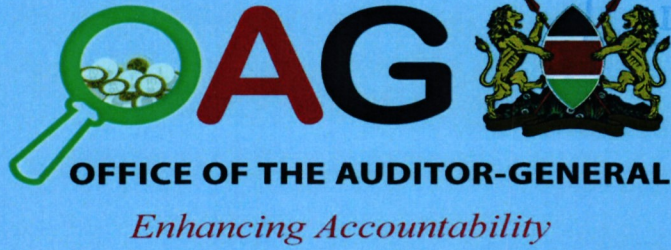


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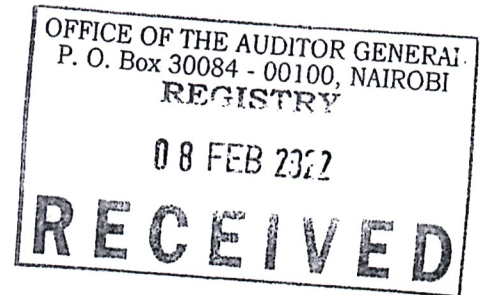
M. WANJIKU MW

THE AUDITOR-GENERAL

ON

**GOVERNMENT OF KENYA MINISTRIES,
DEPARTMENTS AND AGENCIES**

**FOR THE YEAR ENDED
30 JUNE, 2017**



THE REPUBLIC OF KENYA

CONSOLIDATED FINANCIAL STATEMENTS

MINISTRIES, DEPARTMENTS AND AGENCIES

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2017**

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

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**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

ABBREVIATIONS

AIA	Appropriations in Aid
CBK	Central Bank of Kenya
CFS	Consolidated Fund Services
FY	Fiscal Year
PSASB	Public Sector Accounting Standards Board
IDA	International Development Association
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
PFM	Public Financial Management
KShs	Kenya Shillings
KRA	Kenya Revenue Authority
MDAs	Ministries, Departments and Agencies
SAGAs	Semi-Autonomous Government Agencies
SCs	State Corporations

1. Commentary on the Consolidated Financial Statements

1.1. Introduction

The Legal Framework

Section 81 of the Public Finance Management Act, 2012, requires that all state organs and public entities prepare annual financial statements at the end of each financial year and submit them to the Auditor General with a copy to the Controller of Budget, National Treasury and the Commission on Revenue Allocation by 30th September every year. Further, Section 80 of the PFM Act, 2012 requires the National Treasury to prepare annual financial statements that consolidate the financial statements prepared by all national government entities, and submit to the Auditor-General with a copy to the Controller of Budget and Commission on Revenue Allocation by 31st October of every year.

The financial statements referred to above are prepared in accordance with the standards prescribed by the Public Sector Accounting Standards Board (PSASB). The Board was set up pursuant to Section 192 of the PFM Act, 2012 with the responsibility of providing frameworks and set generally accepted standards for the development and management of accounting and financial systems by all state organs and public entities and prescribe formats for financial statements and reporting by all state organs and public entities.

The Cabinet Secretary for the National Treasury gazetted members of the Board through Gazette Notice No. 1199 of 28th February, 2014. Following the Board's approval of the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as commercial business entities, Cash-basis International Public Sector Accounting Standards (IPSAS) for Ministries, Departments and Agencies (MDAs) and County Governments, and Accrual-basis IPSAS for state organs operating as non-commercial business entities, the reporting standards were gazetted through the Kenya Gazette Notice No. 5440 dated 8th August 2014.

Scope of Consolidation

Executive Order No. 1/2016 issued by President in May 2016, on the organisation of Government saw the number of voted entities under the National Government for FY 2016/2017 increase from 55 in FY 2015/16 to 69.

The Executive Order No. 1/2016 together with the Presidential Warrants of 2016/2017 operationalised the votes by authorising the issuance of funds from the Consolidated Fund. The entities included in the consolidation and the disbursements from the Exchequer are included in **Note 25 and Appendix 1** of these financial statements.

Included in Part B of this consolidation are Government Development Projects implemented by MDAs. The number Development projects consolidated in these financial statements are 71 compared to 78 projects consolidated in FY2015/2016. The consolidated projects are outlined in **Appendix 1** under section B of these financial statements.

Government of Kenya
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For the Year Ended 30th June 2017

1.2. Key Highlights

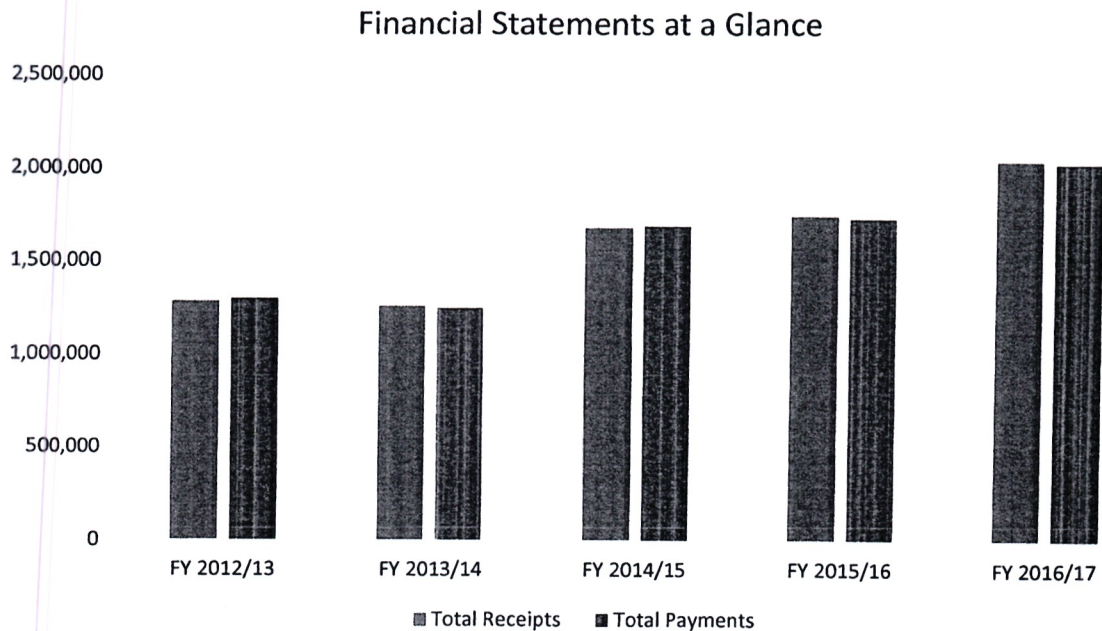
Below is an overview of the financial performance for the year ended 30th June 2017 as reported in the detailed consolidated financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

1.2.1. Five Year Summary of Financial Results

Actual performance trend for the 5 year period starting 30th June 2013 to 30th June 2017 is summarised as follows:

Financial Performance	Actuals	Actuals	Actuals	Actuals	Actuals
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
	KShs 'Mn'	KShs 'Mn'	KShs 'Mn'	KShs 'Mn'	KShs 'Mn'
Total Receipts	1,285,798	1,259,411	1,683,969	1,748,204	2,042,475
Total Payments	1,299,658	1,247,872	1,694,848	1,734,051	2,029,439
Operating Balance for the Year	(13,860)	11,539	(10,879)	14,153	13,036
Net Financial Assets	38,577	20,502	81,642	(9,925)	(4,289)

The five year trend for receipts and payments over the last five years is as shown below:



Government of Kenya
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For the Year Ended 30th June 2017

1.2.2. Current Year Performance against Prior Year

Financial Performance	Year to 30th June 2017	Year to 30th June 2016	Change	%
	KShs million	KShs million	KShs million	Change
Total Receipts	2,042,475	1,748,204	294,271	17%
Total Payments	2,029,439	1,734,051	295,388	17%
Surplus for the Year	13,036	14,153	(1,117)	(7%)

Total receipts increased by 17% due to increased funding through exchequer to the MDAs mainly driven by increased tax revenues and budgetary allocation to various votes. Proceeds from foreign borrowings also increased significantly. Payments on the other hand increased by 17% compared to the previous financial period as a result of increase in activities during the year.

1.2.3. Receipts

The government receipts are derived from domestic and external sources. Domestic resources mainly comprise of taxes collected by the Kenya Revenue Authority (KRA) and remitted to the Consolidated Fund. Other receipt sources include external loans and grants, various administrative fees and charges, capital receipts from sale of public assets and own receipts collected and used directly by government entities and certain budget agencies. Domestic and external borrowings are treated on a cash basis and are therefore, included in the government receipts.

For MDAs receipts primarily comprise of transfers from the exchequer, domestic and foreign borrowing and grants, proceeds from sale of assets and appropriations in aid.

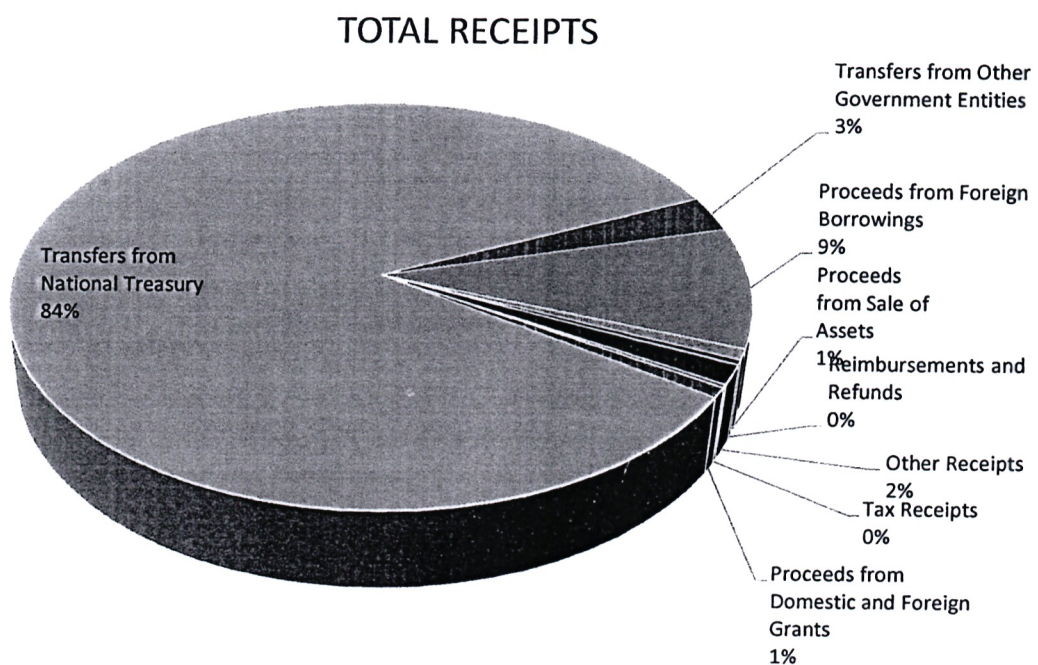
The total receipts for FY 2016/2017 stood at KShs 2,042,475 million, representing a 17% increase from KShs 1,748,204 million for FY 2015/2016.

	Year to 30th June 2017	Year to 30th June 2016	Change	%
Receipts	KShs million	KShs million	KShs million	Change
Tax Receipts	4,965	6,068	(1,103)	(18%)
Proceeds from Domestic and Foreign Grants	16,018	21,877	(5,859)	(27%)
Transfers from National Treasury	1,711,813	1,529,402	182,411	12%
Transfers from Other Government Entities	58,243	34,281	23,962	70%
Proceeds from Foreign Borrowings	194,961	106,830	88,131	82%
Proceeds from Sale of Assets	17,248	21,606	(4,358)	(20%)
Reimbursements and Refunds	7,657	4,990	2,667	53%
Other Receipts	31,570	23,150	8,420	36%
Total Receipts	2,042,475	1,748,204	294,271	17%

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The increase in total receipts reported by National Government MDAs is as a result of an increase in exchequer releases by the National Treasury by KShs 182,411 million due to increased tax revenue and financing which resulted to an increase in budget allocation.

The diagram below depicts the share of major categories of receipts for the fiscal year ended 30th June 2017. The major source of funding for the MDAs is exchequer releases that account for 84% of the total receipts.



Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

1.2.4. Payments

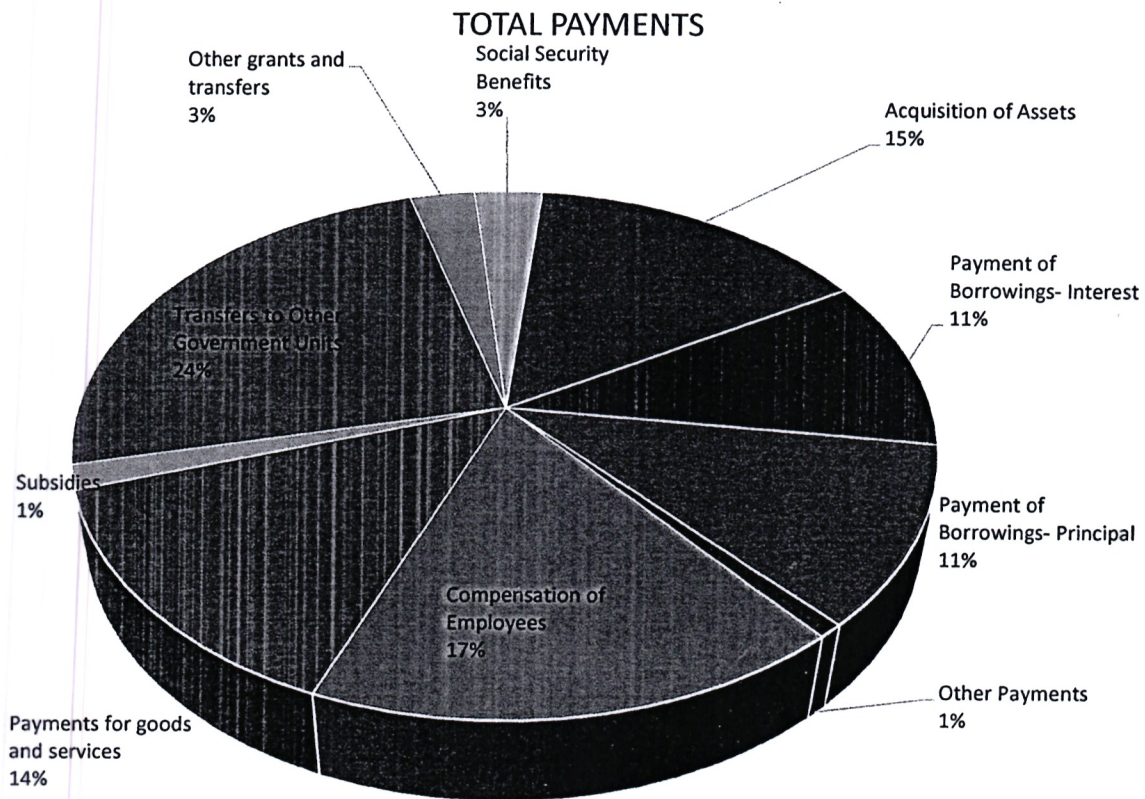
Total payments for period ended 30th June 2017 stood at KShs 2,029,439 million, a 17% increase from KShs 1,734,051 million reported for the year ended 30th June 2016.

	Year to 30th June 2017	Year to 30th June 2016	Change	%
Payments	KShs million	KShs million	KShs million	Change
Compensation of Employees	346,209	326,589	19,620	6%
Payment for Goods and Services	285,648	232,276	53,372	23%
Subsidies	30,098	30,315	(217)	(1%)
Transfers to Other Government Units	491,164	362,432	128,732	36%
Other Grants and Transfers	57,406	76,002	(18,596)	(24%)
Social Security Benefits	61,006	52,549	8,457	16%
Acquisition of Assets	304,951	227,995	76,956	34%
Payments of Borrowings-Interest	215,288	167,982	47,306	28%
Payments of Borrowings-Principal	221,663	254,117	(32,454)	(13%)
Other Payments	16,006	3,794	12,212	>100%
Total Payments	2,029,439	1,734,051	295,388	17%

The increase in payments is attributable to a 44% increase in budget allocation and therefore spending in transfers to other government entities which include State Corporations and Semi-autonomous Government Agencies and County Governments increased by KShs 128,732 million. Payments for goods and services and interest on borrowings also increased by KShs 53,372 million and KShs 47,306 million respectively as a result of increased activities and cumulative public debt.

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

The diagram below depicts the share of major categories of payments for the fiscal year ended 30th June 2017.



Transfers to government units including State Corporations, SAGAs and County Governments accounted for 24% of the spending by MDAs while 17% was utilised on employee compensation and 14% on payment for goods and services.

1.2.5. Surplus for the Year

The surplus for the MDAs in FY 2016/2017 stood at KShs 13,036 million compared to KShs 14,153 million in the previous financial year as tabulated in the table below. This is attributable to tighter cash flow planning by National Treasury thus minimising idle balances in the MDA bank accounts.

Financial Performance	Year to	Year to	Change	%
	30 th June 2017	30 th June 2016		
	KShs million	KShs million	KShs million	Change
Total Receipts	2,042,475	1,748,204	294,271	17%
Total Payments	2,029,439	1,734,051	295,388	17%
Surplus for the Year	13,036	14,153	(1,117)	(7%)

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Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

1.2.6. Total Financial Assets

The total financial assets for the MDAs as at 30th June 2017 amounted to KShs 45,034 million compared to the KShs 40,689 million as at 30th June 2016. This represents an increase of KShs 4,345 million.

