

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA NATIONAL BUREAU OF STATISTICS**

**FOR THE YEAR ENDED  
30 JUNE, 2023**



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# **KENYA NATIONAL BUREAU OF STATISTICS**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023**

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



**Kenya National Bureau of Statistics  
Annual Reports and Financial Statements  
For the year ended June 30, 2023**

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## **1. Acronyms, Abbreviations and Glossary of Terms**

### **A: Acronyms and Abbreviations**

AfDB	-	African Development Bank
A-I-A	-	Appropriations in Aid
COMESA	-	Common Market for Eastern and Southern Africa
DfID	-	Department for International Development
DG	-	Director General
EAC	-	East African Community
EU	-	European Union
FAO	-	Food and Agriculture Organization
FDR	-	Fixed Deposit Receipts
FY	-	Financial Year
GOK	-	Government of Kenya
ICT	-	Information Communication Technology
IDA	-	International Development Agency
ILO	-	International Labour Organisation
IPSAS	-	International Public Sector Accounting Standards
KCB	-	Kenya Commercial Bank
KCHSP	-	Kenya Continuous Household Survey Programme
KDHS	-	Kenya Demographic Health Survey
KENINFO	-	Kenya Information
KIHBS	-	Kenya Integrated Household Budget Survey
KMIS	-	Kenya Malaria Indicator Survey
KNBS	-	Kenya National Bureau of Statistics
KPHC	-	Kenya Population and Housing Census, 2019
MEWGC	-	Making Every Woman and Girl Count
NIPFN	-	National Information Platform for Food and Nutrition
NSS	-	National Statistical System
NSSF	-	National Social Security Fund
PPRA	-	Public Procurement Regulatory Authority
SCB	-	Statistical Capacity Building
SIDA	-	Swedish International Development Cooperation Agency
UNDP	-	United Nations Development Programme
UNFPA	-	United Nations Population Fund
UNICEF	-	United Nations Children's Fund
USAID	-	United States Agency for International Development

### **B. Glossary of Terms**

**Fiduciary Management**- Members of Management directly entrusted with the responsibility of financial resources of the organisation

**Comparative Year**- Means the prior period.

## **2. Key Bureau Information and Management**

### **(a) Background information**

Kenya National Bureau of Statistics (KNBS) is a Government Agency established by the Statistics Act, 2006 (as amended in 2019) as the principal agency for collecting, compiling, analysing, publishing and disseminating statistical information needed for planning and policy formulation. KNBS is also responsible for coordination of the National Statistical System (NSS) in the country.

### **(b) Principal activities**

The Bureau is the principal agency of the Government for collecting, analysing and disseminating statistical data in Kenya and is the custodian of official statistical information. Specifically, the Bureau is mandated with:

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

### **Vision**

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

### **Mission**

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

### **Core Values**

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

### **Strategic Themes / Key Result Area (KRAs)**

To effectively realise its mandate, the Bureau has identified five areas of focus / key result areas namely;

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

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

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

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

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

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

- |   |                     |
|---|---------------------|
| i. Director General                       | Macdonald G. Obudho |
| ii. Corporate Services                    | Ann Mburu           |
| iii. Production Statistics                | Robert Nderitu      |
| iv. Macro Economics Statistics            | Collins Omondi      |
| v. Population & Social Statistics         | Abdikadir A. Awes   |
| vi. Statistical Co-ordination and Methods | Benjamin Avusevwa   |
| vii. Head of Procurement                  | Charles Muinde      |

**(e) Fiduciary Oversight Arrangements:**

**Board Committees and their functions**

The Board approved the delegation of certain authority to Board Committees where applicable, as well as to the management. The Board established three committees as guided by Mwongozo Code of Conduct for State Corporations.

The three Committees set by the Board to cover key fiduciary oversight are:

- i. Finance and Administration Committee activities
- ii. Audit and Risk Management Committee activities
- iii. Technical Committee activities

**i. Finance & Administration Committee Functions**

1. Review the Bureaus' annual budget before submission and after approval by the Treasury;
2. Review quarterly Financial Monitoring Reports (FMR);
3. Review periodic operational budgets and financial statements;
4. Monitor the continuing efficacy of accounting and internal control;
5. Compliance with the Government financial management regulations;
6. Monitoring the performance of key finance and accounts staff against approved performance contracts;
7. Review the annual procurement plans including those of external funded projects;
8. Monitoring and appraise the performance of senior management, review of all human resource policies, determining the remuneration of senior management and other staff.

**ii. Audit & Risk Management Committee Functions**

1. Obtain assurance from Management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
2. Provide an independent review of the Bureau reporting functions to ensure the integrity of financial reports.
3. Monitor the effectiveness of the Bureau performance management and performance information.
4. Provide strong and effective oversight of the Bureau's Internal Audit function.
5. Provide effective liaison and facilitate communication between Management and external audit.
6. Provide oversight of the implementation of accepted audit recommendations.
7. Ensure the Bureau effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behavior.

**iii. Technical Committee Functions**

1. To review and approve the Bureau's annual work-plan to ensure that it is in line with the Strategic Plan



2. To review requests from Agencies other than the Bureau who intend to undertake a census or survey at national sub-regional and local level;
3. Reviewing policies on the standardization of methodology and standards for data collection, reporting and dissemination;
4. Review the Quarterly reports on the activities of the Bureau,
5. Review collaboration activities and partnerships with other agents.

**(f) Entity Headquarters**

Real Towers,  
Hospital Hill Road,  
P.O Box 30266 – 00100,  
NAIROBI

**(g) Entity Contacts**

Telephone:(254) 3317586 / 8  
020 2911000, 0202911001  
E-mail: [directorgeneral@knbs.or.ke](mailto:directorgeneral@knbs.or.ke)  
Website: [www.knbs.or.ke](http://www.knbs.or.ke)  
Twitter Handle: [@KNBStats](https://twitter.com/KNBStats),  
Facebook: "Kenya Stats" [@bureauofstatistics](https://www.facebook.com/bureauofstatistics)

**(h) Entity Bankers**

Kenya Commercial Bank Limited,  
Moi Avenue Branch,  
P.O. Box 30081 – 00100,  
NAIROBI.

**(i) Independent Auditors**

Auditor General  
Office of the Auditor-General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

**(j) Principal Legal Adviser**

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

**3. The Board of Directors**


Ref	Directors	Details
1.	 <p><b>Mr Stephen Wainaina,</b> <b>MBS</b></p> <p><b>(Appointed Board Chairman on 6<sup>th</sup> October 2021)</b></p>	<p>Mr Stephen Wainaina, MBS, is an Economic Policy specialist, with strong background in statistics and Public Policy Formulation, analysis and implementation. He possesses wide experience in Strategic Policy Formulation, Implementation and Monitoring, especially in the area of Development Planning.</p> <p>Since January, 2015, Mr Wainaina has been working full-time as Development and Public Policy Consultant. He served as a Director in the Partnership for Economic Policy (PEP) Board in the period 2013 - 2016.</p> <p>Mr Wainaina holds an MA Degree in Development Economics, which he attained at the Center for Development Economics, Williams College, Massachusetts, USA in 1985. For his undergraduate studies, he attended the University of Nairobi, Kenya, and was awarded a BA Honours degree in Economics in 1981.</p> <p>In addition, he has also undertaken other Courses, Benchmarking Tours and Visits, Conferences and Seminars in the fields of Economic Development, Research and Management.</p> <p>Mr Wainaina served for over 33 years in the Public Service rising to the Position of Economic Planning Secretary in the State Department for Planning a position he held for nearly 10 years. In between his 33 years in public service, he took official leave from Government Service and Served in two UN Agencies, namely UNCHS (Habitat) and UNCTAD, as regular staff member and as a Consultant.</p> <p>In 2008, Mr Wainaina was honored with the Award of the Moran of the Order of the Burning Spear (MBS) by the President of the Republic of Kenya for his exemplary Services in the Public Sector.</p> <p>His most recent engagements in Consulting include assignments with: SIDA, USAID</p>

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

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Ref	Directors	Details
		<p>Over the years, Mrs. Muoki has served on several boards. These include, the pioneer boards of the National Commission for Gender and Development; Women Enterprise Fund Advisory Board; Uwezo Fund Oversight Board; Anti-Female Genital Mutilation Board and Affirmative Action Social Development Fund Board. She has also sat on the National Commission for Science and Technology and the Lake Basin Development Authority Board.</p> <p>Mrs. Muoki is the recipient of two (2) State Awards; Head of State Commendation (HSC) in 2013 and Order of the Grand Warrior (OGW) in 2016</p>
3.	 <p><b>Mr. Samuel Wambugu</b></p>	<p>Mr. Samuel Wambugu (born in 1969) is the alternate Director to the Principal Secretary, The National Treasury. He is a Director, Planning at The National Treasury and Economic Planning.</p> <p>Apart from being a Board Member of KNBS, he also represents the CS, National Treasury and Economic Planning at Jomo Kenyatta Foundation (JKF) Board of Directors.</p> <p>He holds an M.A in Economic Policy Management degree from Makerere University, Uganda and B.A in Economics from University of Nairobi. Besides the above, he has attended Strategic Leadership Development Programme (SLDP) at Kenya School of Government and several courses in Financial and Strategic Management, Leadership and Policy Formulation locally and abroad, and has also undertaken a training on Corporate Governance under Mwongozo facilitated ICS and SCAC.</p>

Ref	Directors	Details
4.	 <p><b>Mr. Japh Okoth Olende</b>  <b>(Retired on 15<sup>th</sup> October 2022)</b></p>	<p>Japh has been a Senior Business Consultant since the beginning of 2016 after his tenure at AIG Insurance Company spanning over 36 years. At AIG, he was the Chief Executive in charge of East Africa Region for over 19 years. He has considerable international working experience having worked briefly in the US and Europe.</p> <p>During his tenure at AIG he acquired extensive experience in all technical aspects of the business, having worked in all departments including Finance, Claims, Underwriting and Distribution. He was part of the AIG Africa Executive Committee which was charged with the responsibility of developing and implementing key business strategies for the Africa Zone including expansion of the brand in East, West and Southern Africa</p> <p>Japh played leading roles in the insurance industry including serving in various industry related committees, leading to being honoured with a Life Time Achievement award for outstanding role in developing the insurance industry in the region.</p> <p>Japh has played leadership roles in the past as: President of American Chamber of Commerce Kenya Chapter and Director General of the Insurance Institute of Kenya. He has been a director of a number of institutions &amp; organization including, Retirement Benefits Authority; KEPISA; AIG Kenya; AIG Uganda and Muthaiga Golf Club.</p> <p>He has presented papers at a number of international conferences including Brookings Institute in Washington DC and Chatham House in London,</p> <p>Japh is a graduate of the University of Nairobi and is a Chartered Insurer of CII London as well as a Member of the Institute of Directors and Certified Trustee.</p>

