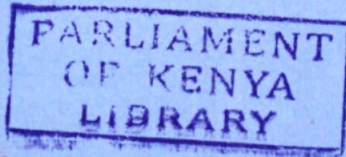
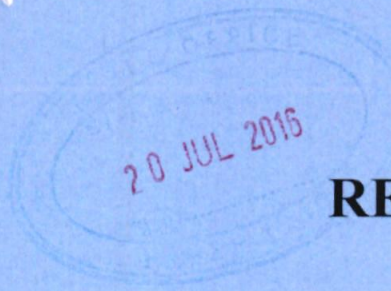


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT**

*Paper laid by  
the Majority Whip  
on 20/7/2016 (pm)*

**OF**

**THE AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
STATE DEPARTMENT OF TRANSPORT  
(VOTE 1092)**

**FOR THE YEAR ENDED  
30 JUNE 2015**

**MINISTRY OF TRANSPORT AND  
INFRASTRUCTURE**

Table of Content	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT .....	1
II. FORWARD BY THE CABINET SECRETARY .....	3
III. STATEMENT OF DEPARTMENT MANAGEMENT RESPONSIBILITIES.....	7
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE STATE DEPARTMENT OF TRANSPORT.....	8
V. STATEMENT OF RECEIPTS AND PAYMENTS.....	9
VI. STATEMENT OF ASSETS AND LIABILITIES.....	10
VII. STATEMENT OF CASHFLOW.....	11
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	12
IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT .....	13
X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT.....	14
XI. SIGNIFICANT ACCOUNTING POLICIES .....	15
XII. NOTES TO THE FINANCIAL STATEMENTS.....	17
XIII GAV PROVISIONING.....	29



---

**MINISTRY OF TRANSPORT AND INFRASTRUCTURE  
STATE DEPARTMENT OF TRANSPORT**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2015**

---

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

## I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background information

The State department of Transport was formed in May, 2013 through executive order no.2 by merging the former Ministry of Transport and Ministry of Roads. At cabinet level, the Department is represented by the Cabinet Secretary for Transport and Infrastructure who is responsible for the general policy and strategic direction of the State Department.

### (b) Key Management

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

- Ministry Headquarters and
- Parastatals under the State Department

### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2015 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Eng. John K. Musonik, EBS

### (d) Fiduciary Oversight Arrangements

Members of the audit committee were appointed as guided by the treasury's circular at the beginning of the financial year ended 2014/15. All the audit queries that were raised during the year were scrutinized by the committee and the reports were shared with the executive for improvement in the areas which were affected. Also, a major oversight role was provided by the Parliamentary committee. They had meetings with the State department officers led by the accounting officer and sought responses for the issues which were raised by the Auditor general. The department addressed the issues as was required to the satisfaction of the committee before the issues were discharged. Further, development partners assisted in monitoring the projects and issuance of no objection before the expenditures were incurred. Other oversight activities were executed by various committees including budget implementation and Ministerial tender committee

### (e) Department Headquarters

State Department of Transport  
P.O. Box 52692  
Transcom House  
Ngong Road  
Nairobi, KENYA

**(f) Department Contacts**

Telephone: 22729200  
E-mail: ps@transport.go.ke  
Website: www.transport.go.ke

**(g) Department Bankers**

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

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. FORWARD BY THE CABINET SECRETARY

The State Department for Transport is a key department overseeing primarily transportation sector holistically-as a critical factor in the growth of Kenyan economy. Against its budget allocation, the department has made certain achievements, notwithstanding challenges, which gave certain foresights and hence recommendations for the way forward into the future.

### a) Budget Performance by Economic Classification and Programmes

<b>Programme 1 General Administration, Planning, and Support Services</b>			
<b>Code</b>	<b>Expenditure Classification</b>	<b>Approved Budget 2014/15</b>	<b>Actual Expenditure 2014/15</b>
	<b>Current Expenditure</b>		
2100000	Compensation to Employees	158	123
2200000	Use of Goods and Services	145	101
2600000	Current Transfers Government Agencies	140	133
3100000	Non – Financial Assets	4	4
	<b>Capital Expenditure</b>		
2200000	Use of Goods and Services	203	31
2600000	Current Transfers Government Agencies	2,677	1,957
	<b>Total Expenditure of Programme</b>	<b>3,331</b>	<b>2,320</b>

<b>Programme 2 Road Transport Services</b>			
<b>Code</b>	<b>Expenditure Classification</b>	<b>Approved Budget 2014/15</b>	<b>Actual Expenditure 2014/15</b>
	<b>Current Expenditure</b>		
2200000	Use of Goods and Services	23	22
2600000	Current Transfers Government Agencies	382	382
	<b>Total Expenditure of Programme</b>	<b>405</b>	<b>404</b>

<b>Programme 3 Rail Transport Services</b>			
<b>Code</b>	<b>Expenditure Classification</b>	<b>Approved Budget 2014/15</b>	<b>Actual Expenditure 2014/15</b>
2600000	Current Transfers Government Agencies	5,652	4,562
3100000	Non – Financial Assets	152,230	146,759
	<b>Total Expenditure of Programme</b>	<b>157,882</b>	<b>151,321</b>
<b>Programme 4 Marine Transport Services</b>			

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

Code	Expenditure Classification	Approved Budget 2014/15	Actual Expenditure 2014/15
	<b>Current Expenditure</b>		
2100000	Compensation to Employees	13	5
2200000	Use of Goods and Services	19	49
2600000	Current Transfers Government Agencies	477	507
	<b>Capital Expenditure</b>		
2600000	Current Transfers Government Agencies	5,000	1,258
3100000	Non – Financial Assets	50	50
	<b>Total Expenditure of Programme</b>	<b>6,071</b>	<b>2,433</b>