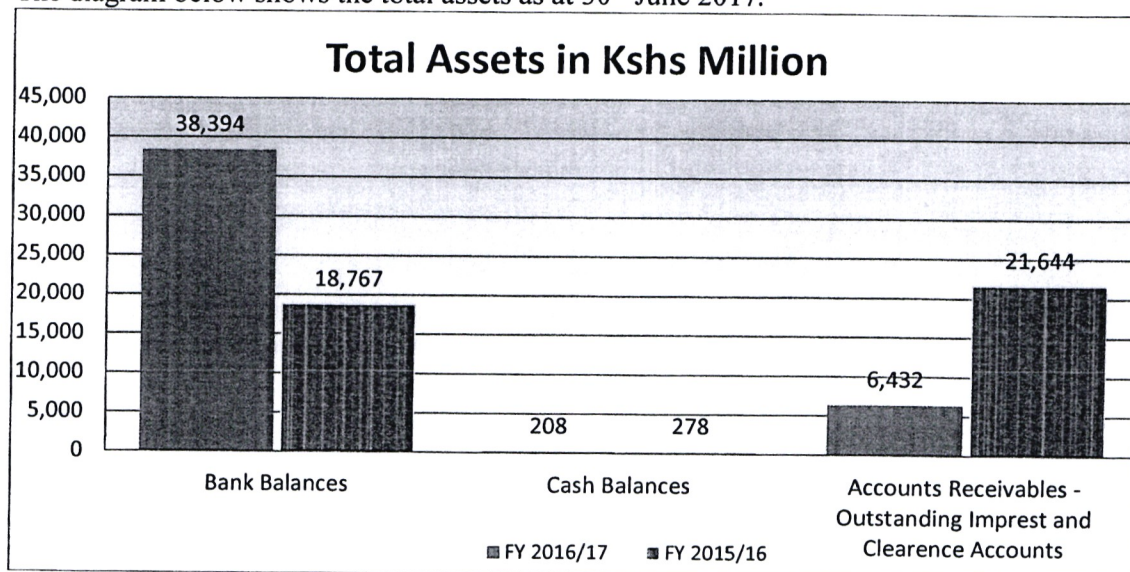
Financial Assets	As at 30 th June 2017	As at 30 th June 2016	Change	%
	KShs million	KShs million	KShs million	Change
Bank Balances	38,394	18,767	19,627	105%
Cash Balances	208	278	(70)	(25%)
Accounts Receivables-Outstanding Imprest and Clearance Accounts	6,432	21,644	(15,212)	(70%)
Total Financial Assets	45,034	40,689	4,345	11%

The movement in total financial assets was driven by an increase in bank balances by 105%. This was offset by the decrease in cash and accounts receivables balances by 25% and 70% respectively resulting in an 11% increase from the previous year.

Bank balances increased by KShs 19,627 million representing a 105% increase from the previous year. The increase is attributable to an increase in bank deposits held by Judiciary by KShs 4,773 million. These balances are held in their commercial bank deposit accounts being bail money collected by various courts all over the country. These amount and the corresponding third party creditors was recognized in the financial statements for the first time in FY 2016/ 2017. Further, there was an increase bank balances held by IEBC by KShs 4,290 million relating to funds held in various regional bank accounts for paying election expenses.

The decrease in accounts receivable was mainly driven by a significant decrease in clearance accounts reported by Teachers Service Commission in the previous year by KShs 7,033 million which has been analyzed and reconciled.

The diagram below shows the total assets as at 30th June 2017.



**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
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1.3. Budget Performance


Actual Performance against Budget for Year ended 30th June 2017

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs million	KShs million	KShs million	Performance
Total Receipts	2,256,846	2,042,475	214,371	9%
Total Payments	2,256,846	2,029,439	227,407	10%
Surplus for the Year	-	13,036	(13,036)	(1%)

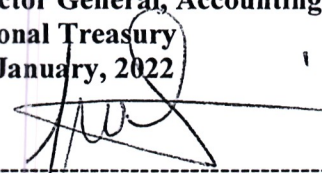
MDAs managed to raise 91% of the budgeted receipts. This was a decline by 9% on the expected performance owing to lower collections of appropriations in aid largely contributed to by a decrease in proceeds from sale of assets. Utilisation of the total budget was 90% indicating an under utilisation rate of 10% which was also attributed to low collections of AIA and therefore the related expenditure could not be incurred.

1.4. Conclusion

The Government of Kenya has initiated various reforms to improve the transparency and accountability of public funds. In an attempt to increase transparency in reporting, the National Treasury adopted Cash-basis International Public Sector Accounting Standards (IPSAS) for Ministries, Departments and Agencies, and County Governments and Accrual-basis International Public Sector Accounting Standards (IPSAS) for non-commercial national government entities and International Financial Reporting Standards (IFRS) for commercial government entities. The continued capacity building efforts by the National Treasury has led to the continued improvements in timeliness and quality of financial reports submitted by public entities.



FCPA Bernard Ndungu, MBS
Director General, Accounting Services & Quality Assurance
National Treasury
31st January, 2022



CPA Jona Wala
Ag. Director Accounting Services
National Treasury
31st January, 2022

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

2. Statement of Responsibility

Section 80 of the Public Finance Management (PFM) Act, 2012 requires the National Treasury to prepare annual financial statements that consolidate the financial statements prepared by all National Government entities, in accordance with the accounting policies and formats prescribed by the Public Sector Accounting Standards Board. The National Treasury is required to submit these financial statements to the Auditor General and a copy to the Controller of Budget and the Commission on Revenue Allocation by 31st October 2017.

These consolidated financial statements relate to the National Government Ministries, Departments and Agencies for the financial year ended 30th June 2017 and are based on the financial statements prepared and submitted by the respective Ministries, Departments and Agencies in accordance with Section 81 of the PFM Act, 2012. The responsibility of ensuring accuracy and completeness of the financial statements rests with the Accounting Officers of the respective entities.

The consolidated financial statements have been prepared on a going concern basis, and are based on accounting policies which have been consistently applied and supported by reasonable and prudent judgments and estimates.

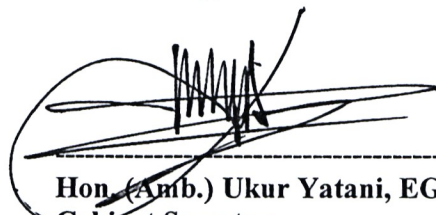
To the best of our knowledge, the overall consolidated financial statements as set out on pages 1 to 79 are complete and accurately prepared based on the financial statements submitted by the entities for the financial year ended 30th June 2017.



FCPA Bernard Ndungu, MBS
Director General, Accounting Services & Quality Assurance
National Treasury
31st January, 2022



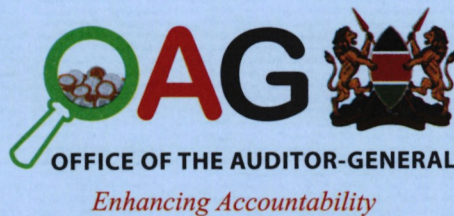
FCPA Julius Muia, PhD, CBS
Principal Secretary
National Treasury
31st January, 2022



Hon. (Amb.) Ukur Yatani, EGH
Cabinet Secretary
National Treasury & Planning
31st January, 2022

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REPORT OF THE AUDITOR-GENERAL ON GOVERNMENT OF KENYA MINISTRIES, DEPARTMENTS AND AGENCIES FOR THE YEAR ENDED 30 JUNE, 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying Consolidated Financial Statements of the Government of Kenya Ministries, Departments and Agencies (MDAs) set out on pages 1 to 41, which comprise the consolidated statement of financial assets as at 30 June, 2017, and the consolidated statement of receipts and payments, consolidated statement of cash flows, consolidated statement of comparison of budget and actual amounts and a summary of funds movements per vote for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Kenya Ministries, Departments and Agencies (MDAs) as at 30 June, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Overall Government Performance

The audit of individual Ministries, Departments, Agencies' (MDAs) and the Consolidated Fund Services' sets of financial statements for the year ended 30 June, 2017 indicates

that only twenty-one (21) financial statements or 30.44% out of the audited sixty-nine (69) comprising of sixty-five (65) MDAs and four (4) Consolidated Fund Services, (CFS), representing expenditure of Kshs.182,805,983,158 or 9.02% of total expenditure of Kshs.2,026,052,946,211 had unqualified opinion. Further, thirty-five (35) financial statements or 50.72 % with an expenditure of Kshs.1,422,262,454,254 or 70.2% of total expenditure had a qualified audit opinion while eleven (11), financial statements or 15.94% with expenditure of Kshs.381,724,003,401 and representing 18.84% of total expenditure had an adverse opinion while one (1) financial statement or 1.45% with an expenditure of Kshs.34,913,975,952 representing 1.72% of total expenditure had a disclaimer of opinion.

The financial statements of the Office of the Auditor-General with an expenditure of Kshs.4,346,529,446 representing 0.21% of the total government expenditure which is audited separately by an independent auditor appointed by Parliament had not been certified. The audit opinion summary over the last three years is as shown below:

Audit Opinion	2014/2015		2015/2016		2016/2017	
	No. of FS	% age	No. of FS	% age	No. of FS	% age
Unmodified	11	20.37	10	18.18	21	30.44
Qualified	31	57.41	37	67.27	35	50.72
Adverse	9	16.67	6	10.91	11	15.94
Disclaimer	2	3.70	1	1.82	1	1.45
Not yet Certified	1	1.85	1	1.82	1	1.45
Total	54	100	55	100	69	100

My opinion is not qualified in respect this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Government of Kenya Ministries, Departments and Agencies (MDAs) ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government is aware of the intention to terminate the Government of Kenya Ministries, Departments and Agencies (MDAs) or to cease operations.

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

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

Those charged with governance is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Government of Kenya Ministries,

Departments and Agencies (MDAs) monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

26 October, 2021


Report of the Auditor-General on Government of Kenya Ministries, Departments and Agencies for the year ended 30 June, 2017

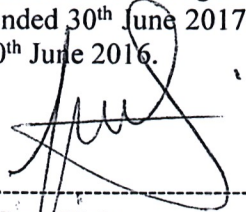
**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

3. Consolidated Statement of Receipts and Payments for the Year Ended 30th June 2017

		Year to 30 th June 2017	Year to 30 th June 2016
		KShs	KShs
Receipts	Note		
Tax Receipts	1	4,965,102,169	6,068,134,622
Proceeds from Domestic and Foreign Grants	2	16,017,761,686	21,877,092,992
Transfers from Exchequer	3	1,711,812,644,935	1,529,402,365,902
Transfers from Other Government Entities	4	58,243,343,523	34,281,038,027
Proceeds from Foreign Borrowings	5	194,960,909,026	106,830,488,832
Proceeds from Sale of Assets	6	17,248,208,209	21,605,929,634
Reimbursements and Refunds	7	7,656,939,471	4,989,537,405
Other Receipts	8	31,570,575,600	23,149,267,560
Total Receipts		2,042,475,484,619	1,748,203,854,974
Payments			
Compensation of Employees	9	346,209,329,205	326,589,170,013
Payment for goods and services	10	285,647,849,859	232,276,057,578
Subsidies	11	30,097,548,957	30,314,894,767
Transfers to Other Government Units	12	491,164,161,326	362,431,884,498
Other Grants and Transfers	13	57,406,395,554	76,001,515,217
Social Security Benefits	14	61,005,635,801	52,549,396,430
Acquisition of Assets	15	304,950,692,943	227,995,464,640
Payment of Borrowings-Interest	16	215,287,902,029	167,981,600,191
Payment of Borrowings-Principal	17	221,663,593,627	254,116,511,320
Other Payments	18	16,005,697,578	3,794,180,996
Total Payments		2,029,438,806,879	1,734,050,675,650
Surplus for the Year		13,036,677,740	14,153,179,324

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers the twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.


FCPA Bernard Ndungu, MBS
Director General, Accounting Services
Services & Quality Assurance
National Treasury
31st January, 2022


CPA Jona Wala
Ag. Director Accounting
National Treasury
31st January, 2022

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

4. Consolidated Statement of Financial Assets as at 30th June 2017

	Note	As at 30 th June 2017	As at 30 th June 2016
Financial Assets		KShs	KShs
Cash and Cash Equivalents			
Bank Balances	19A	38,394,071,740	18,767,480,941
Cash Balances	19B	207,653,660	277,984,515
Total Cash And Cash Equivalents		38,601,725,400	19,045,465,456
Accounts Receivables (Outstanding Imprest and Clearance Accounts)	20	6,431,834,610	21,644,158,066
Total Financial Assets		45,033,560,010	40,689,623,522
Less: Financial Liabilities			
Accounts Payables – Deposits	21	49,322,898,712	50,614,710,818
Net Financial Assets		(4,289,338,702)	(9,925,087,296)
Represented By			
Fund Balance Brought Forward	22	(9,925,087,296)	81,641,999,053
Surplus for the Year		13,036,677,740	14,153,179,324
Prior Year Adjustments	23	(11,240,635,303)	(105,608,523,858)
Accrual to Cash Adjustments	24	3,839,706,157	(111,741,815)
Net Financial Position		(4,289,338,702)	(9,925,087,296)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.



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 31st January, 2022

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017


5. Consolidated Statement of Cash Flows for the Year Ended 30th June 2017

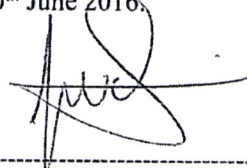
		Year to 30 th June 2017	Year to 30 th June 2016
	Notes	KShs	KShs
Cash Flow from Operating Activities			
Receipts for Operating Income			
Tax Receipts	1	4,965,102,169	6,068,134,622
Proceeds from Domestic and Foreign Grants	2	16,017,761,686	21,877,092,992
Transfers from Exchequer	3	1,711,812,644,935	1,529,402,365,902
Transfers from Other Government Entities	4	58,243,343,523	34,281,038,027
Reimbursements and Refunds	7	7,656,939,471	4,989,537,405
Other Receipts	8	31,570,575,600	23,149,267,560
		1,830,266,367,384	1,619,767,436,508
Payments for Operating Activities			
Compensation of Employees	9	(346,209,329,205)	(326,589,170,013)
Payment for Goods and Services	10	(285,647,849,859)	(232,276,057,578)
Subsidies	11	(30,097,548,957)	(30,314,894,767)
Transfers to Other Government Units	12	(491,164,161,326)	(362,431,884,498)
Other Grants and Transfers	13	(57,406,395,554)	(76,001,515,217)
Social Security Benefits	14	(61,005,635,801)	(52,549,396,430)
Payment of Borrowings-Interest	16	(215,287,902,029)	(167,981,600,191)
Other Payments	18	(16,005,697,578)	(3,794,180,996)
		(1,502,824,520,309)	(1,251,938,699,690)
Adjusted for:			
Changes in Receivables		15,212,323,456	45,106,824,822
Changes in Payables		(1,291,812,106)	(23,839,359,141)
Adjustments for Non-cash		3,839,706,157	(111,741,815)
Adjustments during the year		(11,240,635,303)	(105,608,523,858)
Net Cash Flow from Operating activities		333,961,429,279	283,375,936,826
Cash Flow from Investing Activities			
Proceeds from Sale of Assets	6	17,248,208,209	21,605,929,634
Acquisition of Assets	15	(304,950,692,943)	(227,995,464,640)
Net cash flows used in Investing Activities		(287,702,484,734)	(206,389,535,006)
Cash Flow from Financing Activities			
Proceeds from Foreign Borrowings	5	194,960,909,026	106,830,488,832
Payment of Borrowings - Principal	17	(221,663,593,627)	(254,116,511,320)
Net Cash Flow used in Financing Activities		(26,702,684,601)	(147,286,022,488)
Net Increase / (Decrease) in Cash and Cash Equivalent		19,556,259,944	(70,299,620,668)

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

		Year to 30th June 2017	Year to 30th June 2016
	Notes	KShs	KShs
Cash and Cash Equivalents at Beginning of the Year		19,045,465,456	89,345,086,124
Cash and Cash Equivalents at End of the Year		38,601,725,400	19,045,465,456

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.


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Director General, Accounting Services
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National Treasury
31st January, 2022


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31st January, 2022

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

6. Budget Execution Report

6.1. Budget Execution by Economic Classification (Combined Recurrent & Development)

Receipt/Payment Item	Original Expenditure Budget KShs	Adjustments (Supplementary 1 & 2) KShs	Final Expenditure Budget KShs	Actual on Comparable Basis KShs	Budget Utilisation Difference KShs	% of Utilisation KShs
RECEIPTS						
Tax Receipts	9,171,248,000	26,742,000	9,197,990,000	4,965,102,169	4,232,887,831	54%
Proceeds from Domestic and Foreign Grants and Borrowings	86,208,263,258	6,432,638,829	92,640,902,087	210,978,670,712	(118,337,768,625)	228%
Exchequer releases	1,734,529,989,458	74,098,134,993	1,808,628,124,451	1,711,812,644,935	96,815,479,516	95%
Transfers from Other Government Entities	-	-	-	58,243,343,523	(58,243,343,523)	>100%
Proceeds from Sale of Assets	323,827,883,934	(27,181,836,893)	296,646,047,041	17,248,208,209	279,397,838,832	6%
Reimbursements and Refunds	-	-	-	7,656,939,471	(7,656,939,471)	>100%
Other Receipts	51,256,875,440	(1,524,042,749)	49,732,832,691	31,570,575,600	18,162,257,091	63%
Total Receipts	2,204,994,260,090	51,851,636,180	2,256,845,896,270	2,042,475,484,619	214,370,411,651	91%
PAYMENTS						
Compensation of Employees	352,789,358,646	(3,459,229,720)	349,330,128,926	346,209,329,205	3,120,799,721	99%
Payments for goods and services	192,671,143,632	13,772,106,785	206,443,250,417	285,647,849,859	(79,204,599,442)	138%
Subsidies	31,553,036,300	(1,246,547,500)	30,306,488,800	30,097,548,957	208,939,843	99%
Transfers to Other Government Units	704,299,269,035	115,479,487,182	819,778,756,217	548,570,556,880	271,208,199,337	67%
Social Security Benefits	58,582,979,040	3,518,904,934	62,101,883,974	61,005,635,801	1,096,248,173	98%
Acquisition of Assets	392,439,247,447	(64,955,985,420)	327,483,262,027	304,950,692,943	22,532,569,084	93%

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

Receipt/Payment Item	Original Expenditure Budget KShs	Adjustments (Supplementary 1 & 2) KShs	Final Expenditure Budget KShs	Actual on Comparable Basis KShs	Budget Utilisation Difference KShs	% of Utilisation KShs
Payments of Borrowings- Interest	250,787,239,801	(6,610,290,792)	244,176,949,009	215,287,902,029	28,889,046,980	88%
Payments of Borrowings- Principal	216,743,986,189	353,190,711	217,097,176,900	221,663,593,627	(4,566,416,727)	102%
Other Payments	5,128,000,000	(5,000,000,000)	128,000,000	16,005,697,578	(15,877,697,578)	>100%
Grand Total	2,204,994,260,090	51,851,636,180	2,256,845,896,270	2,029,438,806,879	227,407,089,391	90%

Notes:

- The changes between the original budget and final budget were as a result of reallocation and additional appropriations through supplementary budgets that were duly approved by parliament during the financial year ended 30th June 2017.

Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

6.2. Budget Execution by Vote

No	Vote	Full Name of the MDA	Original Expenditure Budget	Adjustments (Supplementary 1 & 2)	Final Budget Expenditure Budget	Actuals on Comparable Basis	Budget Utilisation Difference	% of Utilisation
			KShs	KShs	KShs	KShs	KShs	
1	1011	The Presidency	8,424,664,669	2,521,642,593	10,946,307,262	10,035,848,167	910,459,095	92%
2	1021	State Department for Interior	125,761,836,208	9,274,893,126	135,036,729,334	129,881,139,117	5,155,590,217	96%
3	1023	State Department for Correctional Services	20,259,032,569	492,888,151	20,751,920,720	20,489,350,613	262,570,107	99%
4	1032	State Department for Devolution	3,073,451,492	(1,214,176,726)	1,859,274,766	1,128,686,599	730,588,167	61%
5	1033	State Department for Special Programmes	6,517,156,577	9,273,750,157	15,790,906,734	15,407,257,479	383,649,255	98%
6	1034	State Department for Planning and Statistics	46,223,576,889	(9,646,883,194)	36,576,693,695	34,913,975,952	1,662,717,743	95%
7	1041	Ministry of Defence	98,699,161,519	2,475,765,045	101,174,926,564	111,877,534,768	(10,702,608,204)	111%
8	1052	Ministry of Foreign Affairs	20,206,235,947	663,293,462	20,869,529,409	18,512,511,530	2,357,017,879	89%
9	1063	State Department for Basic Education	67,175,022,600	4,264,724,902	71,439,747,502	69,715,560,956	1,724,186,546	98%
10	1064	State Department for Vocational and Technical Training	6,525,529,210	1,892,681,728	8,418,210,938	7,848,725,291	569,485,647	93%
11	1065	State Department for University Education	72,131,528,707	1,428,651,710	73,560,180,417	71,188,660,336	2,371,520,081	97%
12	1071	The National Treasury	82,270,977,600	(8,638,067,253)	73,632,910,347	60,746,051,340	12,886,859,007	82%

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

No	Vote	Full Name of the MDA	Original Expenditure Budget	Adjustments (Supplementary 1 & 2)	Final Budget Expenditure Budget	Actuals on Comparable Basis	Budget Utilisation Difference	% of Utilisation
			KShs	KShs	KShs	KShs	KShs	
13	1081	Ministry of Health	60,269,930,022	11,164,390,000	71,434,320,022	56,683,410,017	14,750,910,005	79%
14	1091	State Department of Infrastructure	176,750,868,041	41,516,990,154	218,267,858,195	155,755,000,346	62,512,857,849	71%
15	1092	State Department of Transport	181,587,336,412	(12,456,715,279)	169,130,621,133	145,111,654,944	24,018,966,189	86%
16	1093	State Department for Maritime Affairs	237,159,288	17,000,000	254,159,288	231,751,199	22,408,089	91%
17	1094	State Department for Housing & Urban Development	20,151,319,444	(2,622,221,600)	17,529,097,844	14,892,820,950	2,636,276,894	85%
18	1095	State Department for Public Works	2,944,187,546	(999,820,278)	1,944,367,268	1,710,816,599	233,550,669	88%
19	1103	State Department for Water Services	43,230,663,649	5,661,240,852	48,891,904,501	36,038,352,794	12,853,551,707	74%
20	1104	State Department for Irrigation	19,040,938,101	(6,261,337,100)	12,779,601,001	8,454,809,971	4,324,791,030	66%
21	1105	State Department for Environment	7,225,733,761	(935,353,910)	6,290,379,851	4,930,284,738	1,360,095,113	78%
22	1106	State Department for Natural Resources	14,914,343,046	(394,273,300)	14,520,069,746	7,803,354,813	6,716,714,933	54%
23	1112	Ministry of Lands and Physical Planning	6,030,081,179	(402,865,085)	5,627,216,094	4,847,769,981	779,446,113	86%
24	1122	State Department for Information Communications and Technology	23,222,425,207	5,158,414,084	28,380,839,291	26,254,136,596	2,126,702,695	93%

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

No	Vote	Full Name of the MDA	Original Expenditure Budget	Adjustments (Supplementary 1 & 2)	Final Budget Expenditure Budget	Actuals on Comparable Basis	Budget Utilisation Difference	% of Utilisation
			KShs	KShs	KShs	KShs	KShs	KShs
25	1123	State Department for Broadcasting & Telecommunication	2,708,126,830	926,304,447	3,634,431,277	2,824,045,290	810,385,987	78%
26	1132	State Department for Sports Development	5,161,950,551	366,181,137	5,528,131,688	5,482,073,173	46,058,515	99%
27	1133	State Department for Arts and Culture	3,637,046,449	(173,273,430)	3,463,773,019	3,407,616,773	56,156,246	98%
28	1152	State Department for Energy	117,261,883,761	(5,836,309,509)	111,425,574,252	85,626,375,036	25,799,199,216	77%
29	1153	State Department for Petroleum	4,299,551,598	(1,226,450,000)	3,073,101,598	1,601,596,539	1,471,505,059	52%
30	1161	State Department for Agriculture.	21,264,342,516	1,811,622,625	23,075,965,141	20,806,948,484	2,269,016,657	90%
31	1162	State Department for Livestock.	13,632,073,800	1,682,507,251	15,314,581,051	8,503,926,821	6,810,654,230	56%
32	1164	State Department for Fisheries and the Blue Economy	4,183,196,791	389,468,295	4,572,665,086	4,209,575,462	363,089,624	92%
33	1172	State Department for Investment and Industry	8,048,602,153	(1,940,657,346)	6,107,944,807	5,952,139,091	155,805,716	97%
34	1173	State Department for Cooperatives	3,650,950,523	38,291,112	3,689,241,635	3,629,428,670	59,812,965	98%
35	1174	State Department for International Trade	3,164,282,136	457,557,611	3,621,839,747	3,445,034,342	176,805,405	95%
36	1183	State Department for East African Integration	1,606,165,024	(54,350,014)	1,551,815,010	1,503,772,562	48,042,448	97%
37	1184	State Department for Labour	1,779,043,257	168,260,973	1,947,304,230	1,774,132,276	173,171,954	91%

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

No	Vote	Full Name of the MDA	Original Expenditure Budget	Adjustments (Supplementary 1 & 2)	Final Budget Expenditure Budget	Actuals on Comparable Basis	Budget Utilisation Difference	% of Utilisation
			KShs	KShs	KShs	KShs	KShs	
38	1185	State Department for Social Protection	22,929,936,032	(461,915,221)	22,468,020,811	22,077,260,095	390,760,716	98%
39	1191	Ministry of Mining	4,587,685,646	(2,356,898,518)	2,230,787,128	2,052,788,577	177,998,551	92%
40	1201	Ministry of Tourism	7,196,228,209	(1,150,953,209)	6,045,275,000	5,390,364,018	654,910,982	89%
41	1211	State Department for Public Service and Youth Affairs	25,686,889,965	3,437,861,155	29,124,751,120	22,135,705,397	6,989,045,723	76%
42	1212	State Department of Gender	4,622,341,006	(403,493,191)	4,218,847,815	4,139,078,284	79,769,531	98%
43	1252	Office of the Attorney General and Department of Justice	4,414,232,362	470,000,000	4,884,232,362	3,913,893,175	970,339,187	80%
44	1261	The Judiciary	17,308,460,378	(199,300,000)	17,109,160,378	14,402,017,397	2,707,142,981	84%
45	1271	Ethics and Anti-Corruption Commission	2,791,080,000	689,000,000	3,480,080,000	2,911,966,681	568,113,319	84%
46	1281	National Intelligence Service	25,346,000,000	3,718,000,000	29,064,000,000	29,050,566,514	13,433,486	100%
47	1291	Office of the Director of Public Prosecutions	2,224,134,100	(11,330,971)	2,212,803,129	1,805,410,695	407,392,434	82%
48	1311	Office of the Registrar of Political Parties	826,916,880	-	826,916,880	636,682,667	190,234,213	77%
49	1321	Witness Protection Agency	379,542,900	8,897,100	388,440,000	377,052,715	11,387,285	97%
50	2011	Kenya National Commission on Human Rights	428,785,600	(8,000,000)	420,785,600	480,262,888	(59,477,288)	114%
51	2021	National Land Commission	1,434,548,504	(63,745,401)	1,370,803,103	11,730,358,131	(10,359,555,028)	856%

Commentary on the Consolidated Financial Statements

**Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017**

No	Vote	Full Name of the MDA	Original Expenditure Budget KShs	Adjustments (Supplementary 1 & 2) KShs	Final Budget Expenditure Budget KShs	Actuals on Comparable Basis KShs	Budget Utilisation Difference KShs	% of Utilisation
52	2031	Independent Electoral and Boundaries Commission	19,331,009,700	4,286,337,090	23,617,346,790	19,930,784,000	3,686,562,790	84%
53	2041	Parliamentary Service Commission	14,532,000,000	(896,264,000)	13,635,736,000	10,236,373,614	3,399,362,386	75%
54	2042	National Assembly	16,948,000,000	-	16,948,000,000	15,169,559,763	1,778,440,237	90%
55	2051	Judicial Service Commission	450,000,000	-	450,000,000	445,840,675	4,159,325	99%
56	2061	The Commission on Revenue Allocation	355,781,774	800,000	356,581,774	320,920,309	35,661,465	90%
57	2071	Public Service Commission	1,218,370,000	49,159,465	1,267,529,465	1,253,196,086	14,333,379	99%
58	2081	Salaries and Remuneration Commission	533,040,000	23,400,000	556,440,000	538,120,051	18,319,949	97%
59	2091	Teachers Service Commission	194,092,348,650	(2,972,338,308)	191,120,010,342	190,886,709,360	233,300,982	100%
60	2101	National Police Service Commission	435,340,000	(341,300)	434,998,700	434,062,673	936,027	100%
61	2111	Auditor General	4,406,880,000	22,000,000	4,428,880,000	4,346,529,446	82,350,554	98%
62	2121	Controller of Budget	561,269,850	(40,095,059)	521,174,791	504,275,449	16,899,342	97%
63	2131	The Commission on Administrative Justice	468,632,000	(19,642,949)	448,989,051	410,222,970	38,766,081	91%
64	2141	National Gender and Equality Commission	416,270,878	(11,250,013)	405,020,865	390,157,403	14,863,462	96%
65	2151	Independent Policing Oversight Authority	491,338,899	(6,403,630)	484,935,269	432,955,779	51,979,490	89%

Commentary on the Consolidated Financial Statements

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No	Vote	Full Name of the MDA	Original Expenditure Budget	Adjustments (Supplementary 1 & 2)	Final Budget Expenditure Budget	Actuals on Comparable Basis	Budget Utilisation Difference	% of Utilisation
			KShs	KShs	KShs	KShs	KShs	
66	R50	CFS Public Debt-National Treasury	466,514,040,169	(6,610,290,792)	459,903,749,377	435,717,114,377	24,186,635,000	95%
67	R51	CFS Pensions-National Treasury	55,691,127,200	5,000,000,000	60,691,127,200	59,757,695,779	933,431,421	98%
68	R52	CFS Salaries and Allowances-National Treasury	5,101,154,316	514,678,541	5,615,832,857	4,334,752,296	1,281,080,561	77%
69	R53	CFS Subscriptions to International Organizations-National Treasury	500,000	-	500,000	-	500,000	0%
		Totals	2,204,994,260,090	51,851,636,180	2,256,845,896,270	2,029,438,806,879	227,407,089,391	90%

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7. Summary of Funds Movements per Vote as at 30th June 2017

Vote	Full name of the MDA	Receipts KShs	Payments KShs	Surplus KShs	Net Financial Assets KShs	Fund Balance C/f KShs
1011	The Presidency	10,050,121,180	10,035,848,167	14,273,013	31,819,102	31,819,102
1021	State Department for Interior	131,654,150,000	129,881,139,117	1,773,010,883	3,940,774,437	3,940,774,437
1023	State Department for Correctional Services	20,744,800,000	20,489,350,613	255,449,387	702,825,955	702,825,955
1032	State Department for Devolution	1,165,747,701	1,128,686,599	37,061,102	39,459,029	39,459,029
1033	State Department for Special Programmes	15,434,078,352	15,407,257,479	26,820,873	26,820,873	26,820,873
1034	State Department for Planning and Statistics	35,477,376,259	34,913,975,952	563,400,307	563,400,307	563,400,307
1041	Ministry of Defence	111,881,487,418	111,877,534,768	3,952,650	24,106,756	24,106,756
1052	Ministry of Foreign Affairs	20,566,220,843	18,512,511,530	2,053,709,313	2,053,709,313	2,053,709,313
1063	State Department for Basic Education	69,717,479,950	69,715,560,956	1,918,994	233,929,525	233,929,525
1064	State Department for Vocational and Technical Training	7,935,980,311	7,848,725,291	87,255,020	87,255,020	87,255,020
1065	State Department for University Education	71,431,335,534	71,188,660,336	242,675,198	242,675,198	242,675,198
1071	The National Treasury	61,373,152,592	60,746,051,340	627,101,252	2,304,964,474	2,304,964,474
1081	Ministry of Health	56,753,232,630	56,683,410,017	69,822,613	77,472,312	77,472,312
1091	State Department of Infrastructure	157,650,386,160	155,755,000,346	1,895,385,814	3,077,200,814	3,077,200,814
1092	State Department of Transport	145,136,167,334	145,111,654,944	24,512,390	24,512,390	24,512,390
1093	State Department for Maritime Affairs	239,900,000	231,751,199	8,148,801	8,148,801	8,148,801
1094	State Department for Housing & Urban Development	14,919,165,139	14,892,820,950	26,344,189	26,344,189	26,344,189
1095	State Department for Public Works	1,759,000,000	1,710,816,599	48,183,401	48,183,401	48,183,401
1103	State Department for Water Services	36,159,058,177	36,038,352,794	120,705,383	120,705,383	120,705,383

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Vote	Full name of the MDA	Receipts		Payments		Surplus		Net Financial Assets		Fund Balance C/f	
		KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
1104	State Department for Irrigation	9,086,161,544	8,454,809,971	631,351,573	631,351,573	631,351,573	631,351,573	631,351,573	631,351,573	631,351,573	631,351,573
1105	State Department for Environment	4,938,981,920	4,930,284,738	8,697,182	8,697,182	8,697,182	8,697,182	8,697,182	8,697,182	8,697,182	8,697,182
1106	State Department for Natural Resources	7,815,800,000	7,803,354,813	12,445,187	12,445,187	12,445,187	12,445,187	12,445,187	12,445,187	12,445,187	12,445,187
1112	Ministry of Lands and Physical Planning	4,879,838,624	4,847,769,981	32,068,643	32,068,643	32,068,643	32,068,643	32,068,643	32,068,643	32,068,643	32,068,643
1122	State Department for Information Communications and Technologies	26,253,463,582	26,254,136,596	(673,014)	(673,014)	(673,014)	(673,014)	(673,014)	(673,014)	(673,014)	(673,014)
1123	State Department for Broadcasting & Telecommunication	2,839,462,236	2,824,045,290	15,416,946	15,416,946	15,416,946	15,416,946	15,416,946	15,416,946	15,416,946	15,416,946
1132	State Department for Sports Development	5,489,570,500	5,482,073,173	7,497,327	7,497,327	7,497,327	7,497,327	7,497,327	7,497,327	7,497,327	7,497,327
1133	State Department for Arts and Culture	3,417,083,742	3,407,616,773	9,466,969	9,466,969	9,466,969	9,466,969	9,466,969	9,466,969	9,466,969	9,466,969
1152	State Department for Energy	85,627,171,723	85,626,375,036	796,687	796,687	796,687	796,687	796,687	796,687	796,687	796,687
1153	State Department for Petroleum	1,647,457,334	1,601,596,539	45,860,795	45,860,795	45,860,795	45,860,795	45,860,795	45,860,795	45,860,795	45,860,795
1161	State Department for Agriculture.	21,051,423,620	20,806,948,484	244,475,136	244,475,136	244,475,136	244,475,136	244,475,136	244,475,136	244,475,136	244,475,136
1162	State Department for Livestock.	8,649,035,110	8,503,926,821	145,108,289	145,108,289	145,108,289	145,108,289	145,108,289	145,108,289	145,108,289	145,108,289
1164	State Department for Fisheries and the Blue Economy	4,226,285,309	4,209,575,462	16,709,847	16,709,847	16,709,847	16,709,847	16,709,847	16,709,847	16,709,847	16,709,847
1172	State Department for Investment and Industry	5,953,531,591	5,952,139,091	1,392,500	1,392,500	1,392,500	1,392,500	1,392,500	1,392,500	1,392,500	1,392,500
1173	State Department for Cooperatives	3,644,906,416	3,629,428,670	15,477,746	15,477,746	15,477,746	15,477,746	15,477,746	15,477,746	15,477,746	15,477,746
1174	State Department for International Trade	3,450,294,705	3,445,034,342	5,260,363	5,260,363	5,260,363	5,260,363	5,260,363	5,260,363	5,260,363	5,260,363
1183	State Department for East African Integration	1,507,383,312	1,503,772,562	3,610,750	3,610,750	3,610,750	3,610,750	3,610,750	3,610,750	3,610,750	3,610,750
1184	State Department for Labour	1,792,677,824	1,774,132,276	18,545,548	18,545,548	18,545,548	18,545,548	18,545,548	18,545,548	18,545,548	18,545,548
1185	State Department for Social Protection	22,377,592,029	22,077,260,095	300,331,934	300,331,934	300,331,934	300,331,934	300,331,934	300,331,934	300,331,934	300,331,934
1191	Ministry of Mining	2,082,173,729	2,052,788,577	29,385,152	29,385,152	29,385,152	29,385,152	29,385,152	29,385,152	29,385,152	29,385,152
1201	Ministry of Tourism	5,398,006,313	5,390,364,018	7,642,295	7,642,295	7,642,295	7,642,295	7,642,295	7,642,295	7,642,295	7,642,295

