.2 County Government</b>			<b>0.0%</b>

6. The overall cumulative changes under Supplementary Estimates No. 1 amount to **KSh. 22.3 billion** or 0.8 per cent of the original budget as highlighted in the table above. The recurrent cumulative changes under Supplementary Estimates No. 1 reflect a gross increase of **KSh. 52.9 billion** or 5.3 per cent of the original appropriation. The development cumulative changes under Supplementary Estimates No. 1 reflect a gross decrease of **KSh. 30.6 billion** or minus 4.8 per cent of the original appropriation. The details of changes under individual votes and programmes is provided in Annex 1

7. Taking into account that there are cases where the changes are more than 10 per cent in individual programmes, we are requesting for special approval of the expenditures which are beyond this threshold in line with Article 223 (5).

8. **Compliance with Fiscal Responsibility Principles and Financial Objectives;** Section 44 (3) requires that the Supplementary Budget to include a Statement showing how the additional expenditure relates to the fiscal responsibility principles and financial objectives. Our financial objectives have not changed in the supplementary budget 1.

9. *Over the medium term, a minimum of 30 percent of the National Budget shall be allocated to development expenditure.* The National Government's Development Budget allocation is 37.0% of the total ministerial budgets while Recurrent is 63.0% under the FY2017/18 supplementary budget way above the minimum of 30 percent requirement.

10. *The National Government's expenditure on the compensation of employees (including benefits and allowances) for public officers shall not exceed 35 percentage of the national government equitable share of revenue raised nationally.* The share of wages and benefits, with respect to National Government revenues is 33.7 per cent in the FY 2017/18 Supplementary Estimates, which is within the 35 percent threshold proposed in the PFM regulation.

11. *Over the medium term, the National Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.* It is the Government's policy to restrict external financing only for development projects, a practice which is in line with this principle. In addition, domestic borrowing is consistently less than the allocation to domestically financed development projects in line with the stated principle.

12. Similarly, a cautious approach is adopted in the issuance of external Government loan guarantees to minimize the level of contingent liabilities. Our debt sustainability indicators show that Kenya's debt is still within sustainable levels.

13. *Fiscal risks shall be managed prudently.* The Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic

projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability.

14. *A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.* The Government has simplified and modernized the VAT and Tax Appeals Tribunal legislations. A new excise tax act is fully operational and the income tax law is under review. These reforms are intended to lock in predictability and enhance compliance with the tax system.



**HENRY K. ROTICH**  
**CABINET SECRETARY/THE NATIONAL TREASURY**

**September 26, 2017**

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 SUPPLEMENTARY ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017.18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL		
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		
1011 The Presidency	8,702,407,012	1,110,000,000	9,812,407,012	7,866,966,719	893,500,000	8,760,466,719	(835,440,293)	(216,500,000)	(1,051,940,293)	(10.7)	
0702000 Cabinet Affairs	2,136,449,651	217,000,000	2,353,449,651	1,730,039,614	645,250,000	2,375,289,614	(-106,110,037)	428,250,000	21,839,963	0.9	
0703000 Government Advisory Services	1,014,969,780	321,000,000	1,335,969,780	975,772,905	360,230,000	1,335,969,780	(360,196,875)	(90,750,000)	(450,952,875)	(33.8)	
0704000 State House Affairs	3,352,971,500	571,000,000	3,923,971,500	3,246,554,755	18,000,000	3,264,554,755	(-1,061,167,445)	(90,750,000)	(1,151,917,445)	(34.4)	Reduction is as a result of budget
0734000 Deputy President Services	2,198,016,081	571,000,000	2,769,016,081	1,914,599,445	18,000,000	1,932,599,445	(-854,416,636)	(554,000,000)	(1,408,416,636)	(51.1)	Reduction is as a result of budget
1021 State Dept. for Interior	106,819,293,000	17,616,968,889	124,436,261,889	111,919,293,000	18,082,496,889	130,001,789,889	5,100,000,000	465,700,000	5,565,700,000	4.5	
0601000 Policing Services	78,583,788,581	1,125,000,000	79,708,788,581	81,036,788,581	9,925,000,000	90,961,788,581	2,443,000,000	(1,500,000,000)	943,000,000	1.0	Enhancement of security operation expenditure
0602000 Planning, Policy Coordination & Support Services	21,090,126,501	4,116,500,000	25,206,626,501	23,747,126,501	6,925,000,000	30,672,126,501	2,657,000,000	1,965,700,000	4,622,700,000	18.3	
0603000 Government Printing Services	770,983,833	150,000,000	920,983,833	770,983,833	150,000,000	920,983,833	-	-	-	-	
0605000 Population Management Services	6,249,244,085	1,925,296,889	8,174,540,974	6,249,244,085	1,925,296,889	8,174,540,974	-	-	-	-	
0736000 NGO Regulatory Services	125,150,000	-	125,150,000	125,150,000	-	125,150,000	-	-	-	-	
1023 State Dept. for Correctional Services	21,535,369,313	900,000,000	22,435,369,313	21,535,369,313	900,000,000	22,435,369,313	-	-	-	-	
0624000 Betting Control, Licensing & Regulation Services	119,933,224	-	119,933,224	119,933,224	-	119,933,224	-	-	-	-	
0604000 Correctional Services	21,014,616,887	854,336,504	21,868,953,391	21,014,616,887	854,336,504	21,868,953,391	-	-	-	-	
0623000 General Admin., Planning & Support Services	45,663,496	446,482,698	492,146,194	400,819,202	45,663,496	446,482,698	(-49,326,992)	-	-	(10.7)	
1032 State Dept. for Devolution	1,107,800,000	3,539,300,000	4,647,100,000	1,007,391,630	3,539,300,000	4,546,691,630	(100,408,370)	(100,408,370)	(200,816,740)	(2.2)	
0712000 Devolution Services	822,962,634	2,519,300,000	3,342,262,634	792,462,634	2,519,300,000	3,311,762,634	(30,499,989)	(30,499,989)	(60,999,978)	(1.8)	
0732000 General Admin., Planning & Support Services	284,837,366	1,020,000,000	1,304,837,366	214,928,985	1,020,000,000	1,234,928,985	(69,908,381)	-	(69,908,381)	(5.4)	
1033 State Dept. for Special Programmes	2,153,110,000	4,519,450,000	6,672,560,000	4,338,445,872	4,532,275,000	8,870,720,872	2,185,335,872	32,825,000	2,218,160,872	33.2	Provision for drought related
0713000 Special Initiatives	1,158,276,929	-	1,158,276,929	3,379,407,801	-	3,379,407,801	2,221,130,872	-	2,221,130,872	191.8	
0733000 Accelerated ASAL Development	700,086,095	4,501,350,000	5,201,436,095	734,723,595	4,547,750,000	5,282,473,595	34,637,500	46,400,000	81,037,500	1.6	
0740000 General Admin., Planning & Support Services	294,746,976	18,100,000	312,846,976	224,314,476	4,525,000	228,839,476	(70,432,500)	(13,575,000)	(84,007,500)	(26.9)	Reduction is as a result of budget
1034 State Dept. for Planning & Statistics	5,714,450,000	37,478,856,000	43,193,306,000	5,383,995,235	27,977,673,156	33,361,668,391	(330,454,765)	(9,501,182,844)	(9,831,637,609)	(22.8)	
0706000 Economic Policy & National Planning	1,234,437,055	32,005,082,400	33,239,519,455	1,110,781,029	25,578,817,356	26,689,598,385	(1,133,656,026)	(6,426,265,044)	(7,559,921,070)	(19.7)	Reduction is as a result of budget
0707000 National Statistical Information Services	2,333,333,297	1,451,800,000	3,785,133,297	2,333,333,297	1,454,800,000	3,788,133,297	-	-	-	-	
0708000 Monitoring & Evaluation Services	154,476,511	17,973,600	172,450,111	128,163,530	128,180,800	256,344,330	(26,312,981)	(43,792,800)	(70,105,781)	(21.5)	Reduction is as a result of budget
0709000 General Admin., Planning & Support Services	525,571,973	3,847,000,000	4,372,571,973	349,705,548	815,875,000	1,165,580,548	(1,758,666,425)	(1,758,666,425)	(3,517,331,873)	(33.5)	Reduction is as a result of budget
1013000 Integrated Regional Development	1,466,631,164	45,000,000	1,511,631,164	1,462,011,831	45,000,000	1,507,011,831	(4,619,333)	(3,031,125,000)	(3,035,744,333)	(57.1)	Reduction is as a result of budget
1041 Ministry of Defence	103,574,400,000	45,000,000	103,619,400,000	105,261,984,819	45,000,000	105,306,984,819	1,686,984,819	-	1,686,984,819	1.6	
0801000 Defence	102,141,000,000	45,000,000	102,186,000,000	103,941,000,000	45,000,000	103,986,000,000	1,800,000,000	1,800,000,000	3,600,000,000	1.8	
0802000 Civil Aid	200,000,000	-	200,000,000	200,000,000	-	200,000,000	-	-	-	-	
0803000 General Admin., Planning & Support Services	1,233,400,000	-	1,233,400,000	1,120,384,819	-	1,120,384,819	(-113,015,181)	-	(113,015,181)	(9.2)	
1052 Ministry of Foreign Affairs	17,746,000,000	2,000,000,000	19,746,000,000	14,570,071,499	247,499,999	14,817,571,498	(3,175,928,501)	(1,752,500,000)	(4,928,428,501)	(25.0)	Reduction is as a result of budget
0714000 General Admin., Planning & Support Services	3,191,491,885	310,000,000	3,501,491,885	2,703,598,372	75,000,000	2,778,598,372	(487,893,513)	(235,000,000)	(722,893,513)	(20.6)	Reduction is as a result of budget
0715000 Foreign Relation & Diplomacy	14,265,108,188	1,690,000,000	15,955,108,188	11,693,435,950	172,499,999	11,865,935,949	(2,571,672,238)	(1,517,500,000)	(4,089,172,238)	(25.6)	Reduction is as a result of budget
0741000 Economic & Commercial Diplomacy	141,913,000	-	141,913,000	43,633,750	-	43,633,750	(98,279,250)	-	(98,279,250)	(69.3)	Reduction is as a result of budget
0742000 Foreign Policy, Research, Capacity Dev. & Technical Cooperation	147,486,927	-	147,486,927	129,401,427	-	129,401,427	(18,085,500)	-	(18,085,500)	(12.3)	Rationalization
1063 State Dept. for Basic Education	59,949,000,000	6,406,730,000	66,355,730,000	83,085,411,431	7,156,718,600	90,242,130,031	23,136,411,431	749,988,600	23,886,400,031	36.0	
0501000 Primary Education	16,839,329,784	4,600,563,500	21,439,893,284	16,782,676,771	4,471,955,600	21,254,632,371	(56,653,013)	(128,607,900)	(185,265,913)	(0.9)	
0502000 Secondary Education	34,216,459,318	1,362,616,500	35,579,075,818	57,799,711,118	2,551,375,500	60,351,086,618	23,583,251,800	1,188,759,000	24,772,010,800	69.6	Enhancement of the free day Secondary education Programme
0503000 Quality Assurance & Standards	4,152,242,784	302,000,000	4,454,242,784	4,142,484,757	83,000,000	4,225,484,757	(9,758,027)	(219,000,000)	(228,758,027)	(5.1)	
0508000 P. 8 General Admin., Planning & Support Services	4,740,968,114	141,550,000	4,882,518,114	4,360,538,785	50,387,500	4,410,926,285	(380,479,329)	(91,162,500)	(471,641,829)	(9.7)	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDI R FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			Remarks	
	GROSS CURRENT K\$H	GROSS CAPITAL K\$H	GROSS TOTAL K\$H	GROSS CURRENT K\$H	GROSS CAPITAL K\$H	GROSS TOTAL K\$H	GROSS CURRENT K\$H	GROSS CAPITAL K\$H	GROSS TOTAL K\$H		
1064 State Dept. for Vocational & Technical Training	2,640,500,000	5,646,000,000	8,286,500,000	2,535,356,993	14,002,901,000	16,538,257,993	(105,143,007)	8,356,901,010	8,251,757,993	99.6	additional expenditure is on account of donor projects
05050000 Technical Vocational Education & Training	2,373,125,000	3,621,000,000	5,994,125,000	2,333,479,487	11,873,901,000	14,207,380,487	(39,645,513)	8,252,901,010	8,213,255,487	137.0	
05070000 Youth Training & Development	62,187,500	2,035,000,000	2,087,187,500	50,563,448	2,129,000,000	2,179,563,448	(11,674,052)	104,000,010	92,375,948	4.4	Reduction is as a result of budget rationalization
05080000 P 8 General Admin. Planning & Support Services	205,187,500	-	205,187,500	151,314,058	-	151,314,058	(53,873,442)	-	(53,873,442)	(26.3)	
1065 State Dept. for University Education	85,721,517,529	12,668,100,000	98,389,617,529	90,755,304,284	5,435,449,998	96,191,154,282	5,033,786,755	(7,232,250,012)	(2,198,463,247)	(2.2)	
05040000 University Education	81,970,389,214	12,062,100,000	94,032,489,214	87,148,005,550	5,284,439,998	92,432,355,548	5,177,615,336	(6,777,750,012)	(1,600,134,666)	(1.7)	Reduction is as a result of budget
05060000 P 6 Research, Science, Technology & Innovation	3,099,270,753	606,000,000	3,705,270,753	3,064,418,082	151,500,000	3,215,918,082	(34,852,671)	(454,500,010)	(489,352,671)	(13.3)	Reduction is as a result of budget rationalization
05080000 P 8 General Admin. Planning & Support Services	651,895,662	-	651,895,662	542,880,652	-	542,880,652	(108,975,910)	-	(108,975,910)	(16.7)	
1071 The National Treasury	77,442,300,000	43,908,042,616	121,350,342,616	84,434,454,275	46,749,013,082	128,181,467,357	3,992,154,275	2,840,970,066	6,833,124,741	5.6	
07170000 General Admin. Planning & Support Services	71,490,609,280	5,068,333,944	76,558,942,224	76,202,471,629	6,775,595,102	82,978,066,731	4,711,862,349	1,707,262,58	6,419,124,507	8.4	
07180000 Public Financial Management	4,456,690,093	37,433,105,972	41,889,795,965	3,878,662,007	38,580,314,180	42,458,976,187	(578,028,086)	1,147,208,08	569,180,222	1.4	
07190000 Economic & Financial Policy Formulation & Management	1,076,617,075	1,351,603,800	2,428,220,875	952,775,318	1,398,103,800	2,350,879,118	(123,841,757)	(13,500,000)	(137,341,757)	(5.7)	
07200000 Market Competition	340,000,000	55,000,000	395,000,000	340,000,000	55,000,000	395,000,000	-	-	-	0.0	
07400000 Government Clearing Services	78,383,552	30,978,663,319	31,762,046,871	60,545,321	30,022,411,054	30,567,356,375	(1,788,231)	(956,232,665)	(1,006,876,270)	(2.8)	Reduction is as a result of budget
1081 Ministry of Health	340,721,820,252	7,307,824,415	348,029,644,667	300,631,176,247	7,262,814,415	307,894,000,662	(60,539,607,301)	(51,640,385)	(60,640,385)	(1.1)	
04010000 Preventive, Promotive & RNMCHM	1,650,021,642	9,946,863,400	11,596,885,042	1,585,381,257	9,847,363,400	11,432,744,657	(25,705,315,778)	(99,500,000)	(195,000,000)	(0.7)	
04020000 National Referral & Specialist Services	15,943,468,578	668,000,000	16,611,468,578	15,857,952,328	473,000,000	16,330,952,328	5,970,163,119	(195,000,000)	(673,730,640)	(3.2)	
04030000 Health Research & Development	5,497,163,129	2,744,137,550	8,241,300,679	5,497,163,129	2,014,905,265	7,512,068,394	55,501,625	(729,232,365)	(673,730,640)	(7.8)	
04040000 General Admin. Planning & Support Services	9,896,664,135	10,311,837,974	20,208,502,109	8,650,601,655	12,056,539,702	20,707,141,357	(8,887,995)	112,500,000	103,512,005	0.9	
04050000 Health Policy Standards & Regulations	1,744,701,728	134,987,591,571	136,732,293,300	1,735,713,739	10,424,337,974	12,160,051,707	(8,887,995)	112,500,000	103,512,005	0.9	
1081 State Dept. of Infrastructure	52,658,000,000	134,987,591,571	187,645,591,571	53,870,633,071	129,987,591,571	183,808,224,642	1,162,633,071	(5,000,000,000)	(3,837,367,929)	(2.0)	
02020000 Road Transport	96,769,432,000	102,820,132,000	199,589,564,000	63,273,311,343	88,669,432,000	151,942,743,343	276,431,343	(7,800,000,000)	(7,523,568,657)	(7.3)	increase is due to increase in MA
1092 State Dept. of Transport	401,321,238	782,000,000	1,183,321,238	689,346,875	788,000,000	1,477,346,875	288,025,637	1,000,000	(300,000,000)	(0.4)	
02010000 General Admin. Planning & Support Services	248,310,000	75,584,000,000	75,832,310,000	248,310,000	6,860,000,000	7,108,310,000	(2,434,557)	(7,500,000,000)	(7,502,434,557)	(51.2)	Reduction is as a result of budget
02030000 Rail Transport	367,034,881	14,300,000,000	14,667,034,881	364,600,324	6,860,000,000	7,224,600,324	10,382,509,187	(7,772,656)	(8,772,656)	(0.1)	
02040000 Marine Transport	4,587,848,823	5,803,432,000	10,391,280,823	4,580,076,187	5,803,432,000	10,383,508,187	(7,772,656)	(1,000,000)	(8,772,656)	(0.2)	
02050000 Air Transport	746,185,058	300,000,000	1,046,185,058	444,797,957	300,000,000	744,797,957	(1,387,101)	-	(1,387,101)	(0.2)	
0216000000 Road Safety	275,030,000	-	275,030,000	218,589,618	-	218,589,618	(56,440,382)	-	(56,440,382)	(20.5)	Reduction is as a result of budget
1093 State Dept. for Maritime Affairs	275,030,000	-	275,030,000	218,589,618	-	218,589,618	(56,440,382)	-	(56,440,382)	(20.5)	
02190000 Shipping & Maritime Affairs	275,030,000	-	275,030,000	218,589,618	-	218,589,618	(56,440,382)	-	(56,440,382)	(20.5)	
1094 State Dept. for Housing & Urban Development	14,272,000,000	5,959,000,000	20,231,000,000	15,997,700,000	1,608,768,601	17,606,468,601	1,484,813,601	(1,034,931,000)	(1,151,866,399)	(7.2)	
01020000 Housing Development & Human Settlement	458,603,879	8,193,000,000	8,651,603,879	431,434,189	5,725,000,000	6,156,434,189	(26,169,690)	(234,000,000)	(260,169,690)	(4.1)	
01050000 Urban & Metropolitan Development	272,704,396	8,193,000,000	8,465,704,396	224,977,551	7,479,565,000	7,704,542,551	(47,266,845)	(703,431,000)	(751,161,845)	(8.9)	
01060000 General Admin. Planning & Support Services	267,477,103	-	267,477,103	238,120,895	-	238,120,895	(29,356,208)	-	(29,356,208)	(11.0)	Reduction is as a result of budget
01100000 Regulation & Development of the Construction Industry	726,914,622	130,000,000	856,914,622	713,235,966	32,500,000	745,735,966	(13,678,656)	(97,501,000)	(111,178,656)	(13.0)	Reduction is as a result of budget
1095 State Dept. for Public Works	846,050,000	2,176,090,000	3,022,140,000	789,575,117	544,022,500	1,333,597,617	(56,474,883)	(1,632,061,500)	(1,688,542,383)	(55.9)	Reduction is as a result of budget
01030000 Government Buildings	370,698,632	2,039,560,000	2,410,258,632	399,280,666	509,890,000	909,170,666	(8,916,946)	(1,519,671,000)	(1,528,647,946)	(61.8)	Reduction is as a result of budget
01040000 Coastal Infrastructure & Pedestrian Access	83,204,021	136,590,000	219,794,021	79,889,145	34,132,500	114,021,645	(3,147,876)	(102,597,500)	(105,745,376)	(48.1)	
1103 State Dept. for Water Services	4,011,160,000	29,777,370,000	33,788,530,000	4,400,068,971	32,252,516,698	36,652,585,669	3,665,555,669	2,475,145,698	2,862,055,669	8.5	
10010000 General Admin. Planning & Support Services	646,741,158	151,000,000	797,741,158	593,451,456	151,000,000	744,451,456	(29,289,702)	(95,289,702)	(53,289,702)	(6.7)	
10040000 Water Resources Management	1,294,534,306	4,687,600,000	5,982,134,306	1,564,558,938	6,187,600,000	7,752,158,938	270,024,632	1,500,010,000	1,770,024,632	29.6	adjustment is for salary shortfall & drought related expenditure
10170000 Water & Sewerage Infrastructure Development	2,075,884,536	24,938,770,000	26,014,654,536	2,246,058,587	25,913,916,698	28,159,975,285	170,174,051	975,161,698	1,145,320,749	4.2	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY 2017/18 PRINTED ESTIMATES		FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1		FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1		INCREASE/DECREASE UNDER FY 2017-18 SUPPLEMENTARY ESTIMATES NO. 1		% Change	Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL		
1104 State Dept. for Irrigation	955,300,000	12,258,300,000	13,213,600,000	901,423,540	12,458,300,000	13,359,723,540	(53,876,460)	200,000,000	1.1	
1014000 Irrigation & Lake Reclamation	945,240,088	6,428,300,000	7,373,540,088	896,163,609	6,628,300,000	7,524,463,609	(49,076,478)	200,000,000	2.0	
1015000 Water Storage & Flood Control		5,830,000,000	5,830,000,000		5,830,000,000	5,830,000,000				
1016000 General Admin. Planning & Support Services	10,059,912		10,059,912	5,259,931		5,259,931	(4,799,981)		(47.7)	Reduction is as a result of budget
1100 State Dept. for Environment	2,838,300,000	3,629,000,000	6,467,300,000	2,743,441,011	2,165,625,000	4,909,066,011	(94,858,989)		(24.1)	
1002000 Environment Management & Protection	1,355,497,179	2,528,700,000	3,884,197,179	1,334,707,697	1,690,550,000	3,025,257,697	(20,789,482)		(17.0)	Reduction is as a result of budget
1010000 General Admin. Planning & Support Services	369,552,826		369,552,826	330,536,643		330,536,643	(39,016,183)		(10.6)	Reduction is as a result of budget
1012000 Meteorological Services	1,113,249,995	1,100,300,000	2,213,549,995	1,078,196,671	275,075,000	1,353,271,671	(85,353,324)		(38.9)	Reduction is as a result of budget
1106 State Dept. for Natural Resources	13,513,000,000	3,877,320,990	17,390,320,990	12,892,449,917	3,214,070,990	16,106,520,907	(620,550,083)		(7.4)	
1009000 Natural Resources Management & Protection	3,513,000,000	3,877,320,990	7,390,320,990	12,892,449,917	3,214,070,990	16,106,520,907	(620,550,083)		(7.4)	
1112 Ministry of L&S & Physical Planning	2,464,000,000	3,770,000,000	6,234,000,000	2,312,568,601	3,563,375,000	5,875,943,601	(151,431,399)		(5.7)	
0101000 Land Policy & Planning	2,464,000,000	3,770,000,000	6,234,000,000	2,312,568,601	3,563,375,000	5,875,943,601	(151,431,399)		(5.7)	
1122 State Dept. for Information Communications & Technology & Innovation	1,276,290,000	19,247,000,000	20,523,290,000	985,116,078	13,447,478,834	14,432,594,912	(290,971,022)		(29.7)	
0207000 General Admin. Planning & Support Services	287,359,425		287,359,425	214,359,507		214,359,507	(72,999,918)		(25.4)	Reduction is as a result of budget
0210000 ICT Infrastructure Development	370,099,795	18,697,000,000	19,067,099,795	217,079,529	12,590,750,000	12,807,829,529	(153,020,266)		(32.8)	Reduction is as a result of budget Increase is due to transfer of Ksh 25-million from the first 2018
0217000 E-Government Services	618,830,780	550,000,000	1,168,830,780	553,879,042	856,728,834	1,410,607,876	(64,951,738)		20.7	
1133 State Dept. for Broadcasting & Telecommunications	2,095,700,000	764,000,000	2,859,700,000	1,957,173,235	191,000,000	2,148,173,235	(138,526,765)		(4.9)	
0207000 General Admin. Planning & Support Services	311,536,279		311,536,279	233,770,111		233,770,111	(77,766,168)		(25.0)	Reduction is as a result of budget
0208000 Information & Communication Services	1,576,713,721	543,000,000	2,119,713,721	1,515,953,124	135,750,000	1,651,703,124	(468,010,597)		(22.1)	Reduction is as a result of budget
0209000 Mass Media Skills Development	207,450,000	221,000,000	428,450,000	207,450,000	55,350,000	262,800,000			(38.7)	Reduction is as a result of budget
0901000 Sports	2,468,475,024	560,000,001	3,028,475,025	3,748,333,817	2,950,000,000	6,698,333,817	1,279,858,793		121.2	Additional Expenditure to cater
1133 State Dept. for Arts & Culture	2,938,424,896	1,046,978,010	3,985,402,906	2,865,775,296	641,250,000	3,507,025,296	(72,649,600)		(12.0)	
0902000 Culture	1,357,606,608	421,978,010	1,779,584,618	1,336,613,161	95,000,000	1,431,613,161	(30,993,447)		(19.6)	Reduction is as a result of budget
0904000 The Arts	707,082,491	95,000,000	802,082,491	692,010,890	23,750,000	715,760,890	(15,071,601)		(10.8)	Reduction is as a result of budget
0904000 Library Services	707,082,491	95,000,000	802,082,491	692,010,890	23,750,000	715,760,890	(15,071,601)		(10.8)	Reduction is as a result of budget
0905000 General Admin. Planning & Support Services	171,777,790		171,777,790	138,386,676		138,386,676	(33,391,114)		(19.4)	Reduction is as a result of budget
1152 State Dept. for Energy	2,052,500,000	75,166,704,310	77,219,204,310	2,052,500,000	82,548,497,961	84,600,997,961			9.6	
0211000 General Admin. Planning & Support Services	354,889,337	327,000,000	681,889,337	354,889,337	327,000,000	681,889,337				
0212000 Power Generation	786,987,274	16,632,499,652	17,419,486,926	786,987,274	14,560,499,652	15,347,486,926			(11.9)	Reduction is as a result of budget
0213000 Power Transmission & Distribution	790,303,396	57,024,204,658	57,814,508,054	790,303,296	60,837,308,309	61,627,611,605			6.6	Provision for Lake Turkana wind
0214000 Alternative Energy Technologies	120,320,093	1,165,000,000	1,285,320,093	120,320,093	6,823,690,000	6,944,010,093			(29.9)	Reduction is as a result of budget
1153 State Dept. for Petroleum	242,010,000	5,138,500,000	5,380,510,000	195,232,407	3,576,875,000	3,772,107,407	(46,777,593)		(29.9)	Reduction is as a result of budget
0215000 Exploration & Distribution of Oil & Gas	242,010,000	5,138,500,000	5,380,510,000	195,232,407	3,576,875,000	3,772,107,407	(46,777,593)		(29.9)	Reduction is as a result of budget
1161 State Dept. for Agriculture	6,288,600,000	10,601,800,000	16,890,400,000	10,416,398,340	16,069,094,148	26,485,392,488	4,127,698,340		56.8	provision for drought intervention
0107000 General Admin. Planning & Support Services	3,397,732,195	593,000,000	3,990,732,195	2,462,885,676	460,350,000	1,065,153,481	(132,750,000)		23.4	provision for drought intervention
0108000 Crop Development & Management	2,716,080,604	8,906,272,274	11,622,352,878	5,789,665,191	14,321,577,422	20,311,242,613	3,073,584,587		74.8	provision for drought intervention
0109000 Agr. Business & Information Management	174,787,201	1,102,527,226	1,277,314,927	163,247,473	1,087,266,726	1,251,014,199	(11,039,728)		(2.1)	
1162 State Dept. for Livestock	5,051,412,500	5,498,980,000	10,550,392,500	7,114,150,771	3,693,332,750	10,807,483,521	2,062,738,271		2.4	
0112000 Livestock Resources Management & Development	5,051,412,500	5,498,980,000	10,550,392,500	7,114,150,771	3,693,332,750	10,807,483,521	2,062,738,271		2.4	
1164 State Dept. for Fisheries & the Blue Economy	2,056,300,000	914,000,000	2,970,300,000	1,844,465,848	420,920,000	2,265,385,848	(211,634,152)		(23.7)	Reduction is as a result of budget
0111000 Fisheries Development & Management	1,580,217,170	861,000,000	2,441,217,170	1,549,913,465	407,670,000	1,957,583,465	(30,304,705)		(19.8)	Reduction is as a result of budget
0117000 General Admin. Planning & Support Services	184,029,304		184,029,304	132,657,033		132,657,033	(51,372,271)		(27.9)	Reduction is as a result of budget
0118000 Development & Coordination of the Services Economy	292,053,526	53,000,000	345,053,526	161,866,350	13,250,000	175,116,350	(130,187,176)		(49.2)	rationalization
1172 State Dept. for Investment & Industry	2,341,400,000	5,381,062,000	7,722,462,000	2,189,243,808	2,693,930,120	4,883,173,928	(152,156,192)		(26.8)	Reduction is as a result of budget
0301000 General Admin. Planning & Support Services	491,312,974	180,000,000	671,312,974	386,652,659	180,000,000	566,652,659	(104,660,315)		(15.6)	Reduction is as a result of budget
0302000 Industrial Development & Investments	897,229,016	3,259,000,000	4,156,229,016	859,783,149	1,597,493,120	2,447,276,269	(47,495,877)		(41.1)	Reduction is as a result of budget
0303000 Standards & Business Incubation	952,808,000	1,942,062,000	2,894,870,000	952,808,000	916,437,000	1,869,245,000			(35.4)	Reduction is as a result of budget