Ref	Directors	Details
5.	 <p data-bbox="240 779 536 815"><b>Molu Koropu Tepo</b></p>	<p data-bbox="694 241 1396 394">Molu Tepo is a community development specialist with practical experience of working with pastoralists, agro-pastoralists and grassroots communities.</p> <p data-bbox="694 439 1396 949">He has professional interest in strengthening the capacities of the community institutions to cushion themselves against hazards facing them from time to time; drought, floods, Resource Based Conflicts, Human and Livestock Diseases, Desert Locust. The disasters resulting from the hazards have become frequent partly due to the negative impact of Climate Change. He has worked as a facilitator, community development practitioner, and project/programme manager for non-profit organizations in Kenya.</p> <p data-bbox="694 994 1396 1379">He is currently the Executive Director at Merti Integrated Development Programme (MID-P). He is Secretary to the Board of Directors (BOD) and executing the decisions of BOD. MID-P is a local NGO working in Isiolo County with focus on; Sustainable Natural Resource Management, Sustainable Livelihoods, local Governance and Youth Education and Empowerment. He convenes Isiolo County Civil Society Network.</p> <p data-bbox="694 1424 1396 1774">He has provided voluntary services to different community institutions. He was a member of the Board of Governors of schools. He was a member of the Board of Commissioners of Kenya Meat Commission. He is currently the Chairperson of the Isiolo County Education Board (CEB). The CEB is mandated by The Basic Education Act to manage education in a County.</p> <p data-bbox="694 1818 1396 2087">Molu previously worked with the Teachers Service Commission, Garba Tula Development Organization, Minority Rights Group International (MRG) as a Project Consultant for EU funded Governance Project, Catholic Organisation for Relief and Development Aid (Cordaid) as Project Manager. He is currently</p>


Ref	Directors	Details
		<p>a Master candidate, Kampala International University. He holds a Bachelor of Education degree from Egerton University.</p>
6.	<div data-bbox="225 398 580 801" data-label="Image"> </div> <p data-bbox="210 853 555 931"><b>Mr. Francis M Nkako,</b> OGW, HSC, “ndc” (k)</p>	<p data-bbox="663 405 1380 837">Francis M Nkako is a graduate of the National Defence College-Kenya, holder of MSc (EIA) from the University of Wales-UK and BSc from the University of Nairobi-Kenya. He has attended several short courses, including on corporate governance, security and natural resource management. He is registered as a Lead Expert in EIA for purposes of carrying out environmental assessments and audits in Kenya by the National Environment Management Authority (NEMA).</p> <p data-bbox="663 880 1380 1272">Francis has over 30 years’ experience mainly in the Environmental Management; Rural Development, Integrated Development, other Conservation and Natural Resources Management, Wildlife/Forests/ Water Towers Management (policy, legal, security and enforcement aspects), Tourism; protected area (Parks and Reserves) Management and Human-wildlife Conflicts and Institutional Management.</p> <p data-bbox="663 1314 1380 1706">He has successfully worked with projects funded by World Bank Tana GEF, USAID, WWF Traffic (illegal trade) EWALS/KFWG/UNEP WWF, British Army, the Royal Netherlands Embassy (Tana Delta), JICA. He has interacted and collaborated with various development partners, government departments, and local communities, NGOs, policy makers, CBOs and other various stakeholders.</p> <p data-bbox="663 1749 1380 2063">He has gained significant experience in River Basin Management and Integrated Development through the Tana Delta Projects, Tana River Basin through the Tana GEF projects, Integrated River Basin Development as the Managing Director -ENSDA e.g. Mara River Basin with WWF, Ewaso Ngiro River basin, Lake Naivasha, Nakuru, among others.</p>


Ref	Directors	Details
		<p>He has experience in policy, organizational development; participatory methodologies to development as well as rights and community based approaches to development. He has extensive experience managing and working on projects related to community development, natural resource management and pro-poor development strategies.</p> <p>He is also a Consultant on policy, environment, NRM and development, having undertaken several consultancies over the years. Some of the clients include WWF (Policy review USAID funded Mara River Basin project) for EAC/LVBC, Tetra Tech/ARD USA (on regional Proposal Research: East Africa - Planning for Resilience in East Africa through Policy, Adaptation, Research and Economic Development (PREPARED) for EAC/LVBC, and FAO on policy review GIAHS (Globally Important Agricultural Heritage Systems) implemented by National Museums of Kenya, private sector among others.</p>
7.	 <p><b>Prof. Richard Oduor Okoth</b></p>	<p>Richard has considerable experience in the field of Biotechnology, and brings to the Board extensive expertise in research and bio-statistics. His active research focuses on using modern biotechnologies including genetic engineering to improve local staple food crops such as maize, sweet potato, cassava and sorghum against diseases, drought, aflatoxin, and Striga. He holds a patent on a stress-inducible promoter with the World Intellectual Property Organization and Chairs the Kenya University Biotechnology Consortium; a professional body that brings together experts in Biotechnology from public and private universities to promote safe use and application of modern biotechnology in Kenya. In 2017, Richard was among the 52 African Scientists celebrated by the South African Department of Science and Technology for their outstanding contributions in advancing research in the continent.</p>



Ref	Directors	Details
		<p>Richard has won several research grants, supervised several graduate students and published widely in the discipline. Currently he serves as an Associate Professor and Head of Plant Transformation Laboratory in the department of Biochemistry, Microbiology and Biotechnology at Kenyatta University, Nairobi, Kenya. Richard holds a PhD in Molecular and Cell Biology from University of Cape Town, an MSc (Biotechnology) and BSc (Biochemistry) both from Kenyatta University, Kenya. In addition, Richard has a postdoctoral training, in drug discovery from Pfizer, UK.</p> <p>He also holds an Executive Master's of Science in Management and Organizational Development from United States International University, Africa; a Graduate Diploma in Forensic Sciences from Blackford Institute, UK and a Certificate in Science communication from University of Cape Town. He is currently an Honorary Visiting Fellow of the University of Leicester.</p>
8.	 <p><b>Dr. Mohamed A. Sheikh</b></p>	<p>Dr. Mohamed A. Sheikh is the Director General for the National Council for Population and Development (NCPD), a Semi-Autonomous Government Agency under The National Treasury and Planning. He previously served as the Head of Family Health Department, Ministry of Health Kenya. He is a Medical Doctor and hold a master degree in International Public Health and a second Master in Maternal and Child health.</p> <p>A seasoned civil servant, Dr Sheikh, has served with excellence having had over sixteen years of experience in senior level health management systems and leadership. As the head of the department of family health, he oversaw the coordination and development of policies, strategies, guidelines and capacity building in Reproductive, Maternal, new-born, adolescent health and nutrition in the country.</p> <p>Dr. Sheikh is credited for the introduction of innovative interventions including the breast</p>



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Ref	Directors	Details
		<p>milk bank being piloted in Kenya, use of chlorohexidine for cord care, introduction of amoxicillin DT for treatment of pneumonia in children and introduction of new vaccines. These great ideas have greatly contributed to reduction in maternal and child morbidity and mortality in Kenya.</p> <p>While serving as the provincial director of medical services, North Eastern Province of Kenya, he contributed immensely to the improvement of maternal and child health indicators through introduction of innovative programmes within the region. Dr. Sheikh serves as board director of the Anti- Female Genital Mutilation (FGM) in Kenya, He is also an advisor of a multi donor trust fund for GFF.</p>
9.	 <p><b>Dr. Macdonald G. Obudho,</b>  <b>PhD, EBS, MBS</b>  <b>Director General</b></p>	<p>Dr. Macdonald George Obudho has worked in Kenya National Bureau of Statistics since 1995 to date. He holds a Bachelor of Science degree in Mathematics and Computer Science (Second class honours - Upper Division), a Master of Science degree in Statistics and PhD in Applied Statistics, all from Jomo Kenyatta University of Agriculture and Technology.</p> <p>He has vast experience in conducting population and housing census, designing and carrying out sample surveys and compilation of official statistics. From the statistical background, he has experience in cartographic work, designing different types of statistical household sampling frames and maintenance of the same. He has been in management for 17 years that brings about both administrative and technical experience. He has coordinated the writing of very many reports like census monographs, demographic and health surveys and Multiple Indicator Cluster Surveys.</p> <p>He has a number of certificates under his name that arise from short courses, workshops and seminars attended both locally and internationally. Some of them are on censuses, post census enumeration surveys, Statistical Designs and Development, Sampling and</p>


Ref	Directors	Details
		<p>weighting of data, Strategic Leadership Development Programme, Risk Management, Quality Management System, among many others. He is a registered statistician under the Kenya National Statistics Society.</p> <p>He has been honoured by the Head of State and awarded the Moran of the Order of the Burning Spear (2019) and the Elder of the Order of the Burning Spear (2013) for his exemplary service to the Republic of Kenya.</p> <p>Dr. Macdonald serves as a Board Director of Tourism Research Institute, Hazina SACCO, among other boards.</p>
10.	 <p><b>Mr. Josiah Morara Omosa</b></p>	<p>Josiah is an alumni of the University of Nairobi having earned a Masters of Law Degree in 2013. He also earned a Diploma in Legal Practice from the Kenya School of Law in 1998 and a Bachelor of Law Degree (2nd Class Honors, Upper Division) from the University of Nairobi in 1997. He is a registered Certified Public Secretary of Kenya, a member of the Institute of Certified Public Secretaries of Kenya (ICPSK) Member No.R/CPSB/2214 and the Law Society of Kenya (LSK) and an Advocate of the High Court of Kenya, a Commissioner for Oaths and a Notary Public.</p> <p>He has been an advocate of the High Court for the past 20 years (10 of which he has been the Legal Manager and later promoted to be a Corporation Secretary at the Bureau). He is a lawyer, with a wide spanning career in law and corporate governance. He has been responsible for driving the corporate governance agenda in the Bureau, providing guidance and support to the Board. Further, he has considerable experience in Commercial and Public Procurement Law having represented the Bureau before the Public Procurement Board and the Constitutional and Judicial Review Divisions of the High Court.</p>