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Vote	Full name of the MDA	Receipts		Payments		Surplus		Net Financial Assets		Fund Balance C/f	
		KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
1211	State Department for Public Service and Youth Affairs	22,233,582,298	22,135,705,397	97,876,901	97,876,901	97,876,901	97,876,901	97,876,901	97,876,901	97,876,901	97,876,901
1212	State Department of Gender	4,139,613,262	4,139,078,284	534,978	534,978	534,978	534,978	534,978	534,978	534,978	534,978
1252	Office of the Attorney General and Department of Justice	3,950,302,000	3,913,893,175	36,408,825	36,408,825	36,408,825	36,408,825	155,183,498	155,183,498	155,183,498	155,183,498
1261	The Judiciary	14,871,001,247	14,402,017,397	468,983,850	468,983,850	468,983,850	468,983,850	763,909,999	763,909,999	763,909,999	763,909,999
1271	Ethics and Anti-Corruption Commission	3,038,859,508	2,911,966,681	126,892,827	126,892,827	126,892,827	126,892,827	69,525,010	69,525,010	69,525,010	69,525,010
1281	National Intelligence Service	29,064,963,911	29,050,566,514	14,397,397	14,397,397	14,397,397	14,397,397	14,397,396	14,397,396	14,397,396	14,397,396
1291	Office of the Director of Public Prosecutions	1,812,812,026	1,805,410,695	7,401,331	7,401,331	7,401,331	7,401,331	9,983,868	9,983,868	9,983,868	9,983,868
1311	Office of the Registrar of Political Parties	667,592,000	636,682,667	30,909,333	30,909,333	30,909,333	30,909,333	30,909,332	30,909,332	30,909,332	30,909,332
1321	Witness Protection Agency	389,041,496	377,052,715	11,988,781	11,988,781	11,988,781	11,988,781	24,958,537	24,958,537	24,958,537	24,958,537
2011	Kenya National Commission on Human Rights	532,630,764	480,262,888	52,367,876	52,367,876	52,367,876	52,367,876	124,892,410	124,892,410	124,892,410	124,892,410
2021	National Land Commission	14,775,075,740	11,730,358,131	3,044,717,609	3,044,717,609	3,044,717,609	3,044,717,609	3,058,874,176	3,058,874,176	3,058,874,176	3,058,874,176
2031	Independent Electoral and Boundaries Commission	19,955,475,000	19,930,784,000	24,691,000	24,691,000	24,691,000	24,691,000	4,494,103,000	4,494,103,000	4,494,103,000	4,494,103,000
2041	Parliamentary Service Commission	10,687,714,448	10,236,373,614	451,340,834	451,340,834	451,340,834	451,340,834	452,008,359	452,008,359	452,008,359	452,008,359
2042	National Assembly	15,504,200,000	15,169,559,763	334,640,237	334,640,237	334,640,237	334,640,237	334,640,237	334,640,237	334,640,237	334,640,237
2051	Judicial Service Commission	435,200,000	445,840,675	(10,640,675)	(10,640,675)	(10,640,675)	(10,640,675)	3,385,271	3,385,271	3,385,271	3,385,271
2061	The Commission on Revenue Allocation	319,566,709	320,920,309	(1,353,600)	(1,353,600)	(1,353,600)	(1,353,600)	101,570,380	101,570,380	101,570,380	101,570,380
2071	Public Service Commission	1,264,383,899	1,253,196,086	11,187,813	11,187,813	11,187,813	11,187,813	9,022,822	9,022,822	9,022,822	9,022,822
2081	Salaries and Remuneration Commission	555,916,455	538,120,051	17,796,404	17,796,404	17,796,404	17,796,404	27,548,302	27,548,302	27,548,302	27,548,302
2091	Teachers Service Commission	191,036,529,789	190,886,709,360	149,820,429	149,820,429	149,820,429	149,820,429	1,178,448,140	1,178,448,140	1,178,448,140	1,178,448,140
2101	National Police Service Commission	436,776,236	434,062,673	2,713,563	2,713,563	2,713,563	2,713,563	4,501,198	4,501,198	4,501,198	4,501,198
2111	Auditor General	4,374,384,340	4,346,529,446	27,854,894	27,854,894	27,854,894	27,854,894	21,038,227	21,038,227	21,038,227	21,038,227

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Vote	Full name of the MDA	Receipts		Payments		Surplus		Net Financial Assets		Fund Balance C/f	
		KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
2121	Controller of Budget	510,000,000		504,275,449		5,724,551		16,305,674		16,305,674	
2131	The Commission on Administrative Justice	427,370,500		410,222,970		17,147,530		18,140,660		18,140,660	
2141	National Gender and Equality Commission	390,190,390		390,157,403		32,987		20,880,890		20,880,890	
2151	Independent Policing Oversight Authority	433,610,000		432,955,779		654,221		654,221		654,221	
R50	Public Debt-National Treasury	435,716,953,825		435,717,114,377		(160,552)		(26,896,850,085)		(26,896,850,085)	
R51	Pensions-National Treasury	58,487,602,400		59,757,695,779		(1,270,093,379)		(3,876,911,341)		(3,876,911,341)	
R52	Salaries and Allowances-National Treasury	4,286,995,633		4,334,752,296		(47,756,663)		43,769,554		43,769,554	
R53	Subscriptions to International Organizations-National Treasury	-		-		-		2		2	
	Totals	2,042,475,484,619		2,029,438,806,879		13,036,677,740		(4,289,338,702)		(4,289,338,702)	

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8. Notes to the Consolidated Financial Statements

8.1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

8.2. Reporting Entity

The financial statements are for the National Government Ministries, Department and Agencies. The financial statements encompass the reporting entity as specified in the relevant legislation, PFM Act 2012, and also comprises Development Projects as an annexure.

The consolidated financial statements include all budgetary entities controlled by the National Government. A list of these entities is shown under **note 25**.

8.3. Reporting Currency

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

8.4. Basis of Consolidation

This consolidation is based on audited financial statements submitted by the individual MDAs to the Auditor General on 30th September 2017 with a copy to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

The financial statements are aggregated on a line by line basis with the inter-entity transactions of receipts and payment being eliminated at consolidation level to avoid overstatement of receipts or payments.

The entities' accounting policies have been adjusted to form a consistent basis, where their effect is deemed material to this consolidated financial statement. This is especially the case for the entities whose financial statements have been prepared on Accrual-basis IPSAS.

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8.5. Elimination

Material balances between entities included in this consolidation have been eliminated. This has been informed by the inter-entity elimination template that is completed by the entities and submitted to the National Treasury.

8.6. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by all consolidated entities and for all the years presented.

a. Recognition of Receipts

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

• **Tax Receipts**

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

• **Transfers from the Exchequer**

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

• **External Assistance**

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

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

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

During the year ended 30th June 2017, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

• **Other Receipts**

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

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b. Recognition of Payments

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

- **Compensation of Employees**

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

- **Use of Goods and Services**

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

- **Interest on Borrowing**

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

- **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

- **Acquisition of Fixed Assets**

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

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

c. In-kind Contributions

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

d. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

e. Cash and Cash Equivalentents

Cash and cash equivalentents 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.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. There were no other restrictions on cash during the year.

f. Accounts Receivable

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

g. Accounts Payable

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

h. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Government at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

i. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by parliament on June 2016 for the period 1st July 2016 to 30th June 2017 as required by Law and there were two supplementary adjustments to the original budget during the year.

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A comparison of the actual performance against the comparable budget for the financial year under review has been included in the consolidated financial statements.

The entities that are directly included in the printed estimates are the 69 voted entities that have been classified as Ministries, Departments and Agencies (MDAs) and include the Consolidated Fund Services (CFS). These voted entities are listed on note 25.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

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. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2017.

l. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 23 explaining the nature and amounts.

m. Related Party Transactions

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

8.7. Disclosure of Entities Included in Consolidation

The National Government entities consolidated financial statements consist of a total of 69 entities consolidated for the financial year ended 30th June 2017 that are considered as budgetary entities. These include 65 MDAs and 4 CFS a listing of which is presented under **note 25**.

8.7.1. Disclosure of Entities Excluded from Consolidation

None of the entities eligible for consolidation under the National Government Ministry, Agencies and Departments budgetary cluster for the year ended 30th June 2017 has been excluded from consolidation.

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9. Specific Notes to the Financial Statements

The following section provides additional information and details on the main statements.

1. Tax Receipts

This category of receipts relates to levies collected.

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
Taxes on Property	890,043,699	19,662,000
Taxes on Goods and Services	4,075,058,470	6,048,472,622
Total	4,965,102,169	6,068,134,622

2. Proceeds from Domestic and Foreign Grants

These are grants received from multilateral and bilateral development partners either through the exchequer or in form of direct payments.

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)	13,018,647,018	3,425,026,803
Grants Received from Multilateral Donors (International Organisations)	2,999,114,668	9,136,194,894
Grants Received from other levels of Government	-	9,315,871,295
Total	16,017,761,686	21,877,092,992

3. Transfers from Exchequer

These relate to amounts transferred from the exchequer to voted entities. The amounts below have been summarised on a quarterly basis.

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
1st quarter transfer	327,611,716,729	233,333,685,596
2nd quarter transfer	377,949,367,360	315,609,742,918
3rd quarter transfer	359,646,575,626	353,711,533,162
4th quarter transfer	646,604,985,220	626,747,404,226
Total	1,711,812,644,935	1,529,402,365,902

See **Appendix I** for a detailed analysis of transfers from the exchequer to the various budget agencies.

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4. Transfers from Other Government Entities

These are amounts received from other government reporting entities including State Corporations and SAGAs and County Governments. The total transfers have been reconciled with the sending government entity.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Transfers from Central government entities	58,243,343,523	34,281,038,027
Total	58,243,343,523	34,281,038,027

Both the current year and prior year transfer amounts relate to a transfer from Kenya Roads Board to State Department of Infrastructure.

5. Proceeds from Foreign Borrowings

These are loan amounts received from foreign bilateral and multilateral organisations.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Foreign Borrowing – Draw-downs through Exchequer	-	2,740,884,085
Foreign Borrowing - Direct Payments	194,960,909,026	104,089,604,747
Total	194,960,909,026	106,830,488,832

There was a significant increase in foreign borrowings in form of direct payments. This was largely attributed to State Department of Transport whose direct payments increased by KShs 57,593,506,452 that related mostly to Standard Gauge Railway payments.

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6. Proceeds from Sale of Assets

These comprise of proceeds from sale of fixed assets and inventories by budget agencies.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Receipts from the Sale of Vehicles and Transport Equipment	20,501,143	9,347,955
Receipts from the Sale Plant Machinery and Equipment	7,118,318	319,450
Receipts from Sale of Certified Seeds and Breeding Stock	-	2,898,722,888
Receipts from the Sale of Strategic Reserves Stocks	-	2,500,000,000
Receipts from the Sale of Inventories, Stocks and Commodities	17,180,552,512	16,197,539,341
Disposal and Sales of Non-Produced Assets	40,036,236	-
Total	17,248,208,209	21,605,929,634

7. Reimbursements and Refunds

These refer to reimbursements and refunds that accrue to the government entities within the financial year.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Reimbursement from Individuals and Private Organisations	7,640,109,471	4,962,759,246
Reimbursement within Central Government	16,830,000	26,778,159
Total	7,656,939,471	4,989,537,405

Reimbursement from individual and private organisation related to reimbursements done by United Nations to Government of Kenya through the Ministry of Defence as a compensation for defence forces in peace keeping missions in various parts of the world.

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8. Other Receipts

These comprise of other receipts including voluntary transfers other than grants, administrative fees, miscellaneous income and unidentified receipts.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Interest Received	21,587,229	9,931,714
Rents	535,623,168	504,801,768
Other Property Income	34,305,797	-
Receipts from Administrative Fees and Charges	571,212,091	3,413,479,849
Receipts from Administrative Fees and Charges - Collected as AIA	2,389,496,780	1,582,442,439
Receipts from Incidental Sales by Non-Market Establishments	590,584,164	410,475,526
Receipts from Sales by Non-Market Establishments	-	497,343,239
Receipts from Sale of Incidental Goods	47,649,991	2,763,100
Fines Penalties and Forfeitures	12,201,350	22,060,323
Other Receipts Not Classified Elsewhere	27,367,915,030	16,705,969,602
Total	31,570,575,600	23,149,267,560

9. Compensation of Employees

Compensation to employees comprises of remuneration paid to employees in return for the work done. It also includes social contributions made by the government on behalf of its employees.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Basic salaries of permanent employees	203,493,873,382	187,901,111,309
Basic wages of temporary employees	14,242,754,439	19,637,656,703
Personal allowances paid as part of salary	114,238,651,491	108,260,018,570
Personal allowances paid as reimbursements	481,824,053	4,522,617,074
Personal allowances provided in kind	14,299,026	14,139,230
Pension and other social security contributions	1,389,200,416	1,004,172,437
Compulsory national social security schemes	210,490,879	76,353,441
Compulsory national health insurance schemes	11,535,337,519	4,520,307,749
Social benefit schemes outside government	54,806,119	258,220,217
Other personnel payments	548,091,881	394,573,283
Total	346,209,329,205	326,589,170,013

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10. Payment for Goods and Services

These comprises of the total value of goods and services consumed.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Utilities, supplies and services	4,152,256,322	4,089,584,950
Communication, supplies and services	2,014,411,043	1,706,545,755
Domestic travel and subsistence	11,013,381,746	9,539,710,236
Foreign travel and subsistence	6,218,396,380	5,897,401,431
Printing, advertising and information supplies & services	2,450,649,725	2,179,420,534
Rentals of produced assets	18,666,073,667	12,138,089,308
Training payments	7,651,324,724	6,316,670,945
Hospitality supplies and services	7,431,411,968	5,888,749,657
Insurance costs	10,976,016,336	6,337,940,271
Specialised materials and services	33,730,052,199	31,120,068,540
Office and general supplies and services	2,418,401,802	2,553,910,704
Other operating payments	169,239,655,573	136,425,304,859
Routine maintenance – vehicles and other transport equipment	2,719,774,897	2,595,745,053
Routine maintenance – other assets	1,898,603,387	2,693,842,083
Fuel Oil and Lubricants	5,067,440,090	2,792,901,643
Exchange Rate Losses	-	171,609
Total	285,647,849,859	232,276,057,578

11. Subsidies

These comprise financial assistance provided in form of provided to public corporations by MDAs.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Subsidies to Public Corporations	30,097,548,957	30,314,894,767
TOTAL	30,097,548,957	30,314,894,767

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The following is a breakdown of subsidies given by various government entities:

Vote	Full name of the MDA	Government Entity	Year to 30 th June 2017 KShs	Year to 30 th June 2016 KShs
1063	State Department for Basic Education	Capitation to Various Learning Institutions	28,987,667,712	30,258,894,767
1065	State Department for University Education	African Institute of Capacity & Development	56,000,000	56,000,000
1071	The National Treasury	Agricultural Finance Corporation	1,050,000,000	-
1164	State Department for Fisheries and the Blue Economy	Indian Ocean Tuna Commission	53,289	-
		International Whaling Commission	3,827,956	-
	TOTAL		30,097,548,957	30,314,894,767

Transfers to learning institutions are transfers made by State Department of Basic Education to primary and secondary schools as subsidies towards free primary and secondary education. These are considered as payments at the point of transfer.

12. Transfer to Other Government Entities

These are amounts transferred to other government reporting entities.

Description	Year to 30 th June 2017 KShs	Year to 30 th June 2016 KShs
Transfers to State Corporations and SAGAs	431,982,068,095	355,555,365,943
Transfers to Central government entities	1,968,043,813	6,876,518,555
Transfers to Projects	46,435,164,418	-
Transfers to County Governments	10,778,885,000	-
TOTAL	491,164,161,326	362,431,884,498

Transfers to County Governments are made in line with the County Revenue Allocation Act for 2016/2017 through the exchequer and reconcile to the consolidated financial statements of the County Governments.

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13. Other Grants and Transfers

Grants and other transfer payments comprise of non-compulsory transfers made by budget agencies and include subsidies and transfers to government non-reporting entities as per below details:

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
Membership dues and subscriptions to international organizations	5,329,634,298	2,377,039,117
Scholarships and other educational benefits	936,872,680	1,217,892,193
Emergency relief and refugee assistance	10,893,538,422	2,696,560,546
Grants to small businesses, cooperatives, and self employed	757,593,466	6,000,000
*Current transfers and capital grants	39,488,756,688	69,704,023,361
Total	57,406,395,554	76,001,515,217

*These mainly relate to payments made by security agencies and are budgeted under other grants and transfers due to the nature of their classified nature of their activities.

14. Social Security Benefits

Government pensions amounts relate to money paid to pensioners.

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
Government pension and retirement benefits	61,005,635,801	52,495,095,986
Social security benefits in cash and in kind	-	51,194,527
Employer Social Benefits in cash and in kind	-	3,105,917
Total	61,005,635,801	52,549,396,430

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15. Acquisition of Assets

These represent the payments made to acquire property plant and equipment purchased during the year which has been expensed as per government accounting policy. The cost of property plant and equipment purchased and expensed comprise of the following:

Description	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs
Non-Financial Assets		
Purchase of Buildings	2,109,079,045	717,516,581
Construction of Buildings	6,355,148,587	14,695,468,856
Refurbishment of Buildings	2,648,697,012	1,469,575,814
Construction of Roads	25,061,038,559	1,023,079,567
Construction and Civil Works	202,239,846,421	126,819,593,157
Overhaul and Refurbishment of Construction and Civil Works	263,084,712	886,463,909
Purchase of Vehicles and Other Transport Equipment	3,123,509,198	2,984,123,544
Overhaul of Vehicles and Other Transport Equipment	496,479,014	271,517,920
Purchase of Household Furniture and Institutional Equipment	123,102,781	61,589,335
Purchase of Office Furniture and General Equipment	1,079,412,148	1,567,338,105
Purchase of ICT Equipment, Software and Other ICT Assets	5,139,536,312	415,522,381
Purchase of Specialised Plant, Equipment and Machinery	25,155,596,980	24,687,108,231
Rehabilitation and Renovation of Plant, Machinery and Equip.	17,831,711	286,185,301
Purchase of Certified Seeds, Breeding Stock and Live Animals	689,679,211	543,535,326
Research, Studies, Project Preparation, Design & Supervision	5,448,056,379	6,443,202,437
Rehabilitation of Civil Works	2,964,167,320	5,120,949,029
Acquisition of Strategic Stocks and commodities	5,067,826,579	4,000,000
Acquisition of Land	438,067,327	2,649,984,261
Acquisition of Intangible Assets	41,018,705	3,418,513
Financial Assets		
Domestic Public Non-Financial Enterprises	5,470,935,490	24,441,987,619
Domestic Public Financial Institutions	9,236,043,014	9,153,000,000
Foreign financial Institutions operating Abroad	1,782,536,438	3,750,304,754
Total	304,950,692,943	227,995,464,640

Domestic public financial institutions mostly relate to money paid by various MDAs to staff mortgage and car loan facility schemes. Foreign financial institutions operating abroad relate to foreign equity participation in De La Rue by the National Treasury.

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Payment of Borrowings-Interest

This relates to interest paid on domestic and foreign borrowings.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Interest Payments on Foreign Borrowings	58,361,190,715	42,312,030,206
Interest Payments on Guaranteed Debt Taken over by the Government	108,156,650	96,085,835
Interest on Domestic Borrowings	156,060,048,569	124,779,531,719
Interest on Pre-1997 CBK Debt	758,506,095	793,952,431
Total	215,287,902,029	167,981,600,191

The above finance costs were incurred by CFS Public debt (Vote R50) and CFS Salaries and Allowances (Vote R52) in payment of interest earned on domestic and foreign borrowings.