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UP ORN FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAP TAL KSh	GROSS TOTAL KSh		
1173 State Dept. for Cooperatives	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(14.1)	Reduction is as a result of budget
0304000 Cooperative Development & Management	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(14.1)	Reduction is as a result of budget
1174 State Dept. for Trade	2,414,400,000	3,215,000,000	5,629,400,000	2,164,310,293	2,235,560,293	4,399,870,586	(250,089,707)	(506,339,707)	(756,429,414)	(13.5)	Reduction is as a result of budget
0307000 Trade Development & Promotion	2,414,400,000	3,215,000,000	5,629,400,000	2,164,310,293	2,235,560,293	4,399,870,586	(250,089,707)	(506,339,707)	(756,429,414)	(13.5)	Reduction is as a result of budget
1183 State Dept. for East African Integration	1,551,000,000	65,000,000	1,616,000,000	1,356,495,896	65,000,000	1,421,495,896	(194,504,104)	(194,504,104)	(389,008,208)	(24.7)	Reduction is as a result of budget
0305000 East African Affairs & Regional Integration	1,551,000,000	65,000,000	1,616,000,000	1,356,495,896	65,000,000	1,421,495,896	(194,504,104)	(194,504,104)	(389,008,208)	(24.7)	Reduction is as a result of budget
1184 State Dept. for Labour	2,019,900,000	1,044,100,000	3,064,000,000	1,792,943,512	636,024,999	2,428,968,511	(236,956,488)	(408,075,001)	(645,031,489)	(21.2)	Reduction is as a result of budget
0305000 Labour	2,019,900,000	1,044,100,000	3,064,000,000	1,792,943,512	636,024,999	2,428,968,511	(236,956,488)	(408,075,001)	(645,031,489)	(21.2)	Reduction is as a result of budget
0910000 General Admin. Planning & Support Services	561,483,742	201,000,000	762,483,742	478,154,933	50,250,000	528,404,933	(284,328,809)	(332,800,000)	(617,128,809)	(80.9)	Reduction is as a result of budget
0906000 Promotion of the Best Labour Practice	561,483,742	201,000,000	762,483,742	478,154,933	50,250,000	528,404,933	(284,328,809)	(332,800,000)	(617,128,809)	(80.9)	Reduction is as a result of budget
0907000 Manpower Development, Employment & Productivity Management	935,884,549	843,100,000	1,778,984,549	848,754,798	585,774,999	1,434,529,797	(87,129,751)	(257,324,001)	(541,853,752)	(30.5)	Reduction is as a result of budget
1185 State Dept. for Social Protection	9,447,300,000	14,959,750,000	24,407,050,000	15,218,012,572	14,663,955,283	29,881,967,855	5,770,712,572	(295,791,171)	5,474,921,401	22.4	Reduction is as a result of budget
0908000 Social Development & Children Services	9,447,300,000	14,959,750,000	24,407,050,000	15,218,012,572	14,663,955,283	29,881,967,855	5,770,712,572	(295,791,171)	5,474,921,401	22.4	Reduction is as a result of budget
0909000 National Social Safety Net	3,337,369,891	1,028,400,000	4,365,769,891	3,010,258,449	894,975,000	3,905,233,449	(332,536,442)	(460,536,442)	(893,072,884)	(20.5)	Reduction is as a result of budget
0914000 General Admin. Planning & Support Services	5,866,375,070	13,924,350,000	19,790,725,070	12,056,421,924	13,767,230,283	25,823,652,207	6,190,046,854	(157,113,717)	6,032,927,137	30.5	Reduction is as a result of budget
1191 Ministry of Mining	2,435,555,039	7,000,000	2,505,555,039	1,511,331,199	1,750,000	3,261,331,199	(92,222,840)	(5,259,000)	(97,481,840)	(38.9)	Reduction is as a result of budget
1007000 General Admin. Planning & Support Services	2,435,555,039	7,000,000	2,505,555,039	1,511,331,199	1,750,000	3,261,331,199	(92,222,840)	(5,259,000)	(97,481,840)	(38.9)	Reduction is as a result of budget
1008000 Resources Surveys & Remote Sensing	912,491,089	60,000,000	972,491,089	790,680,898	15,000,000	805,680,898	(260,822,191)	(270,750,000)	(531,572,191)	(54.3)	Reduction is as a result of budget
1009000 Mineral Resources Management	185,028,131	361,000,000	546,028,131	170,572,219	90,250,000	260,822,219	(14,455,912)	(270,750,000)	(481,222,219)	(87.7)	Reduction is as a result of budget
1101 Ministry of Tourism	354,944,997	893,331,429	1,248,276,426	2,777,458,514	980,250,000	3,757,708,514	(79,441,386)	(2,940,710,000)	(3,730,151,386)	(44.6)	Reduction is as a result of budget
0306000 Tourism Development & Promotion	354,944,997	893,331,429	1,248,276,426	2,777,458,514	980,250,000	3,757,708,514	(79,441,386)	(2,940,710,000)	(3,730,151,386)	(44.6)	Reduction is as a result of budget
1211 State Dept. for Public Service & Youth Affairs	13,516,650,000	12,990,000,000	26,506,650,000	14,455,917,402	11,891,999,727	26,347,917,129	(834,732,871)	(1,098,110,273)	(1,932,843,144)	(7.3)	Reduction is as a result of budget
0710000 Public Service Transformation	13,516,650,000	12,990,000,000	26,506,650,000	14,455,917,402	11,891,999,727	26,347,917,129	(834,732,871)	(1,098,110,273)	(1,932,843,144)	(7.3)	Reduction is as a result of budget
0709000 General Admin. Planning & Support Services	4,169,395,345	10,694,515,043	14,863,910,388	5,551,585,773	10,110,688,043	15,662,273,816	(133,215,719)	(47,500,000)	(180,715,719)	(20.3)	Reduction is as a result of budget
0711000 Youth Employment	7,485,010,166	3,490,000,000	10,975,010,166	7,317,484,343	3,187,750,000	10,505,234,343	(1,669,775,823)	(8,312,265,717)	(10,000,000)	(8.5)	Reduction is as a result of budget
1212 State Dept. for Gender	1,612,700,000	2,130,000,000	3,742,700,000	1,424,218,371	2,130,000,000	3,554,218,371	(188,481,629)	(242,000,000)	(430,481,629)	(26.7)	Reduction is as a result of budget
0911000 Community Development	1,612,700,000	2,130,000,000	3,742,700,000	1,424,218,371	2,130,000,000	3,554,218,371	(188,481,629)	(242,000,000)	(430,481,629)	(26.7)	Reduction is as a result of budget
0912000 Gender Empowerment	856,895,501	1,300,000,000	2,156,895,501	753,026,131	1,057,750,000	1,810,776,131	(92,869,370)	(242,250,000)	(335,119,370)	(15.7)	Reduction is as a result of budget
0913000 General Admin. Planning & Support Services	295,804,499	201,192,240	496,996,739	201,192,240	1,057,750,000	1,258,942,240	(96,125,259)	(1,102,750,000)	(1,200,000,000)	(23.0)	Reduction is as a result of budget
1232 State Law Office & Dept. of Justice	4,688,010,000	14,000,000	4,702,010,000	4,383,634,769	343,178,571	4,726,813,340	(304,375,231)	(1,407,125,231)	(1,711,500,562)	(36.1)	Reduction is as a result of budget
0606000 Legal Services	4,688,010,000	14,000,000	4,702,010,000	4,383,634,769	343,178,571	4,726,813,340	(304,375,231)	(1,407,125,231)	(1,711,500,562)	(36.1)	Reduction is as a result of budget
0607000 Governance, Legal Training & Constitutional Affairs	1,771,778,881	1,960,000,000	3,731,778,881	1,747,977,039	315,000,000	2,062,977,039	(23,801,852)	(1,045,000,000)	(1,282,801,852)	(34.1)	Reduction is as a result of budget
0609000 P. 4 General Admin. Planning & Support Services	815,210,621	713,285,571	1,528,496,192	681,992,902	24,678,571	706,671,473	(133,215,719)	(47,500,000)	(180,715,719)	(20.3)	Reduction is as a result of budget
1261 The Judiciary	13,432,535,272	4,118,900,000	17,551,435,272	12,361,768,912	3,248,975,000	15,610,743,912	(1,070,666,360)	(879,250,000)	(1,950,691,360)	(11.1)	Reduction is as a result of budget
0610000 Dispensation of Justice	13,432,535,272	4,118,900,000	17,551,435,272	12,361,768,912	3,248,975,000	15,610,743,912	(1,070,666,360)	(879,250,000)	(1,950,691,360)	(11.1)	Reduction is as a result of budget
1271 Ethics & Anti-Corruption Commission	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,268,000,000	4,336,540,000	300,000,000	300,000,000	600,000,000	7.4	Reduction is as a result of budget
1271 Ethics & Anti-Corruption	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,268,000,000	4,336,540,000	300,000,000	300,000,000	600,000,000	7.4	Reduction is as a result of budget
0611000 Ethics & Anti-Corruption	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	23,754,000,000	53,508,000,000	3,150,000,000	3,150,000,000	6,300,000,000	11.8	Reduction is as a result of budget
1281 National Intelligence Service	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	23,754,000,000	53,508,000,000	3,150,000,000	3,150,000,000	6,300,000,000	11.8	Reduction is as a result of budget
0804000 National Security Intelligence	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	23,754,000,000	53,508,000,000	3,150,000,000	3,150,000,000	6,300,000,000	11.8	Reduction is as a result of budget
1291 Office of the Director of Public Prosecutions	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,300,000)	(385,937,538)	(16.5)	Reduction is as a result of budget
0613000 Public Prosecution Services	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,300,000)	(385,937,538)	(16.5)	Reduction is as a result of budget
1311 Office of the Registrar of Political Parties	877,750,000	877,750,000	1,755,500,000	798,572,310	311,380,483	1,110,952,793	(222,222,690)	(79,222,690)	(301,445,380)	(17.2)	Reduction is as a result of budget
0614000 Registration, Regulation & Funding of Political Parties	877,750,000	877,750,000	1,755,500,000	798,572,310	311,380,483	1,110,952,793	(222,222,690)	(79,222,690)	(301,445,380)	(17.2)	Reduction is as a result of budget
1321 Witness Protection Agency	432,992,990	432,992,990	865,985,980	311,380,483	311,380,483	622,760,966	(121,012,507)	(121,012,507)	(242,025,014)	(28.0)	Reduction is as a result of budget
0615000 Witness Protection	432,992,990	432,992,990	865,985,980	311,380,483	311,380,483	622,760,966	(121,012,507)	(121,012,507)	(242,025,014)	(28.0)	Reduction is as a result of budget
2011 Kenya National Commission on Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	389,766,300	779,532,600	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget
0616000 Protection & Promotion of Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	389,766,300	779,532,600	(60,643,700)	(60,643,700)	(121,287,400)	(13.5)	Reduction is as a result of budget