<b>Programme 5 Air Transport Services</b>			
Code	Expenditure Classification	Approved Budget 2014/15	Actual Expenditure 2014/15
	<b>Current Expenditure</b>		
2100000	Compensation to Employees	29	7
2200000	Use of Goods and Services	46	31
2600000	Current Transfers Government Agencies	4,330	4,330
3100000	Non – Financial Assets	2	1
	<b>Capital Expenditure</b>		
2600000	Current Transfers Government Agencies	12,110	1,471
3100000	Non – Financial Assets	3,925	3,899
	<b>Total Expenditure of Programme</b>	<b>20,443</b>	<b>9,741</b>

<b>Programme 6 Government Clearing Services</b>			
Code	Expenditure Classification	Approved Budget 2014/15	Actual Expenditure 2014/15
	<b>Current Expenditure</b>		
2100000	Compensation to Employees	23	8
2200000	Use of Goods and Services	48	60
2600000	Current Transfers Government Agencies	50	50
	<b>Total Expenditure of Programme</b>	<b>142</b>	<b>139</b>

**b) Key Achievements**

The state department of Transport undertakes several projects identified under economic pillar of vision 2030 as flagship project and therefore plays key role in accelerating the economic growth and development. In addition it is entrusted with the management of the country transport system by formulating the transport policies, bills and regulations.

During the financial year 2014/15, the state department undertook several projects which included maintenance and rehabilitation of several airstrips; development of 50 Year National Transport Master Plan whose aim is to ensure investment and location of the transport infrastructure and services are consistent with other economic/public policies; undertook several Road safety measures; oversaw 36% construction of the Mombasa-Nairobi section of the Standard Gauge Railway which included: Complete land acquisition and compensation for the Nairobi-Mombasa Section, Earthworks for the Nairobi- Mombasa, 755 Sub grade completion and 35% Laying of rail tracks; oversaw modernization of aviation facilities at the Jomo Kenyatta International Airport, Kisumu Airport , Moi International Airport and upgrading of Isiolo airport and Development of the 2<sup>nd</sup> Container Terminal at Mombasa Port among others

**c) Emerging issues**

- Skyrocketing land prices in the areas where projects are being implemented
- Insecurity issues especially due to insurgency of Al Shabab attacks
- Absence of substantive executive management in the current wave of fighting corruption in the public sector.

**d) Challenges and Recommendations**

In spite of the above mentioned achievements the state department nevertheless encountered several challenges that included:

- Land acquisition and compensation variations between market value and local owners expectations leading to lengthy negotiations;
- Encroachment of land earmarked for transport facilities development;
- Insecurity within the country, piracy and acts of terrorism;
- Inadequate Land use planning;
- Dynamism in customer demands and expectations and security threat trends;
- Delays in the implementation of projects;
- Pilferage and vandalism of transport facilities;
- Delays in funds disbursement for projects;
- Lengthy procurement processes;
- Complexity of some projects that cuts across Government agencies that also require enormous resources;
- Inadequate provision of funds especially in respect to implementation of the Lamu Port project, expansion and modernization of airports, maintenance of airstrips and aerodromes and compensation of the people affected by the projects;
- Delays caused by litigation processes;
- Inadequate human capacity – engineers, aviation inspectors and sometime none release of exchequer.

The state department however tried and will continue in its endeavour to surmount the challenges in order to give better service to Kenyans and to achieve its mandate using cost saving means in its procurement, engaging donors and National Treasury to fast track the disbursement of funds, train personnel where there are inadequacies and engage other stake holders such as security agency to provide security where they are needed.

*Sign*

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes that form a stylized, illegible name.

*Cabinet Secretary*

### III. STATEMENT OF DEPARTMENT MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 department. 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.

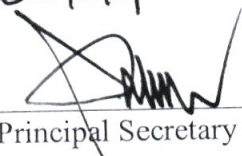
The Accounting Officer in charge of the state department of transport is responsible for the preparation and presentation of the department's financial statements, which give a true and fair view of the state of affairs of the department for and as at the end of the financial year ended on June 30, 2015. 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 department; (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 department; (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 state department of transport accepts responsibility for the department'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 department's financial statements give a true and fair view of the state of department's transactions during the financial year ended June 30, 2015, and of the department's financial position as at that date. The Accounting Officer charge of the state department of transport further confirms the completeness of the accounting records maintained for the department, which have been relied upon in the preparation of the department's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the state department of transport confirms that the department has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the department'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 department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

#### Approval of the financial statements

The department's financial statements were approved and signed by the Accounting Officer on 20/9/2015 2015.

  
Principal Secretary

  
Principal Accounts Controller

# REPUBLIC OF KENYA

Telephone: +254-20-342330  
Fax: +254-20-311482  
E-mail: [oag@oagkenya.go.ke](mailto:oag@oagkenya.go.ke)  
Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT OF TRANSPORT (VOTE 1092) FOR THE YEAR ENDED 30 JUNE 2015 - MINISTRY OF TRANSPORT AND INFRASTRUCTURE

---

#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the State Department of Transport (Vote 1092) set out on pages 9 to 32, which comprise the statement of assets and liabilities as at 30 June 2015, and the statement of receipts and payments, the statement of cash flows and combined summary statement of appropriation for recurrent and development 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 8 of the Public Audit Act, 2003. 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.

#### **Accounting Officer's Responsibility for the Financial Statements**

The Accounting Officer-State Department of Transport is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standard (Cash Basis) and Government Financial Regulations and Procedures and Public Finance Management Act, 2012 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 4 of the Public Audit Act, 2003.

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

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 9 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

---

*State Department of Transport (Vote 1092)– Annual Report and Financial Statements for the year ended 30 June 2015*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Adverse Opinion**

#### **1.0. Inaccuracies in the financial statements**

##### **1.1 Statement of Receipts and Payments.**

**1.1.1** The financial statement audited reveals the comparatives for the combined departments (former Ministry of Transport and Infrastructure) for the year ended 30 June 2014 instead of State Department of Transport.