16. Payment of Borrowings-Principal

This category comprises of repayments of foreign and domestic loans made in the financial year.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Repayments on Domestic Borrowings(Treasury Bonds and Bills)	183,135,531,048	217,014,996,152
Principal on Pre 1997 CBK debt	1,110,000,000	-
Repayment of Foreign Borrowings	35,929,007,097	35,037,392,390
Repayments on Guaranteed Debt Taken over by Government	1,335,103,114	954,122,778
Repayments on Borrowings from Other Domestic Creditors	153,952,368	1,110,000,000
Total	221,663,593,627	254,116,511,320

The repayments were largely incurred by CFS Public Debt (Vote R50) in repayment of domestic and foreign loans. State Department of Livestock also incurred KShs 153,952,368 in repayments of borrowings from domestic creditors on behalf of Agricultural Development Corporation.

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17. Other Payments

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Miscellaneous payments	16,005,697,578	3,794,180,996
Total	16,005,697,578	3,794,180,996

Other payments mainly relate to payments from the National Land Commission towards land compensation amounting to KShs 10,389,808,632.

18. Bank Accounts

Bank account balances include amounts held in central bank and other commercial banks at the end of the financial year.

18. A. Bank Accounts

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Recurrent Bank Accounts at Central Bank of Kenya	9,059,246,479	3,913,052,133
Development Bank Account Central Bank of Kenya	4,061,205,891	2,318,228,595
Deposit Bank Account Central Bank of Kenya	12,050,522,787	8,225,596,787
Bank balances in Commercial Bank Accounts	13,223,096,583	4,310,603,426
Total	38,394,071,740	18,767,480,941

18. B. Cash in Hand

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Cash in Hand – Held in domestic currency	203,025,742	277,984,515
Cash in Hand – Held in foreign currency	4,627,918	-
Total	207,653,660	277,984,515

20. Accounts Receivable (Outstanding Imprests and Clearance Accounts)

These amounts relate to imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Government Imprests	323,163,619	1,188,808,891
Salary Advances	52,580,133	68,137,296
District Suspense	1,958,612,506	6,205,061,286
Clearance accounts	4,097,478,352	14,182,150,593
Total	6,431,834,610	21,644,158,066

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21. Accounts Payable

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Deposits	18,139,076,737	10,374,873,849
Others	31,183,821,975	40,239,836,969
Total	49,322,898,712	50,614,710,818

Other accounts payable mainly relates to amounts owed reported by CFS R50 as owed to CBK with regards to interest on Treasury Bills amounting to KShs 24,613 million and commissions on Treasury Bonds and Treasury Bills related transaction deducted amounting to KShs 3,000 million.

22. Balances Brought Forward

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Bank accounts	18,767,480,941	14,226,332,218
Cash in hand	277,984,515	75,118,753,906
Receivables - Outstanding Imprests	21,644,158,066	66,750,982,888
Payables – Deposits	(50,614,710,818)	(74,454,069,959)
Total	(9,925,087,296)	81,641,999,053

23. Prior Year Adjustments

These comprise of adjustments resulting from last year which have been made during the year ended 30th June 2017 whose details are as follows:

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Bank accounts	(3,404,639,013)	(10,803,582,355)
Cash in hand	(630,400,874)	(53,540,082)
Receivables - Outstanding Imprest	(8,034,538,838)	(94,755,569,050)
Payables – Deposits	874,996,027	4,167,629
Others	(46,052,605)	-
Total	(11,240,635,303)	(105,608,523,858)

Prior year adjustments under others relate to a reversal of staff leave provision and over depreciation of KShs 4,262,519 made by the Salaries and Remuneration Commission relating to FY 15/16. The amount also relates to adjustments to cash book balance made by the Office of the Auditor General due to double posted transactions amounting to KShs 39,861,116 in the prior year.

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24. Accrual to Cash Basis Adjustment

This relates to adjustments from accrual to cash basis of accounting made to financial statements of 5 entities that have been allowed to use accrual IPSAS to prepare their financial statements.

Description	Year to 30 th June	Year to 30 th June
	2017	2016
	KShs	KShs
Inventory	(5,351,703)	2,431,842
Receivables	(1,518,390,856)	4,698,346,470
Payables	5,364,576,387	(4,790,115,509)
Increase in deferred Income	(1,127,671)	(5,269,205)
General fund	-	(17,135,413)
Total	3,839,706,157	(111,741,815)

The list of entities whose statements have been adjusted from accrual to cash-basis reporting include:

No.	Vote	Full name of the MDA	Year to 30 th June	Year to 30 th June
			2017	2016
			KShs	KShs
1	1271	Ethics and Anti-Corruption Commission	(511,698,776)	272,297,555
2	1321	Witness Protection Agency	(18,705,644)	6,505,645
3	2031	Independent Electoral and Boundaries Commission	4,368,941,000	(385,725,000)
4	2061	Commission on Revenue Allocation	(1,780,736)	6,894,004
5	2081	Salaries and Remuneration Commission	2,950,313	(11,714,019)
		Total	3,839,706,157	(111,741,815)

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25. List of Consolidated Entities

No	Vote	Name of MDA
1	1011	The Presidency
2	1021	State Department for Interior
3	1023	State Department for Correctional Services
4	1032	State Department for Devolution
5	1033	State Department for Special Programmes
6	1034	State Department for Planning and Statistics
7	1041	Ministry of Defence
8	1052	Ministry of Foreign Affairs
9	1063	State Department for Basic Education
10	1064	State Department for Vocational and Technical Training
11	1065	State Department for University Education
12	1071	The National Treasury
13	1081	Ministry of Health
14	1091	State Department of Infrastructure
15	1092	State Department of Transport
16	1093	State Department for Maritime Affairs
17	1094	State Department for Housing & Urban Development
18	1095	State Department for Public Works
19	1103	State Department for Water Services
20	1104	State Department for Irrigation
21	1105	State Department for Environment
22	1106	State Department for Natural Resources
23	1112	Ministry of Lands and Physical Planning
24	1122	State Department for Information Communications and Technologies
25	1123	State Department for Broadcasting & Telecommunication
26	1132	State Department for Sports Development
27	1133	State Department for Arts and Culture
28	1152	State Department for Energy
29	1153	State Department for Petroleum
30	1161	State Department for Agriculture.
31	1162	State Department for Livestock.
32	1164	State Department for Fisheries and the Blue Economy
33	1172	State Department for Investment and Industry
34	1173	State Department for Cooperatives
35	1174	State Department for International Trade
36	1183	State Department for East African Integration
37	1184	State Department for Labour
38	1185	State Department for Social Protection
39	1191	Ministry of Mining

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No	Vote	Name of MDA
40	1201	Ministry of Tourism
41	1211	State Department for Public Service and Youth Affairs
42	1212	State Department of Gender
43	1252	Office of the Attorney General and Department of Justice
44	1261	The Judiciary
45	1271	Ethics and Anti-Corruption Commission
46	1281	National Intelligence Service
47	1291	Office of the Director of Public Prosecutions
48	1311	Office of the Registrar of Political Parties
49	1321	Witness Protection Agency
50	2011	Kenya National Commission on Human Rights
51	2021	National Land Commission
52	2031	Independent Electoral and Boundaries Commission
53	2041	Parliamentary Service Commission
54	2042	National Assembly
55	2051	Judicial Service Commission
56	2061	The Commission on Revenue Allocation
57	2071	Public Service Commission
58	2081	Salaries and Remuneration Commission
59	2091	Teachers Service Commission
60	2101	National Police Service Commission
61	2111	Auditor General
62	2121	Controller of Budget
63	2131	The Commission on Administrative Justice
64	2141	National Gender and Equality Commission
65	2151	Independent Policing Oversight Authority
Consolidated Fund Services		
66	R50	CFS Public Debt-National Treasury
67	R51	CFS Pensions-National Treasury
68	R52	CFS Salaries and Allowances-National Treasury
69	R53	CFS Subscriptions to International Organizations-National Treasury

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10. Important Disclosures

10.1 Property Plant and Equipment

The schedule of fixed assets is provided for purposes of disclosure since the financial statements are prepared on cash basis.

The fixed assets schedule is extracted from the asset registers maintained by Ministries, Department and Agencies and reported as annexure to the annual financial statements. The Government intends to develop asset management policies that will guide public entities on classification, valuation (so as to reflect the current value of assets), tagging and verification of assets.

The following is a summary of the fixed assets held by Ministries, Department and Agencies as at 30th June 2017.

Description	Historical Cost b/f	Additions during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Asset class				
Land	710,726,392	12,186,642,489	-	12,897,368,881
Buildings and structures	70,842,294,271	98,145,513,128	-	168,987,807,399
Transport equipment	2,598,709,030	1,912,818,816	-	4,511,527,846
Office equipment, furniture and fittings	1,458,531,218	87,254,655	-	1,545,785,873
ICT Equipment, Software and Other ICT Assets	3,304,295,969	4,056,645,564	-	7,360,941,533
Other Machinery and Equipment	132,697,728,571	232,638,032	-	132,930,366,603
Heritage and cultural assets	104,543,042	198,276,079	-	302,819,121
Intangible assets	3,899,787,868	867,540,170	-	4,767,328,038
Financial Assets	36,258,118,930	-	-	36,258,118,930
Total	251,874,735,291	117,687,328,933	-	369,562,064,224

There was an acquisition of KShs 117,687,328,933 in the fixed assets reported as at 30th June 2017 attributable to an increase in purchase of buildings and structures.

Additions and disposals in the fixed asset register do not agree to the amounts reported in the receipts and payment statement as a number of ministries did not disclose this information.

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10.2 Pending Accounts Payables

These comprise of unpaid bills that MDAs had incurred as a result of contracted goods and services as at 30th June 2017. They consist of goods and services pending payables, pending staff payables and inter-entity pending payables.

10.2.1 Goods and Services Pending Payable

These comprise of unpaid bills for goods and services consumed by the MDAs as at 30th June 2017.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Construction of buildings	359,486,922	2,380,354,346
Construction of civil works	379,611,410	2,500,180,837
Supply of goods	6,615,372,426	9,005,132,775
Supply of services	1,469,608,707	31,241,225,949
Total	8,824,079,465	45,126,893,907

10.2.2 Pending Staff Payables

These comprise of unpaid bills relating to compensation of staff for services offered as at 30th June 2017.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Senior management	5,114,889	2,428,683
Middle management	7,624,485	12,331,915
Unionisable employees	855,875	-
Others	1,068,908	38,689,116
Total	14,664,157	53,449,714

Other pending staff payables comprise of Sacco and insurance deductions yet to be remitted to the respective bodies.

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10.2.3 Inter-Entity Pending Payables

These comprise of pending bills due to various government entities and other bills not classified under goods and services or staff payables as at 30th June 2017.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Amounts due to National Government entities	725,711	79,515,909
Amounts due to County Government entities	456,440	2,478,438,287
Amounts due to third parties	167,658,220	98,302,437
Others	6,120,673,000	1,437,576,486
Total	6,289,513,371	4,093,833,119

Other inter-entity pending payables mainly comprise of commitments and payables not settled as at year end by the Independent Electoral and Boundaries Commission amounting to KShs 6,118,673,000 which were subsequently settled at the beginning of FY 17/18.

10.3 Pension Liability

The pension arrangements for government of Kenya employees are primarily defined benefit schemes. The schemes are unfunded and non-contributory and paid out of the budget on a pay-as-you-go basis.

An actuarial study on the Public Service Superannuation Arrangement (PSSA) was commissioned by Salaries and Remuneration Commission (SRC) and finalized in June 2014. The study showed that if the stream of future pension payments were discounted for anticipated future returns on assets, the resultant pension liability in respect of Public Service employees is estimated at KShs 991.9 billion. This would be the estimated sum required if the current PSSA were to be fully funded.

However, the government desires to transit from the current defined benefit to a defined contribution through implementation of Public Service Superannuation Scheme Act, 2012. This will ease the pension burden on the exchequer thus freeing public funds for other critical national priorities while at the same time ensuring that the pension budget remains sustainable.

The pension liability is not accrued in the financial statements as they are prepared on cash basis.

Nb: This information is derived from the report on the Actuarial Valuation as at 30 June 2013 and Actuarial Costing of Discretionary Pension Increases commissioned by Salaries and Remuneration Commission (SRC).

10.4 Public Debt

The schedule of public debt is provided for purposes of disclosure since the financial statements are prepared on cash basis.

National debt is comprised of domestic and external debt as well as debt guaranteed by government. Domestic debt stock comprises of stock of Government Securities (Treasury Bills and Treasury Bonds) and others borrowings that include pre-1997 government debt payable to

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CBK, bank overdraft held at CBK, commercial bank advances and tax reserve certificates. External debt stock comprises of borrowing from bilateral, multilateral and commercial lenders.

The national debt stock as at 30th June 2017 was Kshs 4.405 trillion compared to Kshs 3.611 trillion as at 30th June 2016 as summarized below:

Category	As at 30 th June 2017	As at 30 th June 2016
	Kshs	Kshs
Domestic Debt	2,111,711,092,063	1,815,133,755,672
External Debt	2,158,973,000,000	1,735,666,630,921
Publicly Guaranteed Debt	135,179,560,000	60,530,000,000
Grand Total	4,405,863,652,063	3,611,330,386,593

The domestic loan stock increased by 17% from Kshs 1,815,133 million as at 30th June 2016 to KShs 2,111,711 million as at 30th June 2017 largely due to increased borrowing on Treasury Bonds.

During the year, external debt stock increased by 24.4% from Kshs 1,735,667 million as at 30th June 2016 to Kshs 2,158,973 million as at 30th June 2017. The increase was attributed to disbursements from commercial syndicated loans, multilateral and bilateral creditors as well as foreign exchange rate movements.

The Government has also guaranteed loans to public entities amounting to KShs 135,180 million compared to KShs 60,531 million relating to previous financial year.

The following is a summary of the public debt as at 30th June 2017.

Category	As at 30 th June 2017	As at 30 th June 2016
	Kshs	Kshs
Domestic Debt		
Treasury Bills	744,154,900,000	588,087,700,000
Treasury bonds	1,331,975,494,683	1,152,041,171,560
CBK loan-Pre- 1997 loan	24,449,000,000	25,558,755,686
Overdraft	-	44,203,669,036
Others	11,131,697,380	5,242,459,390
Total Domestic Debt	2,111,711,092,063	1,815,133,755,672
External Debt		
Multilateral	839,721,000,000	794,797,467,126
Bilateral	669,840,000,000	491,863,883,153
Suppliers Credit	15,303,000,000	16,628,000,000
Commercial banks	634,109,000,000	432,377,280,642
Total External Debt	2,158,973,000,000	1,735,666,630,921
Publicly Guaranteed Debt	135,179,560,000	60,530,000,000
Grand Total	4,270,684,092,063	3,550,800,386,593

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10.5 Investments

Investments represent the Government of Kenya investment in local and foreign entities. They are recognised at nominal value and where denominated in foreign currency, these are translated at closing exchange rate as at 30th June.

Description	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Investment in local entities	21,314,739,597	21,516,444,098
Investment in foreign entities	106,039,553,193	111,514,234,768
Total	127,354,292,790	133,030,678,866

Detailed breakdown of these investments are provided under the consolidated financial statements of the Semi-Autonomous Government Agencies and State Corporations.

10.6 Waivers and variances of taxes

Section 80 (e) of the PFM Act, 2012, requires the National Treasury to include a statement of any waivers under article 210 of the Constitution in the consolidated financial statements. Waivers for the period ended 30th June 2017 amounted to Kshs 30 Billion compared to Kshs 10.67 Billion for the previous period as summarized below:

Category of waiver	Year to 30 th June 2017	Year to 30 th June 2016
	Kshs	Kshs
Domestic Taxes - VAT foregone	11,624,181,817	9,496,641,395
Domestic Taxes - write off of VAT	1,515,710,617	1,174,771,336
Customs - Remission/Exemption of taxes	16,862,724,307	-
Grand Total	30,002,616,741	10,671,412,731

Detailed analysis of the waivers and variations of taxes, fees or charges granted by the receiver or collector of revenue during the year are contained in an annual report prepared by the National Treasury and submitted to the Auditor General pursuant to section 77 and 82 of the PFM Act, 2012.

10.7 Related Party Disclosures

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

The following comprised of related parties:

- Key management personnel that include Cabinet Secretaries and Accounting Officers;
- National Government Development Projects;
- County Governments; and
- State Corporations and Semi-Autonomous Government Agencies.