**4. Key Management Team**


Ref	Management	Details
1.	 <p><b>Dr. Macdonald G. Obudho,</b>  <b>PhD, EBS, MBS</b>  <b>Director General</b></p>	<p>Dr. Macdonald George Obudho has worked in Kenya National Bureau of Statistics since 1995 to date. He holds a Bachelor of Science degree in Mathematics and Computer Science (Second class honours - Upper Division), a Master of Science degree in Statistics and PhD in Applied Statistics, all from Jomo Kenyatta University of Agriculture and Technology.</p> <p>He has vast experience in conducting population and housing census, designing and carrying out sample surveys and compilation of official statistics. From the statistical background, he has experience in cartographic work, designing different types of statistical household sampling frames and maintenance of the same. He has been in management for 17 years that brings about both administrative and technical experience. He has coordinated the writing of very many reports like census monographs, demographic and health surveys and Multiple Indicator Cluster Surveys.</p> <p>He has a number of certificates under his name that arise from short courses, workshops and seminars attended both locally and internationally. Some of them are on censuses, post census enumeration surveys, Statistical Designs and Development, Sampling and weighting of data, Strategic Leadership Development Programme, Risk Management, Quality Management System, among many others. He is a registered statistician under the Kenya National Statistics Society.</p> <p>He has been honoured by the Head of State and awarded the Moran of the Order of the Burning Spear (2019) and the Elder of the Order of the Burning Spear (2013) for his exemplary service to the Republic of Kenya.</p> <p>Dr. Macdonald serves as a Board Director of Tourism Research Institute, Hazina SACCO, among other boards.</p>

Ref	Management	Details
2.	 <p><b>Robert Nderitu, OGW</b> <b>Director, Production Statistics</b></p>	<p>Robert Nderitu is a statistician by profession and holds a Master of Science Degree (Statistics) from Kenyatta University. He has more than twenty (20) years' experience in the field of Statistics and through appropriate training and experience both locally and internationally, has been undertaking duties related to production and management of Statistics.</p> <p>Robert has technical expertise that includes; preparing concept papers and proposals; providing economic planning, analytical, statistical, demographic and other related services; designing and maintaining of business register and sampling frames; designing data collection instruments; designing surveys and censuses; collecting and analyzing statistics on various thematic areas; monitoring living conditions by collecting, compiling and disseminating data on Consumer Price Indices (CPI) as well as income and expenditure levels; and compiling other development Indexes including Human Development Indexes.</p> <p>He is the Director in charge of Production Statistics Directorate whose mandate involves collection, analysis, generation and dissemination of statistics in the areas of Labour, Prices, Industrial, Agriculture and Livestock, Environment and Nutrition statistics. He is also a qualified quality management system internal auditor and currently heads a team of champions, implementing the ISO 9001:2015 Quality Management System in the Bureau.</p>
3.	 <p><b>Collins Omondi, OGW</b> <b>Director, Macro Economic Statistics</b></p>	<p>Mr Collins Omondi has a vast experience in Statistics, Economics and Data Management Skills drawn from over 19 years of work experience with the statistics Institution. He holds Master of Arts in Economics (University of Nairobi) and Bachelor of Science in Statistics (University of Nairobi). He has attended and participated in various Macroeconomics statistics related forums both locally and internationally.</p> <p>He heads Macroeconomics Statistics Directorate that is responsible for coordination, collection, analyses, generation and dissemination of</p>

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

Ref	Management	Details
		<p>of Macroeconomic Statistics with expertise in External Sector Statistics. He has also extensive experience of business survey methodology and contributed to the development of the <i>UN International Merchandise Trade statistics: Concepts and definitions 2010</i>.</p> <p>In the past, he has represented the KNBS on several technical groups and committees. Internationally, he has worked closely with the International Monetary Fund (IMF), Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) on development and use of statistical frameworks and methodologies. He has complemented his KNBS experience with being a member of EAC High-level Task Force for the development of East African Monetary Union protocol, member of Kenya delegation in the negotiation of EAC Common Market protocol, and Kenya delegation team leader in the development of the bill for establishment of East African Statistics Bureau.</p> <p>Avusevwa is a statistician by profession having obtained a Master of Science degree in Statistics from the University of Nairobi in 2005 and a Bachelor of Science degree in Statistics and Computer Studies from Kenyatta University in 1994. He is also a holder of a certificate in computer network engineering from Okinawa International Centre under Japan International Cooperation in 2001. He is an accredited statistician with Kenya National Statistics Society.</p>
6.	 <p><b>Mr. Abdulkadir Amin Awes</b>  <b>Director, Population and Social Statistics</b></p>	<p>Mr Abdulkadir Amin Awes holds a Master of Arts degree in Economic Policy Management (EPM) from Makerere University of Kampala (MUK), Master of Science in Population Studies from University of Nairobi, Bachelor of Arts (Second Class Honors, Upper Division) from University of Nairobi and Diploma on Decentralized Planning for Rural Development from National Institute of Rural Development, Hyderabad (India). He has over 29 years' experience in public service in the areas of Statistics, Economic planning, HIV/AIDs, monitoring and evaluation.</p>

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



## **5. Chairman's Statement**

It is with great pleasure that I present to you the Financial Statements for the Bureau for the financial year ended 30th June 2023. This is an opportunity to report on the activities and performance of the Bureau.

As I reflect on the past year, I am proud of the resilience the Bureau showed in the face of severe hardship and our ability to adapt to operating within a Covid-19 context, including embracing hybrid working models and implementing a successful statistical programme. It was against that backdrop that we started the FY2022/2023 with optimism and encouraged to build on those gains, with the aim of continuously improving the Bureau's performance. We remained cautiously optimistic and focused on the factors within our control; ensuring that our statistical reports met the needs of users.

With this backdrop, I am proud of the progress the Bureau has made, as evidenced by the Director General's report of the activities implemented. I believe that this yet again is testament to our prudent management, team work, a strong committed Board and staff.

The Bureau remains engaged with its corporate mandate and values driven ethos and this is reflected in our stated plans to produce reliable data and timely statistical reports. I am therefore pleased that this year, the Bureau has further committed to developing an approach to the use of technology in data collection placing renewed impetus on accuracy. Recognizing the complexities and shifting data demands involved, we are taking an ambitious but measured and holistic approach towards the sustainability journey. We believe this will enable us to better respond to the opportunities and challenges that we face in our strategy. We aim to lead by example in our own operations, but will also work closely with our stakeholders.

Whilst as we continue to operate in an environment riddled with external shocks on a global scale, I believe the resilience of the Bureau lies in its ability to not only traverse adverse conditions but to adapt and succeed. I am confident in the Bureau's ability to continue adapting to the changing data needs, as it has successfully done over its 18 years of rich history and deliver sustainable stakeholder value in line with our purpose and vision.

The Bureau is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. The Board of Directors is ultimately accountable for the performance of the Bureau, appreciating that strategy, risk, performance and sustainability are inseparable. We further believe that the Board's current members possess the requisite collective skills, experience and diversity to carry out its responsibilities to achieve the Bureau's objectives and create sustainable stakeholder value over the long term.

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We continue to thank our stakeholders for their confidence, and thank all our employees, the Government and development partners and collaborators for their continued support. Our staff have shown incredible commitment and dedication during these tumultuous times and have made many sacrifices, for which we are truly grateful.



**Stephen Wainaina, MBS**  
**BOARD CHAIRMAN**

## **6. Report of The Director General**

According to the Statistics Act, 2006 (as amended in 2019), Kenya National Bureau of Statistics (KNBS) is the principal agency of the national government for the collection, compilation, analysis and dissemination of official statistics for planning, policy making and monitoring and evaluation. It is also mandated to ensure use of best standards and methods in the production of statistics across the National Statistical System (NSS). This annual financial report, therefore, highlights achievements made by the Bureau during the period under review.

### **Production of 2019 Census Monographs**

All the monographs have been finalized and released.

### **Implementation of the 2022 Kenya Demographic and Health Survey**

Demographic and Health Surveys (DHS) are a standardized series of national-level surveys focusing on socio-demographic, health, and nutrition indicators conducted after every five years in countries across the World. The 2022 Kenya Demographic and Health Survey (KDHS) is the seventh in a series of such surveys to be conducted in Kenya. KNBS has been spearheading the implementation of KDHS since 2003 after every five years.

Implementation of post data collection activities for the 2022 KDHS were implemented during the review period. This included: secondary data editing, data analysis, report writing, launch of the Key Indicators Report and finalization of the main report. The generated indicators will specifically be useful in; monitoring the achievements of the SDGs, AU Agenda 2063, Vision 2030; Providing key demographic and health indicators for use by the National and County Governments; Providing the information needed by policy makers, planners and programme managers in redesigning strategies and activities with the aim of improving on the quality of health and lives for Kenyans.

### **Implementation of Making Every Woman and Girl Count (MEWGC) Programme**

The Bureau, with support from UN Women, is implementing the programme “Making Every Woman and Girl Count: Supporting the Monitoring and Implementation of the SDGs through Better Production and use of Gender Statistics”. The Programme was operationalized through a Letter of Agreement (LOA) between the KNBS and the UN Women in 2018. Further, the implementation of the MEWGC programme was extended for Phase 2 through a Grant Agreement (GA) worth KSh. 43,930,934, signed by The National Treasury and UN Women. The implementation of the MEWGC programme activities under this GA was scheduled to run from December 2021 to December 2022, but was extended to 28th February, 2023.

The programme provides a framework for relevant actors at the national, regional and global levels to work together to ensure that gender statistics are available, accessible and used to inform policymaking, advocacy and accountability for delivering gender equality and women’s empowerment. The Women Count

programme provides for several initiatives and activities to strengthen the policy space, legal and financial environment to produce gender statistics at the national level. The programme activities for FY 2022/23 were implemented quarterly.

During the financial year, the following activities were implemented:

- i. Quarterly Inter-Agency Gender Statistics Technical Committee (IAGSTC) meetings.
- ii. 2021 Kenya Time Use Survey (KTUS) and related activities were undertaken:
  - a. Peer Review and Finalization of the 2021 KTUS Report.
  - b. Provision of technical support to the University of Nairobi to undertake further analysis of the 2021 Kenya Time Use Survey Data.
  - c. Capacity building on the creation of a Household Satellite Account (HSA) for valuation of unpaid domestic and care work
  - d. Provision of technical support to the State Department for Gender and Affirmative Action (SDfGAA) to undertake the National Care Needs Assessment.
- iii. Peer Review and Finalization of the Inequality Analysis Study.
- iv. Provided technical support to undertake 2022 KDHS and publication of the Key Indicator Report and Main Report including reviewing the visualization portal.
- v. Undertook training of 2 Officers from the KNBS Gender Unit on Results Based Management (RBM).

