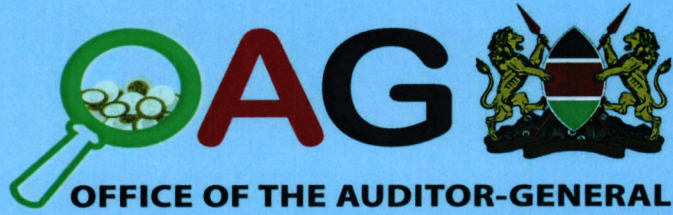


REPUBLIC OF KENYA



*Enhancing Accountability*

# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY

OF

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 06 MAY 2021

DAY

ON

TABLED  
BY:

CLERK-AT  
THE-TABLE:

*Anna Musandu*

**MINISTRY OF DEFENCE**

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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**MINISTRY OF DEFENCE**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2020**

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

7


 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
<b>DATE:</b> 06 MAY 2021	DAY.
<b>TABLED BY:</b>	
<b>CLERK-AT THE TABLE:</b>	

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## **BACKGROUND**

The Ministry continued to execute its mandate as provided for in Article 241 of the Constitution and Executive Order No. 2 of May 2013. To this end the ministry was able to perform its core mandate and address emerging security challenges. The emerging security threats included terrorism, cattle rustling, human and drug trafficking, proliferation of small arms and piracy.

The Ministry is headed by the Cabinet Secretary, Dr. Monica K. Juma, CBS who is responsible for the Policy and the General Administration of the Ministry.

The Ministry is categorized as vote 1041 within the approved National Budget which is administered by Dr. Ibrahim M. Mohammed, CBS as the Accounting Officer.

The accompanying financial statements constitute the financial statements for the Ministry of Defence.

## **1.2 VISION**

A premier, credible and mission capable Force deeply rooted in professionalism.

## **1.3 MISSION**

To defend and protect the sovereignty and territorial integrity of the Republic, assist and cooperate with other civil authorities in situations of emergency or disaster and restore peace in any part of Kenya affected by unrest or instability as assigned.

## **1.4 CORE VALUES**

To achieve its mission and vision, the Ministry has a number of core values and beliefs namely:-

**a. Apolitical:** The Defence Forces will steer clear of politics and will remain steadfastly apolitical.

**b. The Civil prerogative:** The Defence Forces shall always subordinate itself to democratic Civil Authority and exemplify civility in its dealings with the people of Kenya.

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**c. Loyalty and Commitment:** The Defence Forces will uphold its loyalty and commitment to the Commander-In-Chief and the people of Kenya through the chain of command.

**d. Patriotism:** The staff of the Ministry of Defence shall always be patriotic to the Government and the people of Kenya.

**e. Professionalism:** Service delivery will be based on the highest professional standards and will be blind to gender, ethnic, race or any other consideration.

**f. Integrity:** The staff of the Ministry of Defence will carry out duties with the highest integrity and in accordance with the laid down rules and regulation

### **1.5 CORE FUNCTIONS**

The core functions of the Ministry of Defence as stipulated in the Executive Order No. 2/2013 are:

- a. National Defence.
- b. Development and Management of the National Defence Policy.
- c. Protection of National Borders.
- d. Support for Civil Authority.
- e. Defence Intelligence.

### **1.6 USERS OF THE FINANCIAL STATEMENTS**

- a. Office of the Auditor General
- b. The Parliament
- c. The National Treasury
- d. Controller of budget
- e. Commissioner of Revenue Allocation
- f. Tax Payer

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g. Ministry of Defence

**(a) Key Management**

The Ministry's day-to-day management is under the following key personnel:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	<b>Cabinet Secretary</b>	Dr. Monica K. Juma,CBS
2.	<b>Principal Secretary and Accounting Officer</b>	Dr. Ibrahim M. Mohamed,CBS
3.	<b>The Chief of the Defence Forces</b>	Gen. Robert K. Kibochi, MGH, CBS, 'NDC'(K),'PSC'(UK)
4.	<b>Commander Kenya Army</b>	Lt. Gen. Walter K. Raria CBS, OGW 'NDC' (K) 'PSC' (TZ)
5.	<b>Commander Kenya Air Force</b>	Maj. Gen. F O Ogolla EBS, HSC, 'NDC' (K) 'PSC' (FRA)
6.	<b>Commander Kenya Navy</b>	Maj. Gen. Jimson Long'iro Mutai M.B.S , 'NDC' (K) 'PSC' (K)

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**Reports and Financial Statements**  
**For the year ended Jun 30, 2020**

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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> Jun 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name	Period Served
1	<b>Cabinet Secretary</b>	Amb. Raychelle Awuor Omamo, SC,EGH	1 <sup>st</sup> July 2019-23 <sup>rd</sup> Jan 2020
		Amb Dr. Monica K. Juma,CBS	23 <sup>rd</sup> Jan 2020-30 <sup>th</sup> June 2020
2.	<b>Principal Secretary and Accounting Officer</b>	Mr Torome Saitoti,CBS	1 <sup>st</sup> July 2019-23 <sup>rd</sup> July 2019
		Maj Gen(Rtd) Dr. Gordon Kihalangwa,CBS	24 <sup>th</sup> July 2019- 6 <sup>th</sup> Sept 2019
		Dr. Ibrahim M. Mohamed,CBS	6 <sup>th</sup> Sept 2019-30 <sup>th</sup> June 2020
3	<b>The Chief of the Defence Forces</b>	Gen. Samson Mwachethe MGH,MBS,DCO 'ndc' (K) 'psc' (UK)	1 <sup>st</sup> July 2019- 10 <sup>th</sup> May 2020
		Gen.Robert K. Kibochi, MGH, CBS, 'ndc'(K),'PSC'(UK)	11 <sup>th</sup> May 2020- 30 <sup>th</sup> June 2020
4.	<b>Commander Kenya Army</b>	Lt. Gen. Walter K. Raria CBS, OGW 'ndc' (K) 'PSC' (TZ)	1 <sup>st</sup> July 2019- 30 <sup>th</sup> June 2020
5.	<b>Commander Kenya Air Force</b>	Maj. Gen. F O Ogolla MBS, HSC, 'ndc' (K) 'PSC' (FRA)	1 <sup>st</sup> July 2019- 30 <sup>th</sup> June 2020

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6.	<b>Commander Kenya Navy</b>	Maj. Gen. Levi Franklin Mghalu MGH,MBS ,'ndc' (K) 'psc' (RSA)	1 <sup>st</sup> July 2019-11 <sup>th</sup> May 2020
		Maj. Gen. Jimson Long'iro Mutai MBS ,'ndc' (K) 'PSC' (K)	11 <sup>th</sup> May 2020-30 <sup>th</sup> June 2020

**(d) Fiduciary Oversight Arrangements**

**(i) Ministerial Committees**

**(a) Budget Implementation**

The committee is mandated to undertake the following:

- i. To review and consider the cash-flow plans
- ii. To review the utilization of cash limits and consider any changes as may be required
- iii. To review the utilization of donor funds voted to the Ministry
- iv. To advise the accounting officer on any challenges related to to the budget implementation
- v. To review and recommend reallocation of expenditure
- vi. To review and approve the submission of the expenditure returns, IPPD, pending bills and Revenue for the Ministry and recommend actions to be taken.
- vii. To participate in Sector Working Groups.
- viii. To prepare budgets for line Ministries in consultation with Heads of Departments

The Committee is scheduled to meet monthly in order to review any budget related issues and periodically advise the Accounting Officer

**(b) Ministerial Human Resource Management Advisory Committee (MHRMAC)**

The functions of MHRMAC entail making recommendations to the authorized officer regarding:

- i. Recruitment,
- ii. Performance management,
- iii. Promotions,
- iv. Training and development,
- v. Deployment,
- vi. Recommendations for retirement under 50 year rule among others.

It is chaired by the Principal Secretary or his deputy. The Director HRM is the Secretary. The HoD's and Military representation from DHQ and the Three Services are members of the Committee.

**(c) Ministerial Performance Management Committee(MPMC)**

The functions of MPMC entail:

- i. Undertaking quarterly review of implementation of Strategic Plans and Performance Contracts,
- ii. Ensure linkage between institutional performance contract and individual performance contract,

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iii. Ensure that the performance of all officers are evaluated and feedback on performance is relayed at the end of the Financial Year,

iv. Develop and implement the internal monitoring and evaluation and reporting system.

It is chaired by the Principal Secretary or his deputy. The Director HRM is the Secretary. The HoD's and Military representation from DHQ and the three Services are members of the committee.

**(d) Procurement Advisory Board**

The function of Procurement Advisory Board is to advise the Accounting Officer in decision making on matters procurement and assets disposals.

**(e) Ministerial Audit Committee**

The Ministerial Audit Committee has been reorganized with guidance from the National Treasury and has clear terms corporate terms of reference which include the following:-

- i. Follow up on recommendations of the Parliamentary Accounts Committee (PAC).
- ii. Preparation of responses on the Annual Report of the Auditor General.
- iii. Arranging for entry and exit meetings with the External Auditors

**(f) Parliamentary Committee Activities**

(a) Parliamentary Committee on Defence and Foreign Relations.

The Ministry engaged the committee to:

- i. Discuss the budget strategy paper
- ii. To discuss Kenya Space Agency .
- iii. To review the performance of the National Security Sector.

(b) Public Accounts Committee

- i. The Committee held discussions with the Ministry on the Report of the Auditor General on the Ministry's Appropriation Accounts for the Financial Year 2015/2016 and Financial Year 2016/2017

**MINISTRY OF DEFENCE**  
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Ministry's Contact Details

**(a) Ministry Headquarters**

P.O. Box 40668-00100  
Ulinzi House-Lenana Road  
Nairobi, KENYA

**(b) Ministry Contacts**

Telephone: (254) 020-2721100  
E-mail: [ps@mod.go.ke](mailto:ps@mod.go.ke)  
Website: [www.mod.go.ke](http://www.mod.go.ke)

**(c) Ministry Bankers**

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

**(d) Independent Auditors**

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

**(e) Principal Legal Adviser**

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

**FOREWARD BY THE CABINET SECRETARY**



**MANDATE**

Article 241, sub-article 3 (a), (b) and (c) of the Constitution provides that the Mandate of the Ministry shall be the Defence and protection of the sovereignty and territorial integrity of the Republic, assist and co-operate with other authorities in situations of emergency or disaster and report to the National Assembly whenever deployed in such circumstances and may be deployed to restore peace in any part of Kenya affected by unrest or instability only with the approval of the National Assembly.

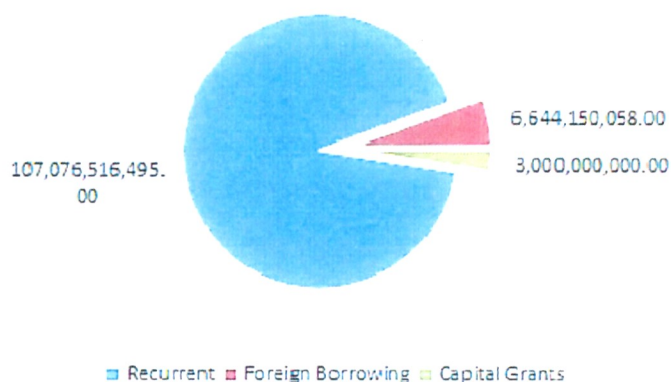
Dr Monica K. Juma,(Oxon),CBS  
**Cabinet Secretary**

**BUDGETARY ALLOCATION**

The budget allocated to the Ministry for the FY 2019/20 to accomplish the set objectives was **KShs 116,720,666,553**. This constituted an allocation of **Kshs 107,076,516,495** for Recurrent Expenditure and **Kshs 6,644,150,058** as Foreign Loan ‘AIA’ for the implementation of Military Modernization Programme and **Kshs 3,000,000,000** as Capital Grant for Mordenization Programme; apportioned as shown on the Chart below.

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Budget Allocation Ministry of Defence



The total budgetary allocation for FY 2019/20 was **KShs. 116,720,666,553**, but the actual expenditure was **KShs. 107,674,288,606**; with Recurrent Expenditure having an actual expenditure of **KShs. 99,661,357,425**. while Development Expenditure (Foreign Loan 'AIA') component had an actual expenditure of **KShs. 5,870,385,336** while and GoK Funded Development Expenditure had an expenditure of **KShs 2,177,518,917**.

Below is an overview of the financial performance for the year ended 30<sup>th</sup> June 2020 as reported in the detailed financial statements.

**For Budgeted Recurrent Expenditure;**

	Printed Estimates	Actual	Variance	% Utilization Variance
<b>Total Receipts</b>	107,076,516,495	99,668,077,294	7,408,439,201	7
<b>Total Payments</b>	107,076,516,495	99,661,357,425	7,415,159,070	7

**For Budgeted the Development Expenditure;**

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	<b>Printed Estimates</b>	<b>Actual</b>	<b>Variance</b>	<b>% Utilization Variance</b>
<b>Total Receipts</b>	9,644,150,058	8,053,465,618	1,590,684,440	16%
<b>Total Payments</b>	9,644,150,058	8,047,904,253	1,596,245,805.	16%

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**Budget Utilization**

The Ministry spent **KShs. 107,709,261,678** against an approved budget of **KShs. 116,720,666,553** representing absorption of **92%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget (KShs)	Actual(Kshs)	Variance(Kshs)
Compensation of Employees	958,000,000	904,382,754	53,617,246
Use of goods and services	159,016,495	149,384,678	9,631,817
Military Payments	108,729,000,000	100,626,639,450	8,102,360,550
Other Grants & Transfers	200,000,000	150,000,000	50,000,000
Proceeds from Foreign Borrowing	6,644,150,058	5,870,385,336	773,764,722
Acquisition of Assets	30,500,000	8,469,460	22,030,540
<b>TOTAL PAYMENTS</b>	<b>116,720,666,553</b>	<b>107,709,261,678</b>	<b>9,011,404,875</b>

Current year performance against prior year

**Receipts and Payments**

	Year to Year Ending 30 <sup>th</sup> June 2020	Year to Year Ending 30 <sup>th</sup> June 2019	Change	% Change
Total Receipts	109,042,687,136	118,178,770,460	-9,136,083,324	-8
Total Payments	109,030,405,901	118,121,000,299	-9,090,594,498	-8

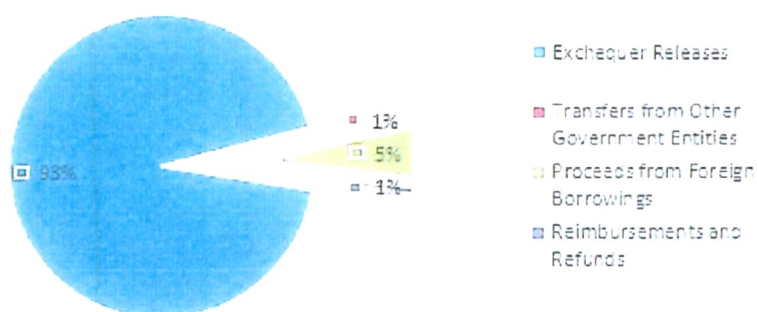
**MINISTRY OF DEFENCE**  
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**Total Receipts Broken Down**

<b>RECEIPTS</b>	<b>Year to Year Ending June 2020</b>	<b>Year to Year Ending June 2019</b>	<b>Change</b>	<b>% Change</b>
Exchequer releases	101,851,157,577	104,955,803,135	-3,104,645,558	-3%
Transfers from Other Government Entities	548,716,016	698,568,446	-149,852,430	-21%
Reimbursements and Refunds	772,428,207	1,417,615,346	-645,187,139	-46%
Foreign Borrowing	5,870,385,336	11,106,783,533	-5,236,398,197	-47%
<b>TOTAL REVENUES</b>	<b>109,042,687,136</b>	<b>118,178,770,460</b>	<b>-9,136,083,324</b>	<b>-8%</b>