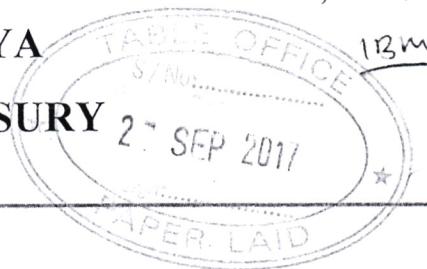
Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	% Change
2021 National L& Commission	1,452,000,000	300,000,000	1,752,000,000	1,093,767,550	-	1,093,767,550	(358,232,450)	(300,000,000)	(658,232,450)	(37.6)
01:15000 : L& Admin. & Management	382,482,220	-	382,482,220	202,117,228	-	202,117,228	(180,364,992)	-	(180,364,992)	(47.2)
01:14000 : General Admin., Planning & Support Services	891,565,780	-	891,565,780	820,095,345	-	820,095,345	(71,470,435)	-	(71,470,435)	(8.0)
01:15000 : L& Disputes & Conflict Resolutions	126,171,000	-	126,171,000	52,097,456	-	52,097,456	(74,073,544)	-	(74,073,544)	(58.7)
01:16000 : National L& Information Management System	51,781,000	300,000,000	351,781,000	19,457,521	-	19,457,521	(32,323,479)	(300,000,000)	(332,323,479)	(94.5)
2031 Independent Electoral & Boundaries Commission	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	712,210,000	31,572,687,459	10,000,000,000	(45,000,000)	9,955,000,000	46.1
06:17000 : Management of Electoral Processes	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	712,210,000	31,572,687,459	10,000,000,000	(45,000,000)	9,955,000,000	46.1
2041 Parliamentary Service Commission	11,726,950,001	3,150,000,000	14,876,950,001	8,595,502,038	737,500,000	9,333,002,038	(3,131,447,963)	(2,412,500,000)	(5,543,947,963)	(37.3)
07:21000 Senate Affairs	5,747,266,459	-	5,747,266,459	4,462,196,934	-	4,462,196,934	(1,285,069,525)	-	(1,285,069,525)	(22.4)
07:23000 P. 3 General Admin., Planning & Support Services	5,979,683,542	3,150,000,000	9,129,683,542	4,133,305,104	737,500,000	4,870,805,104	(1,846,378,438)	(2,412,500,000)	(4,258,878,438)	(46.6)
2042 National Assembly	21,166,033,200	-	21,166,033,200	17,473,549,178	-	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(17.4)
07:21000 National Legislation, Representation & Oversight	21,166,033,200	-	21,166,033,200	17,473,549,178	-	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(17.4)
2051 Judicial Service Commission	490,160,000	-	490,160,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(62.6)
06:19000 P. 1 General Admin., Planning & Support Services	90,160,000	-	90,160,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(62.6)
2061 The Commission on Revenue Allocation	365,000,000	-	365,000,000	391,711,063	-	391,711,063	26,711,063	-	26,711,063	7.3
07:24000 Inter-Governmental Revenue & Financial Matters	365,000,000	-	365,000,000	391,711,063	-	391,711,063	26,711,063	-	26,711,063	7.3
2071 Public Service Commission	1,359,000,000	60,000,000	1,419,000,000	1,351,425,000	15,000,000	1,366,425,000	(7,575,000)	(45,000,000)	(52,575,000)	(3.7)
07:15000 General Admin., Planning & Support Services	1,032,143,639	60,000,000	1,092,143,639	1,024,568,639	15,000,000	1,039,568,639	(7,575,000)	(45,000,000)	(52,575,000)	(4.8)
07:26000 Human Resource Management & Development	202,189,957	-	202,189,957	202,189,957	-	202,189,957	-	-	-	-
07:27000 Governance & National Values	124,666,404	-	124,666,404	124,666,404	-	124,666,404	-	-	-	-
2081 Salaries & Remuneration Commission	546,000,000	-	546,000,000	593,934,499	-	593,934,499	47,934,499	-	47,934,499	8.8
07:28000 Salaries & Remuneration Management	546,000,000	-	546,000,000	593,934,499	-	593,934,499	47,934,499	-	47,934,499	8.8
2091 Teachers Service Commission	201,837,000,000	118,000,000	201,955,000,000	201,893,457,400	118,000,000	202,011,457,400	56,457,400	-	56,457,400	0.0
05:09000 Teacher Resource Management	195,058,656,350	-	195,058,656,350	195,473,566,350	-	195,473,566,350	414,910,000	-	414,910,000	0.2
05:10000 Governance & Standards	84,515,250	-	84,515,250	53,988,812	-	53,988,812	(30,526,438)	-	(30,526,438)	(36.1)
05:11000 General Admin., Planning & Support Services	6,693,878,400	118,000,000	6,811,878,400	6,365,902,238	118,000,000	6,483,902,238	(327,926,162)	(65,000,000)	(392,926,162)	(4.8)
2101 National Police Service	485,990,000	65,000,000	550,990,000	467,393,780	-	467,393,780	(83,596,220)	-	(83,596,220)	(15.2)
06:20000 National Police Service Human Resource Management	485,990,000	65,000,000	550,990,000	467,393,780	-	467,393,780	(83,596,220)	-	(83,596,220)	(15.2)
2111 Auditor General	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	58,750,000	4,961,015,615	(373,734,385)	(176,250,000)	(549,984,385)	(10.0)
07:29000 Audit Services	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	58,750,000	4,961,015,615	(373,734,385)	(176,250,000)	(549,984,385)	(10.0)
2121 Controller of Budget	575,000,000	-	575,000,000	494,931,000	-	494,931,000	(80,069,000)	-	(80,069,000)	(13.9)
07:30000 Control & Management of Public Finances	575,000,000	-	575,000,000	494,931,000	-	494,931,000	(80,069,000)	-	(80,069,000)	(13.9)
2131 The Commission on Administrative Justice	476,500,000	-	476,500,000	416,789,402	-	416,789,402	(59,710,598)	-	(59,710,598)	(12.5)
07:31000 Promotion of Administrative Justice	476,500,000	-	476,500,000	416,789,402	-	416,789,402	(59,710,598)	-	(59,710,598)	(12.5)
2141 National Gender & Equality Commission	445,870,000	-	445,870,000	352,824,207	-	352,824,207	(93,045,793)	-	(93,045,793)	(20.9)
06:21000 : Promotion of Gender Equality & Freedom from Discrimination	445,870,000	-	445,870,000	352,824,207	-	352,824,207	(93,045,793)	-	(93,045,793)	(20.9)
2151 Independent Policing Oversight Authority	600,000,000	150,000,000	750,000,000	695,860,000	-	695,860,000	(54,140,000)	(150,000,000)	(54,140,000)	(7.2)
06:22000 Policing Oversight Services	600,000,000	150,000,000	750,000,000	695,860,000	-	695,860,000	(54,140,000)	(150,000,000)	(54,140,000)	(7.2)
<b>Total for Programmes</b>	<b>990,487,332,665</b>	<b>642,897,327,706</b>	<b>1,633,384,660,371</b>	<b>1,043,387,486,205</b>	<b>612,265,151,359</b>	<b>1,655,652,637,566</b>	<b>52,900,153,544</b>	<b>(30,632,176,347)</b>	<b>22,267,971,197</b>	<b>1.4</b>



PAPER LAID BY  
THE MAJORITY  
PARTY WHICH  
HON. BENJAMIN  
WASHIAKI ON  
27.09.2017

REPUBLIC OF KENYA  
THE NATIONAL TREASURY



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**MEMORANDUM ON SUPPLEMENTARY ESTIMATES NO. 1  
FOR THE FINANCIAL YEAR 2017/18**

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1. In accordance with Article 223 (1) (a) & (b) of the Constitution, the National Government may spend monies that have not been appropriated by Parliament if the amount appropriated under the Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated; or if the money has been withdrawn from the Contingencies Fund. Further, Article 223 (5), requires the National Government not to spend more than 10% of the sum appropriated by Parliament for a given financial year unless, in special circumstances, Parliament has approved a higher percentage. In the event that any of the above happens, an approval from Parliament requires to be granted within two months after the first withdrawal of the money.

2. Since we commenced the implementation of the FY2017/18 Budget, we have faced a number of challenges with huge financial implications. These include but not limited to prolonged drought, insecurity, implementation of agreed CBAs, a repeat of the Presidential Election, and shortfalls in revenue collection occasioned by prevailing business environment.

3. Given that the economy has not generated new resources to finance the emerging needs, we are proposing to reorganize the planned expenditures for the FY2017/18 in line with Article 223 of the Constitution and Section 44 of the Public Finance Management Act (PFMA), 2012.

4. For the Financial Year 2017/18, the National Assembly approved funds amounting to **KSh.2,638.8 billion** as the total appropriation for Government, including **KSh. 306.2 billion** as allocation to Counties. Out of this approval, the total appropriation for the National Government amounted to **KSh. 2,332.6 billion** and comprising of **KSh. 699.2 billion** for Consolidated Fund Services; **KSh. 990.5 billion** for Ministerial Recurrent Expenditures; and **KSh. 642.9 billion** for Ministerial Development Expenditures.

5. These expenditures have been revised under Supplementary Estimates No. 1 to accommodate additional spending requirements which were unforeseen or unavoidable.

Table 1: Summary of Gross Changes to the FY 2017/18 Budget

Details of Expenditures		FY2017/18 Printed Estimates A	FY2017/18 Supplementary Estimates No. 1 B	Gross Change C=B-A
<b>1.0 Total Expenditure</b>		<b>2,638,809.3</b>	<b>2,661,077.3</b>	<b>22,268.0</b>
Of which:	<b>1.1 National Government</b>	<b>2,332,609.3</b>	<b>2,354,877.3</b>	<b>22,268.0</b>
	1.11 Consolidated Fund Services(CFS)	699,224.6	699,224.6	-
	1.1.2 Recurrent - National MDAs	990,487.3	1,043,387.5	52,900.2
	1.1.3 Development - National MDAs	642,897.3	612,265.2	(30,632.2)
	<b>1.2 County Government</b>	<b>306,200.0</b>	<b>306,200.0</b>	<b>-</b>
<b>2.0 FY 2017/18 Expenditure (% Changes from Printed Estimates)</b>				<b>0.8%</b>
Of which:	<b>2.1 National Government</b>			<b>0.0%</b>
	2.11 Consolidated Fund Services(CFS)			<b>5.3%</b>
	2.1.2 Recurrent - National MDAs			<b>-4.8%</b>
	2.1.3 Development - National MDAs			<b>0.0%</b>
	<b>1.2 County Government</b>			<b>0.0%</b>

6. The overall cumulative changes under Supplementary Estimates No. 1 amount to **KSh. 22.3 billion** or 0.8 per cent of the original budget as highlighted in the table above. The recurrent cumulative changes under Supplementary Estimates No. 1 reflect a gross increase of **KSh. 52.9 billion** or 5.3 per cent of the original appropriation. The development cumulative changes under Supplementary Estimates No. 1 reflect a gross decrease of **KSh. 30.6 billion** or minus 4.8 per cent of the original appropriation. The details of changes under individual votes and programmes is provided in Annex 1

7. Taking into account that there are cases where the changes are more than 10 per cent in individual programmes, we are requesting for special approval of the expenditures which are beyond this threshold in line with Article 223 (5).

8. **Compliance with Fiscal Responsibility Principles and Financial Objectives;** Section 44 (3) requires that the Supplementary Budget to include a Statement showing how the additional expenditure relates to the fiscal responsibility principles and financial objectives. Our financial objectives have not changed in the supplementary budget 1.

9. *Over the medium term, a minimum of 30 percent of the National Budget shall be allocated to development expenditure.* The National Government's Development Budget allocation is 37.0% of the total ministerial budgets while Recurrent is 63.0% under the FY2017/18 supplementary budget way above the minimum of 30 percent requirement.

10. *The National Government's expenditure on the compensation of employees (including benefits and allowances) for public officers shall not exceed 35 percentage of the national government equitable share of revenue raised nationally.* The share of wages and benefits, with respect to National Government revenues is 33.7 per cent in the FY 2017/18 Supplementary Estimates, which is within the 35 percent threshold proposed in the PFM regulation.

11. *Over the medium term, the National Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.* It is the Government's policy to restrict external financing only for development projects, a practice which is in line with this principle. In addition, domestic borrowing is consistently less than the allocation to domestically financed development projects in line with the stated principle.

12. Similarly, a cautious approach is adopted in the issuance of external Government loan guarantees to minimize the level of contingent liabilities. Our debt sustainability indicators show that Kenya's debt is still within sustainable levels.

13. *Fiscal risks shall be managed prudently.* The Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic

projections and its implications for the budget. The Government also takes into account the fiscal risks arising from contingent liabilities, impact of the Public Private Partnership and Financial Sector Stability.

14. *A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.* The Government has simplified and modernized the VAT and Tax Appeals Tribunal legislations. A new excise tax act is fully operational and the income tax law is under review. These reforms are intended to lock in predictability and enhance compliance with the tax system.