#### **Economic Survey Report**

The Economic survey report presents an appraisal of the performance of all the sectors of the economy during the reporting period. The information in the Economic Survey report specifically provide benchmark statistics for informing planning, policy formulation and budgeting processes. In addition, the statistics are useful for monitoring the nation's achievements and agreed targets such as those contained in the Vision 2030 and the Sustainable Development Goals (SDGs). The 2023 economic survey report was prepared and disseminated during the period.

#### **Statistical Abstract Report**

The Statistical Abstract report presents an appraisal of the performance of all the sectors of the economy during the reporting period. The information in the Statistical Abstract report specifically provide benchmark statistics for informing planning, policy formulation and budgeting processes. The report was prepared and disseminated during the period.

#### **Monthly and Quarterly Socio-Economic Reports:**

The following reports were prepared and disseminated during the period:

- a. Quarterly Gross Domestic Product (QGDP) Release
- b. Quarterly Balance of Payments report
- c. Quarterly Labour Force report
- d. Quarterly Producer Price Indices (PPI)

- e. Construction Input Price Indices (CIP I)
- f. Monthly Consumer Price Index
- g. Monthly Leading Economic Indicators report

### **Quality Management System**

During the period under review, the Bureau continued to implement and maintain its Quality Management System (QMS) based on ISO 9001:2015 Standard. Internal audits were conducted to assess the implementation status thus ensuring that the Bureau maintained the QMS as per the requirements of the Standard. In addition, a surveillance audit was conducted by external auditors who recommended KNBS for continued certification to ISO 9001:2015 Standard.

### **Performance Contracting for FY 2022-2023**

The Bureau implemented the agreed targets as per the vetted 2022-2023 Performance Contract. Four quarterly progress reports were prepared and submitted online using the PC Quarterly reporting module in the Government Performance Contracting Information System (GPCIS) as guided by 19<sup>th</sup> Cycle Performance Guidelines. A performance evaluation was conducted by officers drawn from the Public Service Performance Management and Monitoring Unit and KNBS obtained a Composite score of 2.9032.

My sincere appreciation goes to the Board, entire staff and our development partners who have been of great help in the development of statistics not only at the Bureau but in the Counties as well. Particular gratitude goes to AfDB, Statistics Sweden through SIDA, UNICEF, UNDP, UNFPA UN Women and World Bank, WHO, UNAIDS, Clinton Health Access Initiative, Office of the National Statistics (ONS) UK, and the Italian Government for both financial and technical support that facilitated the Bureau in conducting key surveys to bridge some of the existing data gaps.

The Bureau greatly recognises and appreciates the invaluable support and feedback by our data producers, suppliers and users that enabled the institution achieve its mandate.



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

**7. Statement of Performance against Predetermined Objectives for FY 2022/2023**

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

**Theme 1:** Production of quality statistics;

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

**Theme 3:** Capacity Building;

**Theme 4:** Financial resource mobilization and management; and

**Theme 5:** Corporate Image.

The Bureau develops its annual work plans based on the above themes. Assessment of the Bureau’s performance against its annual work plan is done on a quarterly basis. The Bureau achieved its performance targets set for the 2022/2023 period for its five strategic themes, as indicated in the diagram below:

<b>Strategic Theme</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Theme 1:</b> Production of quality statistics	To produce quality statistics that meet user requirements	1.2019 KPHC Analytical Reports  2.2023 Economic Survey report and Statistical Abstract Report  3.2022 Kenya Demographic and Health Survey  4.Kenya Household Master Sample Frame (K-HMSF)	1. Produced 2019 KPHC Analytical Reports in order to generate indicators in various thematic areas.  2.2023 Economic Survey and Statistical Abstract reports  3.Conducted 2022 Kenya Demographic and Health Survey  4.Development of the Kenya Household Master Sample Frame (K-HMSF) Phase	1.Four (4) Analytical Reports based on 2019 Kenya Population and Household Census (KPHC) produced and disseminated  2.Produced and disseminated 2023 Economic Survey and Statistical Abstract 2022 Reports  3.A report on Demographic and Health indicators was produced and disseminated  4. A total of 4,240 clusters developed

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<b>Strategic Theme</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Theme 2:</b> Coordination of the National Statistical System (NSS);	To establish a well-coordinated National Statistical System	Kenya Statistical Code of Practice (KeSCOP)	Development of KeSCOP	KeSCOP developed awaiting launching
<b>Theme 3:</b> Capacity Building	To build adequate capacity to provide quality, efficient and effective services	Trained Staff	Strengthen internal skills and expertise through training.	Undertook trainings in collaboration with various stakeholders, including MDAs, and development partners, such as IMF, Statistics Sweden, UN Agencies and ONS-UK.
<b>Theme 4:</b> Financial resource mobilization and management	To increase the financial base for the Bureau.	Amount of resources mobilized	Enhancing collaborations and partnerships with various stakeholders.	Financing agreements with The World Bank for EARPfR. and several MoUs were also signed.
<b>Theme 5:</b> Enhance Corporate Image	To have a highly recognized and reputable statistical institution.	Communication Strategy and implemented	To Develop and implement a Communication Strategy	A Communication Strategy was developed and is being implemented

## **8. Corporate Governance Statement**

The Bureau embraces corporate governance through the creation of the right corporate culture and values. The Members of the Board and the management possess a range of requisite skills, qualifications and experience to manage the Bureau.

The corporate governance arrangements for the Bureau are set by the Board having regard to the Corporate Governance Principles and Recommendations, corporate best practice and the best interests of all stakeholders. The Bureau is committed to adopting best practice in corporate governance where these practices are appropriate and add value.

### **8.1 Board Charter**

The Board has put in place a Board Charter that details the functions and responsibilities of the Board Chairman and individual Directors. Responsibility for the day to day management and administration of the Bureau is delegated to the Director General (DG), assisted by the management. The Board is responsible for the overall operation and stewardship of the Bureau and, in particular for the long term strategies, policies and financial objectives of the Bureau and for monitoring the implementation of those policies, strategies and financial objectives.

### **8.2 Directors' Remuneration**

The remuneration for the directors consists of sitting allowances in connection with attendance at Board and Committee meetings. The aggregate amount of the expense during the financial year ended 30th June 2023 are contained in Note 10 to the financial statements in this annual report.

### **8.3 Code of Conduct**

Each Member of the Board derives his/her authority and position from a legitimate appointment procedure. On becoming a Member, he/she becomes bound by the overriding fiduciary duty to act in good faith in pursuit of the best interest of the Bureau. In the discharge of their duties, members operate within the framework of a collective Board. In order to enable the Members to operate effectively and in the best interest of the Bureau, all Members observe rules and regulations governing the conduct of Board as contained in its code of conduct.

### **8.4 Responsibilities**

In recognition of their ultimate responsibility to the Bureau affairs, the Chairperson and Members of the Board focus their decisions and actions based on a foundation of good governance, and on the Bureau's core values, which are, fairness, accountability, collaboration, integrity, innovation and transparency. The Board's principal responsibilities include:

- i. Approving the Bureau's strategy and ensuring that an effective management team and the necessary financial and human resources are in place for the Bureau to meet its objectives.



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- ii. Approving the Bureau's Budget, annual work plans, procurement plan and performance contract.
- iii. Approving the Bureau's Annual Report and reviewing its periodic financial reports.
- iv. Evaluation of the management's performance over the preceding year.
- v. Reviewing the Bureau's risk management and internal controls systems and governance framework and approving Bureau policies.

**8.5. Role of the Chairperson**

The Bureau Board is chaired by the Chairperson who is appointed by the President of the Republic of Kenya. The Chairperson is responsible for the overall Board's leadership and effectiveness: ensures that key tasks of the Board are properly understood by the Members and the Management; and assumes overall responsibility for all the Bureau's decisions, severally with other members.

**8.6 Board Secretary**

The Bureau's Director General is appointed by the Board in accordance with Section 8 of Statistics Act, 2006. The Director General doubles as the Secretary to the Board and the head of the Management.

The Director General is responsible for the overall leadership and day-to-day management of the Bureau's operations: efficient and effective management of the staff: performance management, operational controls, ethical conduct and good corporate governance.

**8.7 Board Structure and Composition**

The Bureau's Board is composed of the Chairperson appointed by the President of the Republic of Kenya, Seven Members appointed by the Cabinet Secretary representing various bodies and government ministries as provided for under the Statistics Act, 2006. Functions of the Board are carried out under a defined structure made up of the Board, Committees, which facilitate the discharge of the Bureau's mandate.

**8.8 Board Meetings and Committees**

The Bureau has a structured system of operation made up of Committees, which assist in discharging its mandate, responsibilities and obligations. The Bureau delegates specific functions to selected Committees with defined formal Terms of Reference (ToR), without abdicating its ultimate responsibility.

The Committees' Chairpersons appraise the Board meetings of their activities on a regular basis, through oral and/or written reports. The agenda items for the Board meetings are set in consultation with the Chairpersons of the Committee. During the year, the Bureau had three Committees.

The following table gives the record of attendance of the Board and its Committee meetings for the year ended 30th June, 2023:

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<b>Name of Member</b>	<b>Regular Meetings</b>	<b>Special Meetings</b>	<b>Board Committees</b>	<b>Other Board Activities</b>
Mr. Stephen Wainaina	4	3	Not Applicable	6
Mrs. Katherine Muoki	4	3	8	4
Mr Samuel Wambugu	4	3	8	4
Mr. Japh Olende	2	0	4	0
Mr Macdonald Obudho	4	3	8	6
Dr. Mohamed A. Sheikh	4	3	8	4
Prof. Richard Oduor	3	3	8	4
Mr. Francis M. Nkako	4	3	8	4
Mr. Molu Koropu Tepo	4	3	8	3

The members' appointment and expiry dates are as follows:

	<b>Name of Director</b>	<b>Date appointed</b>	<b>Date term expires</b>
1.	Mr. Stephen Wainaina	6 <sup>th</sup> October 2021	5 <sup>th</sup> October 2024
2.	Dr. Macdonald Obudho (DG)	1 <sup>st</sup> November 2020	31 <sup>st</sup> October 2023
3.	Mr. Japh Okoth Olende	16 <sup>th</sup> October 2019	Retired on 15 <sup>th</sup> October 2022
4.	Mr. Samuel Wambugu	Alternate to PS – The National Treasury	
5.	Mrs. Katherine Muoki	Alternate to PS – State Department for Economic Planning (Retired July 2023)	
6.	Dr. Mohamed A. Sheikh	1 <sup>st</sup> June 2020	30 <sup>th</sup> May 2026
7.	Prof. Richard Oduor	10 <sup>th</sup> January 2022	9 <sup>th</sup> January 2025
8.	Mr. Molu Koropu Tepo	10 <sup>th</sup> January 2022	9 <sup>th</sup> January 2025
9.	Mr. Francis Nkako	10 <sup>th</sup> January 2022	9 <sup>th</sup> January 2025

### **8.9 Statement of compliance and conflict of interest**

To the best of the Board and Management's knowledge, no person, employee or agent acting on behalf of the Bureau with the knowledge of authority of the Board, Management, committed any offence under the Prevention of Corruption Act or indulged in any unethical behaviour in the conduct of the Bureau's business, or been involved in money laundering or any practice or activity contrary to national laws or international conventions.