The diagram above depicts the share of major categories of receipts for the fiscal year ended 30<sup>th</sup> June 2020. The major source of funding for the Ministry of Defence is exchequer releases that account for 93% of the total receipts

**Receipts Analysed**



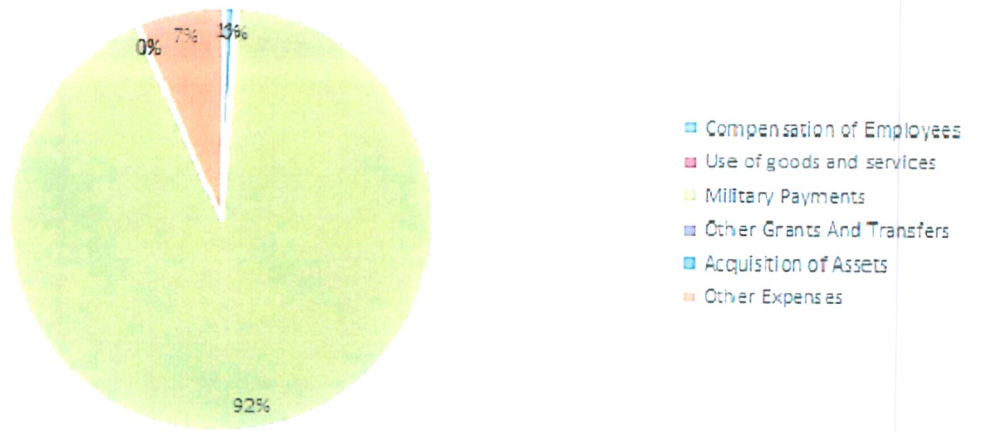
**MINISTRY OF DEFENCE**  
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**Total Payments**

<b>Payments</b>	<b>Year to Year Ending 2020</b>	<b>Year to Year Ending 2019</b>	<b>Change</b>	<b>% Change</b>
Compensation of Employees	904,382,754	917,789,436	-13,406,682	-1%
Use of goods and services	149,384,678	180,508,979	-31,124,301	-17%
Military Payments	100,626,639,450	103,242,964,207	-2,616,324,757	-3%
Other Grants And Transfers	150,000,000	521,893,372	371,893,372	-71%
Acquisition of Assets	8,469,460	34,876,980	-26,407,520	-76%
Other Expenses	7,191,529,559	12,665,083,524	-5,473,553,965	-43%
<b>TOTAL PAYMENTS</b>	<b>109,030,405,901</b>	<b>117,563,116,498</b>	<b>-8,532,710,597</b>	<b>-8%</b>

The decreases in payments is attributable to a significant decrease in Exchequer Releases. The diagram below depicts the share of major categories of payments for the fiscal year ended 30<sup>th</sup> June 2020

Payments Analysed



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**Financial Assets Summary**

<b>Bank Account Name</b>	<b>Year to Year Ended Jun 2020</b>	<b>Year to Year Ended Jun 2019</b>	<b>Change</b>	<b>% Change</b>
Recurrent Account	6,719,894	22,728,006	-16,008,112	-70%
Deposits	584,154,052	541,222,097	42,931,955	8%
Development	5,561,365	35,326,032	-29,764,667	-84%
Outstanding Imprests	4,475,000	9,860,100	-5,385,100	-55%
<b>Total</b>	<b>600,910,311</b>	<b>609,136,235</b>	<b>-8,225,924</b>	<b>-1%</b>

Recurrent Bank balances increased by 83% as a result of increased receipts towards year end. Deposit Account Bank Balance increased by 8% as a result of increased collection of deposits, transfer of Unclaimed Liabilities (Pensions, Uncleared Effects) from recurrent account to the deposit account. The imprests decreased as a result of all officers surrendering imprests taken during the Financial Year by at the end of financial year.

**Cash Flows and Cash Position**

The cash and bank balances held by the Ministry of Defence, as at 30th June 2020 was **KShs 596,435,311** compared to **KSh 599,276,135** held as at 30th June 2019. The breakdown of the cash and bank balances is as summarized in the table below.

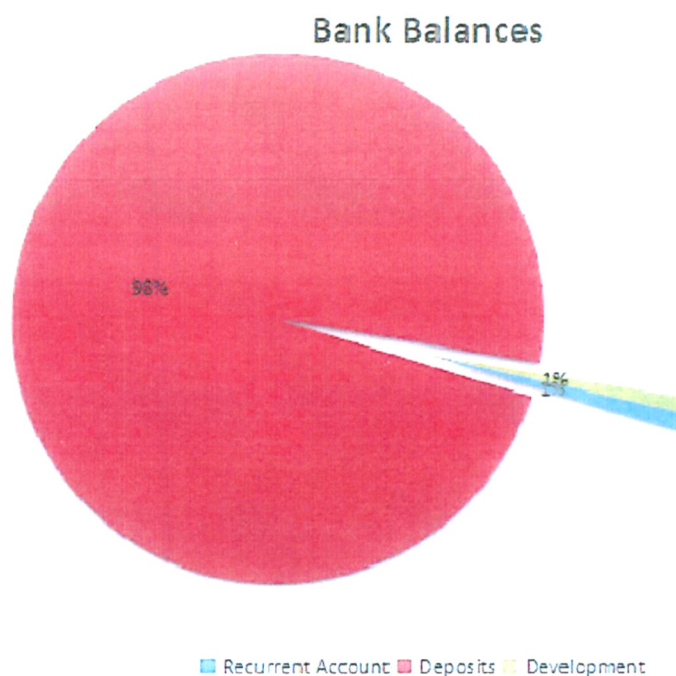
<b>Bank Account Name</b>	<b>Year to Year Ended Jun 2020</b>	<b>Year to Year Ended Jun 2019</b>	<b>Change</b>	<b>% Change</b>
Recurrent Kes-Ministry of Defence	6,719,894	22,728,006	-16,008,112	-70%
Deposits Kes – Ministry of Defence	584,154,052	541,222,097	42,931,955	8%
Development Kes – Ministry of Defence	5,561,365	35,326,032	-29,764,667	-84%

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Total	596,435,311	599,276,135	-12,700,924	-2%
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Recurrent Bank balances increased by 83% as a result of increased spending towards year end.

Deposit Account Bank Balance increased by 8% as a result of increased collection of deposits, transfer of Unclaimed Liabilities (Pensions, Uncleared Effects) from recurrent account to the deposit account.



**ACCOMPLISHMENTS**

**3.0 ACCOMPLISHMENTS**

During the period under review, the Ministry accomplished the following:

- i. Performed its primary role by deploying and manning the borders thus ensuring the sovereignty and territorial integrity of the Republic.
- ii. In the regional arena, KDF deployed troops, alongside other Troop Contributing Countries (TCCs) under AMISOM (Somalia) Sector 2, UNMISS (South Sudan) and UNAMID (Darfur), MINUSCA(Central Africa Republic) and MINUSMA(Mali). These deployments were instrumental in fostering regional peace and security.
- iii. To ensure Customer Satisfaction uploading tenders, posting press releases and statements such as Defence Council Decisions on postings, promotions and appointments. The Ministry also advertised recruitment for the Cadets, Specialists and Servicemen interested to join KDF in in the local dailies.
- iv. Concerning Multi Agency Approach to Security, the Ministry continued to collaborate with all the stakeholders including;Parliament, Ministries, Departments, and Agencies to achieve its Mandate. In this regard therefore, KDF collaborated with the Ministry of Interior and Coordination of National Government by conducting operations in Lamu(Fagia Msitu), Laikipia, Baringo and Pokot.Other operations included manning of Multi Agency Road Blocks in Isiolo, Garissa and Kilifi Counties, among other areas.
- v. The Ministry created a Cyber Security Department with a mandate of cordinating cyber related activities. The Department is part of the Multi Agency National Cyber Command Center and participates in addressing National cyber threat incidences.
- vi. Awarded procurement opportunities worth **Kshs 2,356,850,184** to the Youth, Women and PWDs owned enterprises in order to promote uptake in the **30%** procurement rule on Access to Government Procurement Opportunities (AGPO).
- vii. Under the 40% Policy on Promotion of Local Content in Procurement, the Ministry spent a total of **Kshs 2,531,596,417** on procurement of local goods and services.

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**For the year ended Jun 30, 2020**

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- viii. In support of the Government effort in Environmental Sustainability in line with SDG's and Kenya's Vision 2030, the Ministry planted trees in deforested areas and identified water towers through the Environmental Soldier Programme (ESP). During the Financial Year under review, 1,100,000 seedlings were planted in cantonments and wetlands and adopted forests allocated by the Ministry of Environment and Forestry. This was achieved working in partnerships with other supporting agencies and organizations.
- ix. To foster Regional cooperation the Ministry has taken a leading role by supporting and participation in both the EAC, EASF, IGAD, UN, and AU Programmes and activities. These activities included; Workshops, Policy Organs Meetings, Training, Exercises, Sporting and Cultural activities.
- x. Ensured that the Ministry's assets were maintained well for operational readiness, an Asset and Property Register was developed while plant and equipment were maintained in accordance with the manufacturer's schedules.
- xi. Supported the Government Policy on Gender mainstreaming by developing Gender Policy in the Ministry and the capacity of women in the security sector; with reference to UN Resolutions 1325 (2000), through UN Women financial support.
- xii. Collected revenue totaling to **KShs. 5,514,655,836** through refund to GoK from UN/AU fees paid to learning institutions, rent from institutional houses, sales of tender documents and proceeds from auction of obsolete assets and stores among others.
- xiii. The Ministry was able to absorb the entire approved Recurrent Budget of **KShs. 107,076,516,495** for the Financial Year under review, However only 93% of this was paid due to exchequer shortfall. This being 93% of the amount budgeted for. The Ministry was able to utilise **Kshs.3,000,000,000.00** of Development Funds, however only 73% of the budgeted Amount was paid due to exchequer shortfall.
- xiv. Modernization Programmes

The following modernization programmes continue to be implemented in the FY 19/20

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- a) New Accommodation and messing facilities at various military installations
- b) Completion of Ongoing projects.
- c) Equipment upgrades and improvement
- d) Kenya-Somalia border Securitization

xv. Under the Export Credit Arrangement (ECA) Programmes

The following three programs were initiated under the Export Compensation Agreement, ECA arrangement are still ongoing

- a) Acquisition of Modern Lift Aircraft
- b) Acquisition of VVIP Helicopters
- c) Construction of 4000 Ton Slip Way at Mtongwe

xvi. The Ministry was able carry out the following Humanitarian Civil Activities/Projects

- a) Rescue and recovery operations in flood affected areas in Kilifi, Baringo, West Pokot, Elgeyo Marakwet, Tana river counties.
- b) Rescue and recovery operations in buildings in Kericho, Kisii and Nairobi counties.
- c) Medical intervention camps in different parts of the country including Lamu County, Isiolo among other counties.

## CHALLENGES

The Ministry's optimum performance was constrained by the following factors:

**Inadequate Funding.** Inadequate funding is a major constraint in implementing defence programmes and activities. This is further compounded by the escalating costs of modern military hardware. Inadequate funding has in particular delayed implementation of Programmes in the Development Budget occasioning Pending Bills in the both the Recurrent and Development Vote.

**Procurement Lead Times.** Coupled with the challenges of having to rely heavily on foreign military products, the duration it takes to complete the procurement cycle is inordinately long due to the fact that military hardware are not off the shelf item.

**Diminishing Training Areas.** Diminishing of training areas is attributed partly to encroachment into military land and a rapidly expanding population. The reduction of training fields has called for adoption of other options and in particular reliance on advanced technology system like simulation. In effect, the adoption of these technologies will continue to call for more budgetary allocations.

**Ageing and Inadequate Infrastructure.** The deterioration of Defence infrastructure over the years due to inadequate funding continues to demand for more resources for the rehabilitation of most of the physical infrastructure and the rehabilitation of ageing equipment.

**Technological Changes.** The rapid changes being experienced in technology has continued to impact on the Ministry's ability to retain military systems over extended periods. Consequently, this effect has resulted in frequent changes in communications and information systems.

**Currency Fluctuation.** Most of our Military hardware is sourced from the international market and the volatility of international currencies adversely affected the Ministry's budgetary allocations.

**Staff Shortage in Skilled Areas.** The Ministry continued experiencing serious shortage of civilian staff in various areas.

**Covid-19 Global Pandemic.** Due to the global challenges related to Covid-19 pandemic, the Ministry lost staff. It also disrupted with implementation of key activities and programmes.

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**For the year ended Jun 30, 2020**

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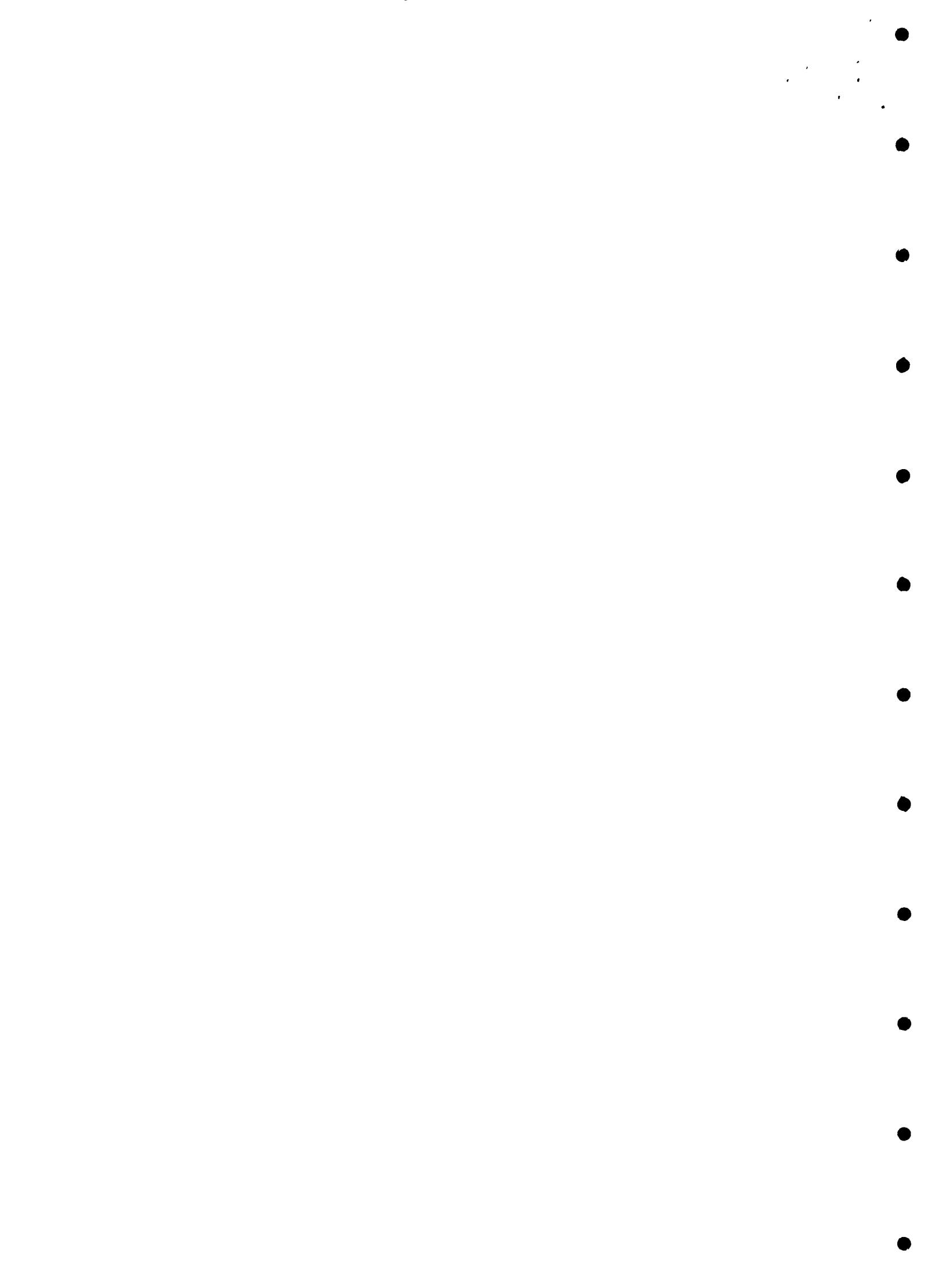
**ACKNOWLEDGEMENT**

I wish to acknowledge the support and cooperation accorded to the Ministry during the period under review by: the National Treasury; the Parliament; the Central Bank of Kenya; the Kenya Revenue Authority; other Government Ministries, Departments and Agencies and the staff of the Ministry both uniformed and civilian; suppliers of goods and services and the people of the Republic Kenya.