**1.1.2** The statement of receipts and payments reflects total payments amounting to Kshs.161,204,337,094.00 out of which an amount of Kshs.5,911,485,177.00 relates to transfers to other government entities. However, the analysis provided reflects total transfer amounting to Kshs.5,914,753,648.75 resulting to a variance of Kshs.3,628,472.75 which has not been explained or reconciled. Further, included in the amount of Kshs.5,914,753,648.75 expenditure totaling Kshs.3,652,627,848.00 that does not relate to transfer to other government entities and no satisfactory explanation has been provided.

**1.1.3** The statements of receipts and payments reflects a deficit of Kshs.7,677,185,613 for the year ended 30 June 2015. However, as the financial statements are prepared under cash basis, it has not been possible to establish the source of funds amounting to Kshs.7,677,185,613 utilized to meet the deficit.

##### **1.2 Statement of Financial Assets and Liabilities**

**1.2.1** The statement of assets and liabilities as 30 June 2015 reflects a suspense of Kshs.7,593,331,321 which has been explained under note 18 as payments funded other than through exchequer or receipts but whose details or specifics has not been provided. Further, the statement of cash flows indicates the same

suspense balance of Kshs.7,593,331,321 the source of which has also not been explained.

## 2.0 Unsupported Payments

Examination of the department's cash book revealed that a total of Kshs.4,284,400.00 was paid from development vote as shown below but no supporting payment vouchers were availed:

PV No	Payee	Amount
728	Starlet quick supplies	1,488,200.00
223	Bel-Air Services	10,000.00
668	Rifesho Africa	435,000.00
773	Lyahi Services	2,100,000.00
1605	Easy Tours and Travel	251,200.00
<b>Total</b>		<b>4,284,400.00</b>

The propriety of the expenditure of Kshs.4,284,400.00 cannot be confirmed.

## 3.0 Budgetary Controls

Examination of development appropriation account for 2014/2015 revealed net expenditure of Kshs.33,248,758,322.00 against a budget of Kshs.8,661,749,353.00 representing excess vote of Kshs.24,587,008,970.00. No explanation has been provided for the over expenditure. In addition, the financial statement has disclosed development exchequer releases amounting to Kshs.6,202,607,585.00. It is not clear, therefore, how the balance of Kshs.27,046,150,737.00 was financed.

In addition, note 19.1 reflects pending bills of Kshs.2,408,879,264.85 as at 30 June 2015 and had the pending bills been paid, the Department would have further exceeded its budget by Kshs.26,995,888,234.

Further, no analysis has been provided to give the details of the pending bills as required by Kenya Public Sector Accounting Standards Board.

## 4.0 Government Clearing Agency

The State Department of Transport reflects expenditure by Government Clearing Agency totaling Kshs.81,725,454 for the year ended 30 June 2015. However, the financial statements of the Agency prepared by the National Treasury and submitted for audit reflects receipts of Kshs.1,747,692 while the State Department of Transport indicate receipts of Kshs.1,341,835.00 resulting to an unexplained variance of Kshs.405,857.

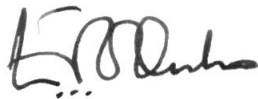
## 5.0 Unaccounted for Deposits

As reported in the previous year, the financial statements of Ministry of Transport and Infrastructure for the year ended 30 June 2014 omitted the statement of deposits and deposits bank balance of Kshs.558,884,792.25 held in Central Bank Account no.1000182188.

A review of the deposits balance during the year revealed that, out of the bank balance of Kshs.558,884,792.25 and as per reconciliation dated 8 September 2014, the State Department of Transport received Kshs.101,772,643.55 and the State of Infrastructure received the balance of Kshs.457,112,148.70. However, and although the State Department of Transport received Kshs.101,772,643.55, only Kshs.63,266,317.05 has been accounted for, leaving Kshs.38,506,326.50 unaccounted for.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not present fairly, the financial position of State Department of Transport as at 30 June 2015, and its financial performance for the year then ended in accordance with International Public Sector Accounting Standards (Cash Basis) as well as Government Financial Regulations and Procedures and the Public Finance Management Act, 2012.



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

**Nairobi**

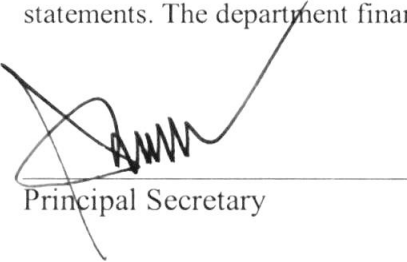
**19 May 2016**


**Ministry of Transport and Infrastructure**  
**State Department of Transport**  
**Reports and Financial Statements**  
**For the Year ended June 30, 2015**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>RECEIPTS</b>			
Tax Receipts	1	-	100,000,244
Proceeds from Domestic and Foreign Grants	2	-	25,010,822,521
Exchequer releases	3	7,611,347,585	47,851,504,263
SGR		19,252,240,845	-
Proceeds from Domestic Borrowings	4	-	23,049,817,874
Proceeds from Foreign Borrowings	5	124,116,178,902	3,745,571,249
Proceeds from Sale of Assets	6	-	624,900
Other Receipts	7	<u>2,547,384,149</u>	<u>2,022,778,520</u>
<b>TOTAL RECEIPTS</b>		<b><u>153,527,151,481</u></b>	<b><u>101,781,119,571</u></b>
<b>PAYMENTS</b>			
Compensation of Employees	8	146,870,984	1,345,594,151
Use of goods and services	9	638,017,295	1,787,668,217
Transfers to Other Government Entities	10	5,911,485,177	87,510,559,540
Other grants	11	130,120,757	123,135,020
Social Security Benefits	12	-	4,930,400
Acquisition of Assets	13	<u>154,377,842,881</u>	<u>12,504,690,367</u>
<b>TOTAL PAYMENTS</b>		<b><u>161,204,337,094</u></b>	<b><u>103,276,577,695</u></b>
<b>SURPLUS/DEFICIT</b>		<b><u>(7,677,185,613)</u></b>	<b><u>(1,495,458,124)</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The department financial statements were approved on 30/9/2015 and signed by:

  
Principal Secretary

  
Principal Accounts Controller

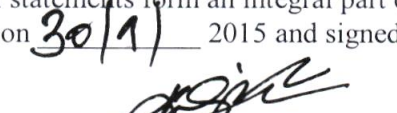
Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2014-2015 Kshs	2013-2014 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	14A	105,934,173	643,803,769
Cash Balances	14B	<u>286,030</u>	<u>40,571</u>
<b>Total Cash and cash equivalent</b>		<b><u>106,220,203</u></b>	<b><u>643,844,340</u></b>
Accounts receivables – Outstanding Imprests	15	<u>2,024,250</u>	<u>437,965</u>
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>108,244,453</u></b>	<b><u>644,282,305</u></b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	16	<u>101,954,206</u>	<u>554,105,839</u>
<b>NET FINANCIAL ASSETS</b>		<b><u>6,322,174</u></b>	<b><u>90,176,466</u></b>
<b>REPRESENTED BY</b>			
Fund balance brought forward	17	90,176,466	1,585,634,590
Surplus/Deficit for the year		(7,677,185,613)	(1,495,458,124)
Suspense	18	<u>7,593,331,321</u>	<u>-</u>
<b>NET FINANCIAL POSITION</b>		<b><u>6,322,174</u></b>	<b><u>90,176,466</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The department financial statements were approved on 30/11/2015 and signed by:

  
 Principal Secretary

  
 Principal Accounts Controller

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

VII. STATEMENT OF CASHFLOW

		2014 - 2015 Kshs	2013 - 2014 Kshs
<b>Receipts for operating income</b>			
Tax Revenues	1	-	100,000,244
Proceeds from Domestic and Foreign Grants	2	-	25,010,822,521
Exchequer Releases	3	7,611,347,585	47,851,504,263
Other Receipts	7	<u>2,547,384,149</u>	<u>2,022,778,520</u>
		<b><u>10,158,731,734</u></b>	<b><u>74,985,105,548</u></b>
<b>Payments for operating expenses</b>			
Compensation of Employees	8	(146,870,984)	(1,345,594,151)
Use of goods and services	9	(638,017,295)	(1,787,668,217)
Transfers to Other Government Units	10	(5,911,485,177)	(87,510,559,540)
Other grants and transfers	11	(130,120,758)	(123,135,020)
Social Security Benefits	12	-	(4,930,400)
<b>Adjusted for:</b>			
Change in Payables – Deposits	16	(452,151,633)	554,105,839
Change in Receivables - Imprest	15	(1,586,285)	(437,965)
Suspense balance	18	<u>7,593,331,321</u>	<u>-</u>
		<b><u>313,099,189.00</u></b>	<b><u>(90,218,219,454)</u></b>
<b>Net cash flow from operating activities</b>		<b><u>10,471,830,923.00</u></b>	<b><u>(15,233,113,906)</u></b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	6	-	624,900
Acquisition of Assets	13	<u>(154,377,842,881)</u>	<u>(12,504,690,367)</u>
<b>Net cash flows from Investing Activities</b>		<b><u>(154,377,842,881)</u></b>	<b><u>(12,504,065,467)</u></b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings	4	-	23,049,817,874
Proceeds from Foreign Borrowings	5	<u>143,368,419,747</u>	<u>3,745,571,249</u>
<b>Net cash flow from financing activities</b>		<b><u>143,368,419,747</u></b>	<b><u>26,795,389,123</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		(537,592,210)	(941,790,250)
<b>Cash and cash equivalent at BEGINNING of the year</b>	14	<u>643,844,340</u>	<u>1,585,634,590</u>
<b>Cash and cash equivalent at END of the year</b>	14	<u><u>106,252,130</u></u>	<u><u>643,844,340</u></u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The department financial statements were approved on 30/9/2015 and signed by:

  
 Principal Secretary

  
 Principal Accounts Controller

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget		Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	KShs	KShs	KShs	KShs	KShs			
	a	b	c=a+b	d	e=c-d	f=d/c %		
Grants from International Organizations - Direct Payments AIA	(165,000,000)	-	(165,000,000)	-	(165,000,000)	0.00%		
Exchequer releases	-	-	-	(7,611,347,585)	6,202,607,585	100.00%		
Proceeds from Foreign Borrowings	(140,121,329,514)	-	(140,121,329,514)	(143,368,419,747)	3,247,090,233	102.32%		
Other Receipts	(37,329,002,150)	-	(37,329,002,150)	(2,547,384,149)	(34,781,618,001)	6.82%		
	<b>(177,615,331,664)</b>	<b>-</b>	<b>(177,615,331,664)</b>	<b>(153,527,151,481)</b>	<b>(25,496,920,183)</b>	<b>86.44%</b>		
Compensation of Employees	220,938,496	-	220,938,496	146,870,984	74,067,512	66.48%		
Use of goods and services	953,540,225	-	956,319,622	638,017,296	318,302,326	66.72%		
Transfers to Other Government Units	26,435,510,401	-	26,432,731,004	5,911,485,176	20,521,245,828	22.36%		
Other grants and transfers	137,636,873	-	137,636,873	130,120,758	-	0.00%		
Social Security Benefits	159,702	-	159,702	-	159,702	0.00%		
Acquisition of Assets	159,994,849,080	-	159,994,849,080	154,377,842,881	5,617,006,199	96.49%		
	<b>187,742,634,777.00</b>	<b>-</b>	<b>187,742,634,777.00</b>	<b>161,204,337,095.00</b>	<b>26,538,297,682.00</b>	<b>85.86%</b>		

The department financial statements were approved on \_\_\_\_\_ 2015 and signed by:

**BUDGET REALIZATION**

Proceeds from foreign borrowing with percentage of 102.32%.