### **8.10 Risk Management**

The Members of the Board are committed to a process of Enterprise Risk Management that guides in the identification of strategic and operational risks through a structured, systematic, proactive and integrated process. This is done through a risk

management framework, which enables the management to focus in a comprehensive and holistic manner on all risks faced by the Bureau.

#### **8.10.1 Risk Management Structure and Roles**

The risk management structure of the Bureau comprises; the Audit Committee & Risk Management Committee and at the management level composed of representatives from each division.

#### **8.10.2 Role of the Audit & Risk Management Committee**

The Bureau established committees among them, Audit & Risk Management Committee, whose mandate is to monitor the implementation of a risk management framework established by the Bureau. The Committee also ensures that the risk management system implemented by management meets the requirements set out in the policy.

#### **8.10.3 Role of Internal Audit and Risk Management Department**

In addition to implementation of the risk management framework, the Bureau has an independent Internal Audit and Risk Department, whose function is to provide independent assurance to the Bureau and management through structured audits, reviews, testing and other techniques, carrying out risk-based audits, reporting on effectiveness and efficiency of risk management process, as well as reporting on the Bureau's compliance with the risk policy.

Continuous risk assurance audits were conducted during the year to review the Bureau's risk status. A review of the strategic and operational risk registers was undertaken.

#### **8.10.4 Risk Categories**

The Bureau has identified and categorized risks as follows:

1. Strategic risks: These arise out of the Bureau's strategic plan;
2. Financial risks: They are associated with the financial operations of the Bureau;
3. Operational risks: These are risks associated with the operations of the Bureau;
4. Legal and regulatory risks: Legal risks can arise from non-compliance with the legal and regulatory requirements.

#### **8.10.5 Risk Training and Awareness**

The Bureau's commitment to risk management has also been evidenced by the awareness and continuous training offered to the Members of the Board, management and staff of the Bureau throughout the year.

### **8.11 Succession Management**

The Board has established a succession plan in order to ensure the management team has the right mix of talent, expertise, and experience to meet the Bureau's short and

long term objectives. The plan also makes provision inclusion in terms of gender and national diversity.

### **8.12 Board Evaluation FY 2022/ 2023**

Corporate governance best practices require that, on annual basis, Board of Directors conduct self-evaluation of its performance. Further, Mwongozo, the Code of Governance State Corporations, requires that Board of Directors in State Corporations carry out annual performance evaluation and file a report thereof with the parent Ministry and the State Corporations Advisory Committee (SCAC). During the year ended 30th June, 2023 the Board conducted an evaluation. The corporate full Board attained a score of 97%.

## 9. Management Discussion and Analysis

### SECTION A

#### The entity's operational and financial performance

According to the Statistics Act, 2006 (as amended in 2019) the Kenya National Bureau of Statistics is the principal agency of the national government for the collection, compilation, analysis and dissemination of official statistics for planning, policy making and monitoring and evaluation. It is also mandated to ensure best standards and methods in the production of statistics across the National Statistical System (NSS).

#### Operational Performance:

To fulfil the Bureau's mandate, the following key operational activities were undertaken during the period:

1. Economic Survey 2023 report
2. The Statistical Abstract 2022
3. Quarterly Gross Domestic Product (GDP)
4. Balance of Payment Reports (BoP)
5. Producer Price Indices Report:
6. Construction Input Price Index Report
7. Quarterly Labour Force Report
8. Monthly Leading Economic Indicator Reports
9. Monthly Consumer Price Indices (CPI) Reports
10. Updating the SDGs National Indicator Framework
11. Gross County Product Report
12. Disseminated the 2022 Kenya and Demographic and Health Survey
13. KNBS continued implementing various donor funded projects including NIPFN Project under EU, Making Every Woman and Girl Count under UN-Women.

#### Financial performance analysis:

The Bureau is mainly funded through exchequer releases, Development Partner support and revenue from appropriation-in-aid (A-in-A)

#### i. The Exchequer Releases

The Bureau mainly receives funding through exchequer releases from the Government. The Exchequer releases from the Government to the Bureau from 2018/19 to 2022/23 (in KShs.) is as follows:

Year	Recurrent	Census Funds	Development	Total
2022/2023	1,323,996,700	-	7,953,947	1,331,950,647
2021/2022	1,456,620,000	-	200,000,000	1,656,620,000
2020/2021	1,246,560,000	-	71,000,000	1,317,560,000
2019/2020	2,325,090,729	7,301,300,000	1,056,750,000	10,683,140,729
2018/2019	1,303,614,030	5,937,624,000	1,318,000,000	8,559,238,030

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The exchequer releases are usually guided by the allocated and approved budget for KNBS under the Medium Term Expenditure Framework (MTEF).

The support to undertake the 2019 Kenya Population and Housing Census highly increased the exchequer release in 2018/19 and 2019/20. The exchequer releases also increased from 2015/16 to 2019/20 when the Bureau was being supported by the World Bank under Kenya Statistics Program for Results (KSPforR).

**ii. Development Partners' Support**

The Bureau has also received support from development partners as below:

YEAR	KShs.
2022/2023	97,918,229
2021/2022	270,200,124
2020/2021	121,057,090
2019/2020	112,120,734
2018/2019	54,759,616

As shown above, support by development partners and collaborators has not been very regular. From FY2019/20, the support has increased slightly due to the European Union's NIPFN project and UN-Women support. The Bureau has also been collaborating with OECD, ILO, Universities, SCB Sweden and COMESA through AfDB in order to undertake some specific activities, especially in capacity building.

**iii. A-in-A**

The Bureau also generates revenue as below:

	Item	2018/2019	2019/2020	2020 / 2021	2021 / 2022	2022/2023
1	AIA from Surveys	1,173,510	391,170	391,171	135,950	-
2	Library User charges	42,200	33,980	12,900	11,785	8,400
3	Sale of Maps	1,920,640	560,100	701,500	1,341,760	650,300
4	Sale of Publications/ Data	2,168,689	1,525,079	1,403,993	1,550,898	1,879,189
5	Sale of Tenders	3,000	-	-	1,000	-
6	Disposal of vehicles	-	-	-	8,485,116	7,928,000
7	Sale of assorted items	182,400	-	-	57,748	-
8	Commissions	221,731	419,113	594,550	564,039	612,964
9	Insurance Compensation	-	-	-	-	30,000
10	Interest earnings	273,483,715	63,828,579	82,941,385	87,460,821	94,828,704
	<b>Gross Total</b>	<b>279,195,885</b>	<b>66,758,021</b>	<b>86,045,499</b>	<b>99,609,117</b>	<b>105,937,557</b>

## **SECTION B**

### **Key projects and investment decisions the Bureau is planning/implementing**

- 1. Production of 2019 Kenya Population and Household Census (KPHC) Analytical Reports:** Launched twelve (12) Analytical Reports: Fertility and Nuptuality; Mortality; Migration; Household and Family Dynamics; Disability; Education; Housing Conditions, Amenities and Household Assets; Urbanization; ICT; Youth and Adolescents; Older and Vulnerable Population; and Gender Dimensions.
- 2. Making Every Girl and Woman Count (MEGWC) Programme.**  
Time Use Survey data collection, and data processing was undertaken.
- 3. Kenya National Information Platform for Food and Nutrition (NIPFN)**  
KNBS continued to implement the NIPFN project which aims to inform policies and programmes for improving human nutrition through the analysis of information and data from all sectors that can influence nutrition such as health, agriculture, food security, water, sanitation and social protection.
4. Investments were done only on call deposits with our bankers. The Bureau did not undertake any investments in Treasury Bills in compliance with Treasury Circular No.4/2017.

## **SECTION C**

### **Material arrears in statutory/financial obligations**

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

## **SECTION D**

### **The entity's financial probity and serious governance issues**

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

## **SECTION E**

### **Related Party**

The expenses incurred and remuneration of the Chairman to the Board and other Board members are as per Note 10.

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

## **10. Environmental and Sustainability Reporting**

### **i) Sustainability strategy and profile**

The KNBS Strategic Plan for the period 2023-2027 builds on the progress from the Strategic Plan for the period 2018-2022. This progress included prioritized expansion of the National Statistical System (NSS), increased use of technology and successful implementation of the 2019 Kenya Population and Housing census. A number of challenges were experienced during the implementation of 2018-2022 strategic plan. Key among them being; inadequate funding, capacity of the producers and users, inadequate application of technology as well as external interference.

The demand for quality statistics to support research, planning, monitoring and evaluation across all sectors has been growing over time. The KNBS endeavors to continually produce and disseminate quality statistics that adequately match the needs of the users of official statistics. In considerations that these needs are dynamic, the KNBS is continually devising innovative ways that will improve how data from various sources is curated and disseminated.

### **ii) Environmental Performance**

The Bureau relies on Government legislations, regulations, and systems to manage environmental and social impacts. However, most of the Bureau's operations have minimal or no environmental and social impacts. Potential environment impacts include; improper and indiscriminate disposal of waste and especially e-waste. Potential social impacts include safety and misuse of data collected, politicization of decision making due to data collected, lack of transparency and trust by local communities due to inadequate sensitization. These impacts are mitigated through appropriate standard operating procedures and construction management practices as will be provided in the tender/ contracting documents.

### **iii) Employee welfare**

The Bureau has policies that guide on:

#### **a. Human Resource Policies, and Detailed Procedures Manual for Permanent Staff**

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



**b. Recruitment Guidelines for Temporary Survey Personnel**

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

**c. Internship Policy**

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

**d. Consideration on gender ratio**

The Bureau shall:

1. Ensure a gender responsive human resource function;
2. Empower all staff to provide gender responsive services and products;
3. Establish sustainable gender responsive systems and structures in recruitment, promotion and training.
4. Set up sustainable sex disaggregated databases on recruitment, promotion and training and other Human Resource functions;
5. Embrace affirmative action to address gender disparities;
6. Observe at least 30 percent gender representation in all recruitments and promotions as required by the law.

**e. Training Policy**

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

**f. Career Guidelines**

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

**g. Staff Appraisal**

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

**iv) Market place practices**

**a) *Responsible competition practice.***

The Bureau evaluation committee members usually sign the confidential declaration form under the sixth schedule of the PPADR 2020 to ensure that there is a commitment of no corruption in the process.