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The following related party transactions are disclosed:

	Year to 30 th June 2017	Year to 30 th June 2016
	Kshs	Kshs
Key Management compensation	2,741,363,521	2,564,853,607
Transfers to other State Corporations and Semi-Autonomous Government Agencies	431,982,068,095	355,555,365,943
Transfers to Government Development Projects	46,435,164,418	-
Transfers to County Governments	10,778,885,000	-

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Appendix I - Details of Funds Released to Budget Agencies from the Exchequer

1.1 Summary of Funds Released

	Year to 30th June 2017	Year to 30th June 2016
	Actual Issues	Actual Issues
	KShs	KShs
National Government Recurrent	819,472,903,390	719,983,801,226
National Government Development	394,229,440,637	333,170,357,470
National Government CFS	498,110,300,908	476,248,207,206
Net Exchequer transfers	1,711,812,644,935	1,529,402,365,902

1.2 Financial Year 2016/2017 - Recurrent Budget

No.	Vote	MDA	Voted Provisions	Actual Issues
			KShs	KShs
1	1011	The Presidency	9,213,123,388	9,572,963,000
2	1021	State Department for Interior	103,549,297,741	105,219,650,000
3	1023	State Department for Correctional Services	20,220,920,720	20,220,600,000
4	1032	State Department for Devolution	789,465,766	793,950,000
5	1033	State Department for Special Programmes	8,341,211,404	8,330,700,000
6	1034	State Department for Planning and Statistics	4,964,829,891	4,994,300,000
7	1041	Ministry of Defence	101,149,926,564	101,148,200,000
8	1052	Ministry of Foreign Affairs	17,589,534,758	16,481,100,000
9	1063	State Department for Basic Education	56,702,911,960	56,237,860,000
10	1064	State Department for Vocational and Technical Training	2,369,661,570	2,502,800,000
11	1065	State Department for University Education	46,871,579,787	46,217,688,000
12	1071	The National Treasury	38,621,862,525	35,996,000,000
13	1081	Ministry of Health	30,166,143,862	30,229,300,000
14	1091	State Department of Infrastructure	1,961,318,901	1,916,650,000
15	1092	State Department of Transport	1,448,225,133	1,437,208,000
16	1093	State Department for Maritime Affairs	254,159,288	239,900,000
17	1094	State Department for Housing & Urban Development	2,317,662,844	1,295,000,000
18	1095	State Department for Public Works	771,867,268	749,400,000
19	1103	State Department for Water Services	2,323,534,317	2,355,300,000
20	1104	State Department for Irrigation	516,429,978	468,500,000
21	1105	State Department for Environment	2,860,467,951	2,850,430,000
22	1106	State Department for Natural Resources	6,323,048,746	6,269,800,000

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No.	Vote	MDA	Voted Provisions	Actual Issues
			KShs	KShs
23	1112	Ministry of Lands and Physical Planning	2,292,221,344	2,162,501,000
24	1122	State Department for Information Communications and Technology & Innovation	1,150,923,022	964,923,000
25	1123	State Department for Broadcasting & Telecommunications	2,762,431,277	2,365,300,000
26	1132	State Department for Sports Development	3,517,231,688	3,481,364,000
27	1133	State Department for Arts and Culture	2,867,352,359	2,923,500,000
28	1152	State Department for Energy	1,871,436,740	1,842,300,000
29	1153	State Department for Petroleum	155,486,904	144,400,000
30	1161	State Department for Agriculture.	7,544,855,989	11,568,560,000
31	1162	State Department for Livestock.	5,500,845,571	5,265,200,000
32	1164	State Department for Fisheries and the Blue Economy	1,846,575,736	1,817,400,000
33	1172	State Department for Investment and Industry	2,722,744,807	2,835,400,000
34	1173	State Department for Cooperatives	3,259,399,320	3,095,800,000
35	1174	State Department for Trade	3,421,623,402	3,342,160,000
36	1183	State Department for East African Integration	1,511,815,010	1,487,060,000
37	1184	State Department for Labour	1,583,088,629	1,414,800,000
38	1185	State Department for Social Protection	7,923,692,605	7,957,820,000
39	1191	Ministry of Mining	1,324,352,146	882,265,000
40	1201	Ministry of Tourism	1,414,598,534	1,447,750,000
41	1211	State Department for Public Service and Youth Affairs	14,212,235,124	11,916,900,000
42	1212	State Department for Gender	876,137,207	670,950,000
43	1252	State Law Office and Department of Justice	4,372,732,362	3,880,802,000
44	1261	The Judiciary	13,006,160,378	12,656,955,000
45	1271	Ethics and Anti-Corruption Commission	2,991,080,000	2,785,621,390
46	1281	National Intelligence Service	27,846,000,000	29,045,930,000
47	1291	Office of the Director of Public Prosecutions	2,187,393,129	1,811,949,000
48	1311	Office of the Registrar of Political Parties	826,916,880	667,592,000
49	1321	Witness Protection Agency	394,440,000	388,440,000
50	2011	Kenya National Commission on Human Rights	428,785,600	416,145,000
51	2021	National Land Commission	1,273,476,968	1,264,100,000
52	2031	Independent Electoral and Boundaries Commission	20,560,800,000	19,823,900,000

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No.	Vote	MDA	Voted Provisions	Actual Issues
			KShs	KShs
53	2041	Parliamentary Service Commission	10,451,736,000	8,827,300,000
54	2042	National Assembly	16,948,000,000	15,504,200,000
55	2051	Judicial Service Commission	450,000,000	435,200,000
56	2061	The Commission on Revenue Allocation	355,781,774	318,957,000
57	2071	Public Service Commission	1,198,870,000	1,224,100,000
58	2081	Salaries and Remuneration Commission	532,940,000	555,650,000
59	2091	Teachers Service Commission	193,645,010,342	190,544,600,000
60	2101	National Police Service Commission	434,998,700	429,100,000
61	2111	Auditor General	4,032,880,000	4,026,600,000
62	2121	Controller of Budget	542,061,656	510,000,000
63	2131	The Commission on Administrative Justice	451,989,051	427,300,000
64	2141	National Gender and Equality Commission	386,970,435	381,200,000
65	2151	Independent Policing Oversight Authority	491,338,899	433,610,000
		Total Recurrent Exchequer Issues	830,896,593,950	819,472,903,390

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Appendix I - Details of Funds Released to Budget Agencies (Continued)

1.3 Financial Year 2016/2017 - Development

No.	Vote	MDA	Voted Provisions	Actual Issues
			KShs	KShs
1	1011	The Presidency	470,640,000	448,500,000
2	1021	State Department for Interior	27,402,570,000	26,434,500,000
3	1023	State Department for Correctional Services	525,000,000	524,200,000
4	1032	State Department for Devolution	1,044,809,000	348,868,883
5	1033	State Department for Special Programmes	4,788,000,000	4,787,200,000
6	1034	State Department for Planning and Statistics	30,647,050,564	30,466,284,001
7	1052	Ministry of Foreign Affairs	2,750,000,000	2,750,000,000
8	1063	State Department for Basic Education	11,184,235,542	11,521,544,472
9	1064	State Department for Vocational and Technical Training	2,453,049,370	4,737,000,000
10	1065	State Department for University Education	7,566,000,630	8,129,086,500
11	1071	The National Treasury	21,882,300,403	16,900,474,028
12	1081	Ministry of Health	28,988,217,737	26,223,017,388
13	1091	State Department of Infrastructure	94,880,480,370	88,753,616,810
14	1092	State Department of Transport	15,774,800,000	11,367,776,343
15	1094	State Department for Housing & Urban Development	11,736,835,000	9,560,020,511
16	1095	State Department for Public Works	1,168,500,000	1,009,600,000
17	1103	State Department for Water Services	16,701,459,281	20,460,757,602
18	1104	State Department for Irrigation	8,739,617,500	7,008,794,345
19	1105	State Department for Environment	1,960,262,800	1,927,241,490
20	1106	State Department for Natural Resources	1,545,500,000	1,545,500,000
21	1112	Ministry of Lands and Physical Planning	3,366,080,000	2,703,400,000
22	1122	State Department for Information Communications and Technology & Innovation	21,147,895,788	19,305,556,336
23	1123	State Department for Broadcasting & Telecommunications	329,000,000	319,000,000
24	1132	State Department for Sports Development	2,010,500,000	2,008,000,000
25	1133	State Department for Arts and Culture	495,820,660	483,500,000
26	1152	State Department for Energy	41,381,497,490	40,399,452,654
27	1153	State Department for Petroleum	1,532,750,000	600,692,640
28	1161	State Department for Agriculture.	9,157,080,366	8,854,395,970
29	1162	State Department for Livestock.	3,492,531,164	2,555,676,956

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No.	Vote	MDA	Voted Provisions	Actual Issues
			KShs	KShs
30	1164	State Department for Fisheries and the Blue Economy	2,655,946,460	2,142,534,238
31	1172	State Department for Investment and Industry	3,100,000,000	3,009,178,329
32	1173	State Department for Cooperatives	530,000,000	520,900,000
33	1174	State Department for Trade	122,500,000	100,300,000
34	1184	State Department for Labour	418,610,000	366,322,824
35	1185	State Department for Social Protection	14,457,898,000	13,459,338,520
36	1191	Ministry of Mining	1,321,134,978	1,178,700,000
37	1201	Ministry of Tourism	3,592,000,000	3,205,100,000
38	1211	State Department for Public Service and Youth Affairs	14,483,065,996	10,041,963,550
39	1212	State Department for Gender	3,442,200,000	3,430,000,000
40	1252	State Law Office and Department of Justice	70,000,000	69,500,000
41	1261	The Judiciary	4,153,000,000	2,214,046,247
42	1271	Ethics and Anti-Corruption Commission	500,000,000	250,000,000
43	1291	Office of the Director of Public Prosecutions	98,550,000	-
44	2021	National Land Commission	103,326,135	103,300,000
45	2031	Independent Electoral and Boundaries Commission	53,000,000	-
46	2041	Parliamentary Service Commission	3,150,000,000	1,821,600,000
47	2071	Public Service Commission	39,000,000	39,000,000
48	2091	Teachers Service Commission	100,000,000	-
49	2111	Auditor General	224,000,000	144,000,000
		Total development Exchequer Issues	427,736,715,234	394,229,440,637

1.4 Financial Year 2016/2017 - Consolidated Fund Services

No.	Vote	CFS	Voted Provisions	Actual Issues
1	R50	Public Debt	449,437,680,047	435,716,953,825
2	R51	Pensions	55,691,127,200	58,487,602,400
3	R52	Salaries, Allowances and Miscellaneous Services	5,615,832,857	3,905,744,683
4	R53	Subscription to International Organizations	500,000	-
		Total CFS	510,745,140,104	498,110,300,908

Ministries, Department and Agencies consolidated
financial statements

Annexure 1: Consolidated Financial Statements of
Government Projects Implemented by Ministries,
Departments and Agencies

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1. Consolidated Projects Implemented by Ministries, Departments and Agencies

This report relates to consolidation of the Development Projects implemented by National Government Ministries, Departments and Agencies. The consolidation is based on the individual financial statements submitted by the entities pursuant to Section 81 of the PFM Act, 2012 subject to certain adjustments necessary for consolidation purposes.


A total of 71 development projects implemented by MDAs have been included in this consolidation for financial year ended 30th June 2017 compared to the 78 projects that were consolidated in FY 2015/2016. As disclosed under Appendix 1, 29 projects have been consolidated under the respective MDAs, and another 15 have been reported and consolidated under other projects. This brings the total number of projects implemented and reported under MDAs to 115. Appendix 1 of these consolidated financial statements details the movement of the development projects within the year.

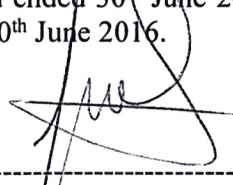
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2. Consolidated Statement of Receipts and Payments for the Year Ended 30th June 2017

		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Total FY 2016/2017	Total FY 2015/2016
Receipts	Note	KShs	KShs	KShs	KShs
Receipts from Government of Kenya	1	3,873,172,998	1,907,058,528	5,780,231,526	3,764,307,406
Proceeds from Domestic and Foreign Grants	2	15,765,561,230	1,154,927,971	16,920,489,201	14,679,162,506
Loan from External Development Partners	3	14,240,366,703	4,892,061,473	19,132,428,176	15,806,613,379
Miscellaneous Receipts	4	917,562,624	-	917,562,624	295,170,663
Total Receipts		34,796,663,555	7,954,047,972	42,750,711,527	34,545,253,954
Payments					
Compensation of Employees	5	1,344,528,101	4,488,000	1,349,016,101	1,346,012,457
Purchase of goods and services	6	18,716,650,335	659,202,830	19,375,853,165	17,125,163,662
Acquisition of Non-financial Assets	7	8,451,081,473	6,274,888,368	14,725,969,841	14,103,223,527
Transfers to Other Government Entities	8	2,855,090,193	-	2,855,090,193	508,245,204
Other grants and transfers and payments	9	3,408,260,815	1,015,468,774	4,423,729,589	2,008,738,573
Total Payments		34,775,610,917	7,954,047,972	42,729,658,889	35,091,383,423
Surplus/(Deficit)		21,052,638	-	21,052,638	(546,129,469)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers the twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.


 FCPA Bernard Ndungu, MBS
 Director General, Accounting Services
 & Quality Assurance
 National Treasury
 31st January, 2022



 CPA Jona Wala
 Ag. Director, Accounting Services
 National Treasury
 31st January, 2022

Government of Kenya
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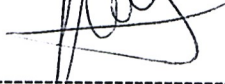
3. Consolidated Statement of Financial Assets as at 30th June 2017

		As at 30 th June 2017	As at 30 th June 2016
	Note	KShs	KShs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	10	6,994,742,654	7,052,230,965
Cash Balances	10	72,613,428	147,933,904
Total Cash and cash equivalents		7,067,356,082	7,200,164,869
Outstanding Imprests & Advances	11	415,498,699	927,701,732
Total Financial Assets		7,482,854,781	8,127,866,601
Represented By			
Fund Balance Brought Forward	12	8,127,866,601	8,661,170,125
Surplus for the Year		21,052,638	(546,129,469)
Prior Year Adjustments	13	(666,064,458)	12,825,945
Net Financial Position		7,482,854,781	8,127,866,601

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers the twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.



FCPA Bernard Ndungu, MBS
Director General, Accounting Services
& Quality Assurance
National Treasury
31st January, 2022




CPA Jona Wala
Ag. Director, Accounting Services
National Treasury
31st January, 2022

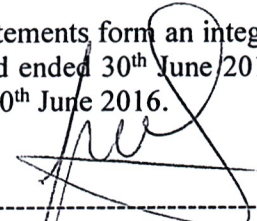
Government of Kenya
Ministries, Departments and Agencies Consolidated Financial Statements
For the Year Ended 30th June 2017

4. Consolidated Statement of Cash Flow for the Year Ended 30th June 2017

	Note	FY 2016/17	FY 2015/16
Description		KShs	KShs
Cash flow from operating activities			
Receipts for operating income			
Receipts from Government of Kenya	1	3,873,172,998	3,764,307,406
Proceeds from Domestic and Foreign Grants	2	15,765,561,230	14,679,162,506
Miscellaneous Receipts	4	917,562,624	295,170,663
		20,556,296,852	18,738,640,575
Payments for operating expenses			
Compensation of Employees	5	(1,344,528,101)	(1,346,012,457)
Use of goods and services	6	(18,716,650,335)	(17,125,163,662)
Transfers to Other Government Units	8	(2,855,090,193)	(508,245,204)
Other Grants and Other Payments	9	(3,408,260,815)	(2,008,738,573)
		(26,324,529,444)	(20,988,159,896)
Adjusted for:			
Change in receivables		512,203,033	(434,258,712)
Prior year adjustments	13	(666,064,458)	12,825,945
Net cash flow used in operating activities		(5,922,094,017)	(2,670,952,088)
Cash flow from investing activities			
Acquisition of Non-financial Assets	7	(8,451,081,473)	(14,103,223,527)
Net cash flow used in Investing Activities		(8,451,081,473)	(14,103,223,527)
Cash flow from borrowing activities			
Loan from External Development Partners	3	14,240,366,703	15,806,613,379
Net cash flow from financing activities		14,240,366,703	15,806,613,379
Net decrease in cash and cash equivalents		(132,808,787)	(967,562,236)
Cash and cash equivalents at beginning of the year		7,200,164,869	8,167,727,105
Cash and cash equivalents at end of the year	10	7,067,356,082	7,200,164,869

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The report covers the twelve-month period ended 30th June 2017 and the accompanying comparatives cover the twelve-month period ended 30th June 2016.


 FCPA Bernard Ndungu, MBS
 Director General, Accounting Services
 & Quality Assurance
 National Treasury
 31st January, 2022


 CPA Jona Wala
 Ag. Director, Accounting Services
 National Treasury
 31st January, 2022

Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017

5. Consolidated Statement of Comparison of Budget and Actual Amounts

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	Kshs A	Kshs B	Kshs c=a+b	Kshs D	Kshs e=d-c	Kshs f=d/c %
Receipts						
Receipts from Government of Kenya	6,340,648,383	247,571,825	6,588,220,208	5,780,231,526	(807,988,682)	88%
Proceeds from Domestic and Foreign Grants	30,313,391,569	(12,874,905,579)	17,438,485,990	16,920,489,201	(517,996,789)	97%
Loan from External Development Partners	29,733,333,090	(5,694,589,204)	24,038,743,886	19,132,428,176	(4,906,315,710)	80%
Miscellaneous Receipts	20,093,534	24,959,750	45,053,284	917,562,624	872,509,340	>100%
Total Receipts	66,407,466,576	(18,296,963,208)	48,110,503,368	42,750,711,527	(5,359,791,841)	
Payments						
Compensation of Employees	1,704,963,457	(302,805,341)	1,402,158,116	1,349,016,101	(53,142,015)	96%
Purchase of goods and services	23,531,429,506	(3,312,555,681)	20,218,873,825	19,375,853,165	(843,020,660)	96%
Acquisition of Non-financial Assets	21,809,420,183	(3,567,599,904)	18,241,820,279	14,725,969,841	(3,515,850,438)	81%
Transfers to Other Government Entities	6,028,277,407	(2,627,385,516)	3,400,891,891	2,855,090,193	(545,801,698)	84%
Other grants and transfers and payments	3,621,951,761	(2,062,060,633)	1,559,891,128	4,423,729,589	2,863,838,461	>100%
Total Payments	56,696,042,314	(11,872,407,075)	44,823,635,239	42,729,658,889	(2,093,976,350)	

Notes:

- The original and revised estimates are based on approved budget as loaded in budget module of IFMIS. The actual outturn is based on un-audited financial statements submitted to the National Treasury for consolidation purposes and is bound to change once the financial statements for all voted entities are audited.
- The changes between the original budget and final budget were as a result of reallocation and additional appropriations through supplementary budgets that were duly approved by parliament during the financial year ended 30th June 2017.

Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017

6. Summary of Fund Movement per Project as at 30th June 2017

No.	Project	Implementing entity	Receipts KShs	Payments KShs	Surplus/ (Deficit) KShs	Total Financial Assets KShs	Fund Balance Carried forward KShs
1	Kenya Youth Employment and Opportunities Project	State Department of Public Service and Youth affairs	121,363,550	27,923,127	93,440,423	93,440,423	93,440,423
2	Kenya Electricity Expansion Project Credit No. 4743 KE	State Department for Energy	50,000,000	162,504,039	(112,504,039)	4,970,862	4,970,862
3	Sound Chemicals Management Mainstreaming & UPOPs Reduction in Kenya	State Department for Environment	22,926,636	22,926,636	-	-	-
4	Mercury Initial Actions for Kenya	State Department for Environment	-	4,666,334	(4,666,334)	1,878,328	1,878,328
5	Institutional Strengthening of Ozone Depleting Substances Project	State Department for Environment	10,900,000	10,852,981	47,019	988,948	988,948
6	501066 Lake Victoria Environment Management Project (LVEMP Phase 1)	State Department for Environment	507,342,190	527,026,309	(19,684,119)	180,439,906	180,439,906
7	Kenya Water Security & Climate Resilience Project	State Department for Water Services	1,086,417,604	1,066,792,271	19,625,333	172,103,048	172,103,048
8	Kenya Italy Debt For Development Program	State Department for Water Services	74,630,862	135,545,235	(60,914,373)	112,919,982	112,919,982
9	Northern Corridor Transport Improvement Project	State Department for Transport	744,050	11,220	732,830	18,361,535	18,361,535
10	East Africa Trade And Facilitation Project	State Department for Transport	1,907,058,528	1,909,369,790	(2,311,262)	5,456,367	5,456,367
11	Kenya Transport Sector Support Project	State Department for Infrastructure	21,522,696	19,926,719	1,595,977	3,809,063	3,809,063

Summary of Fund Movement per Project as at 30th June 2017

**Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017**

No.	Project	Implementing entity	Receipts	Payments	Surplus/ (Deficit)	Total Financial Assets	Fund Balance Carried forward
12	National Urban Transport Improvement Project	State Department for Transport	12,403,710	25,672,385	(13,268,675)	15,284,702	15,284,702
13	East Africa Trade And Transport Facilitation Project (MOT/KRC Component)	State department for Infrastructure	51,414,715	20,680,987	30,733,728	30,733,728	30,733,728
14	National Urban Transport Improvement Project	State Department for Infrastructure	161,870,210	136,547,319	25,322,891	37,177,357	37,177,357
15	Kenya Transport Sector Support Project	State Department for Transport	134,816,740	157,251,311	(22,434,571)	9,689,392	9,689,392
16	Kenya Cereal Enhancement Programme(KCEP)	State Department for Agriculture	855,852,770	641,609,714	214,243,056	214,472,332	214,472,332
17	Kenya Agricultural Productivity & Sustainable Land Management Project	State Department for Agriculture	326,000,000	357,003,614	(31,003,614)	72,208,959	72,208,959
18	Mainstreaming Sustainable Land Management (SLM) In Agro pastoral Production	State Department for Livestock	35,000,000	34,973,370	26,630	17,706,077	17,706,077
19	SHDP Small-Scale Horticulture Development Project -Loan No: 2100150014943	State Department for Agriculture	-	24,456,169	(24,456,169)	670,019	670,019
20	Drought Resilience And Sustainable Livelihood Programme In Horn Of Africa	State Department for Agriculture	464,488,669	449,604,307	14,884,362	79,289,937	79,289,937
21	Eastern African Agriculture productivity Project(EAAPP)	State Department for Agriculture	39,546,579	42,148,754	(2,602,175)	28,362	28,362
22	Regional Pastoral Livelihood Resilience Project	State Department for Livestock	1,309,031,789	1,341,682,686	(32,650,897)	64,041,779	64,041,779

Summary of Fund Movement per Project as at 30th June 2017

**Government of Kenya
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For The Year Ended 30th June 2017**

No. Project	Implementing entity	Receipts KShs	Payments KShs	Surplus/ (Deficit) KShs	Total Financial Assets KShs	Fund Balance Carried forward KShs
23	Smallholders Dairy Commercialisation Programme	502,265,402	522,830,829	(20,565,427)	13,619,540	13,619,540
24	Kenya Adaptation To Climate Change In Arid And Semi-Arid (KACCAL)	284,546,917	311,851,233	(27,304,316)	5,840,172	5,840,172
25	GOK/UNICEF Education and Young People Programme	69,503,572	81,870,515	(12,366,943)	2,583,812	2,583,812
26	Kenya Italy Debt For Development Program	-	45,157,049	(45,157,049)	106,940,187	106,940,187
27	Food Assistance to Primary and Pre-Primary Schools in Semi-Arid Areas and Disadvantaged Urban Children Project	2,370,911,921	2,370,911,921	-	-	-
28	East Africa Trade & Transport Facilitation Project - MOT	2,299,492	12,320	2,287,172	11,154,259	11,154,259
29	East Africa Public Health Laboratories Networking Project(EAPHLN) - 5616 KE	200,085,340	85,454,739	114,630,601	114,630,601	114,630,601
30	Global Fund - Expanding HIV Prevention, Care and Treatment Services	6,980,872,655	6,961,724,438	19,148,217	76,239,526	76,239,526
31	Nairobi Metropolitan Services Improvement Project	4,563,945,037	4,776,564,894	(212,619,857)	4,801,285	4,801,285

Summary of Fund Movement per Project as at 30th June 2017

**Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017**

No.	Project	Implementing entity	Receipts		Payments		Surplus/ (Deficit)		Total Financial Assets		Fund Balance Carried forward	
			KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
32	Korogocho Slum Upgrading Program	State Department for Housing and Urban Development	28,000,000		78,046,534		(50,046,534)		123,623,331		123,623,331	
33	Kenya Municipal Program	State Department for Housing and Urban Development	1,775,219,849		1,835,042,340		(59,822,491)		98,735,954		98,735,954	
34	East Africa Public Health Laboratories Networking Project(EAPHLN) - 4732 KE	Ministry of Health	225,895,838		236,353,812		(10,457,974)		201,469,873		201,469,873	
35	Global Fund HIV AIDS Single Stream Funding	Ministry of Health	230,150,356		722,138,958		(491,988,602)		197,446,389		197,446,389	
36	Global Fund Malaria Round 10	Ministry of Health	1,081,244,310		1,040,586,393		40,657,917		82,889,419		82,889,419	
37	Kenya Health Support Project (EMMS/KEMSA Component)	Ministry of Health	1,346,545,204		595,860,889		750,684,315		792,241,064		792,241,064	
38	Global Fund Single Stream Funding Tuberculosis Round 5	Ministry of Health	584,629,053		556,863,368		27,765,685		86,789,704		86,789,704	
39	Transforming Health Systems for Universal Care Project THS-UC project	Ministry of Health	515,874,477		120,737,524		395,136,953		395,136,953		395,136,953	
40	Kenya Health Sector Support Project- SWAP Secretariat	Ministry of Health	2,075,939,889		1,782,095,782		293,844,107		422,718,629		422,718,629	
41	Kenya Health Sector Programme Support III (DANIDA NON-POOL)	Ministry of Health	412,727		81,717,527		(81,304,800)		41,822,186		41,822,186	
42	Technical Support Programme - TSP	The National Treasury	23,332,433		23,333,093		(660)		14,394,763		14,394,763	
43	Micro Finance Sector Support Credit Project	The National Treasury	-		-		-		90,491,999		90,491,999	

Summary of Fund Movement per Project as at 30th June 2017

Government of Kenya
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No.	Project	Implementing entity	Receipts		Payments		Surplus/ (Deficit)		Total Financial Assets		Fund Balance Carried forward	
			KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
44	Public Finance Management Reform (PFMR)	The National Treasury	431,674,328		514,219,096		(82,544,768)		512,626,026		512,626,026	
45	Global Fund - TB MDG	The National Treasury	759,393,405		760,997,456		(1,604,051)		19,267,317		19,267,317	
46	Kenya Informal Settlement Improvement Project	State Department for Housing and Urban Development	2,588,850,370		2,643,525,874		(54,675,504)		762,900,789		762,900,789	
47	Output Based Approach Agricultural Sector development Support	Ministry of Health	249,074,052		250,333,077		(1,259,025)		19,981,086		19,981,086	
48	Kenya Petroleum Technical Assistance Project	State Department of Agriculture	984,722,839		1,138,913,104		(154,190,265)		60,564,252		60,564,252	
49	Thwake Multipurpose Water Development Program(TMWDPP)	State Department for Energy	322,211,313		349,487,635		(27,276,322)		143,207,147		143,207,147	
50	National Agricultural and Rural Inclusive Growth Project	State Department for Irrigation	781,785,608		791,490,788		(9,705,180)		13,200,610		13,200,610	
51	Strengthening Fertiliser Quality and Regulatory Standards in Kenya	State Department for Planning	47,541,816		22,225,532		25,316,284		25,316,284		25,316,284	
52	Kenya Petroleum Technical Assistance(KEPTAP) PROJECT	State Department of Agriculture	-		9,145,240		(9,145,240)		1,826,935		1,826,935	
53	Program For Rural Outreach Of Financial Innovations And	The National Treasury	50,501,410		48,349,905		2,151,505		14,560,120		14,560,120	
54		The National Treasury	693,847,276		677,585,605		16,261,671		60,674,269		60,674,269	

Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017

No.	Project	Implementing entity	Receipts KShs	Payments KShs	Surplus/ (Deficit) KShs	Total Financial Assets KShs	Fund Balance Carried forward KShs
	Technologies (Profit)						
55	Kenya Petroleum Technical Assistance Programme (KEPTAP)	State Department for Investment & Industry	-	17,854,909	(17,854,909)	100,431	100,431
56	Standards and Market Access Programme (SMAP)	State Department of Livestock	138,793,767	170,906,037	(32,112,270)	24,051,152	24,051,152
57	Kenya Urban Support Program	State Department for Housing & Urban Development	102,564,872	-	102,564,872	102,564,872	102,564,872
58	Study and Capacity Building Fund	The National Treasury	3,420,000	3,420,000	-	-	-
59	Kenya Italy Debt for Development	Ministry of Health	127,207,923	89,471,560	37,736,363	37,736,363	37,736,363
60	Reproductive Health for Entire Country Project (UNFPA KEN 7R 11G)	Ministry of Health	46,175,255	8,933,925	37,241,330	43,376,434	43,376,434
61	Upper Tana Natural Resources Management Project	State department for Water Services	858,598,995	927,165,918	(68,566,923)	55,554,400	55,554,400
62	Rice-Based Market-Oriented Agriculture Promotion Project	State Department for Agriculture	2,250,000	2,293,180	(43,180)	69	69
63	Health Sector Support Project (HSSF Component 1) IDA Credit No: 4771-KE	Ministry of Health	556,000,000	1,064,245,204	(508,245,204)	1,245,959,342	1,245,959,342
64	Small Scale Irrigation and Value Addition Project	State Department for Agriculture	144,268,500	94,701,608	49,566,892	49,566,892	49,566,892
65	Kenya Primary Education Development Project	State Department for Basic Education	3,046,387,650	3,009,363,091	37,024,559	164,587,403	164,587,403

Summary of Fund Movement per Project as at 30th June 2017

**Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017**

No.	Project	Implementing entity	Receipts KShs	Payments KShs	Surplus/ (Deficit) KShs	Total Financial Assets KShs	Fund Balance Carried forward KShs
66	East Africa's Centre of Excellence	Ministry of Health	73,058,371	63,854,606	9,203,765	9,203,765	9,203,765
67	System for Land Based Emissions Estimation in Kenya (SLEEK)	State Department of Environment	8,120,121	12,548,695	(4,428,574)	1,675,322	1,675,322
68	Financial Sector Support project (FSSP)	The National Treasury	205,275,000	227,140,049	(21,865,049)	87,000,801	87,000,801
69	Kenya Electricity Modernization Project	State Department for Energy	37,260,503	48,376,366	(11,115,863)	6,170,559	6,170,559
70	Kenya Devolution Support Project	State Department for Devolution	101,159,883	99,995,994	1,163,889	1,163,889	1,163,889
71	Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) Project	State Department for University Education	335,562,500	334,785,000	777,500	777,500	777,500
	Totals		42,750,711,527	42,729,658,889	21,052,638	7,482,854,781	7,482,854,781

7. Significant Accounting Policies

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

a. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the Government.

b. Recognition of receipts

The receipts from various sources are recognized when the event occurs and the related cash has actually been received by the Government. These include:

- **Transfers from the Exchequer**

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

- **External Assistance**

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Projects, where conditions have been satisfied or their ongoing satisfaction is highly likely and the Projects are anticipated to continue to completion.

- **Other receipts**

These include Appropriations-in-Aid, proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements when the associated cash is received.

**Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017**

c. Recognition of payments

Payments are recognized when the event occurs and the related cash has actually been paid out by the Project. These include:

- **Compensation of employees**

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

- **Use of goods and services**

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

- **Acquisition of assets**

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

d. Third party payments

Included in the receipts and payments, are payments made on behalf of the projects, by third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the Payments by Third Parties column in the Statement of Receipts and Payments.

e. In-kind contributions

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

f. 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.

**Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017**

7. Significant Accounting Policies (Continued)

g. Accounts receivable

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

h. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Government at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

i. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Government's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Government's actual performance against the comparable budget for the financial year under review has been included in the Statement of Comparison of Budget and Actual Amounts.

j. Reporting periods

The Government of Kenya's Fiscal Year runs from 1st July to 30th June. The financial statements cover the period 1st July 2016 to 30th June 2017. The comparative figures reflect the 12 months ended 30th June 2016. Adjustments made by budget agencies which have not been accommodated in the adjusted consolidated financial statements have been accommodated in the adjustment to opening balances.

k. Comparative figures

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

l. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th 2017.

m. Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Government of Kenya
Ministries, Departments and Agencies
Consolidated Financial Statements for Development Projects
For The Year Ended 30th June 2017
Notes to the Financial Statements

The following section provides additional information and details on the main statements.

1. Receipts from Government of Kenya

These relate to amounts received from National Government Ministries, Departments and Agencies for purposes of supporting project activities undertaken on their behalf.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs	KShs	KShs
Counterpart funds Quarter 1	260,290,080	-	260,290,080	223,960,608
Counterpart funds Quarter 2	1,349,549,072	-	1,349,549,072	193,532,791
Counterpart funds Quarter 3	66,250,000	1,907,058,528	1,973,308,528	1,807,246,115
Counterpart funds Quarter 4	1,934,907,714	-	1,934,907,714	1,539,567,892
Other transfers from government entities	262,176,132	-	262,176,132	-
Total	3,873,172,998	1,907,058,528	5,780,231,526	3,764,307,406

An analysis of the counterpart funds received in the year has been attached as **Appendix 2** to these financial statements. Other transfers from government entities comprise grants received from the parent ministries.

Amounts controlled by third parties relate to payments made by development partners directly on behalf of the Project. In recognising these transactions, the receipts must be equal to the payments made. Therefore, neither a surplus nor deficit is recorded.

2. Proceeds from Domestic and Foreign Grants

These are grants received from development partners notably Global Fund and World Food Programme through the Exchequer then disbursed to the parent MDAs for onward distribution to the projects.

	Grants received in cash	Grants received as direct payments and in kind	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)	1,706,135,285	-	1,706,135,285	2,584,474,874
Grants Received from Multilateral Donors (International Organisations)	14,059,425,945	1,154,927,971	15,214,353,916	12,094,687,632
Total	15,765,561,230	1,154,927,971	16,920,489,201	14,679,162,506

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3. Loan from External Development Partners

These relate to amounts borrowed by the Government from foreign institutions, notably International Development Association (IDA - World Bank), African Development Bank (ADB) and International Fund for Agricultural Development (IFAD) for purposes of supporting development projects.

	Loans received in cash	Loans received as direct payments	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs	KShs	KShs
Loans Received from Bilateral Donors (Foreign Governments)	1,814,578,661	307,091,378	2,121,670,039	2,846,609,208
Loans Received from Multilateral Donors (International Organisations)	12,425,788,042	4,584,970,095	17,010,758,137	12,960,004,171
Total	14,240,366,703	4,892,061,473	19,132,428,176	15,806,613,379

4. Miscellaneous Receipts

These comprise other receipts including voluntary transfers other than grants.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs	KShs	KShs
Sales of goods and services	28,000	-	28,000	82,000
Administrative fees and charges	3,850	-	3,850	-
Fines, penalties and forfeitures	109,094	-	109,094	333,751
Other receipts not classified elsewhere	917,421,680	-	917,421,680	294,754,912
Total	917,562,624	-	917,562,624	295,170,663

Other receipts not classified elsewhere relates mainly to refunds received by the projects as a result of unspent money from regional projects' offices.

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5. Compensation of Employees

Compensation to employees comprises remuneration paid to employees for the work done. It also includes social contributions made by the development projects on behalf of their employees.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	229,666,210.0000	-	229,666,210.0000	158,133,916.0000
Basic wages of temporary employees	925,935,190.0000	-	925,935,190.0000	1,078,850,051.0000
Personal allowances paid as part of salary	101,856,278.0000	4,488,000.0000	106,344,278.0000	77,520,799.0000
Personal allowances paid as reimbursements	141,500.0000	-	141,500.0000	542,500.0000
Pension and other social security contributions	49,087,202.0000	-	49,087,202.0000	8,180,996.0000
Compulsory national social security schemes	912,880.0000	-	912,880.0000	2,000,820.0000
Compulsory national health insurance schemes	289,600.0000	-	289,600.0000	179,050.0000
Other personnel payments	36,639,241.0000	-	36,639,241.0000	20,604,325.0000
Total	1,344,528,101.0000	4,488,000.0000	1,349,016,101.0000	1,346,012,457.0000

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6. Purchase of goods and services

These comprise the total value of goods and services consumed.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs	KShs	KShs
Utilities, supplies and services	958,497,788	199,384,229	1,157,882,017	1,569,010,239
Communication, supplies and services	408,072,103	1,062,000	409,134,103	115,094,552
Domestic travel and subsistence	1,861,844,176	22,123,489	1,883,967,665	1,607,023,613
Foreign travel and subsistence	231,120,178	328,480	231,448,658	110,966,726
Printing, advertising and information supplies & services	443,776,210	205,843,091	649,619,301	419,640,522
Rentals of produced assets	16,364,271	-	16,364,271	124,220,561
Training expenses	2,280,626,664	523,860	2,281,150,524	1,905,482,000
Hospitality supplies and services	162,819,795	457,424	163,277,219	296,229,634
Insurance costs	22,939,635	-	22,939,635	38,060,454
Specialised materials and services	7,263,375,797	-	7,263,375,797	7,596,816,571
Office and general supplies and services	14,134,949	1,761,540	15,896,489	5,065,757
Other operating expenses	3,816,947,070	3,798,160	3,820,745,230	2,454,102,928
Routine maintenance – vehicles and other transport equipment	106,579,370	20,171,864	126,751,234	137,874,609
Consultancy services	1,129,552,329	203,748,693	1,333,301,022	745,575,496
Total	18,716,650,335	659,202,830	19,375,853,165	17,125,163,662

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7. Acquisition of Non-Financial Assets

This represents the payment made to acquire property, plant and equipment during the year which has been expensed during the year of purchase as per the government accounting policy and the IPSAS cash basis standard. The value of property, plant and equipment purchased and paid for comprises the following:

	Amount controlled by the entity	Amount controlled by third parties	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs	KShs	KShs
Purchase of buildings	-	-	-	9,180,631
Construction of buildings	142,085,079	1,928,624,026	2,070,709,105	2,976,517,366
Refurbishment of buildings	19,174,994	-	19,174,994	60,096,721
Construction of roads	502,814,417	2,521,846,375	3,024,660,792	-
Construction of civil works	4,032,974,759	1,126,385,553	5,159,360,312	7,438,180,129
Overhaul & refurbishment of construction and civil works	480,385	-	480,385	-
Purchase of vehicles & other transport equipment	524,300,795	116,969,897	641,270,692	166,598,850
Overhaul of vehicles & other transport equipment	176,895,580	-	176,895,580	11,819,119
Purchase of household furniture & institutional equipment	13,213,543	-	13,213,543	20,416,722
Purchase of office furniture & general equipment	237,351,671	110,892,347	348,244,018	77,508,439
Purchase of specialised plant, equipment and machinery	686,788,092	57,695,442	744,483,534	306,735,027
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	204,490,059
Purchase of certified seeds, breeding stock and live animals	45,527,924	-	45,527,924	34,588,991
Research, studies, project preparation, design & supervision	1,190,699,855	412,474,728	1,603,174,583	1,941,348,389
Rehabilitation of civil works	118,814,933	-	118,814,933	69,710,277
Acquisition of strategic stocks	5,606,400	-	5,606,400	36,032,807
Acquisition of land	753,000,000	-	753,000,000	750,000,000
Acquisition of other intangible assets	1,353,046	-	1,353,046	-
Total	8,451,081,473	6,274,888,368	14,725,969,841	14,103,223,527

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8. Transfers to Other Government Entities

These relate to transfers to government reporting units in FY 2016/17.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs	KShs	KShs
Transfers to National Government entities	2,299,090,193	-	2,299,090,193	-
Transfers to Counties	556,000,000	-	556,000,000	508,245,204
Total	2,855,090,193	-	2,855,090,193	508,245,204

Analyses of these transfers to national government entities and counties have been included as **Appendices 3 and 4** to these financial statements.