The proceeds from foreign borrowing was actually Ksh.124,116,178,901.95. However an amount of Kshs.19,252,240,845.00 being exchequer release for Railway Development Levy Fund was erroneously included in the figure of the foreign borrowing to bring the total to Kshs. 143,368,419,747.00. The final budget was Kshs.140,121,329,514.00 which thereby brought the percentage of budget utilization to 102.32%.

Other receipts with percentage of 6.82%

It is true that under the item Other Receipts has 6.82% budget utilization of Kshs.2,547,384,149.20 against the budgeted estimates of Kshs.37,327,002,150.00. The reason for the low realization of donor AIA was as a result slow execution of projects.

Transfer to other government units with percentage of 22.36%.

It is true that the transfers to Government Agencies realized was 22.36% being Kshs.5,911,485,177.00 against Kshs.26,432,731,004.00 The reason for low realization of budget was due to the same reasons given in 2.2.2 above.


Acquisition of assets with percentage of 30.26%

The figure shown in our financial statement in the item of acquisition of Assets of Kshs.1,821,780.00 against the budget estimate of Kshs.6,020,267.00 was erroneous.

The correct figure should have been assets worth Kshs. 154,377,842,881.45 against a budget of Kshs.159,994,849,080.00 bringing the utilization percentage to 96.49% as per the attached copy of statement of budget execution.



Principal Secretary



Principal Accounts Controller

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget		Adjustments	Final Budget		Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	KShs		KShs	KShs		KShs		
	a		b	c=a+b		d	e=c-d	f=d/c %
Grants from International Organizations - Direct Payments AIA	-		-	-		-	-	
Exchequer releases	-		-	-		(1,408,740,000)	-	
Proceeds from Foreign Borrowings	-		-	-		-	-	
Other Receipts	(4,407,220,490)		-	(4,407,220,490)		(1,893,635,181)	(2,513,585,309)	42.97%
	<b>(4,407,220,490)</b>		<b>-</b>	<b>(4,407,220,490)</b>		<b>(3,302,375,181)</b>	<b>(2,513,585,309)</b>	<b>74.93%</b>
Compensation of Employees	220,938,496		-	220,938,496		146,870,984	74,067,512	66.48%
Use of goods and services	272,043,025		-	274,822,422		172,651,255	102,171,167	62.82%
Transfers to Other Government Units	5,235,975,887		-	5,233,196,490		2,735,153,126	2,498,043,364	52.27%
Other grants and transfers	137,636,873		-	137,636,873		130,120,758	-	0.00%
Social Security Benefits	159,702		-	159,702		-	159,702	0.00%
Acquisition of Assets	6,020,267		-	6,020,267		1,821,780	4,198,487	30.26%
	<b>5,872,774,250</b>		<b>-</b>	<b>5,872,774,250</b>		<b>3,186,617,903</b>	<b>2,686,156,347</b>	<b>54.26%</b>

Notes

(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Other receipts
- ii. Transfer to other government Units
- iii. Acquisition of assets

The department financial statements were approved on \_\_\_\_\_ 2015 and signed by:

  
 \_\_\_\_\_  
 Principal Secretary

  
 \_\_\_\_\_  
 Principal Accounts Controller

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

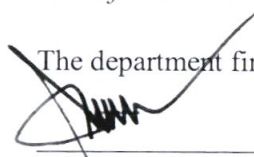
**X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget		Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	KShs	KShs	KShs	KShs	KShs			
	a	b	c=a+b	d	e=c-d	f=d/c %		
Grants from International Organizations - Direct Payments AIA	(165,000,000)	-	(165,000,000)	-	(165,000,000)	0.00%		
Exchequer releases	-	-	-	(6,202,607,585)	6,202,607,585	100.00%		
Proceeds from Foreign Borrowings	(140,121,329,514)	-	(140,121,329,514)	(143,368,419,747)	3,247,090,233	102.32%		
Other Receipts	(32,921,781,660)	-	(32,921,781,660)	(653,748,968)	(32,268,032,692)	1.99%		
	<b>(173,208,111,174)</b>	<b>-</b>	<b>(173,208,111,174)</b>	<b>(150,224,776,300)</b>	<b>(22,983,334,874)</b>	<b>86.73%</b>		
Compensation of Employees	-	-	-	-	-	0.00%		
Use of goods and services	681,497,200	-	681,497,200	465,366,041	216,131,159	68.29%		
Transfers to Other Government Units	21,199,534,514	-	21,199,534,514	3,176,332,050	18,023,202,464	14.98%		
Other grants and transfers	-	-	-	-	-	0.00%		
Social Security Benefits	-	-	-	-	-	0.00%		
Acquisition of Assets	159,988,828,813	-	159,988,828,813	154,376,021,101	5,612,807,712	96.49%		
	<b>181,869,860,527</b>	<b>-</b>	<b>181,869,860,527</b>	<b>158,017,719,192</b>	<b>23,852,141,335</b>	<b>86.89%</b>		

(a) [Provide below a commentary on significant underutilization (below 50% of utilization) and any overutilization]

- i. Other receipts
- ii. Transfer to other government Units

The department financial statements were approved on \_\_\_\_\_ 2015 and signed by:

  
 \_\_\_\_\_  
 Principal Secretary

  
 \_\_\_\_\_  
 Principal Accounts Controller

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **i) Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

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

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

### **ii) Recognition of revenue and expenses**

The department recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the department. In addition, the department recognises all expenses when the event occurs and the related cash has actually been paid out by the department.

### **iii) In-kind contributions**

In-kind contributions are donations that are made to the department 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 department includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

### **iv) 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.

**v) 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as expenditure 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.

**vi) Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized 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.

**vii) Non current assets**

Non current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the department fixed asset register a summary of which is provided as a memorandum to these financial statements.