Dr. Monica K. Juma,(Oxon),CBS

**Cabinet Secretary**



**STATEMENT OF PERFORMANCE AGAINST MINISTRY PREDETERMINED OBJECTIVES**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key objectives of the Ministry of Defence as per its constitutional mandate are to:

- a) To defend and protect the sovereignty and territorial integrity of the Republic, support internal security operations and promote Regional and International Peace and Security
- b) To support humanitarian activities
- c) To provide policy direction and administrative support services
- d) To administer and coordinate space related activities

**Progress on attainment of Strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

MDA Program:	Objective	Outcome	Indicator	Performance
<b>1. National Defence</b>				
<b>Sub Program: 1. Defence Policy Management</b>	To defend and protect sovereignty and territorial integrity of the Republic, support internal security operations and promote	Provide direction and support to the three Services to secure the Nation.	Timely and effective logistics support	Provided ammo and materiel, and Maintained equipment and infrastructure
			Efficient personnel administration	General personnel administration and welfare was provided.
			Timely and effective	Provided support to military operations

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MDA Program:	Objective	Outcome	Indicator	Performance
	Regional and International Peace & Security		operational support	
			Intelligence gathering and dissemination	Intelligence gathered and disseminated
			Comprehensive medical support	Coordination, provision of medical supplies and services was done
			Level of public awareness	Public awareness and information dissemination was done
			Quality and effectiveness of legal support	Litigations and legal support to services was provided
			Military modernisation	Acquisition of new equipment and development of related infrastructure on going
<b>Sub Program: 2 Land Defence</b>		Secure National land borders	Respond to land based threats.	Timely and effective response to land based threats
		Border Securitization	Percentage of completion of the Border	45% completion
		Enhanced regional & International Peace & Security	Participation in regional and international Peace support operations (PSOs) and programmes	Timely deployment and effective participation in PSOs and programmes
<b>Sub Program: 3. National Air Space Defence</b>		Secured National Air Space	Respond to Airborne threats	Timely and effective response to Airborne threats
		Enhanced regional & International	Participation in regional and international	Timely deployment and effective participation in

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MDA Program:	Objective	Outcome	Indicator	Performance
		peace & security	Peace support operations (PSOs) and programmes	PSOs and programmes
<b>Sub Program: 4. Territorial Water Defence.</b>		Secured Territorial Waters	Respond to Territorial Waters threats	Timely and effective response to Seaborne Threats
		Enhanced regional & International peace & security	Participation in regional and international Peace support operations (PSOs) and programmes	Timely deployment and effective participation in PSOs and programmes
<b>2. Civil Aid</b>				
<b>Sub Program: 1. Civil Aid</b>	To support humanitarian activities	Humanitarian assistance provided	Respond and mitigate crisis, disasters and emergencies	Timely and effective response to emergencies and disasters
<b>3. General Administration, Planning and Support</b>				
<b>Sub Program: 1. General Administration, Planning and Support Services</b>	To provide policy direction and administrative support services	Effective Service Delivery	Provide administrative support services	Effective administrative support services were provided
		Strategic Plan 2018-2022	Strategic Plan 2018-2022	Implementation of 2018-2022 Strategic Plan done
		Strategic Defence and Security Review (SDSR)	Strategic Defence and Security Review (SDSR)	Develop the Peace Support Operations Policy
		Peace Support Operations Policy	Peace Support Operations Policy	Development of Military Land Policy on going
		Military Land Policy	Military Land Policy	
<b>Sub Program: 2. Military Industrialization</b>		Manufacture of small arms ammunition	Timely supply of Small Arms Ammunition	Sustained operational requirements of

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<b>MDA Program:</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
				security agencies
		Modernization of small arms ammunition production lines	New WARSAW and NATO Ammo Production Lines	Acquisition of modern ammo production line on going
		Military Dehydrated Food and Ration Supplies produced	Timely Supply of Dehydrated Food and Rations	Production of dehydrated vegetables, fruits and MREs done
<b>4 National Space Management</b>				
<b>Sub Program: National Space Management</b>	To administer and coordinate space related activities	Effective management and regulation of space related activities	National Space sector regulation framework established	Linkages among academia, industry, Govt and partners  Sustainable development of capacity and outreach on going  Promote use of space derived data across Government

**1. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

**1. Sustainability strategy and profile -**

The Ministry of Defence has been engaged in various aspects as far as Corporate Social Responsibility is concerned. Notably, among them is the Environmental Soldier Program that is aimed at conserving the environment. We have planted more than seven million trees countrywide. The Ministry has also conducted medical camps in remote areas of the country to assist the residents access better medical care. This is in line with the Big 4 Agenda of universal Health Care. In addition, the Ministry of Defence through its technical arm, KDF, has sunk boreholes in various parts of the Country to provide potable water to the populace.

We have in the recent past rehabilitated public institutions and infrastructure such as schools, roads, bridges, railway lines, and ships in an effort to ease transport and improve livelihood.

**2. Environmental Policy and Performance**

Ministry of Defence (MOD) is in the process of reviewing its Defence Environmental Policy – a process which is at an advanced stage, pending review by Service Commanders Committee and ratification. The policy aims at enhancing sustainability across all MOD activities and installations to enable mission readiness towards achieving ‘Total National Defence’.

**Sustainability Successes**

MOD has had a number of successes in its environmental sustainability efforts. These include:

- a. Through the Environmental Soldier Programme (ESP), MOD has **planted 1,100,000 seedlings** in military cantonments and gazzeted government forests during the year under review.
- b. MOD continues to oversee the setting up of tree nurseries in military cantonments to ensure sustainable supply for its afforestation programme. Tree nurseries have been set up at Embakassi Garrison, Kenya Military Academy, Moi Airbase and Thika Barracks, and a further two nurseries are immediately planned for the School of Military Intelligence and Langata Barracks.
- c. MOD in partnership with the Ministry of Environment and Forestry (MoEF) and other stakeholders, continues to rehabilitate its adopted forests. Successes in this area includes

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the ongoing restoration of Mareba Wetlands in Uasin Gishu County, successful reforestation and continued monitoring of Kibiku Forest, and the regeneration of Ragia Forest in Nyandarua – a catchment of the Sasumua Dam.

- d. MOD facilitated the training of personnel in various sustainability fields including the recently concluded Google Earth Engine Training of Five (5) Pax to enable better geospatial planning for environmental sustainability.
- e. Through the Environmental Sustainability Programme at the Kenya Military Academy, Cadets continue to be engaged in clean-up programmes including the clean-up of Dundori River and Lake Nakuru National Park.
- f. MOD has also instituted incorporation of its environmental experts in all projects' design, implementation and operation, to minimize its environmental footprint.
- g. MOD has implemented energy efficiency projects utilizing renewable energy including:
  - (1) Solar power project at Ulinzi House.
  - (2) Installation of biodigester units at Garissa – Modika camp.
  - (3) Implementation of energy saving lighting across KDF units.
  - (4) Installation of LED street lighting across KDF units.
  - (5) Replacement of firewood with the Energy Efficient Cook Stove (DEFKITCH (K) 2010) in KDF bases.
  - (6) Installation of solar water heating units at the KDF Recovery Centre.
- h. The Ministry is also implementing integrated solid waste management pilot projects at KMA, MAB and Defence Headquarters.
- i. MOD has also expanded its partnership portfolio through the whole of government approach. The partners range from government and non-governmental organizations including:
  - (1) Ministry of Environment.

- (2) United Nations Environment Programme.
- (3) Summit Seekers.
- (4) Green Belt Movement.
- (5) Various county governments.

### **Challenges**

A major challenge remains availability of funding. In spite of the efforts by the Ministry, internal funding is insufficient for the scale of its environmental programme. External is also restrictive with regards to priority projects, and as such ineffective.

### **3. Employee welfare**

The Ministry is guided by various Government policies in recruitment of personnel, specifically the Public Service Commission policies and guidelines. The recruitment takes into consideration the a third gender ratio.

The Ministry has continued to train its staff to enhance performance and facilitate career development. Promotion, re-designation and job enrichment are the key strategies applied in promoting employee career growth.

All employees are placed on annual performance appraisal system. The Ministry has a reward/sanction system based on performance.

The Ministry has implemented various measures to comply with the Occupational, Safety and Health Act, 2007. These include development of ministerial guidelines on health and safety management, training of personnel on OSHA as well as provision of Personal Protective Equipment to staff.

### **4. Community Engagements-**

The Ministry of Defence has in the recent past rehabilitated public institutions and infrastructure such as schools, roads, bridges, railway lines, water tanks and distributed foodstuff as illustrated in the pictures below



Construction of a water pan for Hulugho residents





Distribution of foodstuff in Tana River County





Kiambaga Borehole and water project .





Rehabilitation of Water tanks in Ishakani, Lamu County



Rehabilitation of Witathani School

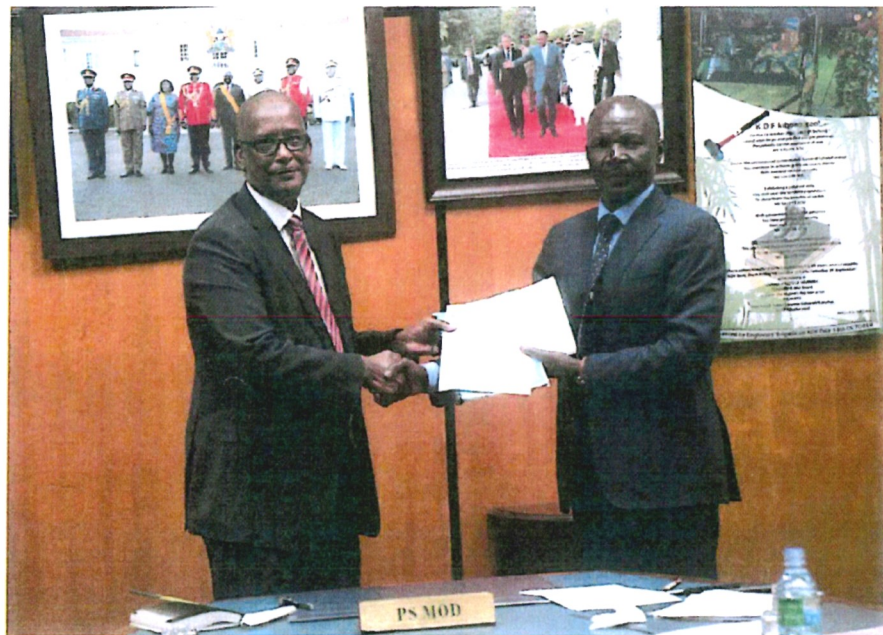
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**CHANGE OF GUARD**



*Dr Monica Juma takes over from Amb Rachel Omamo as CS Defence on 23<sup>rd</sup> January 2020*



*Dr Mohammed takes over from Maj Gen(Rtd) Dr Kihlangwa as the PS Defence on 17<sup>th</sup> September 2019*

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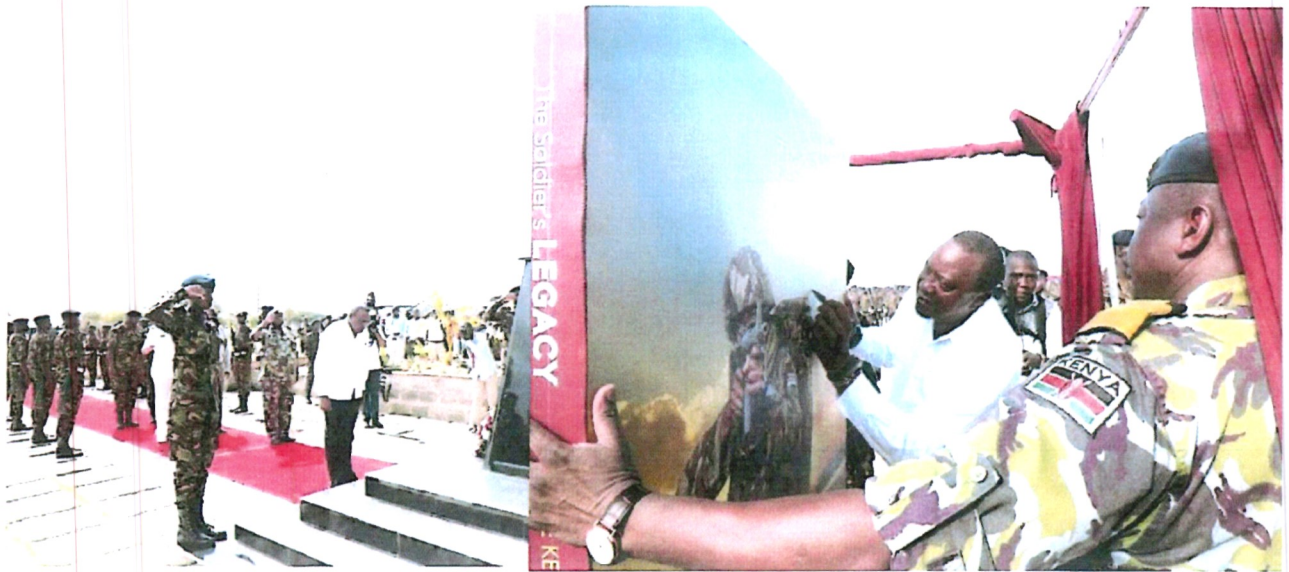
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*Gen Kibochi takes over from Gen Mwachethe as the Chief of Defence Forces on May 11<sup>th</sup> 2020*



*Modernization Programmes*



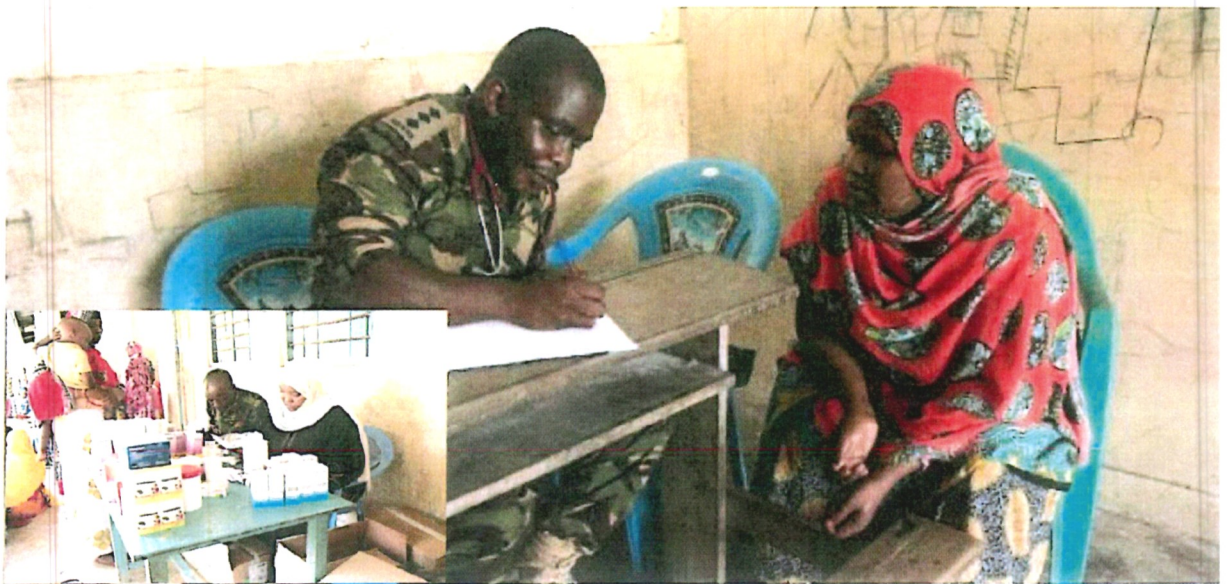
*The Commander in Chief Honours KDF Fallen soldiers during the opening of Modika 17KR Camp in Garissa, while below he officially receives and launches KDF New Spartan Jets*



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*The Kenya Defence Forces providing civil aid during floods in Kilifi county and a medical camp in Lamu*



Environmental Soldier Programme



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Training with International Partners - Jordan Special Forces and KDF



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**Heads of Departments and AIE Holders Engagement**



**STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Ministry of Defence is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the Ministry for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Ministry; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Ministry; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Defence accepts responsibility for the Ministry's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry's financial statements give a true and fair view of the state of Ministry's transactions during the financial year ended June 30, 2020, and of the Ministry's financial position as at that date. The Accounting Officer charge of the Ministry of Defence further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Defence confirms that the Ministry has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Ministry's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Ministry's financial statements have been prepared in a form

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that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Ministry's financial statements were approved and signed by the Accounting Officer on 23.11. 2020.