**HENRY K. ROTICH**  
**CABINET SECRETARY/THE NATIONAL TREASURY**

**September 26, 2017**

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY 2017/18 PRINTED ESTIMATES			FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017.18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL		
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		
1011 The Presidency	8,702,407,012	1,110,000,000	9,812,407,012	7,866,966,719	893,500,000	8,760,466,719	(835,440,293)	(216,500,000)	(1,051,940,293)	(10.7)	
0702000 Cabinet Affairs	2,136,449,651	217,000,000	2,353,449,651	1,730,039,614	645,250,000	2,375,289,614	(406,410,037)	428,250,000	21,839,963	0.9	
0703000 Government Advisory Services	1,014,969,780	3,352,971,500	4,367,941,280	975,772,905	3,476,804,755	4,452,577,660	(87,833,418)	(190,750,000)	(278,583,418)	(6.4)	
0704000 State House Affairs	2,198,016,081	572,000,000	2,770,016,081	1,914,599,445	18,000,000	1,932,599,445	(855,416,636)	(554,000,000)	(1,409,416,636)	(50.8)	Reduction is as a result of budget
0734000 Deputy President Services	106,819,293,000	17,616,796,889	124,436,089,889	111,919,293,000	18,082,496,889	130,001,789,889	5,100,000,000	465,700,000	5,565,700,000	4.5	
1021 State Dept. for Interior	78,583,788,581	11,425,000,000	90,008,788,581	81,026,788,581	9,925,000,000	90,951,788,581	2,443,000,000	(1,500,000,000)	943,000,000	1.0	Enhancement of security operation expenditure
0602000 Planning, Policy Coordination & Support Services	21,090,126,501	4,116,500,000	25,206,626,501	23,747,126,501	6,082,000,000	29,829,126,501	2,657,000,000	4,622,700,000	7,279,700,000	18.3	
0603000 Government Printing Services	770,983,833	150,000,000	920,983,833	770,983,833	150,000,000	920,983,833	-	-	-	-	
0605000 Population Management Services	6,249,244,085	1,925,296,889	8,174,540,974	6,249,244,085	1,925,296,889	8,174,540,974	-	-	-	-	
0736000 NGO Regulatory Services	125,150,000	-	125,150,000	125,150,000	-	125,150,000	-	-	-	-	
1023 State Dept. for Correctional Services	21,535,369,313	900,000,000	22,435,369,313	21,535,369,313	900,000,000	22,435,369,313	-	-	-	-	
0624000 Betting Control, Licensing & Regulation Services	119,933,224	-	119,933,224	119,933,224	-	119,933,224	-	-	-	-	
0604000 Correctional Services	21,014,616,887	854,336,504	21,868,953,391	21,014,616,887	854,336,504	21,868,953,391	-	-	-	-	
0623000 General Admin., Planning & Support Services	400,819,202	45,663,496	446,482,698	400,819,202	45,663,496	446,482,698	-	-	-	-	
1032 State Dept. for Devolution	1,107,800,000	3,539,300,000	4,647,100,000	1,007,391,630	3,539,300,000	4,546,691,630	(100,408,370)	(100,408,370)	(200,816,740)	(2.2)	
0712000 Devolution Services	822,962,634	2,519,300,000	3,342,262,634	792,462,645	2,519,300,000	3,311,762,645	(30,499,989)	-	(30,499,989)	(0.9)	
0733000 General Admin., Planning & Support Services	284,837,366	1,020,000,000	1,304,837,366	214,928,985	1,020,000,000	1,234,928,985	(69,908,381)	-	(69,908,381)	(5.4)	
1033 State Dept. for Special Programmes	2,153,110,000	4,519,450,000	6,672,560,000	4,338,445,872	4,552,275,000	8,890,720,872	2,218,160,872	32,825,000	2,251,000,000	33.2	Provision for drought related
0713000 Special Initiatives	1,158,276,929	1,454,800,000	2,613,076,929	3,379,407,801	-	3,379,407,801	2,221,130,872	-	2,221,130,872	191.8	
0735000 Accelerated ASAL Development	700,086,095	4,501,350,000	5,201,436,095	794,223,595	4,547,750,000	5,282,473,595	34,637,500	46,400,000	81,037,500	1.6	
0743000 General Admin., Planning & Support Services	294,746,976	18,100,000	312,846,976	224,814,476	4,525,000	228,839,476	(70,432,500)	(9,500,000)	(79,932,500)	(25.8)	Reduction is as a result of budget
1034 State Dept. for Planning & Statistics	5,714,450,000	37,478,856,000	43,193,306,000	5,383,995,235	27,977,678,156	33,361,673,391	(330,454,765)	(9,501,182,844)	(9,831,637,609)	(22.8)	
0706000 Economic Policy & National Planning	1,234,437,055	32,005,082,400	33,239,519,455	1,110,781,029	25,578,817,356	26,689,598,385	(123,656,026)	(6,426,265,044)	(6,549,921,070)	(19.7)	Reduction is as a result of budget
0707000 National Statistical Information Services	2,333,333,297	1,454,800,000	3,788,133,297	2,333,333,297	1,454,800,000	3,788,133,297	-	-	-	-	
0708000 Monitoring & Evaluation Services	154,476,511	171,973,600	326,450,111	128,163,530	128,163,530	256,344,330	(26,312,981)	(43,792,800)	(70,105,781)	(21.5)	Reduction is as a result of budget
0709000 General Admin. Planning & Support Services	525,571,973	3,847,000,000	4,372,571,973	349,705,548	3,847,000,000	4,196,705,548	(175,866,425)	(175,866,425)	(351,732,850)	(8.0)	Reduction is as a result of budget
1013000 Integrated Regional Development	103,574,400,000	45,000,000	103,619,400,000	105,261,384,819	45,000,000	105,306,384,819	1,686,984,819	-	1,686,984,819	1.6	
1041 Ministry of Defence	102,141,000,000	45,000,000	102,186,000,000	103,941,000,000	45,000,000	103,986,000,000	1,800,000,000	-	1,800,000,000	1.8	
0801000 Defence	200,000,000	-	200,000,000	200,000,000	-	200,000,000	-	-	-	-	
0802000 Civil Aid	1,233,400,000	-	1,233,400,000	1,120,384,819	-	1,120,384,819	(113,015,181)	-	(113,015,181)	(9.2)	
0803000 General Admin., Planning & Support Services	17,746,000,000	2,000,000,000	19,746,000,000	14,570,071,499	24,749,999,999	39,319,671,498	(3,175,928,501)	(1,752,500,001)	(4,928,428,502)	(25.0)	Reduction is as a result of budget
1052 Ministry of Foreign Affairs	3,191,491,885	310,000,000	3,501,491,885	2,703,598,372	75,000,000	2,778,598,372	(487,893,513)	(235,000,000)	(722,893,513)	(20.6)	Reduction is as a result of budget
0714000 General Admin., Planning & Support Services	14,265,108,188	1,690,000,000	15,955,108,188	11,693,435,950	172,499,999	11,865,935,949	(2,571,672,238)	(1,517,500,001)	(4,089,172,239)	(25.6)	Reduction is as a result of budget
0715000 Foreign Relation & Diplomacy	141,913,000	-	141,913,000	43,635,750	-	43,635,750	(98,277,250)	-	(98,277,250)	(69.3)	Reduction is as a result of budget
0741000 Economic & Commercial Diplomacy	147,486,927	-	147,486,927	129,401,427	-	129,401,427	(18,085,500)	-	(18,085,500)	(12.3)	Reduction is as a result of budget
0742000 Foreign Policy Research, Capacity Dev. & Technical Cooperation	59,949,000,000	6,406,730,000	66,355,730,000	83,085,411,431	7,156,716,600	90,242,130,031	23,136,411,431	749,988,600	23,886,400,031	36.0	
1063 State Dept. for Basic Education	16,839,329,784	4,600,563,500	21,439,893,284	16,782,676,771	4,471,955,600	21,254,632,371	(156,653,013)	(128,607,900)	(285,260,913)	(0.9)	
0501000 Primary Education	34,216,459,318	1,362,616,500	35,579,075,818	57,799,711,118	2,551,375,500	60,351,086,618	23,583,251,800	1,188,759,000	24,772,010,800	69.6	Enhancement of the free day secondary education Programme
0502000 Secondary Education	4,152,242,784	302,000,000	4,454,242,784	4,142,484,757	83,000,000	4,225,484,757	(9,738,027)	(219,000,000)	(228,738,027)	(5.1)	
0503000 Quality Assurance & Standards	4,740,968,114	141,550,000	4,882,518,114	4,360,538,785	50,387,500	4,410,926,285	(380,429,329)	(91,162,500)	(471,591,829)	(9.7)	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDIR FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			% Change	Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL		
1064 State Dept. for Vocational & Technical Training	2,640,500,000	5,646,000,000	8,286,500,000	2,555,356,993	14,002,901,000	16,558,257,993	(105,143,007)	8,356,901,000	8,253,757,993	99.6	additional expenditure is on account of donor projects
05050000 Technical Vocational Education & Training	2,373,125,000	3,621,000,000	5,994,125,000	2,333,479,487	11,873,901,000	14,207,380,487	(39,645,513)	8,252,901,000	8,213,255,487	137.0	
05070000 Youth Training & Development	62,187,500	2,025,000,000	2,087,187,500	50,563,448	2,129,000,000	2,179,563,448	(11,624,052)	104,000,000	92,375,948	4.4	Reduction is as a result of budget rationalization
05080000 p 8 General Admin., Planning & Support Services	205,187,500	-	205,187,500	151,314,058	-	151,314,058	(53,873,442)	-	(53,873,442)	(26.3)	Reduction is as a result of budget rationalization
1065 State Dept. for University Education	85,721,517,529	12,668,100,000	98,389,617,529	90,755,304,284	5,435,849,998	96,191,154,282	5,033,786,755	(7,232,250,042)	(2,198,463,247)	(2.2)	
05040000 University Education	81,970,390,214	12,661,100,000	94,631,490,214	87,148,005,550	5,284,349,998	92,432,355,548	5,177,615,336	(6,777,750,042)	(1,600,134,666)	(1.7)	Reduction is as a result of budget
05060000 p 6 Research, Science, Technology & Innovation	3,099,270,753	606,000,000	3,705,270,753	3,064,418,082	151,500,000	3,215,918,082	(34,852,671)	(454,500,000)	(489,352,671)	(13.2)	Reduction is as a result of budget rationalization
05080000 p 8 General Admin., Planning & Support Services	651,856,562	-	651,856,562	542,880,652	-	542,880,652	(108,975,910)	-	(108,975,910)	(16.7)	Reduction is as a result of budget rationalization
1071 The National Treasury	77,442,300,000	43,908,042,616	121,350,342,616	81,434,454,275	46,749,013,082	128,183,467,357	3,992,154,275	2,840,970,436	6,833,124,741	5.6	
07170000 - General Admin, Planning & Support Services	71,490,609,380	5,068,332,944	76,558,942,324	76,202,471,629	6,775,595,102	82,978,066,731	4,711,882,349	1,707,262,138	6,419,124,507	8.4	
07180000 - Public Financial Management	4,456,690,093	37,433,105,872	41,889,795,965	3,878,662,007	38,580,314,180	42,458,976,187	(578,028,086)	1,147,208,338	569,180,222	1.4	
07190000 - Economic & Financial Policy Formulation & Management	1,076,617,075	1,351,603,800	2,428,220,875	952,775,318	1,338,103,800	2,290,879,118	(123,841,757)	(13,500,000)	(137,341,757)	(5.7)	
07200000 - Market Competition	340,000,000	55,000,000	395,000,000	340,000,000	55,000,000	395,000,000	-	-	-	(2.8)	Reduction is as a result of budget
07400000 Government Clearing Services	78,383,552	-	78,383,552	60,545,321	-	60,545,321	(17,838,231)	-	(17,838,231)	(1.7)	
1081 Ministry of Health	30,721,820,292	30,978,663,319	61,700,483,611	30,631,116,247	30,022,441,054	60,653,607,301	(90,644,005)	(956,232,653)	(1,046,876,658)	(1.1)	
04010000 Preventive, Promotive & RMNCAH	1,640,021,642	7,507,824,415	9,147,846,057	1,588,381,257	7,267,874,415	8,855,205,672	(151,640,385)	(45,000,000)	(196,640,385)	(0.7)	
04020000 National Referral & Specialist Services	15,944,469,578	9,946,883,400	25,891,352,978	15,857,952,328	9,847,383,400	25,705,315,728	(85,517,250)	(95,500,000)	(181,017,250)	(0.3)	
04030000 Health Research & Development	5,497,163,179	668,000,000	6,165,163,179	5,591,965,730	473,000,000	6,064,965,730	(57,200,000)	(195,000,000)	(252,200,000)	(1.8)	
04040000 General Admin., Planning & Support Services	5,895,464,125	2,744,137,530	8,639,601,655	5,951,965,730	2,014,905,265	7,966,871,015	55,501,625	(729,232,653)	(673,730,640)	(0.9)	
04050000 Health Policy, Standards & Regulations	1,244,701,728	10,311,837,974	11,556,539,702	1,795,713,733	10,424,337,974	12,160,051,707	(8,872,995)	112,500,000	103,512,005	(2.0)	
1091 State Dept. of Infrastructure	52,658,000,000	134,987,591,571	187,645,591,571	53,820,633,071	129,987,591,571	183,808,223,642	1,162,932,071	(5,000,000,000)	(3,837,367,929)	(2.0)	
02020000 Road Transport	6,050,700,000	96,679,432,000	102,820,132,000	6,327,331,343	88,969,432,000	95,296,763,343	276,631,343	(7,800,000,000)	(7,523,368,657)	(7.3)	increase is due to increase in MA
1092 State Dept. of Transport	401,321,238	782,000,000	1,183,321,238	689,346,875	783,000,000	1,472,346,875	288,025,637	1,000,000	1,000,000	(0.1)	
02010000 General Admin., Planning & Support Services	248,310,000	75,584,000,000	75,832,310,000	364,600,324	6,800,000,000	7,164,600,324	(2,434,557)	(7,500,000,000)	(7,772,636)	(0.1)	Reduction is as a result of budget
02040000 Marine Transport	367,034,881	14,900,000,000	15,267,034,881	4,580,076,182	6,800,432,000	11,382,508,182	(7,772,636)	(1,000,000)	(8,772,636)	(0.1)	
02050000 Air Transport	4,587,848,823	5,803,432,000	10,391,280,823	4,447,971,957	3,000,000,000	7,447,971,957	(1,387,101)	-	(1,387,101)	(0.2)	
0216000000 Road Safety	446,185,058	300,000,000	746,185,058	444,797,957	-	444,797,957	(1,387,101)	-	(1,387,101)	(0.2)	
1093 State Dept. for Maritime Affairs	275,030,000	-	275,030,000	218,589,618	-	218,589,618	(56,440,382)	-	(56,440,382)	(20.5)	Reduction is as a result of budget
02190000 Shipping & Maritime Affairs	275,030,000	-	275,030,000	218,589,618	-	218,589,618	(56,440,382)	-	(56,440,382)	(20.5)	Reduction is as a result of budget
1094 State Dept. for Housing & Urban Development	1,725,700,000	14,277,000,000	15,997,700,000	1,608,768,601	13,237,065,000	14,845,833,601	(116,931,399)	(1,034,935,000)	(1,151,866,399)	(7.2)	
01020000 Housing Development & Human Settlement	458,603,879	5,959,000,000	6,417,603,879	433,454,189	5,725,000,000	6,157,454,189	(26,169,690)	(234,000,000)	(260,169,690)	(4.1)	
01050000 Urban & Metropolitan Development	272,704,396	8,183,000,000	8,455,704,396	22,977,551	7,479,565,000	7,704,542,551	(47,776,445)	(703,435,000)	(751,161,845)	(8.9)	Reduction is as a result of budget
01060000 General Admin., Planning & Support Services	267,477,103	-	267,477,103	238,120,995	-	238,120,995	(29,356,208)	-	(29,356,208)	(11.0)	Reduction is as a result of budget
01280000 Regulation & Development of the Construction Industry	726,914,622	130,000,000	856,914,622	713,235,966	32,500,000	745,735,966	(13,678,656)	(97,500,000)	(111,178,656)	(13.0)	Reduction is as a result of budget
1095 State Dept. for Public Works	846,050,000	2,176,090,000	3,022,140,000	789,575,117	544,022,500	1,333,597,617	(56,474,883)	(1,632,057,500)	(1,688,542,383)	(55.9)	Reduction is as a result of budget
01030000 Government Buildings	370,698,632	2,039,560,000	2,410,258,632	399,230,686	509,890,000	909,120,686	(31,467,946)	(1,529,671,000)	(1,561,137,946)	(64.8)	Reduction is as a result of budget
01040000 Coastaline Infrastructure & Pedestrian Access	83,204,021	136,530,000	219,734,021	79,889,145	34,131,500	114,020,645	(3,314,876)	(1,023,500)	(2,291,376)	(5.5)	Reduction is as a result of budget
01060000 General Admin., Planning & Support Services	392,147,347	-	392,147,347	370,455,286	-	370,455,286	(21,692,061)	-	(21,692,061)	(5.5)	
1103 State Dept. for Water Services	4,017,160,000	29,777,370,000	33,794,530,000	4,404,068,971	32,252,516,698	36,656,585,669	(386,908,971)	2,475,147,698	2,862,055,669	8.5	Adjustment is for salary shortfall & drought related expenditure
10010000 General Admin., Planning & Support Services	646,741,158	151,000,000	797,741,158	593,451,456	151,000,000	744,451,456	(153,289,702)	-	(153,289,702)	(6.7)	
10040000 Water Resources Management	1,194,534,306	4,687,600,000	5,882,134,306	1,564,558,928	6,187,600,000	7,752,158,928	270,024,622	1,500,000,000	1,770,024,622	29.6	
10170000 Water & Sewerage Infrastructure Development	2,075,884,536	24,938,770,000	27,014,654,536	2,246,058,587	23,913,916,698	26,159,975,285	(170,174,051)	975,147,698	1,145,320,749	4.2	

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY 2017/18 PRINTED ESTIMATES			FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY 2017/18 SUPPLEMENTARY ESTIMATES NO. 1			REMARKS
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	
1104 State Dept. for Irrigation	955,300,000	12,258,300,000	13,213,600,000	901,423,540	12,458,300,000	13,359,723,540	(53,876,460)	200,000,000	146,123,540	1.1
1014000 Irrigation & L& Reclamation	945,240,088	6,428,300,000	7,373,540,088	896,163,609	6,628,300,000	7,524,463,609	(49,076,479)	200,000,000	150,923,521	2.0
1015000 Water Storage & Flood Control		5,830,000,000	5,830,000,000		5,830,000,000	5,830,000,000				
1016000 General Admin, Planning & Support Services	10,059,912		10,059,912	5,259,931		5,259,931	(4,799,981)		(4,799,981)	(47.7)
1105 State Dept. for Environment	2,838,300,000	3,629,000,000	6,467,300,000	2,743,441,011	2,165,625,000	4,909,066,011	(94,858,989)	(1,463,375,000)	(1,558,233,989)	(24.1)
1002000 Environment Management & Protection	1,355,497,179	2,528,700,000	3,884,197,179	1,334,707,697	1,890,500,000	3,225,207,697	(20,789,482)	(638,150,000)	(658,939,482)	(17.0)
1010000 General Admin, Planning & Support Services	369,552,826		369,552,826	350,536,643		350,536,643	(39,016,183)		(39,016,183)	(10.6)
1012000 Meteorological Services	1,113,249,995	1,100,300,000	2,213,549,995	1,078,196,671	275,075,000	1,353,271,671	(135,053,324)	(825,225,000)	(960,278,324)	(38.9)
1106 State Dept. for Natural Resources	13,513,000,000	3,877,320,990	17,390,320,990	12,892,449,917	3,214,070,990	16,106,520,907	(663,250,083)	(663,250,000)	(1,283,800,083)	(7.4)
1003000 Natural Resources Management & Protection	13,513,000,000	3,877,320,990	17,390,320,990	12,892,449,917	3,214,070,990	16,106,520,907	(663,250,083)	(663,250,000)	(1,283,800,083)	(7.4)
1112 Ministry of L& Physical Planning	2,464,000,000	3,770,000,000	6,234,000,000	2,312,568,601	3,563,375,000	5,875,943,601	(151,431,399)	(206,625,000)	(358,056,399)	(5.7)
0101000 Land Policy & Planning	2,464,000,000	3,770,000,000	6,234,000,000	2,312,568,601	3,563,375,000	5,875,943,601	(151,431,399)	(206,625,000)	(358,056,399)	(5.7)
1122 State Dept. for Information Communications & Technology & Innovation	1,276,290,000	19,247,000,000	20,523,290,000	985,318,078	13,447,478,834	14,432,796,912	(290,971,922)	(5,799,521,166)	(6,090,493,088)	(29.7)
0207000 General Admin, Planning & Support Services	287,359,425		287,359,425	214,359,507		214,359,507	(72,999,918)		(72,999,918)	(25.4)
0210000 ICT Infrastructure Development	370,099,795	18,697,000,000	19,067,099,795	217,079,529	12,590,750,000	12,807,829,529	(153,020,266)	(6,106,250,000)	(6,259,270,266)	(32.8)
0217000 E-Government Services	618,830,780	550,000,000	1,168,830,780	553,879,042	856,728,834	1,410,607,876	(64,951,738)	306,728,834	241,777,096	20.7
1123 State Dept. for Broadcasting & Telecommunications	2,095,700,000	764,000,000	2,859,700,000	1,957,173,235	191,000,000	2,148,173,235	(138,526,765)	(573,000,000)	(711,526,765)	(24.9)
0207000 General Admin, Planning & Support Services	311,536,279		311,536,279	293,770,111		293,770,111	(17,766,168)		(17,766,168)	(5.6)
0208000 Information & Communication Services	1,576,713,721	543,000,000	2,119,713,721	1,515,953,124	135,750,000	1,651,703,124	(60,760,597)	(407,250,000)	(468,010,597)	(22.1)
0209000 Mass Media Skills Development	207,450,000	221,000,000	428,450,000	207,450,000	55,250,000	262,700,000		(165,750,000)	(165,750,000)	(38.7)
0901000 Sports	2,468,475,024	560,000,001	3,028,475,025	3,748,333,817	2,950,000,000	6,698,333,817	1,279,858,793	2,389,999,999	3,669,858,792	121.2
1133 State Dept. for Arts & Culture	2,938,424,896	1,046,978,010	3,985,402,906	2,865,775,296	641,250,000	3,507,025,296	(179,627,600)	(405,728,010)	(478,377,610)	(12.0)
0902000 Culture	1,357,606,608	421,978,010	1,779,584,618	1,336,613,161	95,000,000	1,431,613,161	(32,971,457)	(32,697,010)	(65,668,467)	(19.6)
0903000 The Arts	707,082,491	95,000,000	802,082,491	692,010,890	23,250,000	715,260,890	(15,071,601)	(71,250,000)	(86,321,601)	(10.8)
0904000 Library Services	707,082,491	95,000,000	802,082,491	692,010,890	23,250,000	715,260,890	(15,071,601)	(71,250,000)	(86,321,601)	(10.8)
0905000 General Admin, Planning & Support Services	171,777,790		171,777,790	138,386,676		138,386,676	(33,391,114)		(33,391,114)	(19.4)
0211000 General Admin, Planning & Support Services	354,889,337	327,000,000	681,889,337	354,889,337	327,000,000	681,889,337				
0212000 Power Generation	786,987,274	16,632,499,652	17,419,486,926	786,987,274	14,560,499,652	15,347,486,926		(2,072,000,000)	(2,072,000,000)	(11.9)
0213000 Power Transmission & Distribution	790,303,296	57,042,204,658	57,832,507,954	790,303,296	60,837,308,309	61,627,611,605		3,795,103,651	3,795,103,651	6.6
0214000 Alternative Energy Technologies	120,320,093	1,165,000,000	1,285,320,093	120,320,093	6,823,690,000	6,944,010,093		5,658,690,000	5,658,690,000	440.3
0215000 Exploration & Distribution of Oil & Gas	242,010,000	5,138,500,000	5,380,510,000	195,232,407	3,576,875,000	3,772,107,407	(46,777,593)	(1,561,625,000)	(1,608,402,593)	(29.9)
1153 State Dept. for Petroleum	242,010,000	5,138,500,000	5,380,510,000	195,232,407	3,576,875,000	3,772,107,407	(46,777,593)	(1,561,625,000)	(1,608,402,593)	(29.9)
1161 State Dept. for Agriculture	6,286,600,000	10,601,800,000	16,888,400,000	10,416,298,340	16,069,094,148	26,485,392,488	4,127,698,340	5,467,294,148	9,594,992,488	56.8
0107000 General Admin, Planning & Support Services	3,397,732,195	593,000,000	3,990,732,195	4,462,885,676	460,250,000	4,923,135,676	1,065,153,481	(132,750,000)	932,403,481	23.4
0108000 Crop Development & Management	2,716,080,604	8,906,272,274	11,622,352,878	5,789,665,191	14,521,577,422	20,311,242,613	3,073,584,587	5,615,305,148	8,688,889,735	74.8
0109000 Agribusiness & Information Management	174,877,201	1,102,527,726	1,277,404,927	163,747,473	1,087,266,726	1,251,014,199	(11,039,728)	(15,261,000)	(26,300,728)	(2.1)
1162 State Dept. for Livestock	5,051,412,500	5,498,980,000	10,550,392,500	7,114,150,771	3,693,332,750	10,807,483,521	2,062,738,271	(1,805,647,250)	257,091,021	2.4
0112000 Livestock Resources Management & Development	5,051,412,500	5,498,980,000	10,550,392,500	7,114,150,771	3,693,332,750	10,807,483,521	2,062,738,271	(1,805,647,250)	257,091,021	2.4
1164 State Dept. for Fisheries & The Blue Economy	2,056,300,000	914,000,000	2,970,300,000	1,844,465,848	420,920,000	2,265,385,848	(211,834,152)	(493,080,000)	(704,914,152)	(23.7)
0111000 Fisheries Development & Management	1,580,217,170	861,000,000	2,441,217,170	1,549,912,465	407,670,000	1,957,582,465	(30,304,705)	(453,330,000)	(483,634,705)	(19.8)
0117000 General Admin, Planning & Support Services	184,029,304		184,029,304	132,667,033		132,667,033	(51,362,271)		(51,362,271)	(27.9)
0118000 Development & Coordination of the Blue Economy	292,053,526	53,000,000	345,053,526	161,866,350	13,250,000	175,116,350	(130,187,176)	(89,750,000)	(169,937,176)	(49.2)
1172 State Dept. for Investment & Industry	2,941,400,000	5,381,062,000	8,322,462,000	2,189,243,808	2,693,930,120	4,883,173,928	(152,156,192)	(2,687,131,880)	(2,839,288,072)	(36.8)
0301000 General Admin, Planning & Support Services	491,312,974	180,000,000	671,312,974	386,652,659	180,000,000	566,652,659	(104,660,315)		(104,660,315)	(15.6)
0302000 Industrial Development & Investments	897,279,026	3,259,000,000	4,156,279,026	849,783,149	1,597,499,120	2,447,279,269	(47,495,877)	(1,661,506,880)	(1,709,002,757)	(41.1)
0303000 Standards & Business Incubation	952,808,000	1,942,062,000	2,894,870,000	932,808,000	916,437,000	1,869,245,000		(1,025,625,000)	(1,025,625,000)	(35.4)