The Bureau, further, does not ascribe to any political formation and is committed to serve all citizens irrespective of their political affiliations.

The Bureau usually uses open tendering method to procure goods, works and services to enhance fair competition and value for money. The Bureau ensures that there is fair competition among AGPO category groups (i.e. Women, Youth and PWDS) when using request for quotation where the procurement is within the threshold.

The Bureau respects each potential bidder during the procurement process and does not disclose their information to competitor. When notification is done the bidders reason for being unsuccessful is shared as per the PPADA 2015 and PPADR 2020 requirements.

**b) *Responsible Supply chain and supplier relations***

The Bureau honors contract agreements with its suppliers and adheres to the terms and conditions stipulated therein. All contractors are paid within 30 days after submission of invoices accompanied by relevant documentation and verification by respective committees such as Inspection & Acceptance/Rejection Committee, Contract Implementation Team where applicable.

**c) *Responsible marketing and advertisement***

The Bureau is a non-revenue generating entity and therefore does not undertake marketing activities. Procurement and employment opportunities are advertised in MY GOV. PUBLICATION and uploaded on KNBS website and other relevant websites such as [www.tenders.go.ke](http://www.tenders.go.ke).

**d) *Product stewardship***

The Bureau publishes the relevant statistical documents on its website and additional information on statistical data can be requested by users / stakeholders as detailed in the service charter based on ISO 9001: 2015 Quality Management System.

The Bureau is guided by the Statistics Act No. 4 of 2006 which emphasize on confidentiality of information, especially when collecting data and in compliance with the Data Protection Act 2019.

There is a complaint and compliment guidelines which outline how consumer complaints / compliments will be handled when they arise. Several communication channels are in place including email address, hotline number, social media platform such as twitter (X), EACC and anonymous reporting to the Commission on Administrative Justice (CAJ) or Ombudsman Office.

**v) *Corporate Social Responsibility/Community Engagements***

The Bureau partnered with the State Department for Economic Planning during the official launch of Tree Planting exercise in June 2023. The activity ensured that members of the public were sensitized on importance of tree planting and their role towards the success of the National Tree Growing Campaign.

In undertaking the activity, 10,000 identified local tree species/varieties were planted in sites within Kakamega County. More partnerships and collaboration towards achieving the tree planting targets were built.

## 11. Report of the Directors

The Directors submit their report together with the financial statements for the year ended June 30, 2023 which show the state of the Bureau's affairs.

### i. Principal activities

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

### ii. Results

The financial performance of the Bureau for the year ended June 30, 2023 are set out from **page 1**.

### iii. Directors

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

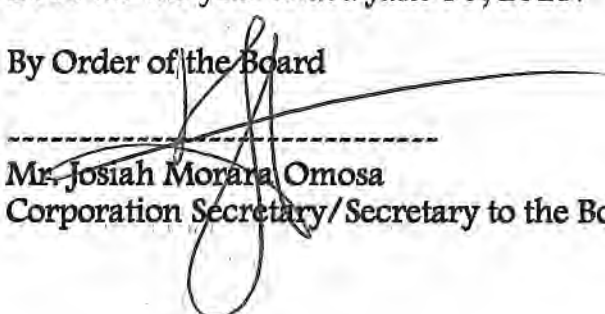
### iv. Surplus remission

In compliance with Section 84 of the Public Financial Management (PFM) Regulations 2015, the Bureau surrendered Sh.2,370,871 into the Consolidated Fund on 24th February 2023. This was the excess appropriation-in-aid generated for the period ended 30th June 2022.

### i. Auditors

The Auditor-General is responsible for the statutory audit of the Bureau in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2023.

By Order of the Board

  
-----  
Mr. Josiah Morara Omosa  
Corporation Secretary/Secretary to the Board

## **12. Statement of Directors' Responsibility**

Section 81 of the Public Finance Management Act, 2012 and the Statistics Act, 2006 (as amended in 2019), require the Directors to prepare financial statements in respect of the Bureau, which give a true and fair view of the state of affairs at the end of the financial year and the operating results for that year. The Directors are also required to ensure that the Bureau keeps proper accounting records which disclose with reasonable accuracy the financial position of the Bureau. The Directors are also responsible for safeguarding of the assets.

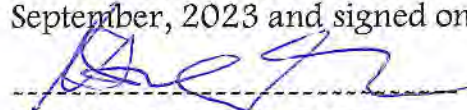
The Directors are responsible for the preparation and presentation of the Bureau's financial statements, which give a true and fair view of its state of affairs as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Bureau; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Bureau; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

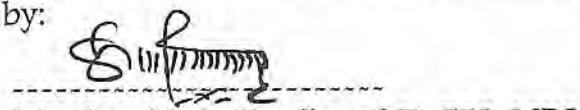
The Directors accept responsibility for the Bureau's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act (2012) and the Statistics Act, 2006 (as amended in 2019). The Directors are of the opinion that the Bureau's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2023, and of the Bureau's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Bureau, which have been relied upon in the preparation of the Bureau's financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

The Bureau's financial statements were approved by the Board of Directors on 26<sup>th</sup> September, 2023 and signed on its behalf by:

  
-----  
**Stephen Wainaina, MBS**  
**Board Chairman**

  
-----  
**Macdonald G. Obudho, PhD, EBS, MBS**  
**Director General**

# REPUBLIC OF KENYA

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NAIROBI

*Enhancing Accountability*

## REPORT OF THE AUDITOR-GENERAL ON KENYA NATIONAL BUREAU OF STATISTICS FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya National Bureau of Statistics set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of cash flows, statement of changes in net assets, statement of comparison of budget and actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya National Bureau of Statistics as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Statistics Act, 2006 (Revised 2019).

### **Basis for Qualified Opinion**

#### **Long-Outstanding Receivables**

As reported previously, the statement of financial position and, as disclosed in Note 17 to the financial statements, reflects receivables balance of Kshs.55,137,405 which includes staff imprest of Kshs.4,438,906 relating to the 2009 Kenya Population and Housing Census (KPHC) that has not been recovered or written off. Further, included in the receivables balance is an amount of Kshs.23,686,673 for sundry debtors out of which Kshs.23,433,873 relate to an Enterprise Resource Programme (ERP) development debt that is subject to a court case.

In addition, the receivables balance includes an amount of Kshs.2,989,250 for staff debtors out of which Kshs.1,056,524 relates to imprest for staff who already have exited the Bureau through resignations or retirement.

In the circumstances, the accuracy, recoverability and fair statement of the receivables balance of Kshs.55,137,405 could not be confirmed.

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

### **Emphasis of Matter**

#### **Poor Financial Performance**

The statement of financial performance reflects a deficit before remission to the National Treasury of Kshs.350,309,570 (2021-2022: Kshs.1,365,016,222; 2020-2021: Kshs.1,706,387,896 and 2019-2020: Kshs.3,621,820,560) resulting to a decrease in

revenue reserve over the last five (5) years from Kshs.8,727,438,641 as at 30 June, 2019 to Kshs.1,337,835,441 as at 30 June, 2023. Although Management and, as disclosed in Note 5 to the financial statements, has indicated that it has resources to continue in business for the foreseeable future, if strategies are not put in place to reverse the trend, the Bureau is likely to face financial challenges in the future.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the previous year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2023.

#### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

##### **Conclusion**

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

##### **Basis for Conclusion**

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

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



## **Basis for Conclusion**

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

## **Responsibilities of Management and Board of Directors**

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

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

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs

will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Bureau's 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 Management.
- Conclude on the appropriateness of 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 which may cast significant doubt on the Bureau's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Bureau to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Bureau to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gatundu, CBS  
AUDITOR-GENERAL

NAIROBI

25 March, 2024


**13. Report of the Independent Auditor for the Financial Statements of Kenya  
National Bureau of Statistics**

**Kenya National Bureau of Statistics**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2023**


**14. Statement of Financial Performance for the year ended 30 June 2023**

		2022 / 2023	2021 / 2022
	Notes	KShs.	KShs.
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
GOK Grants	6-a	1,331,950,647	1,656,620,000
Other Grants	6-b	97,918,229	270,200,124
		<b>1,429,868,876</b>	<b>1,926,820,124</b>
<b>Revenue from exchange transactions</b>	7		
Income from AIA		105,937,557	99,609,117
		<b>105,937,557</b>	<b>99,609,117</b>
<b>Total Revenue</b>		<b>1,535,806,433</b>	<b>2,026,429,241</b>
<b>Expenses</b>			
Use of goods and services	8	280,814,792	250,792,529
Employee costs	9	827,510,176	743,964,630
Board expenses	10	14,237,316	9,109,051
Depreciation	11	119,461,342	1,416,682,500
Repairs and Maintenance	12	24,195,074	18,280,066
Insurance Costs	13	116,291,133	103,884,515
Project Expenses	14	474,378,103	821,855,470
Bank charges	15	650,816	638,456
<b>Total Expenses</b>		<b>1,857,538,752</b>	<b>3,365,207,217</b>
<b>Deficit before tax</b>		<b>(321,732,319)</b>	<b>(1,338,777,976)</b>
Taxation	22	(28,577,251)	(26,238,246)
<b>Deficit for the period</b>		<b>(350,309,570)</b>	<b>(1,365,016,222)</b>
<b>Remission to National Treasury</b>	24	<b>(2,370,871)</b>	<b>(336,150,771)</b>
<b>Net Deficit for the period</b>		<b>(352,680,441)</b>	<b>(1,701,166,993)</b>

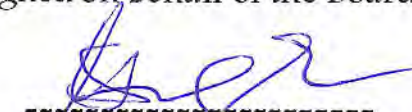
The notes set out on pages 6 to 31 form an integral part of the Financial Statements. The Financial Statements set out from pages 1 to 5 were signed on behalf of the Board of Directors by:

  
 -----  
**Macdonald G. Obudho,**  
**Phd, EBS, MBS**  
**Director General**

Date 29/02/2024

  
 -----  
**Elias N. Njoroge, HSC**  
**Head of Finance**  
**ICPAK No. 3030**

Date 29 Feb 2024

  
 -----  
**Stephen Wainaina, MBS**  
**Board Chairman**


Date 29/02/2024

**Kenya National Bureau of Statistics**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2023**


**15. Statement of Financial Position as at 30 June 2023**

		2022 / 2023	2021 / 2022
	Notes	Kshs.	Kshs.
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	16	1,783,347,242	1,747,206,274
Receivables	17	55,137,405	371,548,996
<b>Total Current Assets</b>		<b>1,838,484,647</b>	<b>2,118,755,270</b>
<b>Non-current assets</b>			
Property, Plant & Equipment	18	500,140,080	146,932,433
<b>Total Non-Current Assets</b>		<b>500,140,080</b>	<b>146,932,433</b>
<b>TOTAL ASSETS</b>		<b>2,338,624,727</b>	<b>2,265,687,703</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	19	22,627,511	42,377,709
Refundable Deposits	20	1,817,266	2,577,238
Provisions	21	48,804,239	17,376,903
Taxation	22	580,357	8,758
Deferred Income	23	36,900,746	56,745,952
<b>Total Current Current Liabilities</b>		<b>110,730,119</b>	<b>119,086,560</b>
<b>TOTAL LIABILITIES</b>		<b>110,730,119</b>	<b>119,086,560</b>
<b>NET ASSETS</b>		<b>2,227,894,608</b>	<b>2,146,601,143</b>
<b>RESERVES</b>			
Revenue Reserve		1,337,835,441	1,722,129,687
Revaluation Reserve		525,313,769	59,726,058
Capital Reserve		364,745,398	364,745,398
<b>TOTAL NET ASSETS AND LIABILITIES</b>		<b>2,227,894,608</b>	<b>2,146,601,143</b>


The Financial Statements set out from pages 1 to 5 were signed on behalf of the Board of Directors by:

  
 -----  
**Macdonald G. Obudho,**  
 Phd, EBS, MBS  
 Director General

Date 29/02/2024

  
 -----  
**Elias N. Njoroge, HSC**  
 Head of Finance  
 ICPAK No. 3030

Date 29th Feb 2024

  
 -----  
**Stephen Wainaina, MBS**  
 Board Chairman

Date 29/02/2024

**Kenya National Bureau of Statistics**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2023**

**16. Statement of Changes in Net Assets for the year ended 30 June 2023**

	REVENUE RESERVE	REVALUATION RESERVE	CAPITAL RESERVE	TOTAL
	KShs.	KShs.	KShs.	KShs.
<b>Audited</b>				
<b>As at 30.06.2021</b>	<b>3,423,296,680</b>	<b>59,726,058</b>	<b>341,474,052</b>	<b>3,824,496,790</b>
Deficit for the Year	(1,701,166,993)	-	-	(1,701,166,993)
Capital Donations-Received	-	-	23,271,346	23,271,346
<b>As at 30.06.2022</b>	<b>1,722,129,687</b>	<b>59,726,058</b>	<b>364,745,398</b>	<b>2,146,601,143</b>
<b>As at 30.06.2022</b>	<b>1,722,129,687</b>	<b>59,726,058</b>	<b>364,745,398</b>	<b>2,146,601,143</b>
<b>As at 30.06.2022</b>	<b>1,722,129,687</b>	<b>59,726,058</b>	<b>364,745,398</b>	<b>2,146,601,143</b>
Adjustments -Prior Year	(31,613,805)			(31,613,805)
Deficit for the Year	(352,680,441)	465,587,711	-	112,907,270
<b>As at 30.06.2023</b>	<b>1,337,835,441</b>	<b>525,313,769</b>	<b>364,745,398</b>	<b>2,227,894,608</b>

The prior year statements have been restated due to surrender of imprests for the previous periods that were accounted for during the current period.

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**17. Statement of Cash Flows for the year ended 30 June 2023**

		<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>Notes</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants and subsidies	6-a	1,331,950,647	1,656,620,000
Appropriation In Aid	6-b	105,937,557	270,200,124
Grant from Development partners	7	97,918,229	99,609,117
<b>Total Receipts</b>		<b>1,535,806,433</b>	<b>2,026,429,241</b>
Management Commissions	7	(612,964)	(564,039)
Tax at Source	22	(14,224,305)	(13,119,123)
NIPFN Funds	6-b	(19,974,064)	55,918,091
KU WEE Funds	6-b	(4,858,400)	-
Un Women Funds Accrued	7	-	(22,777,316)
<b>Net Receipts</b>		<b>1,496,136,700</b>	<b>2,045,886,854</b>
<b>Payments</b>			
Use of Goods and services	8	280,814,792	250,792,529
Compensation of employees	9	827,510,176	743,964,630
Board Expenses	10	14,237,316	9,109,051
Repairs and maintenance	12	24,195,074	18,280,066
Insurance cost	13	116,291,133	103,884,515
Project expenses	14	474,378,103	837,839,849
Finance cost	15	650,816	638,456
<b>Total Payments</b>		<b>1,738,077,410</b>	<b>1,964,509,096</b>
Account receivables	17	(284,797,786)	135,090,411
Refundable deposits	20	759,972	(427,007)
Provisions : bad debts	21	(31,427,336)	19,495,071
Surrender of AIA	24	2,370,871	336,150,771
Deferred income	23	19,845,206	(53,706,775)
Payables	19	(19,919,538)	(1,947,994)
<b>Net Payments</b>		<b>1,424,908,799</b>	<b>2,399,163,573</b>
<b>Net cash flows from operating activities</b>	<b>25</b>	<b>71,227,901</b>	<b>(353,276,719)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets	18	(7,081,280)	(1,880,000)
Proceeds from sale of property.		-	-
Taxation	22	(28,005,653)	(38,670,696)
<b>Net cash flows used in investing activities</b>		<b>(35,086,933)</b>	<b>(40,550,696)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>36,140,968</b>	<b>(393,827,415)</b>
Cash and cash equivalents at 1st July	16	1,747,206,274	2,141,033,689
<b>Cash and cash equivalents at 30th June</b>	<b>16</b>	<b>1,783,347,242</b>	<b>1,747,206,274</b>



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**18. Statement of Comparison of Budget and Actual Amounts for the year ended 30 June 2023**

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% of Utilisation
	KShs.	KShs.	KShs.	KShs.	KShs.	
Revenues	A	B	C=a+b	D	E=C-D	F=D/C
GOK Grants	1,317,620,000	77,376,700	1,394,996,700	1,331,950,647	63,046,053	95%
A-I-A	71,000,000	-	71,000,000	105,937,557	(34,937,557)	149%
Development / Donor Funds	228,750,000	(32,913,542)	195,836,458	97,918,229	97,918,229	50%
<b>Total Income</b>	<b>1,617,370,000</b>	<b>44,463,158</b>	<b>1,661,833,158</b>	<b>1,535,806,433</b>	<b>126,026,725</b>	<b>92%</b>
<b>Expenses</b>						
Project Expenses	424,000,000	44,463,158	468,463,158	474,378,103	(5,914,945)	101%
Employee Costs	827,430,000		827,430,000	827,510,176	(80,176)	100%
Board Members' Expenses	15,000,000		15,000,000	14,237,316	762,684	95%
Repairs and Maintenance	24,300,000		24,300,000	24,195,074	104,926	100%
Insurance Costs	114,000,000		114,000,000	116,291,133	(2,291,133)	102%
Use of Good and Services	212,000,000		212,000,000	280,814,792	(68,814,792)	132%
Bank Charges	640,000		640,000	650,816	(10,816)	102%
<b>Total Expenses</b>	<b>1,617,370,000</b>	<b>44,463,158</b>	<b>1,661,833,158</b>	<b>1,738,077,410</b>	<b>(76,244,252)</b>	<b>105%</b>
<b>Deficit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(202,270,977)</b>	<b>-</b>	

AIA collections were higher due to higher bank interest rates on the short term deposits, for the period.

Donor funds from UNFPA were not released awaiting the finalisation and signing of the financing agreement with The National Treasury.

The Bureau received additional exchequer releases for the period following the approvals during Supplementary Budget I.

A reconciliation of the period's surplus is per Note 26.

## **19. Notes to the Financial Statements**

### **1. General Information**

Kenya National Bureau of Statistics is a Semi-Autonomous Government Agency established by, and derives its authority and accountability from an Act of Parliament – the Statistics Act, 2006 (as amended in 2019).

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

### **2. Statement of Compliance and Basis of Accounting**

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

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

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

#### **1. Adoption of new and revised standards**

- a. New and amended standards and interpretations in issue effective in the year ended 30th June, 2023.

The Bureau did not early adopt any new or amended standards in the year ended 30th June, 2023.

- b. New and amended standards and interpretations in issue but not yet effective in the year ended 30th June, 2023. The proposed new amendments to IPSAS 41 and 42 have no significant impact on the Bureau's financial statements for the year ended 30th June, 2023 given the reliance on direct government funding through exchequer to fund its operation. Financial instruments are not projected to form a significant part of the Bureau's assets in the foreseeable future.

**Notes to the Financial Statements (Continued)**

**4. Summary of Significant Accounting Policies**

**a. Revenue Recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. The grants are recognized in the statement of comprehensive income.

**Donor funds**

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

**ii. Revenue from exchange transactions**

**Sale of goods/services**

Bureau's revenue includes sale of maps, publications, tenders, library user fees and AIA from surveys. It is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods.

**Interest income**

Interest income is generated from investments in fixed deposits of any surplus funds held in commercial banks. It is accrued using the straight line method, by estimating future cash receipts through the expected life of the fixed deposit. The method applies to the principal outstanding to determine interest income for each period.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b. Budget Information**

The final budget for FY 2022-2023 was approved by The National Treasury and Economic Planning on 4<sup>th</sup> July 2022.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Note 21 of these financial statements.

**c. Corporate Tax**

Current income tax liability is measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Management has evaluated the appropriate income and established provisions as appropriate.

The net amount of income tax payable to the taxation authority is included as part of provisions in the statement of financial position.

**Notes to the Financial Statements (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

**d. Leases -Operating**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Bureau. Leased premises are contracted for the periods of between one and six years, with renewal options available in certain instances.

The Bureau has a running operating lease agreement with the Royal Ngao Holdings Limited that also includes a biennial rent review to match the prevailing market rates, for the provision of the office block that houses its Headquarters.

Operating lease payments are the rental expenses, and are recognized as an operating expense in the Statement of Financial Performance.

**e. Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Under the Bureau's depreciation policy all items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. Subsequent costs are also included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bureau and the cost of the item can be measured reliably.

No depreciation is made in the year of purchase but a full year's depreciation is charged in the year of disposal. No depreciation is provided on freehold land.

Repairs and maintenance costs are charged to the income and expenditure statement during the period in which they are incurred.

The assets are categorized and depreciated on a straight line basis as follows:

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**f. Intangible Assets**

Intangible assets consist of various computer software purchased for use in the Bureau. The Bureau recognizes Intangible Assets and are stated separately at cost less accumulated amortization.

Amortization is charged on a straight-line basis over their useful lives as estimated by management from time to time. The rate of amortization has been set at 33.3% pa.