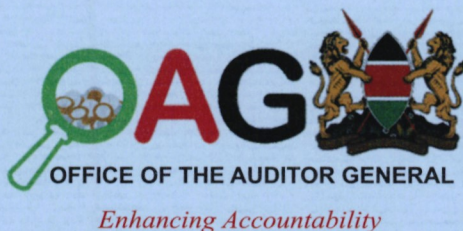
Principal Secretary  
Name: Ibrahim M. Mohammed



Deputy Accountant General  
Name: Electina W Wanyonyi

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF DEFENCE FOR THE YEAR ENDED 30 JUNE, 2020**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Ministry of Defence set out on pages 50 to 86, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation – recurrent, development and combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ministry of Defence as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Ministry of Defence 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.

#### **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 are no key audit matters to communicate in my report.

## **Other Matter**

### **Pending Bills**

Disclosed under Note 19.1 to the financial statements are pending bills totalling Kshs.8,166,532,367 as at 30 June, 2020. Further, as disclosed under Note 19.3 to the financial statements, the Ministry has contingent liabilities of Kshs.1,071,137,645 arising from a court award of Kshs.1,421,137,645 on a disputed contract. During the year, the Ministry paid an amount of Kshs.350,000,000 as part payment for the court award. The remaining balance of Kshs.1,071,137,645 is still outstanding subject to an outcome of a court determination of a Civil Case 39 of 2014 on the same matter. The above amount has not been included as part of the pending bills during the year.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form the first expenditure to be charged.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE 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 standard requires that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and governance were maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Ministry's ability to sustain service, disclosing, as applicable, matters related to sustainability of service and using the applicable basis of accounting unless Management is aware of the intention to terminate the Ministry or 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 manner.

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities 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 financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 applicable 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 Ministry's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up

to the date of my audit report. However, future events or conditions may cause the Ministry to cease sustaining its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry 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**

**01 April, 2021**

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**3. STATEMENT OF RECEIPTS AND PAYMENTS**

		2019-2020	2018-2019
	Note	KShs	KShs
<b>RECEIPTS</b>			
Exchequer releases	1	101,851,157,577	104,955,803,135
Transfers from Other Government Entities	2	548,716,016	698,568,446
Foreign Borrowing	3	5,870,385,336	11,106,783,533
Reimbursements and Refunds	4	772,428,207	1,417,615,346
<i>TOTAL RECEIPTS</i>		<i>109,042,687,136</i>	<i>118,178,770,460</i>
<b>PAYMENTS</b>			
Compensation of Employees	5	904,382,754	917,789,436
Use of goods and services	6a	149,384,678	180,508,979
Military Payments	6b	100,626,639,450	103,242,964,207
Transfers to Other Government Entities	7	0	557,883,801
Other Grants And Transfers	8	150,000,000	521,893,372
Acquisition of Assets	9	8,469,460	34,876,980
Other Payments	10	7,191,529,559	12,665,083,524
<i>TOTAL PAYMENTS</i>		<i>109,030,405,901</i>	<i>118,121,000,299</i>
<b>SURPLUS/DEFICIT</b>		<b>12,281,235</b>	<b>57,770,161</b>

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30, 2020**

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry's financial statements were approved on 23.11. 2020 and signed by:



Principal Secretary  
Name: Dr. IBRAHIM M. MOHAMED



Deputy Accountant General  
Name: ELECTINA W. WANYONYI

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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**4. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11A	596,435,311	599,276,136
Cash Balances	11B	0	0
<b>Total Cash and cash equivalent</b>		<b>596,435,311</b>	<b>599,276,136</b>
Accounts receivables – Outstanding Imprests	12	4,475,000	46,720,357
<b>TOTAL FINANCIAL ASSETS</b>		<b>600,910,311</b>	<b>645,996,492</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	13	584,154,052	541,222,097
<b>NET FINANCIAL ASSETS</b>		<b>16,756,259</b>	<b>104,774,395</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	14	104,774,395	44,836,373
Surplus/Deficit		<b>12,281,235</b>	57,770,161
Prior Year Adjustments	15	-100,299,371	2,167,861
<b>NET FINANCIAL POSITION</b>		<b>16,756,259</b>	<b>104,774,395</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry's financial statements were approved on 23.11. 2020 and signed by:

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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Principal Secretary  
Name: Dr. IBRAHIM M. MOHAMED



Deputy Accountant General  
Name: ELECTINA W. WANYONYI

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5. **STATEMENT OF CASH FLOWS**

		<b>2019-2020</b>	<b>2018-2019</b>
		<b>KShs</b>	<b>KShs</b>
<b>Receipts for operating income</b>			
Exchequer Releases	1	101,851,157,577	104,955,803,135
Transfers from Other Government Entities	2	548,716,016	698,568,446
Reimbursements and Refunds	4	772,428,207	1,417,615,346
<b>Payments for operating expenses</b>			
Compensation of Employees	5	904,382,754	917,789,436
Use of goods and services	6a	149,384,678	180,508,979
Military Payments	6b	100,626,639,450	103,242,964,207
Transfers to Other Government Entities	7	0	557,883,801
Other Grants and Transfers	8	150,000,000	521,893,372
Other Expenses	10	7,191,529,559	12,665,083,524
<b>Adjusted for:</b>			
Changes in Receivables		42,245,357	-4,051,804
Changes in Payables		42,931,955	-217,561,962
Adj during the year		-100,299,371	2,167,861
<b>Net cash flow from operating activities</b>		<b>-5,864,756,700</b>	<b>-11,233,582,297</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Assets	9	-8,469,460	-34,876,980
<b>Net cash flow from Investing activities</b>		<b>-8,469,460</b>	<b>-34,876,980</b>
<b>Cashflow From Borrowing Activities</b>			
Proceeds from Foreign	3	5,870,385,336	11,106,783,533

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**Reports and Financial Statements**  
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Borrowings			
Net cash flow from financing activities		5,870,385,336	11,106,783,533
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>-2,840,824</b>	<b>-161,675,766</b>
Cash and cash equivalent at BEGINNING of the year		599,276,136	760,951,888
Cash and cash equivalent at END of the year		596,435,312	599,276,111

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Ministry's financial statements were approved on 23.11. 2020 and signed by:



Principal Secretary  
Name: Dr. IBRAHIM M. MOHAMED



Deputy Accountant General  
Name: ELECTINA W. WANYONYI

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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**6. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	13,079,049,600	(6,434,899,542)	6,644,150,058	5,870,385,336	773,764,722	88%
Exchequer releases	108,411,516,495	1,665,000,000	110,076,516,495	101,851,157,577	8,225,358,918	93%
<b>Total Receipts</b>	<b>121,490,566,095</b>	<b>(4,769,899,542)</b>	<b>116,720,666,553</b>	<b>107,721,542,912</b>	<b>8,999,123,641</b>	<b>92%</b>
<b>Payments</b>						
Compensation of Employees	1,163,000,000	(205,000,000)	958,000,000	904,382,754	53,617,246	94%
Use of goods and services	93,268,775	65,747,720	159,016,495	149,384,678	9,631,817	94%
Military Payments	102,929,000,000	2,800,000,000	105,729,000,000	98,449,120,533	7,279,879,467	93%
Other Grants and Transfers	200,000,000	0	200,000,000	150,000,000	50,000,000	75%
Acquisition of Assets	26,247,720	4,252,280	30,500,000	8,469,460	22,030,540	28%
Payments - Development	4,000,000,000	(1,000,000,000)	3,000,000,000	2,177,518,917	822,481,083	73%
Foreign Grants	13,079,049,600	(6,434,899,542)	6,644,150,058	5,870,385,336	773,764,722	88%

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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<b>Grand Total</b>	<b>121,490,566,095</b>	<b>(4,769,899,542)</b>	<b>116,720,666,553</b>	<b>107,709,261,678</b>	<b>9,011,404,875</b>	<b>92%</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,281,235</b>	<b>(12,281,235)</b>	

- i. Under-utilization of below 90%
  - a. Acquisition of Assets was below the threshold due to exchequer shortfall. The payments were ready for payment.
  - b. Expenditure related to Foreign grants with 88% of the budgeted funds was as a result of delays in programme execution
  - c. Expenditure related to Grants and Other Transfers was below 90% due to exchequer shortfall
  - d. Acquisition of Assets was below the threshold due to exchequer shortfall. The payments were ready for payment.
  - e. The difference between the original and final budget was as a result of increase in budget for some programmes while others had a reduction in budget as appropriated by The National Assembly in the Supplementary budgets.
- ii. The difference between the original and final budget was as a result of increase in budget for some programmes while others had a reduction in budget as appropriated by The National Assembly in the Supplementary budgets.

The Ministry's financial statements were approved on 22.11.2020 and signed by:



Principal Secretary

Name: Dr Ibrahim M Mohammed



Deputy Accountant General

Name: Electina W. Wanyonyi

MINISTRY OF DEFENCE  
Reports and Financial Statements  
For the year ended Jun 30, 2020

7. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	104,411,516,495	2,665,000,000	107,076,516,495	99,668,077,294	7,408,439,201	93%
<b>Total Receipts</b>	<b>104,411,516,495</b>	<b>2,665,000,000</b>	<b>107,076,516,495</b>	<b>99,668,077,294</b>	<b>7,408,439,201</b>	<b>93%</b>
<b>PAYMENTS</b>						
Compensation of Employees	1,163,000,000	(205,000,000)	958,000,000	904,382,754	53,617,246	94%
Use of goods and services	93,268,775	65,747,720	159,016,495	149,384,678	9,631,817	83%
Military Payments	102,929,000,000	2,800,000,000	105,729,000,000	98,449,120,533	7,279,879,467	93%
Other Grants and Transfers	200,000,000	0	200,000,000	150,000,000	50,000,000	75%
Acquisition of Assets	26,247,720	4,252,280	30,500,000	8,469,460	22,030,540	28%
<b>Grand Total</b>	<b>104,411,516,495</b>	<b>2,665,000,000</b>	<b>107,076,516,495</b>	<b>99,661,357,425</b>	<b>7,415,159,070</b>	<b>93%</b>
Surplus/Deficit	0	0	0	6,719,869	(6,719,869)	

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**Reports and Financial Statements**  
**For the year ended Jun 30, 2020**

*Notes*

- i. Under-utilization of below 90%
- a. Acquisition of Assets was below the threshold due to exchequer shortfall. The payments were ready for payment.
  - b. Expenditure related to Foreign grants with 88% of the budgeted funds was as a result of delays in programme execution
  - c. Expenditure related to Grants and Other Transfers was below 90% due to exchequer shortfall
  - d. Acquisition of Assets was below the threshold due to exchequer shortfall. The payments were ready for payment.
  - e. The difference between the original and final budget was as a result of increase in budget for some programmes while others had a reduction in budget as appropriated by The National Assembly in the Supplementary budgets.
- ii. The difference between the original and final budget was as a result of increase in budget for some programmes while others had a reduction in budget as appropriated by The National Assembly in the Supplementary budgets.

The Ministry's financial statements were approved on 23.11.2020 and signed by:



Principal Secretary  
Name: Dr Ibrahim M Mohammed



Deputy Accountant General  
Name: Electina W. Wanyonyi

MINISTRY OF DEFENCE  
Reports and Financial Statements  
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SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Proceeds from Foreign Grants	13,079,049,600	(6,434,899,542)	6,644,150,058	5,870,385,336	773,764,722	88
Exchequer releases	4,000,000,000	(1,000,000,000)	3,000,000,000	2,183,080,282	816,919,718	73
<b>Total Receipts</b>	<b>17,079,049,600</b>	<b>(7,434,899,542)</b>	<b>9,644,150,058</b>	<b>8,053,465,618</b>	<b>1,590,684,440</b>	<b>84</b>
<b>Payments</b>						
Payments - Development	4,000,000,000	(1,000,000,000)	3,000,000,000	2,177,518,917	822,481,083	73
Foreign Grants	13,079,049,600	(6,434,899,542)	6,644,150,058	5,870,385,336	773,764,722	88
<b>Grand Total</b>	<b>17,079,049,600</b>	<b>(7,434,899,542)</b>	<b>9,644,150,058</b>	<b>8,047,904,253</b>	<b>1,596,245,805</b>	<b>83</b>
<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,561,365</b>	<b>(5,561,365)</b>	

Notes


- i. Under-utilization of below 90%
  - a. Acquisition of Assets was below the threshold due to exchequer shortfall. The payments were ready for payment.
  - ii. The difference between the original and final budget was as a result of increase in budget for some programmes while others had a reduction in budget.

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30,2020**

The Ministry financial statements were approved on 23.11.2020 and signed by:



Principal Secretary  
Name: Dr Ibrahim M. Mohammed



Deputy Accountant General  
Name: Electina W. Wanyonyi

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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**8. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget 2019	Adjustments	Final Budget 2020	Actual on comparable basis	Budget utilization difference	%
	Kshs	Kshs	Kshs	Kshs	Kshs	
1041-100 Headquarter Administrative Services	1,482,516,495	-135,000,000	1,347,516,495	1,212,236,892	135,279,603	91
1041-201 Headquarter Administrative Services	102,729,000,000	2,800,000,000	105,529,000,000	98,449,120,533	6,879,879,467	93
1041-202 Civil Aid	200,000,000	0	200,000,000	200,000,000	0	100
Development 1041-300	4,000,000,000	-1,000,000,000	3,000,000,000	2,177,518,917	822,481,083	73
Development 1041-502	13,079,049,600	-6,434,899,542	6,644,150,058	5,870,385,335	773,764,722	88
	<b>121,490,566,095</b>	<b>-4,769,899,542</b>	<b>116,720,666,553</b>	<b>107,909,261,677</b>	<b>8,611,404,875</b>	<b>92</b>

Notes

- The programmes and sub-programmes included in the analysis refer to items budgeted for as per the Budget for Ministry
- Under-expenditure in the development vote was due to exchequer shortfall.
- Total Payments in the Statement of Receipts and Payments includes Payments from Funds from other Government Agencies. The payments from the same are normally not reflected in the system generated Appropriation Accounts for the Recurrent and Development Combined. This Financial Year the payments for the same totaled Ksh 1,321,144,223 as detailed below:

S.No	Note/Description	Amount Kshs
1	Pensions Department	148,101,992

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2	RTCDC	12,473,820
3	Ministry of Interior	313,140,204
4	Ministry of Health - Covid 19 Mitigation	75,000,000
5	Compensation Funds - UN	772,428,207
	<b>Grand Total</b>	<b>1,321,144,223</b>

The Ministry financial statements were approved on 23.11.2020 and signed by:



Principal Secretary  
 Name: Dr. IBRAHIM M. MOHAMED



Deputy Accountant General  
 Name: ELECTINA W. WANYONYI

**9. SIGNIFICANT ACCOUNTING POLICIES**

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

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

The financial statements have been prepared in accordance with Cash-basis 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.