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017/18 SUPPLEMENTARY ESTI MATES NO. 1			% Change	Remarks
	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh	GROSS CURRENT KSh	GROSS CAPITAL KSh	GROSS TOTAL KSh		
1173 State Dept. for Cooperatives	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(14.1)	Reduction is as a result of budget
0304000 Cooperative Development & Management	446,000,000	490,000,000	936,000,000	419,287,448	385,000,000	804,287,448	(26,712,552)	(105,000,000)	(131,712,552)	(14.1)	Reduction is as a result of budget
1174 State Dept. for Trade	2,414,400,000	327,500,000	2,741,900,000	2,164,310,293	71,250,000	2,235,560,293	(250,089,707)	(256,250,000)	(506,339,707)	(18.5)	Reduction is as a result of budget
0307000 Trade Development & Promotion	2,414,400,000	327,500,000	2,741,900,000	2,164,310,293	71,250,000	2,235,560,293	(250,089,707)	(256,250,000)	(506,339,707)	(18.5)	Reduction is as a result of budget
1183 State Dept. for East African Integration	1,551,000,000	65,000,000	1,616,000,000	1,421,495,896	65,000,000	1,486,495,896	(134,504,104)	(194,504,104)	(329,008,208)	(21.0)	Reduction is as a result of budget
0305000 East African Affairs & Regional Integration	1,551,000,000	65,000,000	1,616,000,000	1,421,495,896	65,000,000	1,486,495,896	(134,504,104)	(194,504,104)	(329,008,208)	(21.0)	Reduction is as a result of budget
1184 State Dept. for Labour	2,039,900,000	1,044,100,000	3,084,000,000	1,792,243,512	636,034,999	2,428,278,511	(2,428,278,511)	(408,071,001)	(2,836,349,512)	(92.1)	Reduction is as a result of budget
0910000 General Admin. Planning & Support Services	561,483,742	201,000,000	762,483,742	478,154,933	516,288,781	994,443,714	(434,288,714)	(150,751,000)	(585,039,714)	(76.7)	Reduction is as a result of budget
0906000 Manpower Development Employment & Productivity Management	935,884,549	843,100,000	1,778,984,549	848,754,798	585,774,999	1,434,529,797	(87,129,751)	(257,321,001)	(1,131,850,798)	(63.7)	Reduction is as a result of budget
1185 State Dept. for Social Protection	9,447,300,000	14,959,750,000	24,407,050,000	15,218,013,572	14,663,955,283	29,881,968,855	5,770,712,572	(295,797,717)	5,474,914,855	(2.4)	Reduction is as a result of budget
0908000 Social Development & Children Services	3,337,369,891	1,028,400,000	4,365,769,891	3,010,258,449	894,975,000	3,905,233,449	(327,111,442)	(133,421,000)	(460,536,442)	(10.5)	Reduction is as a result of budget
0909000 National Social Safety Net	5,866,375,070	13,924,350,000	19,790,725,070	12,056,421,924	13,767,230,283	25,823,652,207	6,190,046,854	(157,111,717)	6,032,927,137	(30.5)	Reduction is as a result of budget
0914000 General Admin. Planning & Support Services	243,555,039	7,000,000	250,555,039	151,332,199	1,700,000	153,032,199	(92,222,840)	(5,251,000)	(97,472,840)	(38.9)	Reduction is as a result of budget
1191 Ministry of Mining	1,464,464,217	1,256,321,429	2,720,785,646	1,287,594,267	1,650,821,429	2,938,415,696	(1,676,669,950)	(45,000,000)	(1,721,669,950)	(62.2)	Reduction is as a result of budget
1008000 General Admin. Planning & Support Services	924,491,089	60,000,000	984,491,089	790,572,219	90,350,000	880,922,219	(144,559,121)	(270,751,000)	(415,270,121)	(42.1)	Reduction is as a result of budget
1009000 Mineral Resources Management	188,028,131	361,000,000	549,028,131	326,331,150	90,350,000	416,681,150	(28,633,847)	(71,025,000)	(99,658,847)	(18.1)	Reduction is as a result of budget
1010000 Resources Surveys & Remote Sensing	354,944,997	835,321,429	1,189,266,426	1,190,266,426	6,777,900,000	7,968,166,426	3,757,708,614	(79,441,386)	(3,678,267,230)	(30.9)	Reduction is as a result of budget
1011 Ministry of Tourism	2,856,900,000	3,921,000,000	6,777,900,000	2,777,458,614	980,350,000	3,757,808,614	(944,118,614)	(2,940,751,000)	(1,243,867,614)	(18.6)	Reduction is as a result of budget
0306000 Tourism Development & Promotion	2,856,900,000	3,921,000,000	6,777,900,000	2,777,458,614	980,350,000	3,757,808,614	(944,118,614)	(2,940,751,000)	(1,243,867,614)	(18.6)	Reduction is as a result of budget
1211 State Dept. for Public Service & Youth Affairs	13,516,650,000	12,990,000,000	26,506,650,000	14,455,917,402	11,891,997,727	26,347,915,129	(939,267,429)	(1,098,110,273)	(1,937,377,702)	(7.3)	Reduction is as a result of budget
0710000 Public Service Transformation	1,852,244,489	2,955,484,957	4,807,729,446	1,588,847,286	1,781,211,684	3,369,058,970	(2,275,397,203)	(514,113,373)	(2,789,510,576)	(57.8)	Reduction is as a result of budget
0709000 General Admin. Planning & Support Services	4,169,395,345	10,694,515,043	14,863,910,388	5,551,585,773	10,110,688,043	15,662,273,816	(3,301,636,572)	(467,626,245)	(3,769,262,817)	(25.3)	Reduction is as a result of budget
0711000 Youth Empowerment	7,485,010,166	3,430,000,000	10,915,010,166	7,311,494,343	3,187,750,000	10,500,244,343	(474,765,823)	(724,260,166)	(1,199,025,989)	(10.9)	Reduction is as a result of budget
1212 State Dept. for Gender	1,612,700,000	2,130,000,000	3,742,700,000	1,424,218,371	2,130,000,000	3,554,218,371	(268,481,629)	(242,211,629)	(510,693,258)	(14.7)	Reduction is as a result of budget
0911000 Community Development	470,000,000	1,300,000,000	1,770,000,000	753,026,131	1,057,750,000	1,810,776,131	(93,669,370)	(242,211,629)	(335,880,999)	(18.9)	Reduction is as a result of budget
0912000 Gender Empowerment	846,895,501	1,300,000,000	2,146,895,501	201,192,240	343,118,571	544,310,811	(4,226,813,440)	(1,045,300,000)	(5,272,113,440)	(243.1)	Reduction is as a result of budget
0913000 General Admin. Planning & Support Services	295,804,499	1,445,928,571	1,741,733,070	4,389,634,769	3,500,000	7,894,238,769	(1,417,357,660)	(1,045,300,000)	(2,462,657,660)	(136.2)	Reduction is as a result of budget
1252 State Law Office & Dept. of Justice	4,688,010,000	14,000,000	4,702,010,000	1,953,662,838	915,000,000	2,868,662,838	(1,844,347,162)	(1,045,300,000)	(2,889,662,838)	(61.4)	Reduction is as a result of budget
0606000 Legal Services	2,101,020,498	14,000,000	2,115,020,498	1,953,662,838	915,000,000	2,868,662,838	(1,844,347,162)	(1,045,300,000)	(2,889,662,838)	(61.4)	Reduction is as a result of budget
0607000 Governance, Legal Training & Constitutional Affairs	1,771,778,881	1,860,000,000	3,631,778,881	1,747,977,029	915,000,000	2,662,977,029	(23,801,852)	(1,045,300,000)	(23,801,852)	(1.4)	Reduction is as a result of budget
0609000 P. 4 General Admin. Planning & Support Services	815,210,621	71,928,571	887,139,192	681,994,902	24,678,571	706,673,473	(133,215,719)	(47,250,000)	(180,465,719)	(20.3)	Reduction is as a result of budget
1261 The Judiciary	13,432,595,272	4,118,900,000	17,551,495,272	12,361,768,912	3,248,975,000	15,610,743,912	(1,070,766,360)	(879,525,000)	(1,950,291,360)	(11.1)	Reduction is as a result of budget
0610000 Dispensation of Justice	13,432,595,272	4,118,900,000	17,551,495,272	12,361,768,912	3,248,975,000	15,610,743,912	(1,070,766,360)	(879,525,000)	(1,950,291,360)	(11.1)	Reduction is as a result of budget
1271 Ethics & Anti-Corruption Commission	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,668,000,000	4,736,540,000	(300,000,000)	300,000,000	300,000,000	7.4	Reduction is as a result of budget
0611000 Ethics & Anti-Corruption Service	2,768,540,000	1,268,000,000	4,036,540,000	3,068,540,000	1,668,000,000	4,736,540,000	(300,000,000)	300,000,000	300,000,000	7.4	Reduction is as a result of budget
1281 National Intelligence Service	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	1,868,000,000	31,622,000,000	(2,586,000,000)	3,150,000,000	(2,586,000,000)	(4.8)	Reduction is as a result of budget
0804000 National Security Intelligence	26,604,000,000	26,604,000,000	53,208,000,000	29,754,000,000	1,868,000,000	31,622,000,000	(2,586,000,000)	3,150,000,000	(2,586,000,000)	(4.8)	Reduction is as a result of budget
1291 Office of the Director of Public Prosecutions	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,000,000)	(385,637,538)	(16.5)	Reduction is as a result of budget
0613000 Public Prosecution Services	2,250,080,000	82,550,000	2,332,630,000	1,944,442,462	2,550,000	1,946,992,462	(305,637,538)	(80,000,000)	(385,637,538)	(16.5)	Reduction is as a result of budget
1311 Office of the Registrar of Political Parties	877,750,000	877,750,000	1,755,500,000	798,577,310	311,860,483	1,110,437,793	(645,062,207)	(1,045,300,000)	(1,690,762,207)	(96.3)	Reduction is as a result of budget
0614000 Registration Regulation & Funding of Political Parties	877,750,000	877,750,000	1,755,500,000	798,577,310	311,860,483	1,110,437,793	(645,062,207)	(1,045,300,000)	(1,690,762,207)	(96.3)	Reduction is as a result of budget
1321 Witness Protection Agency	432,392,990	432,392,990	864,785,980	311,860,483	311,860,483	623,720,966	(241,064,914)	(1,045,300,000)	(1,286,320,966)	(29.8)	Reduction is as a result of budget
0615000 Witness Protection	432,392,990	432,392,990	864,785,980	311,860,483	311,860,483	623,720,966	(241,064,914)	(1,045,300,000)	(1,286,320,966)	(29.8)	Reduction is as a result of budget
2011 Kenya National Commission on Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	389,766,300	779,532,600	(121,287,400)	(60,643,700)	(181,931,100)	(20.2)	Reduction is as a result of budget
0616000 Protection & Promotion of Human Rights	450,410,000	450,410,000	900,820,000	389,766,300	389,766,300	779,532,600	(121,287,400)	(60,643,700)	(181,931,100)	(20.2)	Reduction is as a result of budget

Summary of Gross Expenditure Changes by Vote & Programmes in Supplementary Estimates No. 1 for FY 2017/18

VOTE, PROGRAMME CODES & TITLE	FY2017/18 PRINTED ESTIMATES			FY2017/18 SUPPLEMENTARY ESTIMATES NO. 1			INCREASE/DECREASE UNDER FY2017-18 SUPPLEMENTARY ESTIMATES NO. 1			Remarks
	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	GROSS CURRENT	GROSS CAPITAL	GROSS TOTAL	
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	
2021 National L& Commission	1,452,000,000	300,000,000	1,752,000,000	1,093,767,550	1,093,767,550	2,087,535,100	358,232,450	(300,000,000)	(658,232,450)	(37.6)
0113000 : L& Admin. & Management	382,482,220	-	382,482,220	202,117,228	-	202,117,228	(180,364,992)	-	(180,364,992)	(47.3)
0114000 : General Admin., Planning & Support Services	891,565,780	-	891,565,780	870,095,345	-	870,095,345	(21,470,435)	-	(21,470,435)	(8.0)
0115000 : L& Disputes & Conflict Resolutions	126,771,000	-	126,771,000	52,097,456	-	52,097,456	(74,673,544)	-	(74,673,544)	(58.7)
0116000 : National L& Information Management System	54,781,000	300,000,000	354,781,000	19,457,521	-	19,457,521	(33,323,479)	(300,000,000)	(333,323,479)	(94.5)
2081 Independent Electoral & Boundaries Commission	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	712,210,000	31,572,687,459	10,000,000,000	(45,000,000)	9,955,000,000	46.1
0617000 : Management of Electoral Processes	20,860,477,459	757,210,000	21,617,687,459	30,860,477,459	712,210,000	31,572,687,459	10,000,000,000	(45,000,000)	9,955,000,000	46.1
2041 Parliamentary Service Commission	11,726,950,001	3,150,000,000	14,876,950,001	8,595,502,038	737,500,000	9,333,002,038	(3,131,447,963)	(2,412,500,000)	(5,543,947,963)	(37.3)
0721000 Senate Affairs	5,747,266,459	-	5,747,266,459	4,462,196,934	-	4,462,196,934	(1,285,069,525)	-	(1,285,069,525)	(22.4)
0723000 P. 3 General Admin., Planning & Support Services	5,979,683,542	3,150,000,000	9,129,683,542	4,133,305,104	737,500,000	4,870,805,104	(1,846,378,438)	(3,412,500,000)	(4,258,878,438)	(46.6)
2042 National Assembly	21,166,033,200	-	21,166,033,200	17,473,549,178	-	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(17.4)
0721000 National Legislation, Representation & Oversight	21,166,033,200	-	21,166,033,200	17,473,549,178	-	17,473,549,178	(3,692,484,022)	-	(3,692,484,022)	(17.4)
2051 Judicial Service Commission	490,160,000	-	490,160,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(62.6)
0619000 P. 1 General Admin., Planning & Support Services	490,160,000	-	490,160,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(62.6)
2061 The Commission on Revenue Allocation	365,000,000	-	365,000,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(84.0)
0724000 Inter-Governmental Revenue & Financial Matters	365,000,000	-	365,000,000	183,537,700	-	183,537,700	(306,622,300)	-	(306,622,300)	(84.0)
2071 Public Service Commission	1,359,000,000	60,000,000	1,419,000,000	1,351,425,000	15,000,000	1,366,425,000	(7,575,000)	(45,000,000)	(52,575,000)	(3.7)
0725000 General Admin., Planning & Support Services	1,032,143,639	60,000,000	1,092,143,639	1,024,568,639	15,000,000	1,039,568,639	(67,575,000)	(45,000,000)	(112,575,000)	(4.8)
0726000 Human Resource Management & Development	202,189,957	-	202,189,957	202,189,957	-	202,189,957	-	-	-	-
0727000 Governance & National Values	124,666,404	-	124,666,404	124,666,404	-	124,666,404	-	-	-	-
2081 Salaries & Remuneration Commission	546,000,000	-	546,000,000	593,934,499	-	593,934,499	47,934,499	-	47,934,499	8.8
0728000 Salaries & Remuneration Management	546,000,000	-	546,000,000	593,934,499	-	593,934,499	47,934,499	-	47,934,499	8.8
2091 Teachers Service Commission	201,837,000,000	118,000,000	201,955,000,000	201,893,457,400	118,000,000	202,011,457,400	56,457,400	0	56,457,400	0.0
0509000 Teacher Resource Management	195,058,656,350	-	195,058,656,350	195,473,566,350	-	195,473,566,350	414,910,000	-	414,910,000	0.2
0510000 Governance & Standards	84,515,250	-	84,515,250	53,988,812	-	53,988,812	(30,526,438)	-	(30,526,438)	(36.1)
0511000 General Admin., Planning & Support Services	6,693,828,400	118,000,000	6,811,828,400	6,365,902,238	118,000,000	6,483,902,238	(327,926,162)	(65,000,000)	(392,926,162)	(4.8)
2101 National Police Service Human Resource Management	485,990,000	65,000,000	550,990,000	467,393,780	-	467,393,780	(18,596,220)	(65,000,000)	(83,596,220)	(15.2)
2111 Auditor General	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	58,750,000	4,961,015,615	(37,734,385)	(176,250,000)	(549,984,385)	(10.0)
0729000 Audit Services	5,276,000,000	235,000,000	5,511,000,000	4,902,265,615	58,750,000	4,961,015,615	(37,734,385)	(176,250,000)	(549,984,385)	(10.0)
2121 Controller of Budget	575,000,000	-	575,000,000	494,931,000	-	494,931,000	(80,069,000)	-	(80,069,000)	(13.9)
0730000 Control & Management of Public Finances	575,000,000	-	575,000,000	494,931,000	-	494,931,000	(80,069,000)	-	(80,069,000)	(13.9)
2131 The Commission on Administrative Justice	476,500,000	-	476,500,000	416,789,402	-	416,789,402	(59,710,598)	-	(59,710,598)	(12.5)
0731000 Promotion of Administrative Justice	476,500,000	-	476,500,000	416,789,402	-	416,789,402	(59,710,598)	-	(59,710,598)	(12.5)
2141 National Gender & Equality Commission	445,870,000	-	445,870,000	352,824,207	-	352,824,207	(93,045,793)	-	(93,045,793)	(20.9)
0621000 : Promotion of Gender Equality & Freedom from Discrimination	445,870,000	-	445,870,000	352,824,207	-	352,824,207	(93,045,793)	-	(93,045,793)	(20.9)
2151 Independent Policing Oversight Authority	600,000,000	150,000,000	750,000,000	695,860,000	-	695,860,000	(54,140,000)	(150,000,000)	(54,140,000)	(7.2)
0622000 Policing Oversight Services	600,000,000	150,000,000	750,000,000	695,860,000	-	695,860,000	(54,140,000)	(150,000,000)	(54,140,000)	(7.2)
<b>Total for Programmes</b>	<b>990,487,332,665</b>	<b>642,897,327,706</b>	<b>1,633,384,660,371</b>	<b>1,043,387,486,209</b>	<b>612,265,151,359</b>	<b>1,655,652,637,568</b>	<b>(52,900,153,544)</b>	<b>(30,632,176,347)</b>	<b>(22,267,977,197)</b>	<b>1.4</b>

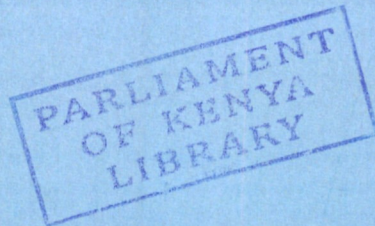


REPUBLIC OF KENYA



*Paper laid*  
*By the LDM Hon Adu*  
*Dale, MP on Wednes*  
*27/9/2017*  
*SEP 2017*  
*[Signature]*

OFFICE OF THE AUDITOR-GENERAL



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
COOPERATIVE UNIVERSITY  
COLLEGE OF KENYA**

**FOR THE YEAR ENDED  
30 JUNE 2016**





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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2016**

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



*CUCK is ISO 9001: 2008 Certified*

**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

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## **I. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background Information**

The Co-operative University College of Kenya (CUCK) was established under legal notice No. 161 of 4<sup>th</sup> November 2011 as a Constituent University College of Jomo Kenyatta University of Agriculture and Technology Act (Cap 210E). It replaced the Co-operative College of Kenya which was established through the Cooperative College of Kenya Act Cap 490A of 1996. Since inception in 1952 to date, the College has been a leading institution for co-operative education, training and research at both national and international level. The CUCK has grown to student population of 4,218 and a staff population of 292.

### **(b) Principal Activities.**

The principal activity/mission of CUCK is to provide innovative education, training, research, and consultancy services for sustainable community empowerment.

### **(c) Key Management.**

CUCK's day-to-day management is under the Principal who is supported by the University College Management Board (UCMB)

### **(d) Fiduciary Management.**

The key management personnel who held office during the Financial Year ended 30<sup>th</sup> June 2016 and who had direct fiduciary responsibility were:

Prof. Eng. Douglas Shitanda	-	Principal
Prof. Kamau Ngamau	-	Deputy Principal (Academic affairs)
Prof. Esther N. Magiri	-	Deputy Principal (Finance, Planning and Administration)
Mr. David Otiende	-	Ag. Registrar (Academic affairs)
Mr. Kenneth Waruingi	-	Ag. Registrar (Finance, Planning and Administration)
Mr. Chris Kathoka	-	Principal Human Resource Manager
CPA. Maxwel Nyaga	-	Finance officer



**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**(e) Entity Headquarters**

The Co-operative University College of Kenya  
L. R. NO. 23134/1, Karen  
23134/2, Karen  
Ushirika Road  
P. O. Box 24814 00502  
KAREN NAIROBI

**(f) Entity Contacts**

P. O. Box 24814 – 00502  
KAREN NAIROBI  
Tel. 020 8891401/3/4  
Wireless: 0202430127  
0202679456  
Mobile. 0724311606  
Fax: 0208891410  
E-mail: [principal@cuck.ac.ke](mailto:principal@cuck.ac.ke)  
Website: [www.cuck.ac.ke](http://www.cuck.ac.ke)

**(g) Entity Bankers**

1. Standard Chartered Bank  
Karen Branch  
P.O. Box 24601- 00502  
KAREN, NAIROBI.
2. Co-operative Bank  
Karen Branch  
P O Box 60800- 00200  
NAIROBI.