**viii) Pending bills**

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

**ix) Budget**

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

**x) Comparative figures**

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

**xi) Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1 TAX RECEIPTS**

	2014 - 2015 Kshs	2013 - 2014 Kshs
Taxes on Income, Profits and Capital Gains	-	-
Taxes on Property	-	-
Taxes on Goods and Services	-	-
Taxes on International Trade and Transactions	-	-
Other Taxes (not elsewhere classified)	-	<u>100,000,244</u>
<b>Total</b>	<u>-</u>	<u>100,000,244</u>

**2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor	Date received	Amount in foreign currency	2014 - 2015 Kshs	2013 - 2014 Kshs
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>				
Unit fund account / others	-	-	-	18,383,177,454
SGR fund	-	-	-	6,627,645,067
<b>Grants Received from Multilateral Donors (International Organisations)</b>				
(Insert name of donor)	-	-	-	-
			<u>-</u>	<u>25,010,822,521</u>

**Ministry of Transport and Infrastructure**  
**State Department of Transport**  
**Reports and Financial Statements**  
**For the Year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3 EXCHQUER RELEASES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	458,544,695	6,928,066,790
Total Exchequer Releases for quarter 2	3,098,754,675	10,200,748,075
Total Exchequer Releases for quarter 3	1,242,861,887	7,475,628,200
Total Exchequer Releases for quarter 4	2,811,186,328	23,247,061,198
<b>SGR</b>	<u>19,252,240,845</u>	-
<b>Total</b>	<u><b>26,863,588,430</b></u>	<u><b>47,851,504,263</b></u>

**4 PROCEEDS FROM DOMESTIC BORROWINGS**

Borrowing from Other Domestic Creditors	-	<u>23,049,817,874</u>
<b>Total</b>	<u>-</u>	<u><b>23,049,817,874</b></u>

**5 PROCEEDS FROM FOREIGN BORROWINGS**

Foreign Borrowing – Draw-downs Through Exchequer	-	141,906,686
Foreign Borrowing - Direct Payments	1,116,178,902	3,604,264,563
Foreign Borrowing - Direct Payments (SGR)	<u>123,000,000,000</u>	-
<b>Total</b>	<u><b>124,116,178,902</b></u>	<u><b>3,745,571,249</b></u>

**6 PROCEEDS FROM SALE OF ASSETS**

Receipts from the Sale Plant Machinery and Equipment	-	551,900
Receipts from the Sale of Inventories, Stocks and Commodities	<u>-</u>	<u>73,000</u>
<b>Total</b>	<u>-</u>	<u><b>624,900</b></u>

**Ministry of Transport and Infrastructure**  
**State Department of Transport**  
**Reports and Financial Statements**  
**For the Year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**7 OTHER REVENUES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from Administrative Fees and Charges	-	19,630,521
Receipts from Administrative Fees and Charges - Collected as AIA	5,985,551	-
Receipts from Incidental Sales by Non-Market Establishments	1,887,649,630	712,022,725
Receipts from Sale of Incidental Goods	67,000	-
Other Receipts Not Classified Elsewhere	<u>653,681,968</u>	<u>1,291,125,274</u>
<b>Total</b>	<b><u>2,547,384,149</u></b>	<b><u>2,022,778,520</u></b>

**8 COMPENSATION OF EMPLOYEES**

Basic salaries of permanent employees	92,525,154	907,363,358
Basic wages of temporary employees	6,003,795	34,407,203
Personal allowances paid as part of salary	<u>48,342,035</u>	<u>403,823,590</u>
<b>Total</b>	<b><u>146,870,984</u></b>	<b><u>1,345,594,151</u></b>

**9 USE OF GOODS AND SERVICES**

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	14,930,862	44,568,768
Communication, supplies and services	8,880,680	45,635,889
Domestic travel and subsistence	6,068,295	30,513,286
Foreign travel and subsistence	2,868,300	20,178,203
Printing, advertising and information supplies & services	799,905	9,027,083
Rentals of produced assets	6,611,930	8,980,547
Training expenses	6,344,613	46,953,330
Hospitality supplies and services	5,831,557	16,879,707
Insurance costs	-	1,735,665
Specialised materials and services	6,823,178	121,344,047
Office and general supplies and services	1,702,984	21,257,190
Fuel oil and lubricants	3,042,975	-
Other operating expenses	86,963,516	214,585,957
Routine maintenance – vehicles and other transport equipment	3,120,653	39,278,070
Routine maintenance – other assets	<u>484,027,848</u>	<u>1,186,740,251</u>
<b>Total</b>	<b><u>638,017,296</u></b>	<b><u>1,787,668,217</u></b>

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10 TRANSFERS TO OTHER GOVERNMENT ENTITIES

Description	2014 - 2015 Kshs	2013 - 2014 Kshs
Transfers to National Government entities <i>See attached list</i>	5,911,485,177	87,510,559,540
Transfers to other levels of Government - Counties	-	-
<b>TOTAL</b>	<b><u>5,911,485,177</u></b>	<b><u>87,510,559,540</u></b>

11 OTHER GRANTS

Membership dues and subscriptions to international organizations – <i>See attached list</i>	130,120,757	120,796,110
Scholarships and other educational benefits	-	<u>2,338,910</u>
<b>Total</b>	<b><u>130,120,757</u></b>	<b><u>123,135,020</u></b>

12 SOCIAL SECURITY BENEFITS

Government pension and retirement benefits	-	<u>4,930,400</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>4,930,400</u></b>

13 ACQUISITION OF ASSETS

**Non Financial Assets**

Construction of Buildings	-	11,926,354
Refurbishment of Buildings	-	24,922,502
Construction of Roads	20,000,000	-
Construction and Civil Works	152,133,417,984	11,254,135,320
Overhaul and Refurbishment of Construction and Civil Works	1,300,000,000	725,622,093
Purchase of Vehicles and Other Transport Equipment	600,000,000	-
Overhaul of Vehicles and Other Transport Equipment	426,580	480,000
Purchase of Specialised Plant, Equipment and Machinery	1,395,200	37,018,829
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	240,000
Research, Studies, Project Preparation, Design & Supervision	5,790,727	442,328,154
Rehabilitation of Civil Works	<u>316,812,390</u>	<u>8,017,115</u>
<b>Total</b>	<b><u>154,377,842,881</u></b>	<b><u>12,504,690,367</u></b>