**2. Reporting Ministry**

The financial statements are for the Ministry of Defence. The financial statements encompass the reporting Ministry as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the Ministry:

**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.

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

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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 Ministry.

- **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 Ministry 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 30<sup>th</sup> June 2020, 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 recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

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

- **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**

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30,2020**

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Goods and services are recognized as payments in the period when the goods/services are 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 are paid for.

## SIGNIFICANT ACCOUNTING POLICIES

### • **Repayment of Borrowing (Principal Amount)**

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

### • **Acquisition of Fixed Assets**

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

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

## **5. In-kind contributions**

In-kind contributions are donations that are made to the Ministry 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 Ministry 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.

## **6. 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.

## **7. 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.

### **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.

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30,2020**

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Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30<sup>th</sup> June 2020, this amounted to Kshs. 584,154,052 compared to Kshs. 541,222,097 in prior period as indicated on note 11.

There were no other restrictions on cash during the year.

**8. 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.

**9. 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.

**10. 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 Ministry 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.

**11. 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 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30,2020**

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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 financial statements.

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-Ministry transfers.

**12. Comparative Figures**

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

**13. 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 30<sup>th</sup> June 2020.

**14. 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 26 explaining the nature and amounts.

**15. 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.

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
**For the year ended Jun 30,2020**

**10. NOTES TO THE FINANCIAL STATEMENTS**

**1 EXCHEQUER RELEASES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	18,569,876,183	28,068,053,035
Total Exchequer Releases for quarter 2	29,557,427,566	25,637,421,300
Total Exchequer Releases for quarter 3	26,034,760,810	18,914,508,500
Total Exchequer Releases for quarter 4	27,689,093,018	32,335,820,300
<b>Total</b>	<b>101,851,157,577</b>	<b>104,955,803,135</b>

The Ministry experienced exchequer shortfall at the end of the financial year. This affected the implementation of the budget completion

**2 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Pensions	148,101,992	305,684,470
RTCDC	12,473,820	6,334,727
Ministry of Interior	313,140,204	382,994,449
Ministry of Health-Covid Mitigation	75,000,000	0
State Dept of Fisheries		3,554,800
<b>TOTAL</b>	<b>548,716,016</b>	<b>698,568,446</b>

The above transfers were received from the following self-reporting entities in the year

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 PROCEEDS FROM FOREIGN BORROWINGS

	2019-2020	2018-2019
	Kshs	Ksh
Foreign Borrowing - Direct Payments	5,870,385,336	11,106,783,533
<b>Total</b>	<b>5,870,385,336</b>	<b>11,106,783,533</b>

Note:

The direct payments were in relation to Export Compensation Agreement programmes for Kenya Defence Forces being purchase of Equipment and Infrastructure development

4 REIMBURSEMENTS AND REFUNDS

	2019-2020	2018-2019
	Kshs	Kshs
AU Compensation	772,428,207	859,731,545
AU Reimbursement		557,883,801
<b>Total</b>	<b>772,428,207</b>	<b>1,417,615,346</b>

This is a reimbursement of funds to Ministry of Defence by Africa Union

4a REIMBURSEMENTS AND REFUNDS

	2019-2020	2018-2019
	Kshs	Kshs
AU Compensation	772,428,207	859,731,545
AU Reimbursement		557,883,801
<b>Total</b>	<b>772,428,207</b>	<b>1,417,615,346</b>

This is a reimbursement of funds to Ministry of Defence by Africa Union

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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**5 COMPENSATION OF EMPLOYEES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	553,047,156	564,905,388
Personal allowances paid as part of salary	351,335,598	352,884,048
<b>Total</b>	<b>904,382,754</b>	<b>917,789,436</b>

6

**6a USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Communication, supplies and services	8,144,424	11,280,434
Domestic travel and subsistence	27,617,149	40,342,280
Foreign travel and subsistence	4,332,036	9,058,999
Printing, advertising and information supplies & services	3,045,468	1,825,110
Training expenses	8,012,424	13,908,688
Hospitality supplies and services	21,342,113	17,652,075
Specialized materials and services	16,911,800	26,290,214
Office and general supplies and services	15,766,884	14,573,800
Other operating expenses	20,995,965	26,542,792
Routine maintenance – vehicles and other transport equipment	7,999,599	9,939,344
Routine maintenance – other assets	4,884,316	2,895,643
Fuels Oils, Lubricants	10,332,500	6,139,200
Research & Feasibility Studies		60,400

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<b>Total</b>	<b>149,384,678</b>	<b>180,508,979</b>
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6B. Military Payments**

	2019-2020	2018-2019
	KShs	KShs
KDF Official Expenses	98,449,120,533	99,844,788,890
KDF-Development	2,177,518,917	3,398,175,317
<b>TOTAL</b>	<b>100,626,639,450</b>	<b>103,242,964,207</b>

**7 TRANSFER TO OTHER GOVERNMENT ENTITIES**

	2019-2020	2018-2019
	Kshs	Kshs
Transfer to Exchequer - National Treasury	0	557,883,801
<b>Total</b>	<b>0</b>	<b>557,883,801</b>

**8 OTHER GRANTS AND TRANSFERS**

	2019-2020	2018-2019
	Kshs	Kshs
Kenya Space Agency	150,000,000	150,000,000
Kenya Ordnance Factories Corporation	0	371,893,372
<b>Total</b>	<b>150,000,000</b>	<b>521,893,372</b>

9 ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	0	17,116,000
Purchase of Office Furniture and General Equipment	8,469,460	7,760,980
Overhaul And Refurbishment of Construction and Civil Works	0	10,000,000
<b>Total</b>	<b>8,469,460</b>	<b>34,876,980</b>

10 OTHER EXPENSES

	2019-2020	2018-2019
	Kshs	Kshs
Pensions	148,101,992	305,684,470
RCTDC	12,473,820	6,334,727
Military Payments – AIE From interior	313,140,204	382,994,449
UN Compensation	772,428,207	859,731,545
Ministry of Fisheries	0	3,554,800
Ministry of Health	75,000,000	0
Direct Payments – Foreign Borrowing	5,870,385,336	11,106,783,533
<b>TOTAL</b>	<b>7,191,529,559</b>	<b>12,665,083,524</b>

MINISTRY OF DEFENCE  
 Reports and Financial Statements  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2019-2020	2018-2019
				Kshs	Kshs
Recurrent MoD,1000181435,Ksh		Recurrent		6,719,894	22,728,006
Deposit MoD,1000182032		Deposit		584,154,052	541,222,097
CBK,1000182466,CBK 165		CBK165		0	0
Development MoD,1000145517		Development		5,561,365	35,326,032
MoD,1000387246,Ksh		Revenue		0	0
<b>Total</b>				<b>596,435,311</b>	<b>599,276,135</b>

11B: CASH IN HAND

	2019-2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency	0	0
Cash in Hand – Held in foreign currency	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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12: ACCOUNTS RECEIVABLE

<i>Description</i>	2019-2020	2018-2019
	Kshs	Kshs
Government Imprests	4,475,000	9,860,100
Clearance accounts	0	36,860,257
<b>Total</b>	<b>4,475,000</b>	<b>46,720,357</b>

13. ACCOUNTS PAYABLE

<i>Description</i>	2019-2020	2018-2019
	Kshs	Kshs
Deposits And Retention	584,154,052	541,222,097
<b>Total</b>	<b>584,154,052</b>	<b>541,222,097</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. FUND BALANCE BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	599,276,135	760,951,888
Accounts Receivables	46,720,357	42,668,553
Accounts Payables	-541,222,097	-758,784,058
<b>Total</b>	<b>104,774,395</b>	<b>44,836,383</b>

15. PRIOR YEAR ADJUSTMENTS

15.A

	2019-2020	2018-2019
	Kshs	Kshs
Prior Year Disclosures	100,299,371	2,167,861
<b>Total</b>	<b>100,299,371</b>	<b>2,167,861</b>

15.B

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	599,276,135	58,054,038	541,222,097
Accounts Payables	-541,222,097		
Receivables/Clearance	46,720,357	42,245,357	4,475,000

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Prior Year Balances Adjustments		-24	
<b>Total</b>		<b>100,299,371</b>	

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**16 .CHANGES IN RECEIVABLE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Receivables as at 1 <sup>st</sup> July 2019 (A)	46,720,357	4,475,000
Imprest issued during the year (B)	1,133,966,864	1,012,601,583
Imprest surrendered/Received during the Year (C)	1,176,212,221	1,007,216,483
<b>Net changes in account receivables D= A+B-C</b>	<b>4,475,000</b>	<b>46,720,357</b>

**17 .CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	541,222,097	758,784,058
Deposit and Retentions held during the year (B)	1,754,851,745	712,640,226
Deposit and Retentions paid during the Year (C)	1,711,919,790	930,202,187
<b>Net changes in account receivables D= A+B-C</b>	<b>584,154,052</b>	<b>541,222,097</b>

**MINISTRY OF DEFENCE**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18. RELATED PARTY DISCLOSURES**

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

The following comprise of related parties to the Ministry of Defence

- Other Ministries Departments and Agencies and Development Projects;
  - Ministry of Interior, Ministry of Health
  - National Treasury

**Related party transactions:**

	2019- 2020	2018- 2019
	Kshs	Kshs
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	101,851,157,577	104,955,803,135
Transfers from other MDAs	536,242,196	692,233,719
Transfers from Non-GoK Entities	12,473,820	6,334,727
<b>Total Transfers from related parties</b>	<b>102,399,873,593</b>	<b>105,654,371,581</b>

**19. OTHER IMPORTANT DISCLOSURES**

**19.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to third parties	568,617,140	8,166,532,367	568,617,140	8,166,532,367
<b>Total</b>	<b>568,617,140</b>	<b>8,166,532,367</b>	<b>568,617,140</b>	<b>8,166,532,367</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19.2 External Assistance

a) External assistance relating loans and grants

Classification by Source

	FY 2019/2020	FY 2018/2019
Description	Kshs	Kshs
Multilateral donors	5,870,385,336	11,106,783,533
<b>Total</b>	<b>5,870,385,336</b>	<b>11,106,783,533</b>

DEPARTMENT OF DEFENCE					
MILITARY MODERNIZATION					
	PRINTED ESTIMATES	SUPPLEMENTARY II	REVISED ESTIMATES	DISBURSEMENT	%
<b>Kingdom of NETHERLANDS</b>					
- Disbursed in January 2020	648,249,600	(36,924,837)	611,324,763	<b>611,324,763</b>	100%
- Disbursed in February 2020				311,453,681	
				299,871,081	
<b>Govt of Italy</b>					
<b>AIRCRAFTS &amp; HELICOPTERS</b>	12,430,800,000	(6,397,974,705)	6,032,825,295	<b>5,259,060,573</b>	87%
- Disbursed in December 2019				1,756,237,236	
- Disbursed in January 2020				3,502,823,337	

19.3 Contingent Liability

During the year, the Ministry expended an amount of Kshs. 350,000,000.00 as part payment for a court award amounting to Kshs. 1,421,137,137,645.08 in respect of a contract to rehabilitate aircraft pavement at Laikipia Air Base. An amount of Kshs. 1,071,137,645.08 is still outstanding subject to an outcome of a court ruling following civil case 39 of 2014.



MINISTRY OF DEFENCE  
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For the year ended Jun 30,2020

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Principal Secretary  
Name:Dr. Ibrahim M. Mohammed



Deputy Accountant General  
Name:Electina W. Wanyonyi

**MINISTRY OF DEFENCE**  
**Reports and Financial Statements**  
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**11. ANNEXURE**  
**ANNEX I - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
<b>Amounts due to Third Parties</b>							
1. Goods And Services to Kenya Defence Forces		568,617,140	Various	568,617,140	8,166,532,367	8,166,532,367	Lack of Exchequer
<b>Sub-Total</b>		568,617,140		568,617,140	8,166,532,367	8,166,532,367	
<b>Grand Total</b>		<b>568,617,140</b>		<b>568,617,140</b>	<b>8,166,532,367</b>	<b>8,166,532,367</b>	

**MINISTRY OF DEFENCE**  
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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2018/2019</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs) 2019/2020</b>
Transport equipment	105,938,729	0	0	0	105,938,729
Office equipment, furniture and fittings	51,456,697	8,469,460	0	0	59,926,157
ICT Equipment	47,774,299	0	0	0	47,774,299
<b>Total</b>	<b>205,169,725</b>	<b>8,469,460</b>	<b>0</b>	<b>0</b>	<b>213,639,185</b>

**MINISTRY OF DEFENCE**  
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**ANNEX 3 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE MINISTRY OF DEFENCE**

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Kenya Ordnance Factories	Manufacture of Bullets			
2	Kenya Space Agency	Administration of Kenyan Airspace			

**MINISTRY OF DEFENCE**  
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**For the year ended Jun 30,2020**

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**ANNEX 4- REPORTS AND SUPPORTING ATTACHMENTS GENERATED**

- i. Certificate of Bank Balances
- ii. FO51 Board of Survey Report
  - i. Recurrent Account
  - ii. Deposit Account
  - iii. Development Account
  - iv. Revenue Account
- iii. FO30-Bank Reconciliation Statements
- iv. Deposits and Retentions Held
- v. Schedule of Imprests Held
- vi. Trial Balances
- vii. Cash book Extract
  - i. Recurrent
  - ii. Development
  - iii. Deposit
  - iv. Revenue
- viii. Agency Confirmation
  - i. Ministry of Interior
  - ii. Ministry of Health

**SCHEDULE OF OUTSTANDING IMPRESTS**

**I. Capt B. M Macharia - 4,475,000.00 - April 2004**

6th July, 2020

## CERTIFICATE OF BALANCES

Customer : 120366 MINISTRY OF DEFENCE  
Balance  
Date: 30-Jun-20

Account No	Account Name	Currency	Balance
1000181435	REC-MINISTRY OF DEFENCE	KES	1,063,017,259.54
1000182032	DEP-MINISTRY OF DEFENCE	KES	563,338,952.10
1000182466	CBK165-MINISTRY OF DEFENCE	KES	0.00
1000387246	REV-MINISTRY OF DEFENCE	KES	0.00
1000415517	DEV - MINISTRY OF DEFENCE	KES	31,778,655.40

  
L. K. KIPSANAI  
AUTHORISED SIGNATORY  
BANKING SERVICES DIVISION

  
J. W. NASIEKU(MS)  
AUTHORISED SIGNATORY  
BANKING SERVICES DIVISION

REPUBLIC OF KENYA

Date 01-07-2020

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF DEFENCE

as at the close of business on 30-06-2020, XX 19

The Board, consisting of—(Names and official titles)

COL. P.M. MUIRURI	—	CHAIRMAN
JULIA W. NGANGA	—	MEMBER
CHARLES O. KUNYORIA	—	MEMBER

assembled at the office of ARMED FORCES CASHIER

at 9.00 A.M. (time) on the 01-07-2020, 19

and the following cash was produced:—

Notes	.. .. .	Sh.	NIL
Silver	.. .. .	Sh.	NIL
Copper	.. .. .	Sh.	NIL
Cheques (as per details on reverse)	.. .. .	Sh.	NIL
			<u>NIL</u>

It was observed that cheques amounting to Sh. NIL NIL had been on hand for more than 14 days prior to the date of the survey. cts.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30-06-2020, XX 19:—

Cash on hand	.. .. .	Sh.	NIL
Bank Balance	.. .. .	Sh.	1,063,017,259.54
			<u>1,063,017,259.64</u>

The Bank Certificate of Balance showed a sum of Sh. ONE BILLION, SIXTY THREE MILLION SEVENTEEN THOUSAND, TWO HUNDRED AND FIFTY NINE CENTS FIFTY FOUR cts. (Sh. 1,063,017,259.54)

standing to the credit of the account on 30-06-2020, XX 19

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

C.O. KUNYORIA

Date 01/7/2020

Chairman. [Signature]

REPUBLIC OF KENYA

Date 01-07-2020

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF DEFENCE as at the close of business on 30-06-2020

The Board, consisting of—(Names and official titles) COL. P.M. MUIRURI - CHAIRMAN JULIA W. NGANGA - MEMBER CHARLES O. KUNYORIA - MEMBER

ARMED FORCES CASHIER assembled at the office of at 9.00 A.M. (time) on the 01-07-2020

and the following cash was produced:—

Table with 2 columns: Description (Notes, Silver, Copper, Cheques) and Amount (NIL)

It was observed that cheques amounting to Sh. NIL cts. NIL had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30-06-2020

Table with 2 columns: Description (Cash on hand, Bank Balance) and Amount (NIL, 563,338,952.10)

The Bank Certificate of Balance showed a sum of Sh. FIVE HUNDRED AND SIXTY THREE MILLION, THREE HUNDRED AND THIRTY EIGHT THOUSAND, NINE HUNDRED AND FIFTY TWO cts. TEN ONLY (Sh. 563,338,952.10 cts.)

standing to the credit of the account on 19

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Handwritten signatures and dates: C.O. KUNYORIA, Date 01/7/2020, Chairman signature

REPUBLIC OF KENYA

01-07-2020

Date.....