**(h) Independent Auditors**

Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084- 00100  
NAIROBI



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**(i) Principal Legal Adviser**

1. The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112 City Square 00200  
Nairobi, Kenya
2. G.N. Mugo & Company Advocates  
P.O. Box 16538-00100  
Nairobi, Kenya
3. Waweru Gatonye and Advocates  
P.O. Box 5527-00200  
Nairobi, Kenya  
[info@wawerugatonye.com](mailto:info@wawerugatonye.com)  
+254202428452/3/4
4. J.N. Namasake and Company Advocates  
P.O. Box 9479-00100  
G.P.O Nairobi, Kenya  
[jnnamasake@yahoo.com](mailto:jnnamasake@yahoo.com)  
+254202210297  
+254722802222  
+254735092256



**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**II. THE UNIVERSITY COLLEGE COUNCIL**

Name	Profile & Work Experience
 <p>Dr. Gladys Mwiti DOB; 25/09/1950</p>	<ul style="list-style-type: none"> <li>• Chairperson – The Co-operative University College of Kenya Council.</li> <li>• Chief Executive Officer – Oasis Africa.</li> <li>• Chairperson – The Kenya Psychological Association.</li> <li>• Trustee – The Kenya Methodist University.</li> <li>• Member – The University of Nairobi Ethics and Research Committee.</li> <li>• Member – The Kenyatta National Hospital Ethics and Research Committee.</li> <li>• Doctor of Philosophy Degree in Clinical Psychology – Fuller Theological Seminary, Pasadena, CA.</li> <li>• Master Degree – Christian Leadership, Fuller Theological Seminary, Pasadena, CA.</li> <li>• Master Degree – Counselling Psychology, United States International University, Kenya.</li> <li>• Advanced Diploma – Science Education, Kenyatta University.</li> </ul>
 <p>Eng. Runji Ngware DOB; 1951</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Managing Director – M/S Runji &amp; Partners, Consulting Engineers Limited.</li> <li>• Master of Science, Civil Engineering – The University of Nairobi.</li> <li>• Bachelor of Science, Civil Engineering – The University of Nairobi.</li> <li>• Member – The Institute of Engineers in Kenya.</li> </ul>
 <p>Mr. Macloud Malonza DOB; 12/12/1969</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Chairman – Harambee Sacco Society Limited.</li> <li>• Board Member – The Co-operative Bank of Kenya.</li> <li>• Master Degree in Business Administration – Moi University.</li> <li>• Bachelor of Arts – Egerton University.</li> <li>• Postgraduate Diploma in Information Technology and Management Services – Manchester University, UK.</li> <li>• Postgraduate Certificate in Strategic Management and Management Planning – Rhodes University, South Africa.</li> </ul>



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

 <p>Ms. Salome Mbeyu Mwendar DOB;13/11/1956</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Master of Arts – The University of Nairobi.</li> <li>• Bachelor of Arts – The University Of Nairobi.</li> <li>• Post Graduate Diploma, Town and Regional Planning – Technical University of Szczecin, Poland.</li> <li>• Certificate in Monitoring and Evaluation – University of London, Wye College UK.</li> </ul>
 <p>Ms Florence Muthoni Gichohi – Hegarty DOB; 15/05/1962</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Master Degree, Rural Development – The University of Ireland, Galway.</li> <li>• Postgraduate Diploma, Peace and Conflict Studies – Africa Nazarene University.</li> <li>• National Diploma, Development Skills – Kimmage Manor, Dublin.</li> <li>• Diploma, Business Management and Administration – Cambridge Tutorial College, England.</li> </ul>
 <p>Mr. George Ototo DOB; 1972</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Managing Director – Kenya Union of Savings &amp; Credit Co-operatives Ltd.</li> <li>• Master Degree in Business Administration, Finance – The University of Nairobi.</li> <li>• Bachelor of Arts, Mathematics and Economics – The University of Nairobi.</li> <li>• Certified Public Accountant CPA (K).</li> </ul>
<p>Ms Nancy N. Wachira DOB; 16/03/1971 Representing the Principal Secretary – State Department for University Education.</p>	<ul style="list-style-type: none"> <li>• Council Member – The Co-operative University College of Kenya.</li> <li>• Masters degree, Education.</li> </ul>



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 <p>CPA Patrick Abachi DOB; 29/04/1965 Representing the Principal Secretary – The National Treasury.</p>	<ul style="list-style-type: none"><li>• Council Member – The Co-operative University College of Kenya.</li><li>• Chief Accountant – The National Treasury.</li><li>• Acting Head of Public Sector Accounting Standards Board Secretariat – The National Treasury.</li><li>• Masters Student, Finance – Kenyatta University.</li><li>• Bachelor of Commerce – The Masinde Muliro University Science and Technology.</li><li>• Certified Public Accountant CPA (K).</li></ul>
 <p>Mr. Philip Gichuki DOB; 21/07/1958 Representing the Principal Secretary – State Department of Co-operative Development, Ministry of Industry, Trade and Co-operatives.</p>	<ul style="list-style-type: none"><li>• Council Member – The Co-operative University College of Kenya.</li><li>• Director – The Co-operative Alliance of Kenya Ltd.</li><li>• Deputy Commissioner for Cooperative Development &amp; Marketing – State Department of Co-operative Development, Ministry of Industry, Trade and Co-operatives.</li></ul>
 <p>Prof. (Eng.) Douglas Shitanda DOB; 29/06/1966</p>	<ul style="list-style-type: none"><li>• Secretary – The Co-operative University College of Kenya Council.</li><li>• Principal – The Co-operative University College of Kenya.</li><li>• Associate Professor, Processing Engineering – Jomo Kenyatta University of Agriculture and Technology.</li><li>• Doctor of Philosophy (PhD) in Agricultural Engineering – Iwate University, Japan.</li><li>• Masters Degree, Agricultural Engineering – The University of Nairobi.</li><li>• Bachelor of Science, Agricultural Engineering – The University of Nairobi.</li></ul>



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**III. THE UNIVERSITY COLLEGE MANAGEMENT BOARD**


Staff Profile	Responsibilities
 <p>Prof. (Eng.) Douglas Shitanda DOB; 29/06/1966</p> <ul style="list-style-type: none"> <li>• Secretary – The Co-operative University College of Kenya Council.</li> <li>• Principal – The Co-operative University College of Kenya.</li> <li>• Associate Professor, Processing Engineering – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Doctor of Philosophy (PhD) in Agricultural Engineering – Iwate University, Japan.</li> <li>• Masters Degree, Agricultural Engineering – The University of Nairobi.</li> <li>• Bachelor of Science, Agricultural Engineering – The University of Nairobi.</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting Officer of the University College.</li> <li>• Member of all committees appointed by Council.</li> <li>• The Secretary to the Council and an ex officio member of the Council.</li> <li>• Responsible for Policy matters, Planning, Coordination, Public Relations, Security, Audit, Fundraising and General Development of the University College Policy Matters.</li> <li>• Chairperson of the University College Management Board.</li> <li>• Chairperson of the University College Student Welfare Authority.</li> </ul>
 <p>Prof. Kamau Ngamau DOB; 1966</p> <ul style="list-style-type: none"> <li>• Deputy Principal Academic Affairs.</li> <li>• Full Professor, Horticulture – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Doctor of Philosophy, Horticultural Sciences – The University of Hanover, Germany.</li> </ul>	<ul style="list-style-type: none"> <li>• Head of the Academic Division of the University College.</li> <li>• Provide the secretariat to the Academic Board and all the Committees of Academic Board.</li> <li>• The returning officer for the election of Deans of Faculties.</li> <li>• Responsible for the allocation of academic facilities such as buildings, lecture rooms and offices and as well as formulation of rules governing the allocation and utilization.</li> <li>• Chairperson of the University College Training Committee.</li> </ul>



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

<ul style="list-style-type: none"> <li>• Master of Science, Horticulture – The University of Nairobi.</li> <li>• Masters degree, Organizational Development – United States International University, Kenya</li> <li>• Bachelor of Science, Agriculture – The University of Nairobi.</li> </ul>	
 <p>Prof. Esther N. Magiri DOB; 1970</p> <ul style="list-style-type: none"> <li>• Deputy Principal Finance, Planning and Administration.</li> <li>• Associate Professor, Biochemistry – The Jomo Kenyatta University of Agriculture &amp; Technology.</li> <li>• Post-Doctoral Fellow – Tel Aviv University, Israel.</li> <li>• Doctor of Philosophy, Applied Molecular Biology in Plant Pathology – Zhejiang University, China.</li> <li>• Master of Science, Biochemistry – The University of Nairobi.</li> <li>• Bachelor of Science, Biochemistry and Zoology – The University of Nairobi.</li> </ul>	<ul style="list-style-type: none"> <li>• Head of Finance, Planning and Administration Division and is responsible for management of human, physical, financial resources; administrative, infrastructural and development matters.</li> <li>• Provides the secretariat for the Council and the following Committees:             <ul style="list-style-type: none"> <li>- Terms of Service Committee;</li> <li>- Staff Appointments Committee;</li> <li>- Housing (policy and allocations) Committee;</li> <li>- Ceremonial Committee;</li> <li>- Health, Recreation, Environment and Safety Committee;</li> <li>- Staff Appraisal and Promotion Committee;</li> <li>- Staff Welfare;</li> <li>- Finance and General Purposes Committee;</li> <li>- Building and Development;</li> <li>- Sealing Committee;</li> <li>- Council Planning and Development Committee;</li> <li>- Planning, Establishment and Development Committee;</li> <li>- Disciplinary Committee;</li> <li>- Tender Committee;</li> </ul> </li> </ul>



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)



CPA Maxwel Nyaga

DOB; 1974

- Finance Officer.
- PhD student Business Administration (Finance) – The Jomo Kenyatta University of Agriculture and Technology.
- Master Degree, Business Administration – The Jomo Kenyatta University of Agriculture and Technology.
- Master of Science, Procurement and Logistics – The Jomo Kenyatta University of Agriculture and Technology.
- Bachelor of Science, Applied Accountancy – Oxford Brooks University, UK
- Certified Public Accountant CPA (K).

- Responsible for the supervision and management of all administrative and operational functions of the office of the Finance Officer.
- Develops the finance policies and procedure Manual.
- Formulates the revenue generation and resource Mobilisation strategies for the universality.
- Is responsible for financial forecasting and planning.
- Is responsible for Budget execution and control of Budgets.
- Prepares regular, quarterly and annual financial reports.
- Facilitates liaison with the National Treasury, Ministry of Education and the Auditor General on the Funding of the university.
- Is responsible for daily approval of expenditure in the consultations with the Deputy Principal FPA and the Principal.



Mr. David Otiende

DOB; 1963

- Ag. Registrar Academic Affairs.
- PhD Student – The Catholic University of Eastern Africa.
- Master of Education, Administration – Kenyatta University.
- Bachelor of Education, Arts – Kenyatta University.


- Responsible for the supervision and management of all administrative and operational functions of the office of the Registrar AA.
- Serves as the secretary to the Academic Board, its committees stipulated appropriately in the statutes and issues notices convening meetings of the Academic Board.
- Responsible for formulation and implementation of divisional strategic plan.
- Formulates and provides policy guidelines on planning, development and management of academic programmes.
- Interprets and enforces policies and regulations of the University College touching on academic matters.



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

<p>Mr. Kenneth G. Waruingi DOB;</p> <ul style="list-style-type: none"> <li>• Ag. Registrar Finance, Planning and Administration.</li> <li>• Masters student – The University of Nairobi.</li> <li>• Bachelors – The University of Nairobi</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for the supervision and management of all administrative and operational functions of the office of the Registrar FPA.</li> <li>• The secretary to the University College Management Board.</li> <li>• Responsible for effective administrative systems in line with University College policies and procedures in line with the best practices.</li> <li>• Provide strategic planning and guidance in the development, coordination and implementation of physical infrastructure and modernization projects in the University College.</li> <li>• Compile and analyze statistical data for use in general planning, strategic planning, and budgeting and sundry management requirements.</li> <li>• Service matters such as appointments, promotions, retirement, disciplinary action, sanction of leave, incentive pertaining to teaching and non - teaching staff.</li> <li>• Interpret and enforce policies and regulations of the University College touching on Finance, Human Resource, Planning and Development</li> </ul>
<div style="text-align: center;">  </div> <p>Mr. Chris Kathoka DOB; 1981</p> <ul style="list-style-type: none"> <li>• Principal Human Resource Manager</li> <li>• PhD student HRM – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Masters, Human Resource Management – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Bachelor of Science, Information Technology – The Jomo Kenyatta University of Agriculture and Technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for the supervision and management of all administrative and operational functions of the office of the PHRM.</li> <li>• Identifies hiring need, develops the position description, Recruitment Plan, organizational chart and other recruitment related documents.</li> <li>• Ensures understanding of collective bargaining agreements' specific provisions with respect to the University College Employees.</li> <li>• Prepares job descriptions and ensures proper procedures for review and approval are met.</li> <li>• Reviews recruitments and provides oversight of the recruitment process.</li> </ul>



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)



Mr. Stanley M. Miringu  
DOB;

- Ag. Dean of Students
- Masters, (Entrepreneurship) Student – The University of Nairobi.
- Bachelor of Science, Agricultural Business Management – Penn State University, USA.
- Diploma, Co-operative Management – The Co-operative College of Kenya.

- Serves as a primary administrative contact and advocate for students.
- Provides general assistance to students who have concerns and/or questions.
- Acts as a point of contact for students who want to talk about issues of harassment, discrimination, and sexual misconduct.
- Is responsible for formulation and review of policies directly related to students.



# THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

## IV. CHAIRPERSON'S STATEMENT

### Introduction

I am pleased to present the Annual Report and Financial Statements for The Co-operative University College of Kenya for the year ended 30<sup>th</sup> June 2016. The pages that follow this introduction provide an analysis of attainments which reflect not only talent and commitment, but also a determination to focus our resources on our core mandate.

### Financial Performance

In the year under review, the University College reported a gross income of **Kshs 584,036,274** compared to **Kshs 546,104,203** for the 2014/2015 financial year. This represents an increase of 7% from the previous year. Tuition fees grew by Kshs 26,192,833 representing 11% growth. The council was pleased to see real successes in the recruitment of students in most of the approved programs. The Co-operative Retreat and Conference Centre (CRCC) registered a growth of Ksh 4,481,012.00 representing a 13% growth in revenue. However, the achievements and sense of purpose which are such a source of pride must not be a source of complacency. Flat or decreasing Government funding in real terms cannot be without consequences. A persistent reduction in the resources available to CUCK combined with increasing competition from many institutions of higher learning pose a great risk to achievement of the core mandate of the university as a global leader in co-operative training research and innovation for co-operative development.

### Achievements and Challenges

In addition to increased student's enrolment, CUCK registered strong performance in research field. The Institute of Co-operative Development (ICD) has come of age and managed to attract research funds to the tune of Kshs 10,778,214.00 in comparison to the previous financial year Kshs 1,127,717.00. We have seen the growth of collaborative research with various county Governments such as Meru County. ICD continued to engage county Governments in a bid to establish progressive collaborative linkages. This success in research is admirable as it has been achieved despite the reduced government funding making this success increasingly challenging.

Over the last three years, the University College has been increasing enrolment of students gradually. However, the increase in the number of students is not commensurate with government funding. The achievements and sense of purpose which are such a source of pride must not be a source of complacency.

As we face these challenges, we know that we are most at risk if we ignore realities and fail to innovate. For this reason, our willingness to work closely together, to partner with others and to benchmark is an expression of firmly held values that are crucial to our future.

### Appreciation

On behalf of the council, I wish to thank all the stakeholders for the confidence placed on the council during the entire period and look forward to serving even better. In a special way, I thank the Ministry of Education Science and Technology, and all other organizations that have stood with us during the entire Financial Year. Your continued support is highly appreciated. Further, I thank the University College Management, staff and students for dedication and commitment towards the growth of the University College.

*Gladys K. Mwiti, PhD*

**Dr. Gladys K. Mwiti, PhD**

**CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA COUNCIL**



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

### V. PRINCIPAL'S REPORT

It is my great pleasure to present the Annual Report and Financial Statements for the Cooperative University College of Kenya (CUCK) for the year ended 30<sup>th</sup> June 2016. Despite a continuing national reduction in Government funding for University research and teaching, 2015/2016 has been a year of strong performance for the Co-operative University College of Kenya.

Financially, the university's position remains sound, with no external borrowing. Despite registered deficit, the university management has been keen to ensure that CUCK operates within its means. Student recruitment was up with an increase in both diploma and undergraduate admissions. CUCK remained determined to give education access to people of talent from all backgrounds. Further, this has been made possible through the various marketing activities undertaken within the year including live broadcasts in local media.

As an institution of higher learning, innovative research is a vital component of our activities. Through Memorandum of Understanding initiatives (MOU'S) signed in the 2015/2016, the University is making the change required to ensure that research can make the significant developments needed to address some specific concerns in the co-operative movement. I am proud to report that the Institute of Co-operative Research and Development has made strides in making fundable proposals and various collaborations with county governments. The future of research is promising. Going forward, not only will CUCK spearhead research and teaching for national and international benefit, but, vitally, as a key element in Cooperative development and future community empowerment. I am delighted that the period covered by this Annual Report marked an increasingly close working relationship between the University and the devolved county governments.

CUCK received a number of important accolades during the year. Of particular note, CUCK was ranked 5<sup>th</sup> best University by the National Cohesion and Integration Commission for meeting the required ethnic balance in recruitment of staff. In addition the university Web metric ranking improved to position 19 in comparison to position 25 in the previous financial year.

Finally, I take this opportunity to thank the Government of Kenya, our collaborators, and other institutions that have rendered their support during the entire financial year. Further, I would like to appreciate the support accorded to me by staff and students in ensuring smooth running of the CUCK.

Last but not least, I acknowledge the guidance of the Governing Council in ensuring that the management is kept on the move towards attainment of the set targets.



**Prof. Kamau Ngamau**

**PRINCIPAL, THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

### VI. CORPORATE GOVERNANCE STATEMENT

During the year under review, the governing council comprised of six members, all appointed by the Cabinet Secretary in the Ministry of Education Science and Technology. All other members are ex-official members. The Governing Council is responsible for ensuring that the University College Council complies with the law and best practices in corporate governance.

#### Functions of the Council

The functions and powers of the Council are as stipulated in Legal Order No.161 of November 2011 as indicated below:

- To administer the property and funds of the University College in a manner and for the purpose which promotes the interest of the University College.
- To receive, and on behalf of the University college, donations, endowment, gifts, grants or other moneys and make disbursement there from to the University College or other bodies or persons.
- To approve appointment criteria and the terms and conditions of service of staff.
- To provide for the welfare of the staff of the University College.
- To enter into association with other Universities, University Colleges or other Institutions of learning.
- To make regulations governing the conduct and discipline of the students of the University College.
- To ensure that a proper management structure is in place and that the structure function to maintain corporate integrity, reputation and responsibility.
- To monitor and evaluate the implementation of strategies, policies, and management criteria and plans of the University College.
- To constantly review the viability and financial sustainability of the University College
- To ensure that the University College complies with all the relevant laws, regulations, governance practice, accounting and auditing standards.

#### Committees of the Council

During the 2015/2016 financial year, the following were the Council Committees in place

- i) Executive Committee
- ii) Finance, Planning and Development Committee
- iii) Human Resource Management Committee
- iv) Audit and Risk Committee
- v) Sealing Committee

The Council appoints a Chairperson of each Committee. The University College Council Chairperson is not a member of any other Committees apart from the Executive Committee.



**Dr. Gladys K. Mwit, PhD**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA COUNCIL



**Prof. Kamau Ngamau**  
PRINCIPAL, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA

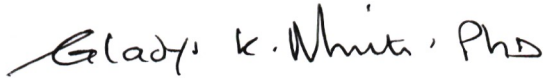


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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

The University College Council acknowledges its role in the welfare of the community by participating in matters that promote the wellbeing of the Society. During the year under review, the University College participated in Ushirika Day celebrations and planting of more than ten thousand trees in order to keep the environment green. The University College also participated in the Mater Hospital Heart Run, Beyond Zero Campaign and organized a free medical camp for the local community.



**Dr. Gladys K. Mwiti, PhD**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA COUNCIL



**Prof. Kamau Ngamau**  
PRINCIPAL, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**VIII. REPORT OF THE UNIVERSITY COLLEGE COUNCIL**

The University College Council submits their report together with the financial statements for the year ended June 30, 2016 which show the state of the Co-operative University College of Kenya's affairs.

**Principal activities**

The principal activity/mission of CUCK is to provide innovative education, training, research, and consultancy services for sustainable community empowerment.

**Results**

The results of the entity for the year ended June 30, 2016 are set out on page 14 of the Annual Report and Financial Statements for the period ended June 30, 2016.

The results indicate that CUCK registered a total of Kshs. **584,036,274** in gross revenue against a target of Kshs. **682,091,253**. This represents 85% of the target revenue. In comparison to the previous financial year, CUCK recorded a 7% increase in revenue. At the same time, CUCK registered total expenditure of Kshs. **632,468,087** against previous years Kshs. **561,925,846** representing 13% growth in expenditure.

Despite tight budgetary controls, CUCK registered a financial deficit due to inadequate financing. Over the last three (3) years, recurrent grants from the G.O.K have been almost constant despite the growth in personnel costs and increase in student population especially the government sponsored students. Since 2013, CUCK has been receiving over a thousand G.O.K students annually with no commensurate increase in government funding. This has greatly affected the expected growth.