**Ministry of Transport and Infrastructure**  
**State Department of Transport**  
**Reports and Financial Statements**  
**For the Year ended June 30, 2015**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14 A: Bank Accounts**

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit etc.	2014 - 2015 Kshs	2013 - 2014 Kshs
Central Bank of Kenya A/c 1000209968	Recurrent-	408,245	89,028,643
Central Bank of Kenya A/c 1000209879	Development-	3,571,723	669,287
Central Bank of Kenya A/c 1000212551	Deposits-	<u>101,954,205</u>	<u>554,105,839</u>
<b>Total</b>		<b><u>105,934,173</u></b>	<b><u>643,803,769</u></b>

**14 B: CASH IN HAND**

Cash in Hand – Held in domestic currency	286,030	40,571
Cash in Hand – Held in foreign currency	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>286,030</u></b>	<b><u>40,571</u></b>

**Cash in hand should also be analysed as follows:**

Location 1 Recurrent	322.50	35,984.00
Location 2 Development	-	4,587.00
Location 3 Deposit	285,707.00	-
<b>Total</b>	<b>286,029.50</b>	<b>40,571.00</b>

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

15 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS

<i>Description</i>						2014 – 2015 Kshs	2013 – 2014 Kshs
Name of Officer	P/No	Department	Imprest W/No	Amount Issued	Amount Surrendered		
Michael Githinji	199612154 3	Road Transport	1950770/190	40,000	40,000.00		
Michael Githinji	199612154 3	Road Transport	2110062/789	470,000	470,000.00		
Michael Githinji	199612154 3	Road Transport	1969788/1196	33,600	33,600.00		
Michael Githinji	199612154 3	Road Transport	196700/1988	566,000	566,000.00		
Michael Githinji	199612154 3	Road Transport	2257815/2030	138,400	138,400.00		
Michael Githinji	199612154 3	Road Transport	2270733/2443	386,250	386,250.00		
Michael Githinji	199612154 3	Road Transport	2270713/2359/ 1	390,000	390,000.00		
<b>Total</b>						<u>2,024,250</u>	<u>437,965</u>
						<b><u>2,024,250</u></b>	<b><u>437,965</u></b>

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16 ACCOUNTS PAYABLE

	2014 - 2015 Kshs	2013 - 2014 Kshs
Deposits	<u>101,954,206</u>	<u>554,105,839</u>
<b>Total</b>	<b><u>101,954,206</u></b>	<b><u>554,105,839</u></b>

17 FUND BALANCE BROUGHT FORWARD

Bank accounts	643,803,769	1,562,965,256
Cash in hand	40,571	380,124
Accounts Receivables	437,965	2,228,9210
Accounts Payables	<u>(554,105,839)</u>	-
<b>Total</b>	<b><u>90,176,466</u></b>	<b><u>1,585,634,590</u></b>

18 SUSPENSE ACCOUNT

This amount represents payments funded other than through exchequer or other receipts. A review is being carried out to establish the specifics of what receipts should be brought into the books

19 OTHER IMPORTANT DISCLOSURES

19.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2014 - 2015 Kshs	2013 - 2014 Kshs
Construction of buildings		-
Construction of civil works		-
Supply of goods		91,998,283.00
Supply of services		<u>2316880981.85</u>
		<b><u>2,408,879,264.85</u></b>

19.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Others ( <i>specify</i> )	<u>-</u>	<u>-</u>
	<b><u>-</u></b>	<b><u>-</u></b>

19.3: OTHER PENDING PAYABLES (See Annex 3)

	Kshs	Kshs
Amounts due to Various	-	-
	-	-
	-	-

Ministry of transport and infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For The Year ended June 30, 2015

**20 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATION**

Reference No. on the External audit Report	Issue/Observation from Auditor	Management comments	Focal Point person to resolve the issue(Name & Designation)	Status:(Resolved/Not Resolved)	Timeframe:(Put a date when you expect the issue to be resolved)
233(iv)	Unsupported Lapset payments	These payments were paid to Ministries of Interior,Water,Devolution and Kenya Ports Authority	Accounting Officer State Department of Transport	Resolved	Not applicable
236 (iii)	Discrepancy between funds disbursed to Semi-Autonomous Agencies and amount reflected in the agencies financial statements  : Kenya Civil Aviation Authority  Kenya Airports Authority	No discrepancy  Reconciliation between the Agency records and ministry's	Accounting Officer State Department of Transport	Resolved  Resolved	Not applicable



**Ministry of Transport and Infrastructure**  
**State Department of Transport**  
**Reports and Financial Statements**  
**For the Year ended June 30, 2015**

	Kenya Ports Authority	records tallied.			
	Kenya Railways Corporation	The Ministries financial statements were reconciled with Agencies records		Resolved	
	Kenya Ferry Services	The amount quoted by the Auditor was a direct payment to the agency from Investment Secretary Treasury.		Resolved	
		The amount referred to by the Auditor was a transfer from Development Budget and not Recurrent estimates		Resolved	
243	Failure of National Treasury to submit Railway Levy Fund Account	The Ministry maintains the funds Operational Account at CBK through which it pays when invoices are forwarded by the Kenya Railways Corporation  The National Treasury operates the Holding Account in to which all the receipts are credited. It releases funds to the Ministry from this Account to settle the Payments when they are due	The Principal secretary Ministry of Transport and Infrastructure and the Principal Secretary treasury	Not yet Resolved. The Accounting Officer has written to Principal Secretary to forward documents to the Auditors for verification. The Funds Administrator to liaise with the Chairman of Advisory Committee to have Holding and Operation Accounts consolidated.	Immediately the two (2) Principal Secretaries come to a consensus.