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF DEFENCE as at the close of

business on 30-06-2020, <sup>XX</sup>19.....

The Board, consisting of—(Names and official titles)

COL. P.M. MUIRURI - CHAIRMAN  
 JULIA W. NGANGA - MEMBER  
 CHARLES O. KUNYORIA - MEMBER

assembled at the office of ARMED FORCES CASHIER

at 9.00 A.M (time) on the 01-07-2020, <sup>XX</sup>19.....

and the following cash was produced:—

Notes .. .. .	Sh.	NIL
Silver .. .. .	Sh.	NIL
Copper .. .. .	Sh.	NIL
Cheques (as per details on reverse) .. .. .	Sh.	NIL
		<u>NIL</u>

It was observed that cheques amounting to Sh. NIL cts. NIL had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30-06-2020 <sup>XX</sup>19.....:—

Cash on hand .. .. .	Sh.	NIL
Bank Balance .. .. .	Sh.	31,778,655.40
		<u>31,778,655.40</u>

The Bank Certificate of Balance showed a sum of Sh. THIRTY ONE MILLION, SEVEN HUNDRED AND SEVENTY EIGHT THOUSAND, SIX HUNDRED AND FIFTY FIVE CENTS FORTY ON cts. (Sh31,778,655.40)

standing to the credit of the account on 30-06-2020, <sup>XX</sup>19.....

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

C.O. KUNYORIA

  
Chairman.

Date 01/7/2020

Date 01-07-2020

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF DEFENCE as at the close of

business on 30-06-2020, ~~XX~~

The Board, consisting of—(Names and official titles)

COL. P.M. MUIRURI	—	CHAIRMAN
JULIA W. NGANGA	—	MEMBER
CHARLES O. KUNYORIA	—	MEMBER

assembled at the office of ARMED FORCES CASHIER

at 9.00 A.M (time) on the 01-07-2020, ~~19~~

and the following cash was produced:—

Notes	.. .. .	Sh.	NIL
Silver	.. .. .	Sh.	NIL
Copper	.. .. .	Sh.	NIL
Cheques (as per details on reverse)	.. .. .	Sh.	NIL
			<u>NIL</u>

It was observed that cheques amounting to Sh. NIL cts. had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30-06-2020, ~~18X~~ :—

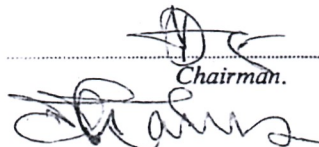
Cash on hand	.. .. .	Sh.	NIL
Bank Balance	.. .. .	Sh.	NIL
			<u>NIL</u>

The Bank Certificate of Balance showed a sum of Sh. NIL cts. (Sh. cts.)

standing to the credit of the account on \_\_\_\_\_, 19\_\_\_\_\_

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

C.O. KUNYORIA

  
Chairman.

Date 01/7/2020

TRIAL BALANCE AS AT THE END OF 6-2020  
 ACCOUNT UNIT - 104  
 CLASS OF ACCOUNT 0  
 VOTE 104

Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
200	0395	2630101	Current Grants to Govt Agencies and other Levels o	(105,529,000,000.00)	98,449,120,533.10	(7,079,879,466.90)
		Sub-head Total		(105,529,000,000.00)	98,449,120,533.10	-7,079,879,466.90
		Head Total		(105,529,000,000.00)	98,449,120,533.10	(7,079,879,466.90)
		<b>Sub-Vote Total</b>		<b>(105,529,000,000.00)</b>	<b>98,449,120,533.10</b>	<b>(7,079,879,466.90)</b>

Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
101	100	0101	2110100	Basic Salaries-Permanent Employees	553,047,155.55	(7,240,121.45)
	100	0101	2110300	Personal Allowances	351,335,597.70	(46,377,125.30)
	100	0101	2210200	Communication,Supplies and Services	8,119,424.00	(220,325.00)
	100	0101	2210300	Domestic Travel And Subsistence and other	20,098,149.00	(694,866.00)
	100	0101	2210400	Foreign Travel,Subsistence and Other T.Costs	3,719,287.65	(204,462.35)
	100	0101	2210500	Printing,Advertising and Information and Supplies	3,025,467.85	(88,532.15)
	100	0101	2210600	Rental of Produced Assets	0.00	0.00
	100	0101	2210700	Training Expenses	5,598,881.50	(21,875.50)
	100	0101	2210800	Hospitality Supplies and Services	18,608,383.00	(260,055.00)
	100	0101	2211000	Specialised Materials and Supplies	10,870,400.00	0.00
	100	0101	2211100	Office and General Supplies and Services	15,664,784.00	(168,216.00)
	100	0101	2211200	Fuel Oils and Lubricants	7,690,000.00	(310,000.00)
	100	0101	2211300	Other Operating Expenses	20,995,965.00	(77,197.00)
	100	0101	2220100	Routine Maintenance-Vehicles and other Equipmen	7,758,227.00	(2,991,773.00)
	100	0101	2220200	Routine Maintenance -Other Assets	3,777,566.00	(220,154.00)
	100	0101	2710100	Government Pensions And Retirement Benefits	0.00	0.00
	100	0101	3110300	Refurbishment of Buildings	0.00	(22,000,000.00)
	100	0101	3110700	Purchase of Vehicles and other Equip	0.00	0.00
	100	0101	3111000	Purchase of Office Furniture and General Eq	6,469,460.00	(30,540.00)
	100	0101	3111100	Purchase of Specialised Plant,Equip & Machinery	0.00	0.00
			Sub-head Total	(1,117,683,991.00)	1,036,778,748.25	-80,905,242.75
102	100	0102	2210200	Communication,Supplies and Services	25,000.00	(85.00)
	100	0102	2210300	Domestic Travel And Subsistence and other	470,559.00	(129,441.00)
	100	0102	2210500	Printing,Advertising and Information and Supplies	20,000.00	(164,657.00)
	100	0102	2210700	Training Expenses	50,000.00	0.00
	100	0102	2210800	Hospitality Supplies and Services	494,500.00	(109,620.00)
	100	0102	2211100	Office and General Supplies and Services	100,000.00	(9,400.00)
	100	0102	2211200	Fuel Oils and Lubricants	88,000.00	(2,060.00)
	100	0102	2220100	Routine Maintenance-Vehicles and other Equipmen	0.00	0.00
			Sub-head Total	(1,663,322.00)	1,248,059.00	-415,263.00
103	100	0103	2210200	Communication,Supplies and Services	0.00	(25,000.00)
	100	0103	2210300	Domestic Travel And Subsistence and other	950,039.00	(7,369.00)
	100	0103	2210500	Printing,Advertising and Information and Supplies	0.00	0.00
	100	0103	2210800	Hospitality Supplies and Services	87,000.00	(59,950.00)
	100	0103	2211100	Office and General Supplies and Services	2,100.00	(44,590.00)
	100	0103	2211200	Fuel Oils and Lubricants	55,000.00	0.00

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
104	Sub-head Total		(1,231,048.00)	1,094,139.00	-136,909.00
100	0104	2210300	(1,200,000.00)	1,129,500.00	(70,500.00)
100	0104	2210700	(600,000.00)	557,330.00	(42,670.00)
100	0104	2210800	(750,000.00)	692,500.00	(57,500.00)
100	0104	2211000	(2,350,000.00)	2,349,800.00	(200.00)
100	0104	2211200	(1,000,000.00)	500,000.00	(500,000.00)
100	0104	2220100	(500,000.00)	0.00	(500,000.00)
100	0104	3111000	(750,000.00)	750,000.00	0.00
100	0104	3111100	0.00	0.00	0.00
	Sub-head Total		(7,150,000.00)	5,979,130.00	-1,170,870.00
105	0105	2210300	(1,720,000.00)	1,720,000.00	0.00
100	0105	2210700	(600,000.00)	566,075.00	(33,925.00)
100	0105	2210800	(600,000.00)	259,990.00	(340,010.00)
100	0105	2211000	(2,200,000.00)	2,199,500.00	(500.00)
100	0105	2211200	(1,000,000.00)	999,500.00	(500.00)
100	0105	2220100	(500,000.00)	241,372.00	(258,628.00)
100	0105	3111000	(750,000.00)	750,000.00	0.00
	Sub-head Total		(7,370,000.00)	6,736,437.00	-633,563.00
106	0106	2210300	(1,834,456.00)	1,817,850.00	(16,606.00)
100	0106	2210700	(600,000.00)	571,480.00	(28,520.00)
100	0106	2210800	(600,000.00)	281,240.00	(318,760.00)
100	0106	2211000	(1,500,000.00)	1,492,100.00	(7,900.00)
100	0106	2211200	(1,000,000.00)	1,000,000.00	0.00
100	0106	2220100	(500,000.00)	0.00	(500,000.00)
100	0106	3111000	(500,000.00)	500,000.00	0.00
	Sub-head Total		(6,534,456.00)	5,662,670.00	-871,786.00
107	0107	2630100	(200,000,000.00)	150,000,000.00	(50,000,000.00)
	Sub-head Total		(200,000,000.00)	150,000,000.00	-50,000,000.00
108	0108	2210200	(50,000.00)	0.00	(50,000.00)
100	0108	2210300	(845,920.00)	772,752.00	(73,168.00)
100	0108	2210700	(676,440.00)	668,657.00	(7,783.00)
100	0108	2210800	(791,612.00)	743,500.00	(48,112.00)
100	0108	2211300	0.00	0.00	0.00
100	0108	3111400	0.00	0.00	0.00

ACCOUNT UNIT - 104  
CLASS OF ACCOUNT

0  
VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
		Sub-head Total	(2,363,972.00)	2,184,909.00	-179,063.00
109	0109	2210200	(80,000.00)	0.00	(80,000.00)
100	0109	2210300	(736,000.00)	658,300.00	(77,700.00)
100	0109	2210400	(789,999.00)	612,748.00	(177,251.00)
100	0109	2210800	(180,000.00)	175,000.00	(5,000.00)
100	0109	2211300	0.00	0.00	0.00
		Sub-head Total	(1,785,999.00)	1,446,048.00	-339,951.00
110	0110	2220200	(1,733,707.00)	1,106,750.00	(626,957.00)
		Sub-head Total	(1,733,707.00)	1,106,750.00	-626,957.00
		Head Total	(1,347,516,495.00)	1,212,236,890.25	(135,279,604.75)
		<b>Sub-Vote Total</b>	<b>(1,347,516,495.00)</b>	<b>1,212,236,890.25</b>	<b>(135,279,604.75)</b>

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
391					
184	0391	6760101	0.00	0.00	0.00
184	0391	6770105	0.00	167,242,181.90	167,242,181.90
		Sub-head Total	0.00	167,242,181.90	167,242,181.90
392					
184	0392	6760101	0.00	0.00	0.00
184	0392	6770105	0.00	78,929,395.35	78,929,395.35
		Sub-head Total	0.00	78,929,395.35	78,929,395.35
394					
184	0394	6760101	0.00	0.00	0.00
184	0394	6770105	0.00	58,788,626.75	58,788,626.75
		Sub-head Total	0.00	58,788,626.75	58,788,626.75
395					
184	0395	6710101	0.00	0.00	0.00
184	0395	6710103	0.00	0.00	0.00
184	0395	6760103	0.00	4,475,000.00	4,475,000.00
184	0395	6780103	0.00	0.00	0.00
184	0395	7320101	0.00	0.00	0.00
184	0395	7320103	0.00	0.00	0.00
184	0395	7320104	0.00	0.00	0.00
184	0395	7320107	0.00	0.00	0.00
184	0395	7320108	0.00	0.00	0.00
184	0395	7320109	0.00	0.00	0.00
184	0395	7320110	0.00	0.00	0.00
184	0395	7320112	0.00	0.00	0.00
184	0395	7320113	0.00	0.00	0.00
184	0395	7320115	0.00	0.00	0.00
184	0395	7320116	0.00	0.00	0.00
184	0395	7320117	0.00	0.00	0.00
184	0395	7320118	0.00	0.00	0.00
184	0395	7320119	0.00	0.00	0.00
184	0395	7320199	0.00	0.00	0.00
184	0395	7330101	0.00	0.00	0.00
		Sub-head Total	0.00	4,475,000.00	4,475,000.00
130					
184	1130	6760101	0.00	0.00	0.00
		Sub-head Total	0.00	0.00	0.00
190					
184	2190	6760101	0.00	0.00	0.00

ACCOUNT UNIT - 104  
 CLASS OF ACCOUNT 0  
 VOTE 104

Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditure	Balance
210	184		Sub-head Total	0.00	0.00	0.00
		2210	6760101			
			Standing Imprest	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	3090	6760101			
			Standing Imprest	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	3130	6760101			
			Standing Imprest 77 Art	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	3190	6760101			
			Standing Imprest UNITAG 15 Battalion	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	4390	6760101			
			Standing Imprest	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	5010	6760101			
			Standing Imprest Pay Office Garrisa	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7090	6760101			
			Standing Imprest 9KR	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7110	6760101			
			Standing Imprest RTS	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7310	6760101			
			Standing Imprest - 1 KR	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7320	6760101			
			Standing Imprest - KMA	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7350	6760101			
			Standing Imprest - KMA	0.00	0.00	0.00
		7350	6760102			
			Special Imprest KMA	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	7410	6760101			
			Standing Imprest - 2nd Brigade	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00

Sub	Sub	vote	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
	184	8010	6770101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	8030	6760101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
40	184	8040	6760101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
50	184	8050	6770101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
70	184	8070	6770101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
90	184	8090	6760101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
30	184	8130	6760101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
50	184	8350	6770101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
00	184	8400	6770101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
10	184	8410	6770701	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
20	184	8620	6710103	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
00	184	8700	6760101	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
20	184	8720	6760103	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
00						