9. Other grants, transfers and payments

Other grants and transfers relate to scholarships and other educational benefits.

	Amount controlled by the entity	Amount controlled by third parties	Year to 30th June 2017	Year to 30th June 2016
	KShs	KShs	KShs	KShs
Grants for scholarships	8,662,400	-	8,662,400	33,583,127
Transfers to lower levels of government including schools	2,558,589,409	-	2,558,589,409	364,443,448
Transfers to various community levels and projects implementing partners	841,009,006	1,015,468,774	1,856,477,780	1,610,711,998
Total	3,408,260,815	1,015,468,774	4,423,729,589	2,008,738,573

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10. Cash and cash equivalents

These comprise bank balances and cash balances as at 30th June 2017 and comparatives for financial year to 30th June 2016.

	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Bank balances	6,994,742,654	7,052,230,965
Cash in hand	72,613,428	147,933,904
Total	7,067,356,082	7,200,164,869

11. Outstanding Imprests and Advances

These comprise imprest taken by staff but not yet retired as at 30th June 2017 and comparatives for financial year to 30th June 2016.

	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Outstanding Imprests & Advances	415,498,699	927,701,732
Total	415,498,699	927,701,732

12. Fund balance brought forward

This comprises opening fund balance brought forward as at the beginning of the financial year.

	Year to 30 th June 2017	Year to 30 th June 2016
	KShs	KShs
Bank balances	7,052,230,965	8,030,170,160
Cash in hand	147,933,904	137,556,945
Outstanding imprests and advances	927,701,732	493,443,020
Total	8,127,866,601	8,661,170,125

13. Prior year adjustments

This comprises adjustments resulting from previous years which have been made in the year ended 30th June 2017 and whose details are as follows:

	FY 2016/17	FY 2015/16
	KShs	KShs
Bank balances	(363,828,280)	2,181,577
Cash in hand	1,991	10,614,108
Receivables - Outstanding Imprest	(302,238,169)	30,260
Total	(666,064,458)	12,825,945

The prior year adjustments on bank and cash accounts, relate mainly to adjustments made to the fund balance brought forward relating to payments made in the current period for Kenya National Examinations Council, Teachers Service Commission and receipts from counties made from the

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Kenya Primary Education Development project. The adjustments were also made to correct errors such as overstatement of expenditure in the prior financial year, reversal of erroneous payments made in prior year and understatement of prior year bank balance.

Prior year adjustments in receivables mainly relate to an adjustment of KShs 302,889,353 made by the Kenya Municipal Program under the State Department for Housing and Urban Development to account for imprests issued in FY 15/16 that were accounted for fully in FY 16/17.

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14. Important Disclosure

14.1 Pending Accounts Payables

These comprise of unpaid bills that projects had incurred as a result of contracted goods and services as at 30th June 2017. They consist of construction of civil works, goods and services pending payables, pending staff payables other payables.

14.1.1 Pending Accounts Payable

Description	FY 2016/17	FY 2015/16
	KShs	KShs
Construction of buildings	244,735	-
Construction of civil works	760,454,524	-
Supply of goods	11,910,600	-
Supply of services	221,227,451	32,709,816
Total	993,837,310	32,709,816

14.1.2 Pending Staff Payables

Description	FY 2016/17	FY 2015/16
	KShs	KShs
Permanent employees – management	16,997,378	11,664,085
Others	310,808	148,750
Total	17,308,186	11,812,835

14.1.3 Other Pending Payables

Description	FY 2016/17	FY 2015/16
	KShs	KShs
Amounts due to National Government entities	820,917	694,992
Amounts due to third parties	50,306	1,200
Others	1,003,316	311,973
Total	1,874,539	1,008,165

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Appendix 1 - Movement of Development Projects Within the Year

A total of 71 projects have been included in fiscal year ended 30th June 2017, consolidated financial statements for development projects compared to 78 projects that were consolidated in FY 2015/2016. A further 29 projects have been consolidated under the respective MDA and another 15 have been reported and consolidated into 2 umbrella project accounts. This brings the total number of projects implemented and reported under MDAs to 115.

Detail		Tally
Projects consolidated in FY 2015/16		78
Changes in FY 2016/17		
Projects that were closed as at 30 th June 2016	Appendix 1.1	12
Projects that have been amalgamated in the year	Appendix 1.2	4
Total Change		(16)
No of projects that had been included in FY 2015/16 consolidation, that are also expected to be included in FY 2016/17 Consolidation		62
New projects identified in FY 2016/17 but that were not consolidated in FY 2015/16	Appendix 1.3	9
Total no. of projects consolidated with individual reports for FY 2016/17		71
Projects that have been consolidated under respective MDAs*	Appendix 1.4	29
Multiple projects that have reported in one consolidated set	Appendix 1.5	15
Total		115

* Projects that have been consolidated under the respective MDAs do not form part of this consolidation. They have been effectively consolidated under the consolidated financial statements of the MDAs for the period ended 30th June 2017.

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Appendix 1.1

The tables below provide details of projects closed as at 30th June 2016.

No	Name of the project	Implementing entity
1.	Kimira Oluch Small Holder Farm Improvement Project – Loan No: 2100150012296	State Department for Natural Resources
2.	Kimira Oluch SmallHolder Farm Improvement Project – Grant No: 2100155007220	State Department for Natural Resources
3.	Kenya Agricultural Productivity & Agribusiness Project (KAPAP)	State Department for Agriculture
4.	Smallholders Horticulture Marketing Programme	State Department of Agriculture
5.	Medium Term ASAL Programme (MTAP)	State Department for Devolution
6.	GAVI Health Systems Strengthening Project	Ministry of Health
7.	Reproductive Health - Output Based Approach- RH-OBA	Ministry of Health
8.	Project on Enhancing Gender Responsive Extension Services in Kenya	State Department for Agriculture
9.	Support for Responsible Land Governance and Natural Resources in Communal Lands of Kenya Project	National Land Commission
10.	Community Empowerment and Institutional Support Project	State Department for Planning
11.	Western Kenya Community Driven and Flood Mitigation Project	State Department for Devolution
12.	Cash Transfer for Orphans and Vulnerable Children (CT-OVC) Programme Credit No 4553 – KE	State Department for Social Protection

Appendix 1.2

The table below provides details of projects that were consolidated in FY 2015/16 but have been merged under respective Ministries in FY 2016/17:

No	Name of the project	Implementing entity
1	Support to enhancement of Quality and Relevance in Higher Education Science and Technology (HEST) Project	State Department for University Education
2	Support To Technical and Vocational Education and Training for Relevant Skills Development Project	State Department of Vocational and Technical Training
3	The Netherlands Technical, Industrial, Vocational and Entrepreneurship Training (TIVET) Project	State Department of Vocational and Technical Training
4	Cash Transfer for Orphans and Vulnerable Children (CT-OVC) Programme Grant	State Department for Social Protection

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Appendix 1.3

The table below provides details of new projects started in FY 2016/2017:

No	Name of the project	Implementing entity
1	Kenya Devolution Support Project	State Department for Devolution
2	Kenya Youth Employment and Opportunities Project	State Department for Labour
3	Kenya Urban Support Programme	State Department of Housing and Urban Development
4	Kenya Italy Debt for Development Program	Ministry of Health
5	Transforming Health Projects for Universal Care projects	Ministry of Health
6	East Africa Public Health Laboratories Networking Project (EAPHLN) - 5616 KE	Ministry of Health
7	Sound Chemicals Management Mainstreaming & UPOPs Reduction in Kenya	State Department for Environment
8	National Agricultural and Rural Inclusive Growth Project	State Department for Planning
9	Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) Project	State Department for University Education

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Appendix 1.4

The table below provides details of projects whose financial results for FY 2016/2017 were reported in the implementing entity's financial statements for the FY 2016/2017.

No	Name of the project	Implementing entity
1	Trade Mark East Africa Programme	State Department of East African Affairs
2	Extractive Industries for Sustainable Development in Kenya	Ministry of Mining
3	NOFBI and e-Government Expansion Project	State Department for Broadcasting and Telecommunication
4	Deepening Foundation For Peace Building And Community Security	State Department of Interior
5	Standards and Labelling Programme	State Department of Industrialization and Investments
6	Ministry Of Health Reproductive and Maternal Services	Ministry of Health
7	Training of Health Personnel	Ministry of Health
8	Rehabilitation of Ahero, Tharaka and Nyambeni Hospitals	Ministry of Health
9	Rehabilitation of Ngong Sub-District Hospital	Ministry of Health
10	Rehabilitation of Muhoroni Sub-District Hospital	Ministry of Health
11	Rehabilitation of Likoni Sub-District Hospital	Ministry of Health
12	Communication for Development	Ministry of Health
13	Nutrition	Ministry of Health
14	Environmental Health Services	Ministry of Health
15	Food and Nutrition Support to Vulnerable Population affected by HIV	Ministry of Health
16	Procurement for Equipment for NYS	State Department of Planning
17	Small Holder Horticulture Empowerment Project	State Department of Agriculture
18	Integrated Protective Services	Ministry of Labour, Social Security and Services
19	Family Based Care for Vulnerable Children	Ministry of Labour, Social Security and Services
20	Judiciary Transformation Support Project	The Judiciary
21	Social Policy and Research	State Department of Planning
22	Economic Empowerment Programme	State Department of Planning
23	Judicial Performance Improvement Project (JPIP)	Judiciary
24	Capacity Development for the Supreme Court of Kenya	Judiciary
25	National Biodiversity Strategy and Action Plan (NBSAP) Project	State Department for Environment
26	Support to enhancement of Quality and Relevance in Higher Education Science and Technology (HEST) Project	State Department for University Education
27	Support To Technical and Vocational Education and Training for Relevant Skills Development Project	State Department of Vocational and Technical Training
28	The Netherlands Technical, Industrial, Vocational and Entrepreneurship Training (TIVET) Project	State Department of Vocational and Technical Training
29	Cash Transfer for Orphans and Vulnerable Children (CT-OVC) Programme - Grant	State Department for Social Protection

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Appendix 1.5

The table below provides details of projects whose financial results have been reported and consolidated under two umbrella projects namely, **Kenya Italy Debt for Development Program** (implemented by State Department for Water Services) and **Kenya Italy Debt for Development Program** (implemented by State Department for Vocational and Technical Training), as detailed below:

No	Name	Implementing Entity
	Kenya Italy Debt for Development Program (KIDDP)	
1	Tigania Water Supply	State Department for Water Services
2	PCO Facilitation (MWIHE)	State Department for Water Services
3	Migwani Water Supply Project	State Department for Water Services
4	Additional Water Works Under KIDDP	State Department for Water Services
5	Sigor Wei Consultancy	State Department for Water Services
6	Sirisia Water Project	State Department for Water Services
7	Kathangacini Water Supply	State Department for Water Services
8	Additional Water Works Under KIDDP	State Department for Water Services
	Kenya Italy Debt for Development Program (KIDDP)	
1	Revitalization of MBAA-INI Youth Polytechnic	State Department for Vocational and Technical Training
2	Revitalization of Lereshwa Youth Polytechnic	State Department for Vocational and Technical Training
3	Provision of Tools, Equipment and Furniture for Completed Polytechnics	State Department for Vocational and Technical Training
4	Lucy Onono Kinda Umala Youth Polytechnic	State Department for Vocational and Technical Training
5	Rehabilitation Dormitories in Six YPS	State Department for Vocational and Technical Training
6	Capacity Building in 18 YPS	State Department for Vocational and Technical Training
7	Scholarships for Students in 18YPS	State Department for Vocational and Technical Training

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Appendix 2 – Receipts from Government of Kenya – Counterpart Funding

The table below compares the Government of Kenya counter-part funding disbursed by the parent MDAs to the projects in FY 2016/17 for purposes of supporting project activities undertaken on their behalf. The resultant variances are due to timing (cut-off) differences.

No.	Project Name	Ministry/State Department	Amounts Disbursed by MDA (KShs)	Amounts Received by Project (KShs)	Cut Off Differences (KShs)
1	Kenya Water Security & Climate Resilience Project	State Department for Water Services	500,000,000	500,000,000	-
2	Upper Tana Natural Resources Management Project	State Department for Water Services	135,000,000	135,000,000	-
3	501066 Lake Victoria Environment Management Project (LVEMP Phase 11)	State Department for Environment	12,000,000	12,000,000	-
4	System for Land Based Emissions Estimation in Kenya	State Department for Natural Resources	2,422,100	2,422,100	-
5	Kenya Cereal Enhancement Programme (KCEP)	State Department of Agriculture	90,000,000	125,000,000	(35,000,000)
6	Kenya Agricultural Productivity & Sustainable Land Management Project	State Department of Agriculture	-	6,000,000	(6,000,000)
7	Eastern African Agriculture productivity Project (EAAPP)	State Department of Agriculture	33,000,000	33,000,000	-
8	Agricultural Sector development Support	State Department of Agriculture	150,000,000	150,000,000	-
9	Mainstreaming Sustainable Land Management (SLM) In Agro Pastoral Production	State Department for Livestock	27,478,019	18,000,000	9,478,019
10	Smallholders Dairy Commercialisation Programme	State Department for Livestock	64,459,964	68,280,607	(3,820,643)
11	Food Assistance to Primary and Pre-Primary Schools in Semi-Arid Areas and Disadvantaged Urban Children Project	State Department for Basic Education	1,635,814,964	1,635,814,964	-
12	Kenya Primary Education Development Project	State Department for Basic Education	64,611,240	64,611,240	-
13	Nairobi Metropolitan Services Improvement Project	State Department for Housing and Urban Development	53,000,000	53,000,000	-
14	Kenya Municipal Program	State Department for Housing and Urban Development	427,867,955	427,867,955	-
15	Kenya Informal Settlement Improvement Project	State Department for Housing and Urban Development	180,000,000	180,000,000	-
16	East Africa Public Health Laboratories Networking Project	Ministry of Health	200,000,000	200,000,000	-
17	Programme For Rural Outreach Of Financial Innovations And Technologies	The National Treasury	20,000,000	-	20,000,000
18	East Africa Trade And Transport Facilitation Project - MOT/KRC Component	State Department of Transport	1,907,058,528	1,907,058,528	-
	Total		5,502,712,770	5,518,055,394	(29,764,724)

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Appendix 3 – World Bank Health Funds Transferred to County Governments

In FY 2016/17, Kenya Health Sector Support Project received KShs 556,000,000 as per the budget and fully transferred this to 9 County Governments. In FY 2015/16, the project received KShs 508,245,204 and fully disbursed this to 21 County Governments. These disbursements are tabulated below:

Ministry of Health				
Kenya Health Sector Support Project				
No.	County Government Name	Amount Transferred		
		Year to 30th June 2017	Year to 30th June 2016	Total
		KShs	KShs	KShs
1	Baringo	77,761,278	17,224,300	94,985,578
2	Elgeyo Marakwet	-	20,179,116	20,179,116
3	Garissa	-	15,088,268	15,088,268
4	Isiolo	22,247,373	8,728,052	30,975,425
5	Kajiado	95,395,410	31,643,654	127,039,064
6	Kitui	131,525,244	46,995,266	178,520,510
7	Kilifi	-	66,776,764	66,776,764
8	Kwale	82,166,289	45,759,322	127,925,611
9	Laikipia	60,049,676	18,845,096	78,894,772
10	Lamu	14,528,378	7,132,526	21,660,904
11	Mandera	42,477,798	13,686,168	56,163,966
12	Marsabit	-	10,086,676	10,086,676
13	Narok	-	38,137,350	38,137,350
14	Samburu	29,848,554	8,669,898	38,518,452
15	Taita Taveta	-	17,242,898	17,242,898
16	Tana River	-	8,481,988	8,481,988
17	Tharaka Nithi	-	13,899,808	13,899,808
18	Turkana	-	20,486,700	20,486,700
19	West Pokot	-	15,799,898	15,799,898
20	Wajir	-	16,369,300	16,369,300
21	Migori	-	67,012,156	67,012,156
	Total	556,000,000	508,245,204	1,064,245,204

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Appendix 4 – Transfers to SAGAs/SCs/Fund

The table below compares the amounts transferred from self-reporting projects to SAGAs/SCs/Funds in the FY 2016/2017. The resultant variances are due to timing differences. This is because MDAs apply IPSAS cash basis standard while the SCs/SAGAs/Funds either apply IFRS or IPSAS accrual basis standard.

No.	Project Name	Amount Disbursed (KShs)	Entity - Received by SC/SAGA/Fund	Amount Received (KShs)	Timing Differences (KShs)
1	Kenya Health Sector Support Project – SWAP Secretariat	962,530,000	NHIF - Health Insurance Subsidy Programme (HISP)	962,530,000	-
2	Kenya Health Sector Support Project – SWAP Secretariat	237,926,500	Kenya Medical Training College	-	237,926,500
3	Kenya Health Support Project (EMMS/KEMSA Component)	556,881,254	Kenya Medical Supplies Authority (KEMSA)	-	556,881,254
4	Transforming Health Systems for Universal Care Project	120,140,000	Kenya Medical Training College	-	120,140,000
5	Kenya Informal Settlement Improvement Project	40,827,439	Athi Water Services Board	-	40,827,439
6	Kenya Informal Settlement Improvement Project	46,000,000	Coast Water Services Board	-	46,000,000
7	Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) Project	111,595,000	Sustainable use of insects as food and feeds project - Implementing entity: Jaramogi Oginga Odinga University	-	111,595,000
8	Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) Project	111,595,000	Centre of Excellence in Photochemicals, Textiles and Renewable Energy project (PTRE) - Implementing entity: Moi University	111,595,000	-
9	Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) Project	111,595,000	Centre of Excellence in Sustainable Agriculture & Agribusiness Management Project - Implementing entity: Egerton University	-	111,595,000
	Total	2,299,090,193		1,074,125,000	1,224,965,193