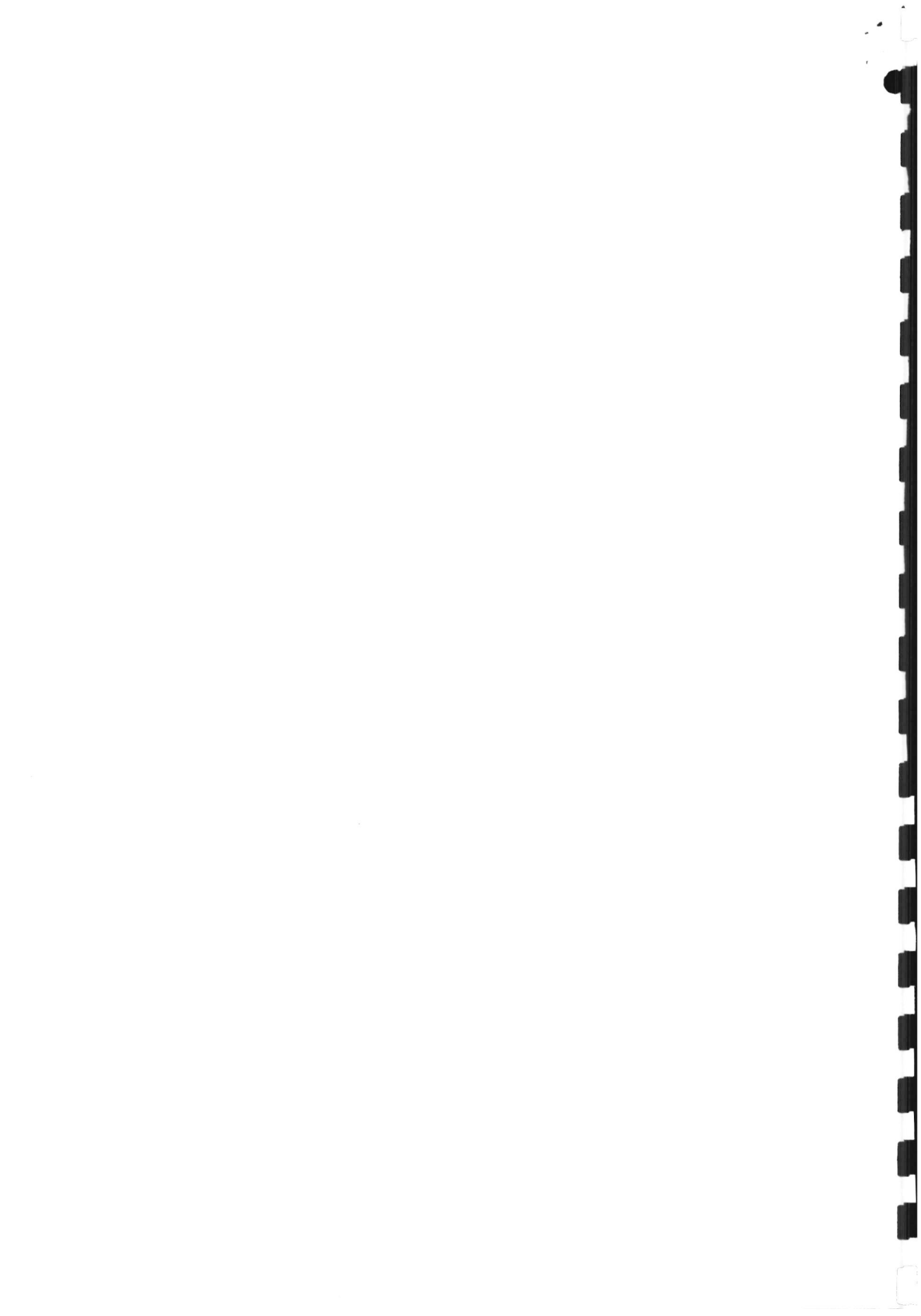
  
**Principal Secretary**

  
**Principal Accountant**

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

---

**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Middle Management</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Unionisable Employees</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

Ministry of Transport and Infrastructure  
 State Department of Transport  
 Reports and Financial Statements  
 For the Year ended June 30, 2015

ANNEX 3 - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2014	Outstanding Balance 2013	Comments
		a	b	c	d=a-c		
<b>Amounts due to National Govt Entities</b>							
1.							
2.							
3.							
	Sub-Total						
<b>Amounts due to County Govt Entities</b>							
4.							
5.							
6.							
	Sub-Total						
<b>Amounts due to Third Parties</b>							
7.							
8.							
9.							
	Sub-Total						
<b>Others (specify)</b>							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						

**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost (Kshs) 2014/14</b>	<b>Historical Cost (Kshs) 2013/13</b>
Land		
Buildings and structures		
Transport equipment		
Office equipment, furniture and fittings		
ICT Equipment, Software and Other ICT Assets		
Other Machinery and Equipment		
Heritage and cultural assets		
Intangible assets		
<b>Total</b>		

Handwritten marks or characters, possibly a signature or initials, located in the center-right area of the page.

**SUMMARY STATEMENT OF PROVISIONINGS**

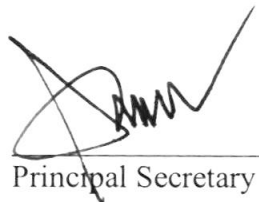
*[The provisioning summary statement is required for entities that have a vote in the National Budget.]*

- Details of General Accounts On Vote

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
GAV Provisioning account balance	7,611,347,585	47,851,504,263
<b>Total</b>	<b>7,611,347,585</b>	<b>47,851,504,263</b>

- Details of Exchequer Provisioning

	<b>2014 - 2015</b>	<b>2013 - 2014</b>
	<b>Kshs</b>	<b>Kshs</b>
Exchequer Provisioning balance	7,611,347,585	47,851,504,263
<b>Total</b>	<b>7,611,347,585</b>	<b>47,851,504,263</b>

  
Principal Secretary

  
Principal Accounts Controller