ACCOUNT UNIT - 104  
CLASS OF ACCOUNT

0  
VOTE 104

Sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
184	8800	6770101	0.00	0.00	0.00
		Interministerial Agency			
		Sub-head Total	0.00	0.00	0.00
320	8820	6740102	0.00	0.00	0.00
		R/D Cheques/Unpaid KEPSS			
184	8820	6770102	0.00	0.00	0.00
		R.D.C.T.C			
184	8820	6770105	0.00	(304,960,204.00)	(304,960,204.00)
		Agency-Fagia Msitu			
		Sub-head Total	0.00	(304,960,204.00)	-304,960,204.00
320	8920	6780102	0.00	0.00	0.00
		General Suspence Account Retrenchment			
184	8920	7310101	0.00	0.00	0.00
		Deposit			
184	8920	7320101	0.00	0.00	0.00
		Salary Control			
184	8920	7320102	0.00	0.00	0.00
		NHIF			
184	8920	7320103	0.00	0.00	0.00
		House Rent			
184	8920	7320104	0.00	0.00	0.00
		Car Loans			
184	8920	7320106	0.00	0.00	0.00
		NSSF			
184	8920	7320107	0.00	0.00	0.00
		CO-OPERATIVES			
184	8920	7320108	0.00	0.00	0.00
		INSURANCES			
184	8920	7320109	0.00	0.00	0.00
		Hire Purchase			
184	8920	7320110	0.00	0.00	0.00
		Court Attachment			
184	8920	7320111	0.00	0.00	0.00
		WCPS			
184	8920	7320112	0.00	0.00	0.00
		Staff Welfare Association			
184	8920	7320113	0.00	0.00	0.00
		HELB Deduction			
184	8920	7320114	0.00	0.00	0.00
		Union Dues			
184	8920	7320115	0.00	0.00	0.00
		SAYE			
184	8920	7320116	0.00	0.00	0.00
		Morgages/Bank Loans			
184	8920	7320117	0.00	0.00	0.00
		Returned Salary			
184	8920	7320119	0.00	0.00	0.00
		RTD Salary held for officers			
184	8920	7320120	0.00	0.00	0.00
		Staff Contribution to Pension Schemes			
184	8920	7320199	0.00	0.00	0.00
		Salary Control			
184	8920	7330101	0.00	0.00	0.00
		Salary Control			
		Sub-head Total	0.00	0.00	0.00
		Head Total	0.00	4,475,000.00	4,475,000.00
		<b>Sub-Vote Total</b>	<b>0.00</b>	<b>4,475,000.00</b>	<b>4,475,000.00</b>

6-2020

TRIAL BALANCE AS AT THE END OF

ACCOUNT UNIT - 104  
CLASS OF ACCOUNT

1

VOTE 104

sub	Sub	vote	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
120	185	8820	6740102	0.00	0.00	0.00
			Sub-head Total	0.00	0.00	0.00
			Head Total	0.00	0.00	0.00
			<b>Sub-Vote Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
			Development- Suspence			

6-2020

TRIAL BALANCE AS AT THE END OF

ACCOUNT UNIT - 104

CLASS OF ACCOUNT

4

VOTE 104

sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
100	148	0000	7310101	0.00	(33,010,300.65)	(33,010,300.65)
	148	0000	7320201	(541,222,097.00)	(9,921,654.35)	(551,143,751.35)
			Sub-head Total	(541,222,097.00)	(42,931,955.00)	-584,154,052.00
			Head Total	(541,222,097.00)	(42,931,955.00)	(584,154,052.00)
			<b>Sub-Vote Total</b>	<b>(541,222,097.00)</b>	<b>(42,931,955.00)</b>	<b>(584,154,052.00)</b>

TRIAL BALANCE AS AT THE END OF 6-2020  
 ACCOUNT UNIT - 104  
 CLASS OF ACCOUNT 5  
 VOTE 104

Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
100	141	0000	6520101	0.00	(99,668,076,295.10)	(99,668,076,295.10)
		Sub-head Total		0.00	(99,668,076,295.10)	-99,668,076,295.10
		Head Total		0.00	(99,668,076,295.10)	(99,668,076,295.10)
		<b>Sub-Vote Total</b>		<b>0.00</b>	<b>99,668,076,295.10</b>	<b>(99,668,076,295.10)</b>

6-2020

TRIAL BALANCE AS AT THE END OF

ACCOUNT UNIT - 104

2

CLASS OF ACCOUNT

VOTE 104

sub	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
-----	-----	------	----------------------	-------------------	---------

195	201	0395	1420212	Revenue MOSD	
				0.00	0.00
				0.00	0.00
				0.00	0.00
				<b>0.00</b>	<b>0.00</b>
				0.00	0.00
				0.00	0.00
				<b>0.00</b>	<b>0.00</b>

TRIAL BALANCE AS AT THE END OF 6-2020  
 ACCOUNT UNIT - 104  
 CLASS OF ACCOUNT 1  
 VOTE 104

Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
395	300	0395	2630101	(2,698,600,477.00)	292,861,893.95	(2,405,738,583.05)
	300	0395	2640503	(301,399,523.00)	1,884,657,023.00	1,583,257,500.00
			Sub-head Total	(3,000,000,000.00)	2,177,518,916.95	-822,481,083.05
			Head Total	(3,000,000,000.00)	2,177,518,916.95	(822,481,083.05)
			<b>Sub-Vote Total</b>	<b>(3,000,000,000.00)</b>	<b>2,177,518,916.95</b>	<b>(822,481,083.05)</b>

6-2020

TRIAL BALANCE AS AT THE END OF

ACCOUNT UNIT - 104

CLASS OF ACCOUNT

6

VOTE 104


Sub	vote	Sub	Vote	EstimatedExpenditure	RealisedExpenditu	Balance
143	0000	6520101	Provision-Development	3,000,000,000.00	(2,183,080,282.45)	816,919,717.55
		Sub-head Total		3,000,000,000.00	(2,183,080,282.45)	816,919,717.55
		Head Total		3,000,000,000.00	(2,183,080,282.45)	816,919,717.55
		<b>Sub-Vote Total</b>		<b>3,000,000,000.00</b>	<b>(2,183,080,282.45)</b>	<b>816,919,717.55</b>

Confirmation of amounts received by (Ministry of Defence) as at 30 June 2020						
Amounts Disbursed by (Ministry of Interior) as at 30 June 2020						
Reference Number	Date Disbursed	Recurrent (KShs) (A)	Development (KShs) (B)	Inter - Ministerial (KShs) (C)	Total (KShs) (D)=(A+B+C)	Amount Received by (MoD) as at 30 June 2020 (KShs) (E)
6564235	27.09.2019		304,960,204		304,960,204.00	304,960,204.00
6788901	26.03.2020		8,180,000		8,180,000.00	8,180,000.00
<b>Total</b>		<b>0.00</b>	<b>313,140,204.00</b>		<b>313,140,204.00</b>	<b>0.00</b>

I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts, Ministry of Defence

Name E. W. Wanyoigi


Signature 

Date 26.03.2020

PRINCIPAL ACCOUNTANT  
MINISTRY OF DEFENCE

Head of Accounts, Ministry of Interior and National Coordination

Name James K Kareri

Signature 

Date 28/08/20

SENIOR ASSISTANT ACCOUNTANT GENERAL  
DEPARTMENT OF INTERIOR  
Nairobi P. O. Box 30310-0100

Confirmation of amounts received by (Ministry of Defence) as at 30 June 2020							
Amounts Disbursed by (Ministry of Health) as at 30 June 2020							
Reference Number	Date Disbursed	Recurrent (KShs) (A)	Development (KShs) (B)	Inter - Ministerial (KShs) (C)	Total (KShs) (D)=(A+B+C)	Amount Received by (MoD) as at 30 June 2020 (KShs) (E)	Differences (KShs) (D)-(E)
6788784	23.03.2020			75,000,000	75,000,000.00	75,000,000.00	0.00
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>75,000,000.00</b>	<b>75,000,000.00</b>	<b>75,000,000.00</b>	<b>0.00</b>

I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts, Ministry of Defence

Name E. W. Wanjiru

Signature [Signature]

Date 26.08.2020

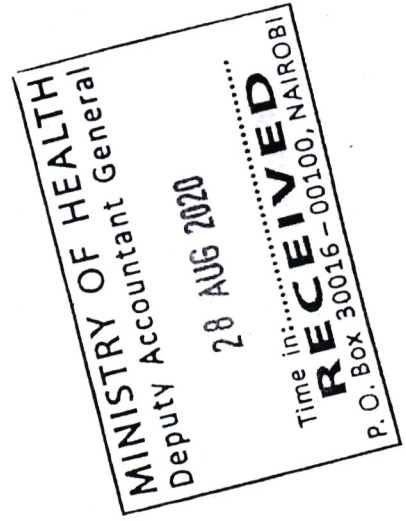
PRINCIPAL ACCOUNTANT  
MINISTRY OF DEFENCE

Head of Accounts, Ministry of Health

Name CPA Samson M. Ongalo

Signature [Signature]

Date 27.08.2020







## APPENDIX 1

PAYMENTS IN CASH BOOK NOT RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2020 (RECURRENT)		
DATE	DETAILS	AMOUNT
09-06-2020	ARMY ADMIN UNIT (KEPSS 6653)	18,000.00
17-06-2020	TOYOTA KENYA (KEPSS 7053)	9,823.00
25-06-2020	WINNY CHERONO (KEPSS 7219)	10,000.00
26-06-2020	FOREIGN PAYMENTS (PA )	444,491,337.80
29-06-2020	VARIOUS KEPSS	3,615,516,196.75
	TOTAL	4,060,045,357.55

PREPARED BY A. N. MBIRO *[Signature]* ..... I/C BTL

CHECKED BY M. GICHUKI *[Signature]* ..... SNR ACCT

APPENDIX 2

RECEIPTS IN BANK STATEMENT NOT RECORDED IN CASH BOOK		
AS AT 30TH JUNE 2020		
DATE	DETAILS	AMOUNT
17-06-2020	ROWAMU ENT.	55,500.00
30-06-2020	LOCAL CASH DEPOSIT	603,095.00
	TOTAL	658,595.00

PREPARED BY A. N. MBURU ~~A. N. MBURU~~ .....I/C BTL

CHECKED BY M. C. MURUGU .....SNR AC

APPNDIX 3

PAYMENTS IN BANK STATEMENT NOT RECORDED IN CASH BOOK		
AS AT 30TH JUNE 2020		
DATE	DETAILS	AMOUNT
21-02-2020	VAT (C/NO. 25158)	4,311.00
25-02-2020	DICKSON K KWAMBAI	312,412.25
30-06-2020	FLUCTUATION DUE TO FOREIGNH PAYMENTS	4,657.10
	TOTAL	321,380.35

PREPARED BY..... A N MBIRU [Signature] .....I/C BTL

CHECKED BY..... M. GICHUKI [Signature] .....SNR A/C

FOREIGN PAYMENT FLUCTUATIONS GAINS/LOSSES						
AS AT 30TH JUNE 2020						
CB DATE	PA No.	PAYEE	AID CASH BOC	CBK DATE	PAID BY CBK	GAIN OR LOSS
		ACCOUNT TRANSFER CHGS		19-06-2020	762.95	(762.95)
		ACCOUNT TRANSFER CHGS		26-06-2020	2,429.30	(2,429.30)
		ACCOUNT TRANSFER CHGS		30-06-2020	1,464.85	(1,464.85)
		TOTAL				(4,657.10)

PREPARED BY A. N. MBILE ~~AKUBU~~ I/C BTI

CHECKED BY M. GICHUIGI CO SNR ACC



30-Jun-20 FT201829FJVT	Inward RTGS Payments		0	448,000.00	1,060,435,460.54
	TREF/2017814331569500	22			
	OFFICIAL CONTRIBUTION GOU				
	VD 26062020				
30-Jun-20 FT201825IQSC	Local Cash Deposit Bulk		0	603,095.00	1,061,038,555.54
		2.50E+23			
30-Jun-20 FT201822QPMZ	Inward RTGS Payment MT 103		0	1,978,704.00	1,063,017,259.54
	COMMERCIAL BANK OF AFRICA LTD.				
	/ROC/CONTRIBUTION TO THE REGIONAL				
	DEFENCE COUNTER TERRORISM CENTRE				
	(RDCTC) FOR JANUARY TO JUNE 2020				
	Totals		49,101,900.45	3,711,799.00	1,063,017,259.54
			Closing Balance :		






PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2020		
DATE	DETAILS	AMOUNT
26-06-2020	6% WITHOLDING VAT COLLECTION	1,892,121.00
29-06-2020	3% WITHOLDING VAT COLLECTION	258,621.00
29-06-2020	3% WITHOLDING VAT & RETENTION	8,651,856.00
29-06-2020	6% & 3% WITHOLDING VAT	3,236,756.00
29-06-2020	6% & 3% WITHOLDING VAT	1,507,929.00
29-06-2020	6% WITHOLDING VAT COLLECTION	293,090.00
29-06-2020	3% WITHOLDING VAT COLLECTION	455,594.00
29-06-2020	3% WITHOLDING VAT COLLECTION	683,391.00
29-06-2020	KENANNE CONTRACTORS SUPP	346,331.50
29-06-2020	NATIONAL BANK OF KENYA	3,000.00
	TOTAL	17,328,689.50

PREPARED BY *AU MBW* *Kambiri* /IC BTL

CHECKED BY *M. GISHU* *ca* SNR ACCT

RECEIPTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2020		
DATE	DETAILS	AMOUNT
29-06-2020	RETENTION	2,595,191.60
29-06-2020	TRFS PAYMENT	15,588,226.80
30-06-2020	RETENTION	10,624,741.75
30-06-2020	TRFS PAYMENT	9,335,629.10
TOTALS		38,143,789.25

PREPARED BY A. N. M BURY  ..... I/C BTI

CHECKED BY M. C. C. C. C. ..... SNR ACC

84	30-Jun-20	FT201825VLWL	Outward RTGS Payment MT 103	51063	2,217,235.95	0	572,785,415.60
			MINISTRY OF DEFENCE:999999	45909			
			KWANG KENYA LIMITED				
85	30-Jun-20	FT20182CTGSW	Outward RTGS Payment MT 103	48089	9,476,765.50	0	563,308,650.10
			MINISTRY OF DEFENCE:999999				
			EMARC BUILDING AND CONSTRUCTION COM	48089			
				43404			
86	30-Jun-20	FT201822RH25	TRFS Payments	44971	0	30,302.00	563,338,952.10
			Totals		41,256,210.15	42,194,099.95	
						Closing Balance :	563,338,952.10



## APPENDIX 1

PAYMENTS IN CASH BOOK NOT RECORDED IN BANK STATEMENT		
AS AT 30TH JUNE 2020 (DEVELOPMENT)		
DATE	DETAILS	AMOUNT
30-06-2020	GOTHANTU CONTRACTORS	141,600.00
30-06-2020	VICTORIOUS GRAP DESIGN	115,700.00
30-06-2020	ALPESH ENTERPRISES LTD	594,000.00
30-06-2020	ALPESH ENTERPRISES LTD	723,400.00
30-06-2020	ALPESH ENTERPRISES LTD	1,373,300.00
30-06-2020	ALPESH ENTERPRISES LTD	165,000.00
30-06-2020	ALPESH ENTERPRISES LTD	1,407,660.00
30-06-2020	SOLUDEL ENTERPRISES	133,000.00
30-06-2020	3% WITHHOLDING	2,160,000.00
30-06-2020	3% WITHHOLDING	18,292,810.00
30-06-2020	HITECS ELECTRICAL CONTRACTORS	1,110,820.00
	TOTAL	26,217,290.00

PREPARED BY A. N. MBURU /C BTL

CHECKED BY M. CHITUKA SNR ACCT

STATEMENT OF ACCOUNT  
CENTRAL BANK OF KENYA  
BANKI KUU YA KENYA,  
P.O. BOX 60000-0200,  
NAIROBI.