Despite the above challenges, CUCK Council has remained focused on its strategic direction of acquiring a Charter. Throughout the 2015/2016 financial year, efforts have been made to meet the Commission for University Education requirements for award of charter. This has seen tremendous growth in personnel costs in a bid to fill some key staff requirements before award of charter.

The future for CUCK is bright. The current position does not in any way indicate lack of strategy. It only presents that the institution is on a transition and at a foundation stage. Award of the charter will open doors for increase of students in postgraduate and additional undergraduate programs. This will see an increase in gross revenue.

**Directors**

The members of the University College Council who served are;

- |                            |              |
|----------------------------|--------------|
| 1. Dr. Gladys Mwiti        | Chairperson. |
| 2. Eng. Runji Ngware       | Member.      |
| 3. Mr. Macloud Malonza.    | Member.      |
| 4. Ms. Nancy N. Wachira.   | Member.      |
| 5. Ms. Salome Mwendar.     | Member.      |
| 6. Mr. Patrick Abachi.     | Member.      |
| 7. Mr. Philip Gichuki.     | Member.      |
| 8. Mr. George Ototo.       | Member.      |
| 9. Ms. Florence Gichohi    | Member.      |
| 10. Prof. Douglas Shitanda | Secretary.   |



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**Auditors**

The Auditor General is responsible for the statutory audit of the CUCK in accordance with the provisions of the Public Audit Act, 2003.

By order of the University College Council.



**Prof. Kamau Ngamau**  
**PRINCIPAL, THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**



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## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

### IX. STATEMENT OF UNIVERSITY COLLEGE COUNCIL'S RESPONSIBILITIES

The Public Finance Management Act (PFM), 2012 and the State Corporations Act, require the council to prepare Financial Statements which give a true and fair view of the state of affairs of the University College at the end of the Financial Year and the operating results for that year. The council is also required to ensure that the University College keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institution. The council is also responsible for safeguarding the assets of the Co-operative University College of Kenya (CUCK).

The council is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of the University College as at the end of the Financial Year ended on June 30, 2016. These responsibilities include: (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 institution; (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 Co-operative University College of Kenya; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The council accepts responsibility for the 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 Standard (IPSAS), and in the manner required by the PFM Act, the State Corporations Act and Public Sector Accounting Standard Board. The Council is of the opinion that CUCK's financial statements give a true and fair view of the state of the institution's transactions during the financial year ended June 30, 2016, and the financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University College, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council to indicate that CUCK 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 Co-operative University College of Kenya's financial statements were approved by the Council and signed on its behalf by:

**Dr. Gladys K. Mwiti, PhD**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA COUNCIL



**Prof. Kamau Ngamau**  
PRINCIPAL, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA



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# REPUBLIC OF KENYA

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Website: [www.oagkenya.go.ke](http://www.oagkenya.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE COOPERATIVE UNIVERSITY COLLEGE OF KENYA FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the Cooperative University College of Kenya set out on pages 21 to 41, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in net assets, statement of cash flows and 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 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

#### **Management's Responsibility for the Financial Statements**

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

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

#### **Auditor-General's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement

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Report of the Auditor-General on the Financial Statements of Cooperative University College of Kenya for the year ended 30 June 2016

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the University College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

#### **1. Receivables from Exchange Transactions**

The receivables from exchange transactions balance of Kshs.84,634,401 as at 30 June 2016 includes seminar debtors of Kshs.18,845,081 under seminars facility income out of which an amount of Kshs.1,328,707 has been outstanding for between three (3) and seven(7) years. Although a provision of Kshs.687,953 has been made in the financial statements, the provision appears inadequate.

In the circumstances, the accuracy, validity and full recoverability of receivables from exchange transactions balance of Kshs.84,634,401 as at 30 June 2016 cannot be confirmed.

#### **2. Work in Progress**

##### **2.1 Management Information System**

As disclosed at Note 19 to the financial statements, work-in-progress balance of Kshs.269,522,321 as at 30 June 2016 includes Kshs.10,149,798 in respect of a management information system project which has been outstanding since 2009. Available information indicates that the contractor abandoned the project in 2009 having invoiced the University College a total of Kshs.10,149,798. Although the matter was taken to Court and ruled in favour of the University College, the project has not been completed as at the date of this report. In the circumstances, it has not been possible to confirm if and when the project will be completed and whether the College will get value-for-money from the project.

##### **2.2 Set-up of (ICT) Infrastructure**

On 18 September 2014, the University College entered into a contract with a technology Company for supply of a management information system at a contract sum of Kshs.18,450,070 to be executed in 180 days with effect from the date of signing of the contract. The vendor was to supply the following systems:

- Financial management system
- Uniplus academic management information system
- Uniplus personnel management information system

However, perusal of contract documents revealed that the contract further provided for software assurance and a service level agreement costing Kshs.2,737,474. A review of the project status in December 2016 revealed that the system was yet to be commissioned nine (9) months after the expiry of the contract period. It is not clear and management has not explained when the project will be completed.

In the circumstances, it has not been possible to confirm if and when the project will be commissioned and when the University College will realize value-for-money on the project.

### **2.3 Lecture Theatre**

On 15 March 2013, the University College entered into a contract No.NBI/D22/94/2012-2013 with a contractor for building and completion of lecture theatres at a contract price of Kshs.283,191,791. According to available information, the works were to commence on 8 April 2013 for a period of 78 weeks with expected completion date of 3 October 2014. However, as at 30 June 2016, the works completed were approximately 85% of the project scope against elapsed contract period of 143% an indication that the project was way behind schedule.

The delay in completion of the works could lead to cost escalation and unrealized value-for-money from the project.

### **Qualified Opinion**

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Cooperative University College of Kenya as at 30 June 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, No. 42 of 2012 of the Laws of Kenya.

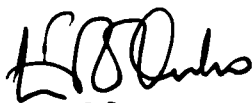
### **Emphasis of Matter**

#### **Financial Performance**

As disclosed at Note 28 to the financial statements, the University College registered a loss of Kshs.48,431,813 (2014/2015-deficit of Kshs.15,821,643) thereby resulting into an accumulated deficit of Kshs.137,002,313 as at 30 June 2016. Management has attributed the poor performance to a strategic decision made a few years ago to increase operating and employee costs as the University College puts in place

structures that would qualify it for award of its anticipated University Charter. However, if the measures established to address the rising deficit trend do not yield positive results, the University College may face severe financial challenges in the near future.

My opinion is not qualified in respect of these matter.



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

**Nairobi**

**10 July 2017**

**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**

(A CONSTITUENT COLLEGE OF JKUAT)

**XI. STATEMENT OF FINANCIAL PERFORMANCE**

**For the year ended 30 June 2016**

	Note	2015-2016	2014-2015
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Unconditional Grants	3	261,542,861	265,362,500
Conditional Grants	3	10,778,214	1,127,717
		<b>272,321,075</b>	<b>266,490,217</b>
<b>Revenue from exchange transactions</b>			
Tuition fees & Other Levies	4	258,018,244	231,825,411
Income from Co-operative Retreat & Conference Centre	5	38,675,875	34,194,863
Rental revenue from facilities and equipment	6	2,127,600	2,206,277
Other income	7	12,893,480	11,387,435
		<b>311,715,199</b>	<b>279,613,986</b>
<b>Total revenue</b>		<b>584,036,274</b>	<b>546,104,203</b>
<b>Expenses</b>			
Employee Cost	8	364,290,943	316,564,482
Board expenses	9	7,494,685	8,041,379
Depreciation and amortization expense	10	28,398,838	28,418,061
Repairs and Maintenance	11	30,262,881	28,458,293
General Expenses	12	201,409,427	178,323,632
Provision for Audit Fee	20	580,000	500,000
<b>Total expenses</b>		<b>632,436,774</b>	<b>560,305,847</b>
<b>Other Gains/(Losses)</b>			
Increase in Provision	14	-	(1,620,000)
Loss on Disposal of Assets	18	(31,313)	
<b>Deficit for the period</b>		<b>(48,431,813)</b>	<b>(15,821,643)</b>

The notes set out on pages 26 to 40 form an integral part of the Financial Statements.



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**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**

(A CONSTITUENT COLLEGE OF JKUAT)

**XI. STATEMENT OF FINANCIAL POSITION****As at 30 June 2016**

	Note	2015-2016 Kshs	2014-2015 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	33,103,213	26,092,863
Receivables from exchange transactions	14	84,634,401	67,950,065
Receivables from non-exchange transactions	15	2,067,326	230,260
Inventories	16	2,154,788	2,546,905
		<b>121,959,728</b>	<b>96,820,093</b>
<b>Non-current assets</b>			
Property, plant and equipment	18	2,397,255,129	2,406,471,306
Investments	17	2,825,530	2,825,530
Work In Progress	19	269,522,321	200,771,623
		<b>2,669,602,980</b>	<b>2,610,068,459</b>
<b>Total assets</b>		<b>2,791,562,708</b>	<b>2,706,888,552</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	20	70,412,234	43,771,960
Trade and other payables from non-exchange transactions	21	24,527,918	19,048,373
<b>Total liabilities</b>		<b>94,940,152</b>	<b>62,820,333</b>
<b>Net Assets</b>			
Capital fund	22	940,121,582	839,585,432
Revaluation Reserve	23	1,893,503,287	1,906,852,529
Accumulated Deficit	24	(137,002,313)	(102,369,742)
<b>Total net assets</b>		<b>2,696,622,556</b>	<b>2,644,068,219</b>
<b>Total net assets and liabilities</b>		<b>2,791,562,708</b>	<b>2,706,888,552</b>

The Financial Statements set out on pages 21 to 25 were signed on behalf of the University College Council by:

**Dr. Gladys K. Mwiti, PhD**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA COUNCIL

  
**Prof. Kamau Ngamau**  
PRINCIPAL, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA

**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**XII. STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended 30 June 2016**

	Accumulated Deficit Kshs	Capital Fund Kshs	Revaluation Reserve Kshs	Total Kshs
<b>Balance as at 30 JUNE 2014</b>	(86,548,099)	692,698,765	1,906,852,529	2,513,003,195
Additions in the year	-	146,886,667	-	146,886,667
Surplus(Deficit) for the period	(15,821,643)	-	-	(15,821,643)
<b>Balance as at 30 JUNE 2015</b>	<b>(102,369,742)</b>	<b>839,585,432</b>	<b>1,906,852,529</b>	<b>2,644,068,219</b>
Surplus for the period	(48,431,813)	-	-	(48,431,813)
Excess Depreciation on revaluation	13,799,242	-	(13,799,242)	-
Additions in the year	-	100,536,150	450,000	100,986,150
<b>Balance as at 30 JUNE 2016</b>	<b>(137,002,313)</b>	<b>940,121,582</b>	<b>1,893,503,287</b>	<b>2,696,622,556</b>



**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**XIII. STATEMENT OF CASHFLOWS**  
**For the year ended 30 June 2016**

		<b>2015-2016</b>	<b>2014-2015</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Deficit for the period</b>		<b>(48,431,813)</b>	<b>(15,821,643)</b>
Adjustment for:			
Loss on disposal of assets	18(b)	31,313	
Depreciation	18	28,398,838	28,418,060
		<b>(20,001,662)</b>	<b>12,596,417</b>
<b>Change in Working Capital</b>			
Decrease in inventories	16	392,117	1,148,776
Increase in receivable from exchange transactions	14	(16,684,336)	(2,136,428)
Increase in receivable from non-exchange transactions	15	(1,837,066)	-
Increase in payables	20	26,640,274	(12,566,051)
Increase in development payables	21	5,479,545	(73,465,895)
Net cash generated from operating activities		<b>13,990,534</b>	<b>(87,019,598)</b>
<b>Cash flows from investing activities</b>			
Buildings	18	(1,607,200)	(6,687,222)
Purchase of Plant & Equipment	18	(2,573,346)	(235,100)
Purchase of motor vehicle	18	-	(6,101,600)
Purchase of computers	18	(5,681,323)	(7,056,767)
Purchase of furniture	18	(7,436,460)	(11,141,450)
Office Equipment	18	(715,850)	(24,000)
Telecommunication Equipment	18	(320,628)	(439,990)
Kitchen Equipment & Cutlery	18	(534,200)	(1,233,905)
Proceeds from Disposal of Assets	18(b)	105,033	-
Work in progress Lecture Theatre	19	(68,750,698)	(26,749,714)
Net cash flows used in investing activities		<b>(87,514,672)</b>	<b>(59,669,748)</b>
<b>Cash flows from financing activities</b>			
Capital fund	22	100,536,150	146,886,667
<b>Net change in cash and cash equivalents</b>		<b>7,010,350</b>	<b>12,793,738</b>
<b>Opening cash and cash equivalent</b>		<b>26,092,863</b>	<b>13,299,125</b>
Closing cash and cash equivalent		<b>33,103,213</b>	<b>26,092,863</b>



**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**  
(A CONSTITUENT COLLEGE OF JKUAT)

**XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

Revenue	Original budget	Adjustments	Final budget	Actual on	Performance
	2016 Kshs	2016 Kshs	2016 Kshs	comparable basis 2016 Kshs	difference 2016 Kshs
Unconditional Grants	265,362,500	-	265,362,500	261,542,861	3,819,639
Conditional Grants	10,000,000	(5,000,000)	5,000,000	10,778,214	(5,778,214)
Tuition fees & Other Levies	365,728,753	(30,000,000)	335,728,753	258,018,244	77,710,509
Rental revenue from facilities and equipment	3,000,000	-	3,000,000	2,127,600	872,400
Income from Co-operative Retreat & Conference Centre	60,000,000	(10,000,000)	50,000,000	38,675,875	11,324,125
Other income	39,000,000	(16,000,000)	23,000,000	12,893,480	10,106,520
<b>Total income</b>	<b>743,091,253</b>	<b>(61,000,000)</b>	<b>682,091,253</b>	<b>584,036,274</b>	<b>98,054,979</b>
Employee Cost	375,800,000	1,200,000	377,000,000	364,290,943	12,709,057
Board Expenses	8,000,000	-	8,000,000	7,494,685	505,315
Depreciation and amortization expense	29,500,000	-	29,500,000	28,398,838	1,101,162
Repairs and Maintenance	36,500,000	(6,120,000)	30,380,000	30,262,881	117,119
General Expenses	288,700,000	(56,080,000)	232,620,000	202,020,740	30,599,260
<b>Total expenditure</b>	<b>738,500,000</b>	<b>(61,000,000)</b>	<b>677,500,000</b>	<b>632,468,087</b>	<b>45,031,913</b>
<b>Surplus (Deficit) for the period</b>	<b>4,591,253</b>	<b>-</b>	<b>4,591,253</b>	<b>(48,431,813)</b>	<b>53,023,066</b>



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**XV. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2016**

**1. Statement of Compliance and Basis of Preparation**

The Co-operative University College of Kenya's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the accepted functional and reporting currency and all values are rounded to the nearest shilling. The accounting policies have been consistently applied to all the years presented.

**Adoption of International Public Sector Accounting Standards**

The Co-operative University College of Kenya adopted the International Public Sector Accounting Standard for the first time in 2014.

**Basis of preparation**

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

**2. Summary of Significant Accounting Policies**

**a) Revenue Recognition**

**i) Revenue from non-exchange transactions**

- **Unconditional Grants**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property).

This recognition is only 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 Co-operative University College of Kenya and can be measured reliably.

- **Conditional Grants**

Conditional grants are treated as a liability and credited to the income and expenditure statement when the activities for which they were provided for have been undertaken.

**ii) Revenue from Exchange Transactions**

- **Tuition Fees**

Revenue from tuition fees is recognized at the beginning of the semester when the student has met all the admission and registration requirements for that particular semester. Tuition fees are accounted for on accrual basis over the period of instruction to which they relate. Fees paid in advance are carried forward as liabilities at the end of each reporting period.

# THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

(A CONSTITUENT COLLEGE OF JKUAT)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

### • **Rendering of Services**

The Co-operative University College of Kenya recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to number of days to the service has been rendered as a percentage of the total period of service.

### • **Rental Income**

Rental income arising from provision of housing is recognized as the income earned in accordance with the terms of the tenancy agreement.

### **b) Budget Information**

The annual budget is prepared on the cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Co-operative University College of Kenya.

### **c) Investment Property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if there cognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Investment properties are derecognized either when they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

### **d) Property, Plant and Equipment**

All properties, 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Co-operative University College of Kenya recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on a reducing balance method for all other categories of assets except for land which is not depreciated. The applied depreciation rates are as shown below:

• Land	Nil
• Building	2.5%
• Plant and Machinery	10%
• Furniture and Fitting	12.5%
• Motor Vehicles	25%
• Office Equipment	12.5%
• Computer and Accessories	30%
• Telecommunication Equipment	20%
• Kitchen Equipment and Cutlery	10%

## THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

- Tools 10%

#### e) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, if that class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Co-operative University College of Kenya.

#### f) Provisions

Provisions are recognized when the Co-operative University College of Kenya has a present obligation (legal or constructive) as a result of a past event, 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.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

- **Contingent liabilities**

The Co-operative University College of Kenya does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### g) Nature and Purpose of Reserves

The Co-operative University College of Kenya creates and maintains reserves in terms of specific requirements.

- **Capital Fund**

This fund is composed of development grants sourced from the Government and Development Partners, which are used in capital projects by the Co-operative University College of Kenya. The Co-operative University College of Kenya recognizes any expenditure incurred of a capital nature and those funds are transferred to the capital fund upon incurring such expenditure.

- **Accumulated Funds**

These are the funds that are retained by the Co-operative University College of Kenya. These funds are cumulative and are increased by the surplus or decreased by the deficit in a particular accounting period.

- **Revaluation Reserve**

Beginning in 2014, the revaluation surplus reserves include the results of a revaluation (from historic cost to fair value) of the assets owned by the institution. The fair value has been determined by an independent valuation.

# THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

### **h) Changes in Accounting Policies and Estimates**

The Co-operative University College of Kenya recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

### **i) Cash and Cash Equivalents**

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

### **j) Comparative Figures**

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

### **k) Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Co-operative University College of Kenya'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. Estimates include, but are not limited to: accrued charges and the degree of impairment of fixed assets. Changes in estimates are reflected in the period in which they become known.

### **l) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements.

### **m) Financial Instruments**

#### **i. Financial assets**

##### **• Initial recognition and measurement**

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Co-operative University College of Kenya determines the classification of its financial assets at initial recognition.

##### **• Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost.

## **THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

#### **ii. Financial liabilities**

##### **• Initial recognition and measurement**

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Co-operative University College of Kenya determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

#### **n) Related Parties**

The Co-operative University College of Kenya 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 the University College, or vice versa. These related parties include: The Government of Kenya and Members of key management comprising the University College Council and the University Management Board.

#### **o) Principal Activities**

The principal activity of CUCK continues to be the provision of Co-operative Education, Business, and Information Technology and related Disciplines for various stakeholders including the Co-operative movement and the Government. CUCK serves as a Centre of academic excellence in the Co-operative Movement in Kenya, together with other mandates as stipulated in Legal Notice No. 161 of 4<sup>th</sup> November 2011.

**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

<b>3.Grants</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
<b>Unconditional grants</b>		
Government of Kenya	261,542,861	265,362,500
	<u>261,542,861</u>	<u>265,362,500</u>
<b>Conditional grants</b>		
Other organizational grants	10,778,214	1,127,717
	<u>10,778,214</u>	<u>1,127,717</u>
<b>Total government grants and subsidies</b>	<u><b>272,321,075</b></u>	<u><b>266,490,217</b></u>

The decrease in government grant from Ksh. 265,362,500 to Ksh. 261,542,861 is due to the Ministry of Education reducing the recurrent grant for the months of May and June 2016

<b>4.Tuition Fees</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Main Campus	192,825,430	164,130,621
Nairobi Town Campus	46,109,519	49,178,728
Meru Campus	16,554,556	17,727,594
Mombasa Campus	7,549,081	1,901,061
Students Fees Refund	(5,020,342)	(1,112,593)
<b>Total revenue from Tuition fees</b>	<u><b>258,018,244</b></u>	<u><b>231,825,411</b></u>

**5. Co-operative Retreat & Conference Centre**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Sales from CR&CC	38,675,875	34,194,863
<b>Total from CR&amp;CC</b>	<u><b>38,675,875</b></u>	<u><b>34,194,863</b></u>

**6.Rental revenue from facilities**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Rent Income	2,127,600	2,206,277
<b>Total rentals</b>	<u><b>2,127,600</b></u>	<u><b>2,206,277</b></u>

The decrease in rental income was due to the conversion of staff houses to offices.