Rundate : 01 JUL 2020

Runtime : 08:26:52

Customer number : 120366

Account number : 1000415517

Account name : DEV - MINISTRY OF DEFENCE-KES

STATEMENT PERIOD : From 01 JUN 2020 To 31 JUN 2020 Opening Balance : 36,221,234.40

No.	Txn. Date	Reference No.	Transaction Detail	Dr. Amount	Cr. Amount	Balance
1	29-Jun-20	FT20181VWXGT	TRFS Payments	4,442,579.00	0	31,778,655.40
			52058			
			49695			
			Totals	4,442,579.00	0	
						Closing Bal 31,778,655.40

## Deposits Schedule

Aarosa Gen. Merch.	12,840.00
Acorn Investment Limited	138,742.00
Across East & Central Africa	399,953.50
Aircon Electra Services	504,962.70
Aje Elevators Engrs Co Ltd	140,833.15
Akemb Contractors Ltd	0.9
Alexia Investments Ltd	217,053.00
Alliance Control Serv	205,000.00
Alliance Controls Agencies	139,629.00
Allomar Enterprises	295,000.00
Alpesh Enterprises Limited	5,555,119.65
Alwex Electrical Services	625,000.00
Andirio Special Enter.	174,676.00
Apisted Agencies Ltd	842,438.00
Aqua Plumbing Company Limited	2,993,166.95
Asmalia Investment	189,688.00
Associated Electrical And Hardware Suppliers Limited	1,575,390.70
Automobiles Association	209,895.00
Azima Holding Ltd	376,466.00
Badhi Construction	6,634,495.30
Ballot Ja Contractors	387,005.00
Balozi School	92,800.00
Bashku General Supplies Limited	388,035.00
Bayan Construction Co. Ltd	500,000.00
Beacom Tech & Supplies	596,419.00
Beaston Investment Limited	139,167.00
Bebneiz General Contractors	273,677.50
Belmark Enterprises	1,283,650.00
Benham International Ltd	500,093.20

Bewada Enterprises	101,204.00
Bishin Transporters And Constr	387,478.90
Boc Gases	1,043,741.50
Bonito Hotels	630,034.00
Bonkey Enterprises	339,796.35
Brama Logistics Enterprises Limited	1,404,606.00
Brooklyn Merchants	19,500.00
Bura Contractors Limited	4,003,000.00
Burtuqali Enterprises	34,130.00
Calton International Kenya Ltd	401,937.10
Cemamka Holdings Ltd	124,600.00
Cemtec Engineering Limited	737,292.00
Chacabri Investments	399,200.00
Charma Enterprises	360,810.00
Chase Technologies Enterprises	205,390.00
Chawang Engineering Ent. Ltd	3,095,037.55
Chemomul Services Ltd	676,750.60
Chemoquip Limited	232,203.00
China Jiangxi Int (k) Ltd	10,328,897.20
Clanita Enterprises Ltd	760,565.00
Clovers And Pearl Int. Coy.	439,200.00
Collections Of Kenya Civil Aviations	94,000.00
Colnet Limited	265,517.00
Comacon Ltd	504,000.00
Concordia Building	8,232,100.00
Consky Eng Services Ltd	379,375.00
Contemporary Electrical Ent	1,334,940.05
Continental Safety Limited	700,000.00
Country Const Coy Ltd	3,933,600.50
Countrylike Enterprises	499,433.45

County Distributors Limited	276,578.50
Crazy Deals Enterprises	16,550.00
D k Real Estates Ltd	405,000.00
Daniel Mpakaunik	18,067.80
Dantax Enterprises Limited	301,800.00
Dao Investments	38,868.00
Darop Limited	390,000.00
Daukenn Investment Ltd	169,512.00
David Kiprotich	27,731.75
Davoga Builder Ltd	985,198.65
Dayah Construction Co. Ltd	800,000.00
Diamondgate Gen. Traders	225,453.00
Dorshaq Limited	1,750,000.00
Dotcom Logistics Limited	394,297.00
Dozan Building Contrac. Ltd	226,385.00
Duncan Muasya	15,430.80
Dymarote Enterprises	317,999.00
Dyntronics Co Ltd	120,822.45
Eastagen Supp. Co	36,700.00
Elich Enterprises	123,553.00
Elico Holdings Limited	4,300,484.75
Elinns Electronics And Gen.Sup	117,000.00
Emiyn Enterprises	389,200.00
Enclave Holdings	358,841.00
Envil Global Limited	297,600.00
Equilog Enterprises	313,932.20
Equity Bank Limited	151,501.50
Ermac Building & Elect Coy	1,232,927.50
Escatech Serv. Ltd	126,300.00
Esther Chesire	3,850.00

Evadun Enenterprise	60,000.00
Faraj Construction Co. Ltd	2,246,080.00
F-Eight Enterprise Limited	1,829,281.00
Flywheel Telecomms Limited	1,152,326.35
Forbes Africa	236,000.00
Fortnum And Mason Enterprise	985,026.90
Frijo Enterprises Ltd	233,650.00
Gabriella Industries Limited	440,220.00
Gakiaka Fast Hol. Limited	399,290.85
Gaps Construction And Engineering Company Limited	31,206,573.35
Gatcom Services	322,389.15
Gawawa Wato Komara	25,000.00
Genesis Solutions Limited	2,080,987.00
Gesters Supplies And Logistic	81,600.00
Gibri Enterprises	348,000.00
Gilo Chemist	251,830.00
Giosham Limited	2,061,188.20
Girson Construction Co. Ltd	1,402,000.00
Glasper Inv Ltd	2,782,905.50
Global Light Agencies	1,015,139.00
Glored Company Ltd	457,250.00
Gogan Investments	48,385.00
Grand Logistes Ltd	21,208,002.45
Graynon Holdings Ltd	380,800.00
Gulf Africa	12,900.00
Gulf Tech And Building Svs Ltd	386,330.00
Hanamal Construction Ltd	2,155,829.50
Hardgem Traders	1,487,400.00
Harmony Properties Ltd	2,434,661.95
Hawan Gen Supplies	139,664.00

Heiltz Tech Parners Ltd	484,750.00
Henjam Business Solutions	167,168.00
Hfco	22,724.00
Hiagro Leeway k. Ltd	176,032.50
Hilstone Enterprises Ltd	65,452.00
Hitecs Elect Cont And Services Ltd	1,932,408.00
Homeland Survey	390,100.00
Imperial Africanas Kenya Limited	399,774.00
Inshaalah Limited	1,568,303.25
Instituto Dimesse Of Padua	432,000.00
Inter Link Machiner	1,030,460.00
Intergral Construction Limited	985,540.00
Interken Marketing	839,630.00
Italoh Investments Ltd	848,116.60
Jadam (Ea ) Ltd	102,320.00
Jadotra Company	352,065.00
Jaman Engineering Const Limited	3,023,647.00
Jasel Strategic Option	934,740.00
Jayla Limited	102,847.50
Jayme Investments	621,464.50
Jem General Supplies	55,000.00
Jestars General Merchants	119,780.00
Joedreams Ltd	399,350.00
John Njoroge Kimani	16,800.00
Johndanson Engineering Systems	255,890.00
Johvisha Limited	391,060.00
Joshpa General Supplies	669,450.00
Josphat Chege Ntaiwo	101,204.40
Joyskam Advanced	374,020.00
Jyan Construction	1,643,000.00

Kararacha Limited	80,062.00
Kaynaz General	96,731.60
Kenanne Cont And Suppliers Limited	211,156.50
Kenvic Agencies Limited	213,000.00
Kenya Airports Parking Services	6,024,698.90
Kenya Commercial Bank Ltd	517,324.80
Kenya Nat. Exam Council	200,025.00
Key Hork General Merchants Ltd	608,279.30
Keymerging Technologies Limited	392,840.00
Kher Const & Eng Coy Ltd	12,192,528.10
Kibinico Enterprises	80,970.00
Kirwan Ltd	398,001.00
Kupa Construction Ltd	2,383,452.05
Kwali Traders	10,500.00
Kyeiga Enterprises	97,459.40
Labyrith Ltd	163,235.00
Lagm Intern. Ltd	98,040.00
Lake Nakuru Flamigo Lodge	163,577.00
Lamu Water & Sewerage	7,470.00
Leather Processors	97,724.00
Lesicera Investments	389,830.90
Lesiko Agencies	9,400.00
Lhb Ltd	1,917,750.90
Liberty Group e a Limited	4,903,997.90
Lilaaf Construction Coy	1,510,650.00
Lilyrays Company Limited	105,500.00
Linjem Office Solutions	63,200.00
Linked Investment Ltd	209,840.00
Lynix Electrical Ltd	389,999.80
Mabphen Ent	387,486.00

Macbo Logistics	77,320.00
Magnate Construction	80,861.20
Mallock Enterprise	487,200.00
Maltitrio Agencies	5,428,446.00
Manchester Contractor Ltd	3,277,008.05
Mandy Ventures	3,800.00
Mantrac Kenya Limited	274,184.10
Marshall Fowler Ltd	5,717,123.60
Maseki Enterprises	196,724.00
Mash Engineering Limited	2,568,759.00
Maslin Limited	638,520.00
Masterpiece Agencies Limited	130,501.00
Mbicho Kenya Limited	394,976.00
Measurement Systems	372,347.00
Medabs Enterprises Limited.	14,847,974.00
Medex International Limited	5,009,194.60
Medtronic Supplies	1,500.00
Megatech e.a. Ltd	30,869.00
Mehta Electrical Ltd	1,069,606.30
Melau Investment	172,340.00
Micdan Ent	160,144.60
Mick And Pol Pivot Agencies	492,000.00
Mini-Max Venture Ltd	1,900.00
Miranda International	596,015.80
Mobash Const Coy Ltd	8,680,931.60
Moca Ventures Limited	828,295.00
Moeder Enterprises	396,792.00
Moneci Services	798,000.00
Morgan & Family Gen Merchants	383,631.70
Mosseimuir Machinery Services Ltd	278,450.00

Mukova Civil Engineering Limited	2,952,884.00
Mulji Devraj & Bro Ltd	1,398,760.00
Mullax Enterprises	333,350.00
Mursal Abdi Dahir	6,194.00
Mustard Group Limited	500,000.00
Mwam Style Supplies	3,542,111.15
Mwesh Electronics	393,000.00
Mwitu Estate Water Company Ltt	52,100.00
Mymac Company Ltd	147,703.50
Nakuru Welfare	30
Namunyak Investments Limited	3,352,151.00
Nankesh Works	339,081.20
Naomi Wairimu Ndumia	12,390.00
National Bank Of Kenya Limited	50,425,168.20
Neurology Centre Ltd	54,000.00
Nimex Enterprises	472,480.00
Nmarome Supplies Ltd	138,600.00
Northernwing Gen Supplies Co Ltd	560,730.00
Northern Const Company Limited	7,066,412.45
Northern Liberty Builders Ltd	7,372,549.80
Ntrico Agencies	389,629.00
Oldaiga Hardware	238,586.50
Oracon Const & Eng Co Ltd	258,548.00
Original Distributors	88,503.40
Otieno International	216,000.00
Pan Pharmaceuticals Limited	173,246.00
Paribas Int Kenya Ltd	9,633,716.70
Patfirm Supplies	25,500.00
Patmik Construction Ltd	413,933.00
Peff Agencies	54,480.20

Pensions Dept-Govt Liability	15,121,656.80
P-Hill Investment	144,397.50
Phoenix Procurement	199,868.00
Pickwell Builders Ltd	223,561.50
Plan And Trend	32,582.25
Point Load Construction Ltd	301,895.30
Pokam Supplies	805,560.00
Pondo Engineering Limited	1,075,048.20
Power Master And Allied Svs Ltd	398,400.00
Precious Gift Co.	228,081.00
Premier Laboratory Supplies	170,000.00
Prevanshal Enterprises Ltd	287,910.50
Prime Hope Agencies	510,789.00
Prime Track Enterprises Limited	1,198,635.75
Proctor And Klein Ltd	11,900.00
Prodigy Healthcare	27,000.00
Projects On Time Limited	181,652.50
Protetta Holdings Limited	595,050.00
Ps Ministry Of Defence	16,268,146.90
Quadcore Investments	351,483.35
Quality Investment Ltd	5,515,962.45
Quatorze Limited	560,777.30
Quick Fix Contractors Limited	233,909.60
Raerex East Africa Ltd	200,000.00
Rdetc-Uganda Govt Contribution	448,000.00
Received From Standard Bank	4,000.00
Regiment Distributors Ltd	216,250.00
Regolma Limited	1,080,660.00
Relenco Ltd	267,613.90
Remyzero Entepriises	17,500.00

Ribatec Apparells	1,811,000.00
Ribu Services k Ltd	928,611.60
Rickbrickstones Enterprises	1,175,000.00
Ricklan Limited	48,860.00
Rift Rollers Construction Limited	1,106,524.65
Risala Gen. Contractors Ltd	2,759,000.00
Risecrop Holdings Limited-Chase Bank Ltd Ir	1,194,940.00
Ritech Holding Imited	166,970.00
Riziki Julia Ent	119,630.00
Robert Njeru	100,667.55
Rocket Int Ltd	382,032.00
Rolling Stone Limited	274,204.00
Rom Holding Ltd	6,455,311.10
Ropep Capital	399,554.50
Rubyfaima Supplies	9,350.00
Rudra Builders	390,063.00
Safari Essentials	396,400.00
Sangole Construction Co. Ltd	9,316,600.80
Sarah Muringe	10,000.00
Saruni Integrated Service Ltd	525,675.00
Sayari Kenya	83,604.00
Sbp Cont Ltd	133,779.25
Seahawk Gen.Logistics Limited	750,544.20
Secure Info Limited	3,950.00
Securex Agencies	1,455,016.00
Sesen Enterprise	417,000.00
Shackmac Investments	908,061.00
Shamay Ltd	107,867.10
Shamsalab Construction Ltd	4,100,914.25
Shemey Ltd	53,128.00

Shevron Services	697,800.00
Shuria Construction Company Limited	396,607.00
Sikim General Contractors Limited	23,270.00
Sildy Supplies Limited	127,500.00
Siltex Invest	329,490.00
Silver Carbon Enter. Ltd	349,497.00
Sinika Engineering Ser. Ltd	121,142.00
Skymark Construction Co.Ltd	3,501,100.00
Skypack Plumbing Ltd	4,433,525.30
Smart Luna Enterprises	35,720.00
Smartcom Const & Suppliers	76,467.50
Snowpeak Ref & Gen Contr	149,352.00
Soflex Agencies Ltd	217,991.00
Sourcing & Const Industries	193,640.00
Sparemart Agencies Limited	941,860.00
Spectrum Network Coy Ltd	1,968,923.30
Spion Construction	2,147,812.85
Staitex Construction Co. Ltd	250,830.00
Stan Holding Coy Ltd	257,992.35
Stanfajoy Co Ltd	2,225,701.50
Sunset Electro Svs Ltd	1,574,544.70
Superman Limited	4,200.00
Supertech Solutions Ltd	2,000,000.00
Swale Tradind	357,500.00
Swift Move Logistics Ltd	725,222.00
Syntiq Enterprises	456,500.00
Taha Hardware And Glassmart	288,530.00
Taitex Const Coy	609,454.95
Tenzen General Merchants	147,500.00
Tetra Hexagon Ltd	2,785,713.00

Tewanga Investment	75,862.00
The Car Experts Ltd	2,166,323.00
Tiara Supplies	231,950.00
Top Life Contractors Ltd	383,191.00
Trax Kenya Limited	1,744,827.35
Trax Kenya Ltd	51,603,108.30
Trois Works	20,760.00
Tulsi Construction Limited	12,277,125.95
Twin Construction Co.Ltd	9,738,998.65
Ulami Construction	282,000.00
Unapplied- Disability Funds	406,760.00
Unapplied Transaction-Equity	4,000.00
Unicool International Ltd	812,500.00
Vaghjiyani Ent Ltd	17,520,425.90
Valley Brook Capital Ltd	462,971.00
Vanguard Engineering Limited	1,402,111.45
Various Firms	1,809,231.00
Vency Enterprises	199,989.00
Vepri Enterprises	4,474,974.30
Vickers Construction	4,289,033.10
Victory Office Typewri.	135,000.00
Visage Construction Coy	98,721.60
Volcanic Plumbing Works	1,887,698.30
Warrior Construction Ltd	797,500.00
Wekuke Paul	79,787.60
Wellsmark Limited	349,606.00
Wengaliz Limited	199,974.00
Willivy Enterprises	77,994.00
Wilna Roads And Civil Engineering Limited	599,547.50
Wonder Projects Eng & Const Ltd	1,106,272.45

Yellow House Limited	3,066,561.25
Zenic Ventures Limited	389,581.50
Zenith Office Exp Solutions Ltd	502,820.00
<b>Grand Total</b>	<b>584,141,211.85</b>