**7.Other income**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Catering	7,701,096	7,657,005
Dispensary	70,558	,871
Dividends	-	300,000
Water and Electricity	478,696	396,034
Decrease in Provision for Bad debts	1,620,000	-
Staff Laptop/Tablet Revolving Fund	47,250	2,940,525
Donations	574,550	-
Sale of Farm Produce	114,080	-
Miscellaneous Income	2,287,250	-
<b>Total other income</b>	<u><b>12,893,480</b></u>	<u><b>11,387,435</b></u>

**THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

<b>8.Employee costs</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Shs</b>	<b>Shs</b>
Basic Salaries	136,647,999	111,856,065
Casual workers	6,356,716	9,205,192
Part time teaching	34,831,567	35,667,762
Gratuity	8,497,678	8,452,511
Pension	18,850,385	11,725,209
House to Office allowance	29,312,775	26,288,280
Other personnel allowances	44,395,168	36,618,227
Group life insurance	-	1,479,953
Leave allowance	2,059,720	1,678,295
New recruits, passage & Baggage	53,570	389,076
House allowances	83,285,365	73,203,912
<b>Employee costs</b>	<b>364,290,943</b>	<b>316,564,482</b>

<b>9.Board Expenses</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Shs</b>	<b>Shs</b>
Sitting Allowance	4,164,200	4,993,528
Travelling Allowance	582,135	1,026,867
Night outs	1,643,350	1,000,984
Chairperson's Honoraria	1,105,000	1,020,000
<b>Total Board Expenses</b>	<b>7,494,685</b>	<b>8,041,379</b>

<b>10.Depreciation and amortization expense</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Shs</b>	<b>Shs</b>
Property, plant and equipment	28,398,838	28,418,061
<b>Total depreciation and amortization</b>	<b>28,398,838</b>	<b>28,418,061</b>

<b>11.Repairs and maintenance</b>	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Shs</b>	<b>Shs</b>
Motor Vehicle repairs	2,811,307	8,044,697
Maintenance of Sewerage and water	757,314	1,460,288
Maintenance of Buildings and station	18,975,261	16,964,961
Maintenance of roads/grounds	703,676	20,000
Maintenance of computers/printer	3,701,883	1,060,629
Maintenance of plant & equipment	3,313,440	907,718
<b>Total repairs and maintenance</b>	<b>30,262,881</b>	<b>28,458,293</b>

**12. The following are included in general expenses:**

	<b>2015-2016</b>	<b>2014-2015</b>
	<b>Shs</b>	<b>Shs</b>
<b>Central Services</b>		
Electricity expenses	9,452,749	12,273,088
Water expenses	2,013,628	1,117,186
Vehicle licenses & insurance	2,103,262	1,168,873
Vehicle fuel and oil	4,979,841	3,214,555

# THE CO-OPERATIVE UNIVERSITY COLLEGE OF KENYA

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016

Publishing & Printing	1,403,543	604,306
Advertising and Publicity	8,662,188	18,517,326
Telephone expenses	835,490	853,396
Postal & Courier services	245,588	239,367
Purchase of uniforms	44,005	745,212
Conferences/workshops and seminars	3,082,085	2,039,751
Purchase of Drugs	2,865,994	1,662,438
Medical scheme	19,065,598	8,944,383
Student group personal accident	2,163,720	-
Staff group personal accident	-	1,843,908
Contracted professional services	6,221,253	3,889,793
Catering cost	36,794,383	34,374,499
Cleaning materials	4,182,286	3,791,315
Set up of ICT infrastructure	4,542,381	-
External travelling	2,513,810	2,351,615
Gas and fuel	6,033,423	5,245,133
Training expenses/Staff training	1,318,598	2,870,179
Subscription to professional bodies	715,859	409,000
Utensils & crockery	621,228	32,845
Performance Contract	1,646,310	883,490
Booked meals for staff	64,420	1,579,250
Newspapers	740,380	581,550
Internet services	5,374,683	2,483,964
Stationery & stores	3,137,723	6,346,733
ISO certification & maintenance	106,500	1,901,400
Staff welfare	3,426,000	3,074,260
Fumigation services	180,380	77,000
Corporate social responsibility	734,347	369,400
Generator expenses	729,290	1,110,786
Purchase of production materials	1,547,497	1,280,448
Rent & rates	20,553,009	15,993,718
Staff Laptop/Tablet Revolving Fund	-	3,437,407
<b>Students Welfare</b>		-
Inter university games	2,570,650	1,821,487
Students work-study programme	62,000	37,400
Sports equipment	776,890	803,326
<b>Academic Costs</b>		-
Study tours	1,807,470	3,633,155
Library books/e-library/journals	3,001,638	1,347,811
Research, production & extension	5,336,265	3,144,371
Curriculum Development	781,006	150,000
Alumni association	-	-
Examination expenses	1,250,309	,171,316
Graduation expenses	5,119,989	2,928,897
Charter Award Ceremony	556,440	1,770,504
<b>Administrative Costs</b>		-
Bank charges/interest	1,526,858	1,310,045
Travelling and accommodation	9,457,952	6,793,682
Official Entertainment	244,840	298,472

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

Task Force/Facilitation Allowances	5,018,155	5,517,365
Firefighting equipment	168,548	-
Sports facilities	504,850	66,750
General insurance	230,007	9,000
Debts written off	1,620,000	481,703
Shows & Exhibitions	1,815,832	779,870
CR&CC Rebates	730,317	358,153
Accreditation Fees	-	159,005
Leadership for change	171,000	433,747
Students Fee Waivers	425,600	-
Street lighting	131,360	-
<b>Total general expenses</b>	<b>201,409,427</b>	<b>178,323,632</b>

**13. Cash and cash equivalents**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Standard Chartered bank	2,250,676	16,396,154
Co-operative bank Current A/c	12,279,167	1,226,670
Co-operative bank Fees deposit A/c	7,115,843	2,124,555
Co-operative bank Collateral A/c	4,507,360	4,507,360
Co-operative bank Leadership for change project A/c	6,365,507	1,457,538
Collections account	264,203	-
Cash-on-hand	320,457	380,587
<b>Total cash and cash equivalents</b>	<b>33,103,213</b>	<b>26,092,863</b>

**14.Receivables from exchange transactions**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Current receivables		
(a) Student debtors	48,720,566	44,035,597
Seminar debtors	18,845,081	10,342,862
Imprest outstanding	-	163,500
Tablet/Laptop Debts Outstanding	373,475	1,161,510
Deposits with suppliers	5,013,272	5,013,272
Advance rent	1,049,680	2,669,680
Rent & water bills outstanding	1,613,629	1,611,500
ICD Debtors	4,581,304	-
Unreconciled Receipts & Payments	5,125,347	5,125,347
(b) Less: Provision for Bad Debts	(687,953)	(2,173,202)
<b>Total receivables</b>	<b>84,634,401</b>	<b>67,950,066</b>

a) Fees outstanding are balances for students of Main Campus, Town Campus, Meru Campus and Mombasa Campus.

b) Movement in provisions for bad debts relate to Cooperative Retreat & Conference Centre Debtors and provision for Advance Rent paid for Meru Campus.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

<b>b) Movement in provisions for Bad Debts</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Balance at the beginning of the year	2,173,202	553,202
Provision for the year	134,751	1,620,000
Written off in the year	(1,620,000)	-
<b>Balance as at 30 June</b>	<b>687,953</b>	<b>2,173,202</b>

<b>15. Receivables from Non-exchange Transactions</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
<b>Current receivables</b>		
Salary advances outstanding	2,067,326	230,260
<b>Total current receivables</b>	<b>2,067,326</b>	<b>230,260</b>

<b>16. Inventories</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Dry & perishable foods	294,392	232,773
Production materials	580,001	-
General stationery	286,980	1,375,380
Cleaning materials	607,423	380,040
Electrical & hardware	200,347	-
Drugs	-	558,712
Water chemicals	185,645	-
<b>Total inventories</b>	<b>2,154,788</b>	<b>2,546,905</b>

<b>17. Investments</b>	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Agri. And Co-operative Training and Consultancy Services	2,825,530	2,825,530
<b>Total investments</b>	<b>2,825,530</b>	<b>2,825,530</b>

The investment in ATC which is a Company owned by the Co-operative University College of Kenya and registered under Certificate No. 142828 was as at 30<sup>th</sup> June 2007 worth Kshs. 2,825,530, which was capital injected by Donor Partners through the University College, and in these financial statements has been treated as balance carried down.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

**18. Property, Plant & Equipment**

	<u>LAND</u>	<u>BUILDING</u>	<u>PLANT &amp; EQUIPMENT</u>	<u>FURNITURE &amp; FITTING</u>	<u>COMPUTER &amp; ACCESSORIES</u>	<u>MOTOR VEHICLE</u>	<u>TOOLS</u>	<u>OFFICE FOU</u>	<u>TEL. EQU</u>	<u>KITCHEN</u>	<u>TOTAL</u>
	99 YRS	2.5%	10.0%	12.5%	30%	25%	10%	12.5%	20%	10%	
VALUATION AS AT 01/07/2015	1,766,664,000	596,298,380	800,100	28,433,150	10,833,767	21,301,600	13,299,964	2,904,000	1,198,190	3,081,905	2,444,815,056
ADDITIONS IN THE PERIOD	-	1,607,200	2,573,346	7,436,460	5,681,323	450,000	186,500	529,350	320,628	534,200	19,319,007
DISPOSALS	-	-	(10,000)	(31,000)	(35,000)	-	(79,420)	(37,000)	(500)	(30,000)	(222,920)
AS AT 30/6/2016	<u>1,766,664,000</u>	<u>597,905,580</u>	<u>3,363,446</u>	<u>35,838,610</u>	<u>16,480,090</u>	<u>21,751,600</u>	<u>13,407,044</u>	<u>3,396,350</u>	<u>1,518,318</u>	<u>3,586,105</u>	<u>2,463,911,143</u>
DEPRECIATION											
AS AT 30/6/2015	-	18,435,223	92,723	4,026,964	3,448,423	6,037,900	5,241,032	441,750	269,966	349,771	38,343,750
CHARGE FOR THE PERIOD	-	14,486,759	327,195	3,977,046	3,913,201	3,928,425	822,487	370,030	249,694	324,001	28,398,838
DEPRECIATION ON DISPOSAL	-	-	(1,225)	(4,723)	(12,338)	-	(58,857)	(5,637)	(120)	(3,675)	(86,574)
AS AT 30/6/2016	=	<u>32,921,982</u>	<u>418,692</u>	<u>7,999,287</u>	<u>7,349,287</u>	<u>9,966,325</u>	<u>6,004,662</u>	<u>806,143</u>	<u>519,540</u>	<u>670,096</u>	<u>66,656,014</u>
Net Book Value AS AT 30-6-2016	<u>1,766,664,000</u>	<u>564,983,598</u>	<u>2,944,754</u>	<u>27,839,323</u>	<u>9,130,803</u>	<u>11,785,275</u>	<u>7,402,382</u>	<u>2,590,207</u>	<u>998,778</u>	<u>2,916,009</u>	<u>2,397,255,129</u>
Net Book Value AS AT 30-6-2015	<u>1,766,664,000</u>	<u>577,863,157</u>	<u>707,378</u>	<u>24,406,186</u>	<u>7,385,344</u>	<u>15,263,700</u>	<u>8,058,932</u>	<u>2,462,250</u>	<u>928,224</u>	<u>2,732,135</u>	<u>2,406,471,306</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2016**

**2015**

	<u>LAND</u>	<u>BUILDING</u>	<u>PLANT &amp; EQUIPMENT</u>	<u>FURNITURE &amp; FITTING</u>	<u>COMPUTER &amp; ACCESSORIES</u>	<u>MOTOR VEHICLES</u>	<u>TOOLS</u>	<u>OFFICE EQU</u>	<u>TEL. EQU</u>	<u>KITCHEN</u>	<u>TOTAL</u>
VALUATION AS AT 01/07/2014	1,766,664,000	578,915,000	565,000	17,291,700	3,777,000	15,200,000	13,299,964	2,880,000	758,200	1,848,000	2,401,198,864
ADDITIONS IN THE PERIOD	-	6,687,222	235,100	11,141,450	7,056,767	6,101,600	-	24,000	439,990	1,233,905	32,920,034
TRANSFERS	-	10,696,158	-	-	-	-	-	-	-	-	10,696,158
AS AT 30/6/2015	<u>1,766,664,000</u>	<u>596,298,380</u>	<u>800,100</u>	<u>28,433,150</u>	<u>10,833,767</u>	<u>21,301,600</u>	<u>13,299,964</u>	<u>2,904,000</u>	<u>1,198,190</u>	<u>3,081,905</u>	<u>2,444,815,056</u>
DEPRECIATION											
AS AT 30/6/2014	-	3,618,219	14,125	540,366	283,275	950,000	4,345,595	90,000	37,910	46,200	9,925,689
CHARGE FOR THE PERIOD	-	14,817,004	78,598	3,486,598	3,165,148	5,087,900	895,437	351,750	232,056	303,571	28,418,061
AS AT 30/6/2015	=	<u>18,435,223</u>	<u>92,723</u>	<u>4,026,964</u>	<u>3,448,423</u>	<u>6,037,900</u>	<u>5,241,032</u>	<u>441,750</u>	<u>269,966</u>	<u>349,771</u>	<u>38,343,750</u>
Net Book Value AS AT 30- 6-2015	<u>1,766,664,000</u>	<u>577,863,157</u>	<u>707,378</u>	<u>24,406,186</u>	<u>7,385,344</u>	<u>15,263,700</u>	<u>8,058,932</u>	<u>2,462,250</u>	<u>928,224</u>	<u>2,732,135</u>	<u>2,406,471,306</u>
Net Book Value AS AT 30- 6-2014	<u>1,766,664,000</u>	<u>575,296,781</u>	<u>550,875</u>	<u>16,751,334</u>	<u>3,493,725</u>	<u>14,250,000</u>	<u>8,954,369</u>	<u>2,790,000</u>	<u>720,290</u>	<u>1,801,800</u>	<u>2,391,273,175</u>

CUCK is ISO 9001: 2008 Certified

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**18 (b). Disposal of Property, Plant & Equipment**

	2015-2016 Shs	2014-2015 Shs
Cost as at 1st July 2015	222,920	-
Accumulated depreciation as at 1st July 2015	(86,574)	-
Net book value of disposals	136,346	-
Disposal Proceeds	(105,033)	-
Loss on disposal	<b>31,313</b>	-

**Revaluation of Property Plant and Equipment**

On April 1<sup>st</sup> 2014, the University College's Property, Plant and Equipment were revalued (from historic cost to fair value). This has resulted in a revaluation surplus in some classes of Property, Plant and Equipment, leading to a revaluation Surplus Reserve. Other classes of Property, Plant and Equipment have had a Revaluation Loss which has been reflected in the statement of financial performance. The fair value has been determined by an independent valuation by Kenval Realtors (EA) Limited. The basis of revaluation was the Open Market Value.

<b>19. Work In Progress</b>	<b>BAL B/F</b>	<b>ADDITIONS</b>	<b>TRANSFERS</b>	<b>TOTAL</b>
a) MIS	10,149,798	-	-	10,149,798
b) Set up of ICT Infrastructure	20,253,629	2,818,800	-	23,072,429
Borehole	-	156,600	-	156,600
Lecture Theatre	170,368,196	65,775,298	-	236,143,494
Balance carried down	<b>200,771,623</b>	<b>68,750,698</b>	<b>-</b>	<b>269,522,321</b>

The MIS of Ksh. 10,149,798 is for acquisition of Integrated Management Information System (MIS) software and licenses which has not been depreciated as the project is not complete.

- a) The Set up of ICT Infrastructure is for the laying of fibre cable backbone, structured network system and acquisition of Enterprise Resource Planning (ERP) software. The project has not been depreciated as the project is not complete.

**20. Trade and other payables from exchange transactions**

	2015-2016 Shs	2014-2015 Shs
Trade payables	47,553,981	35,314,538
Unidentified Bankings	10,543,957	7,957,422
Unallocated Bursaries	1,319,497	-
Payroll Liabilities	10,414,799	-
Audit Fees	580,000	500,000
<b>Total trade and other payables</b>	<b>70,412,234</b>	<b>43,771,960</b>

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**21. Trade and other payables from non-exchange transactions**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
Construction of Lecture Theatres 3	24,527,918	19,048,373
<b>Total development payables</b>	<b>24,527,918</b>	<b>19,048,373</b>

Payables from Non-Exchange Transactions relate to capital project which has been contracted, approved, certificate issued, but not yet settled.

**22. Capital Fund**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
At start of Year	839,585,432	692,698,765
Development Funds Received	100,536,150	146,886,667
Surplus/(Deficit) for the Year	-	-
<b>At end of the Year</b>	<b>940,121,582</b>	<b>839,585,432</b>

This fund is composed of development grants sourced from the Government and Development Partners, which are used in capital projects by the Co-operative University College of Kenya. The Co-operative University College of Kenya recognizes any expenditure incurred of a capital nature and those funds are transferred to the capital fund upon incurring such expenditure.

**23. Revaluation Reserve**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
At start of Year	1,906,852,529	1,906,852,529
a) Additions in the Year	450,000	-
b) Excess Depreciation on Revaluation	(13,799,242)	-
<b>At end of the Year</b>	<b>1,893,503,287</b>	<b>1,906,852,529</b>

- a) Additions in the Year. This refers to a motor vehicle which was revalued together with the other assets in the class, but whose revaluation surplus had not been captured in the revaluation reserve  
 b) Excess depreciation on Revaluation: This refers to the excess depreciation raised as a result of revaluation of the assets.

**24. Accumulated Deficits**

	<b>2015-2016</b>	<b>2014-2015</b>
	Shs	Shs
At start of Year	(102,369,742)	(86,548,099)
Excess Depreciation on Revaluation	13,799,242	-
Surplus/(Deficit) for the Year	(48,431,813)	(15,821,643)
<b>At end of the Year</b>	<b>(137,002,313)</b>	<b>(102,369,742)</b>

**Excess depreciation on Revaluation:** This refers to the excess depreciation raised as a result of revaluation of the assets.

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**25. Financial Risk Management Disclosure.**

The institution is exposed to certain liquidity and credit risks. The institution does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations.

The institution's accounts receivable is almost exclusively from its operations with its students and therefore risks related to credit are considered minor. A provision has been made against asset value of accounts receivables relating to Cooperative Retreat and Conference Centre to reflect receivables for which payment is not anticipated in the short-term.

**26. Contingent Liability Disclosure.**

The contractor to the management information system project which has been under arbitration was awarded Ksh. 45,124,339 as damages by the Arbitrator. The University College Management appealed to the High Court of Kenya and the decision of the High Court was in favour to the University College. The contractor has indicated that he intends to go to the Court of Appeal.

**27. Employees.**

The University College has 292 members of staff composed of two hundred and thirty two (232) Permanent and Pensionable, twenty eight (28) on Contract, and thirty two (32) Casuals. The University College transferred its unfunded pensionable from the Government of Kenya and now has its own defined contribution scheme.

**28. Financial Performance.**

The University College registered a deficit of Kshs.48,431,813 for the financial year 2015/2016, leading to an accumulated deficit of Kshs. 137,002,313. This was primarily due to a strategic decision to increase operating and employee costs as the University College put in structures towards the award of the university charter. The University College Council has put in strategies and performance targets to reverse the trend in the 2016/2017 financial year. These include the launch of new programs, reduction of part-time teaching costs, and development of funding proposals, activation of the research division and generation of new revenue streams.

**29. Reporting Currency.**

The University College's Principal activities are carried out in the Republic of Kenya and the Accounts are reported in Kenya Shillings.

**30. Events after the Reporting Period.**

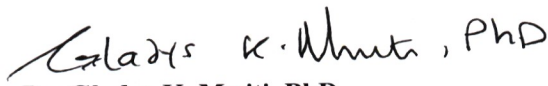
There are no material non adjusting events after the reporting date.

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**XVI. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FOR 2014/2015 FINANCIAL YEAR**

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

<b>Issue / Observations from Auditor</b>	<b>Management Comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status:</b>	<b>Timeframe:</b>
Receivables from Exchange Transactions of Ksh. 1,620,000	This amount has been written off in the financial year 2015-2016.	PRINCIPAL	Resolved.	2015-2016 Financial Year
Work in Progress of Ksh. 10,149,798 for a Management Information Systems (MIS) project.	This has been as a result of an MIS project which was abandoned by the contractor. The issue has been under arbitration and CUCK won the case at the High Court.	PRINCIPAL	To be resolved in the 2016-2017 Financial Year by writing off the Work in Progress	2016 – 2017 Financial Year.

  
**Dr. Gladys K. Mwiti, PhD**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA COUNCIL

  
**Prof. Kamau Ngamau**  
PRINCIPAL, THE CO-OPERATIVE UNIVERSITY  
COLLEGE OF KENYA