**g. Accounting for Assets Donated to The Bureau**

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, it is initially measured at its fair value.

It is subsequently revalued by a professional valuer and recorded at that value. If the transfer value is not known, it is recorded at management's valuation pending professional valuation.

**h. Employee Benefits Obligations**

The Bureau contributes to the statutory National Social Security Fund (NSSF) which is a defined contribution scheme registered under the National Social Security Act. The Bureau's obligation under the scheme is limited to specific contributions legislated from time to time.

Other than NSSF, the Bureau also has a registered defined contribution scheme for all its employees on permanent and pensionable employment. The Scheme is administered by a Board of Trustees which is a mix of sponsor appointed and member elected trustees. Employees contribute 10% while the Bureau contributes 20% of basic salary. Employer contributions are recognised as expenses in the Statement of Financial Performance within the period they are incurred.

In addition to the statutory NSSF and the defined contribution scheme, the Bureau also sets aside gratuity for all employees on contract at the rate of 31% of basic pay per employee per month payable to the employees upon expiry of the contract and or during separation. The amount contributed is a final obligation and is recognized in the Statement of Financial Performance in the year contributed.

**i. Inventories**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**j. Financial Instruments**

**Financial Assets**

**Initial recognition and measurement**

Financial assets are classified at fair value through surplus or deficit, and held-to-maturity investments, as appropriate. The Bureau determines the classification of its financial assets at initial recognition.

**Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Bureau has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. The losses that may arise from impairment are recognized in surplus or deficit.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified at fair value through surplus or deficit, and the Bureau determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value.

**k. Provisions**

Provisions are recognized when the Bureau has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**l. Contingent liabilities**

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

**Notes to the Financial Statements (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

**m. Contingent assets**

The Bureau does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bureau in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**n. Nature and Purpose of Reserves**

**Revaluation Reserve**

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

**Capital Reserve**

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

**o. Changes in Accounting Policies**

The Bureau recognizes the effects of changes in accounting policy. The effects of changes in accounting policy have been applied prospectively since retrospective application is impractical.

**p. Related Parties**

The Bureau regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over it, or vice versa.

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

1. The National Treasury and Economic Planning
2. Key management personnel
3. Board of directors



**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**q. Segment Reporting**

The Bureau does not have any branches or reporting segments. All the operations of the Bureau are managed from the headquarters. The core business of the Bureau is as stipulated in the Statistics Act, 2006 (as amended in 2019).

**r. Cash and Cash Equivalents**

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

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

**s. Comparative figures**

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

**t. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

**Notes to the Financial Statements (Continued)**

**5. Significant Judgements and Sources of Estimation Uncertainties**

The preparation of the Bureau's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Provisions**

Provisions were raised and the management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 21.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

**Going concern**

The Bureau's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bureau's ability to continue as a going concern. Therefore, the financial statement continues to be prepared on the going concern basis.

**6. Revenue from non-exchange transactions**

These are made up of the following:

(a) GOK grants are the exchequer releases as follows:

	Amount recognised to Statement of Financial Performance	
	2022 / 2023	2021 / 2022
<b>State Department for Economic Planning: Exchequers</b>	<b>KShs</b>	<b>KShs</b>
Recurrent	1,323,996,700	1,456,620,000
Development	7,953,947	200,000,000
<b>Total</b>	<b>1,331,950,647</b>	<b>1,656,620,000</b>

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All transfers recorded and recognized in the Statement of Financial Performance have been confirmed and reconciled with those recorded by the transferring Ministry-The National Treasury and Economic Planning. The transfers as shown above, were received as per Appendix III.

(b) Other Grants from development partners and collaborators were as follows:

	2022 / 2023	2021 / 2022
	KShs	KShs
COMESA : Regional Integration Implementation Programme	5,000,000	3,000,000
OECD - Data Planning Tool	-	8,090,414
UNFPA	-	17,539,574
UN Women/UNDP	9,267,756	44,351,239
UNICEF	-	92,069,875
World Food Programme	2,193,000	10,831,380
Kenyatta University	10,508,400	3,701,600
Statistics Sweden	11,884,707	6,741,973
KEMSA- Market Prices Survey	-	1,359,500
NIPFN - EU Project	59,064,366	82,514,569
<b>Total</b>	<b>97,918,229</b>	<b>270,200,124</b>

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

The Bureau entered into a collaboration with Kenyatta University on matters relating to conducting Randomized Control Trials (RCT), Women Economic Empowerment (WEE) and other Impact Evaluations (IE), conducting socioeconomic research, engagement of stakeholders, data collection, analysis and dissemination of research outputs and building capacity.

The Bureau is one of the implementing agencies through The National Treasury of the Regional Integration Implementation Program (RIIP). RIIP is anchored on the Regional Integration Support Mechanism (RISM) under COMESA which are funded by the European Commission since 2012.

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

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**Notes to the Financial Statements (Continued)**

The NIPFN Project's key objective is to strengthen the information systems for food security and nutrition to improve the analysis of data to better inform the strategic decisions to prevent malnutrition and its consequences. The project has an independent bank accounts.

These amounts were received per Appendix III.

**7. Revenue from exchange transactions**

These are made up of the following:

	2022 / 2023	2021 / 2022
<b>Income - A-I-A</b>	<b>KShs.</b>	<b>KShs.</b>
Interest on Deposits	94,828,704	87,460,821
Library Usage	8,400	11,785
Sale of Publications	1,879,189	1,550,898
AIA From Surveys	-	135,950
Sale of Maps	650,300	1,341,760
Sale Tenders	-	1,000
Disposal of inventories	-	57,748
Disposal - Motor Vehicle	7,928,000	8,485,116
Insurance Compensation	30,000	-
Commissions	612,964	564,039
<b>Total</b>	<b>105,937,557</b>	<b>99,609,117</b>

The Bureau recognizes that the revenue it receives both from exchequer and Appropriation-in-Aid (AIA) are not necessarily evenly matched with its spending pattern throughout the year. Accordingly, any surplus cash is invested in short-term fixed deposits to generate AIA by way of interest on deposits.

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**Notes to the Financial Statements (Continued)**

**8. Use of Good and Services**

These expenses comprised of the following items:

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KShs</b>	<b>KShs</b>
Auditor's Fees	1,740,000	1,740,000
Provision for Bad Debts	26,695,268	-
Utilities Supplies and Services	732,327	87,856
Telephone and Communication	1,515,214	2,107,774
Travelling Expenses	31,568,379	27,069,985
Library Expenses	990,537	1,819,025
Advertising and Awareness	1,956,288	1,300,501
Training Expenses	23,038,018	14,033,594
Stationery	11,226,522	5,297,671
Contracted Professional Services	4,437,320	10,656,926
Rent and Rates	5,400,684	3,267,614
Headquarter Office Rents	125,140,800	125,140,800
New Office Block Expenses	13,739,566	17,155,550
Risk & Quality Management Expenses	14,573,605	11,757,255
Staff Welfare Expenses	18,060,264	29,357,978
<b>TOTAL</b>	<b>280,814,792</b>	<b>250,792,529</b>

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**Notes to the Financial Statements (Continued)**

**9. Employee Costs**

These include payments to members of staff and comprise of basic pay, house allowances and other benefits. The staff complement of the Bureau as at 30.06.2022 was 479 as compared to 530 as at 30.06.2023.

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KShs</b>	<b>KShs</b>
Basic Salaries	526,537,176	472,159,666
Casual Labour	280,000	2,142,785
House Allowance	93,583,624	84,241,427
Acting Allowance	13,632	1,318,483
Transfer/Baggage Allowance	7,615,205	945,948
Interns' payments	1,704,955	1,935,484
Commuting Allowance	63,680,039	57,030,812
Hardship Allowance	5,506,477	4,366,028
Leave Allowance	3,964,600	3,182,600
Extraneous Duty Allowance	21,202,686	20,256,789
Special Duty Allowance	16,367	96,385
Entertainment Allowance	960,000	757,334
Staff Telephone	4,675,567	4,597,051
NSSF - Employer's Contribution	1,646,984	1,096,000
Pension-Employer's Contribution	89,650,796	83,526,412
Gratuity Contribution	6,472,068	6,311,426
	<b>827,510,176</b>	<b>743,964,630</b>

The Bureau operates a retirement benefit scheme for all its permanent and pensionable employees. Further an amount equivalent to 31% of basic salary has been set aside as gratuity for all employees on contract.

The contribution towards employee pension scheme and staff gratuity for employees on contract are recognized in the statement of financial performance in the year in which the employees rendered their services to the Bureau.

The prior year staff telephone allowances had erroneously been included under Telephone and Communication in Note 8. This was amended and corrected under this Note.

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**Notes to the Financial Statements (Continued)**

**10. Board Expenses**

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

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
Board and Committees expen	4,054,695	3,198,496
Sitting allowances	4,610,800	3,300,000
Conferences and Training	4,611,821	1,901,225
Honoraria	960,000	709,330
<b>Total</b>	<b>14,237,316</b>	<b>9,109,051</b>

**11. Depreciation and Amortisation Expense**

These are made up of:

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
<b>Depreciation</b>		
Motor Vehicles	65,106,000	96,080,068
Furniture & Fittings	7,642,436	7,296,448
Computers	37,111,622	1,310,733,548
Buildings	971,875	177,696
Plant, Machinery and Equipme	8,629,409	2,394,740
<b>Total</b>	<b>119,461,342</b>	<b>1,416,682,500</b>

**12. Repairs and Maintenance**

These comprise of:

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
<b>Routine Maintenance</b>		
Motor Vehicles	14,908,570	9,761,813
Plant Machinery and Equipment	5,491,428	605,337
Office Furniture and Fittings	-	-
Buildings maintenance and Refurbishing	3,129,642	7,733,366
Computers and Servers	665,434	179,550
<b>Total</b>	<b>24,195,074</b>	<b>18,280,066</b>

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**13. Insurance Expenses**

These are made up of:

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
Staff Insurance	104,953,283	92,904,056
Fixed assets Insurance	11,337,850	10,980,459
<b>Total</b>	<b>116,291,133</b>	<b>103,884,515</b>

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

The fixed assets' insurance cover risks on both movable and immovable assets.

**14. Project Expenses**

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

	<b>2022 / 2023</b>	<b>Audited 2021 / 2022</b>
	<b>KShs</b>	<b>KShs</b>
Prefeasibility Expenses	238,459,742	544,484,704
KCHSP Survey	35,939,391	101,912,010
Fertilizer Subsidy Project	43,827,415	-
KIBHS Survey	-	245,400
National Strategy for Dvpt of Statistics	26,742,634	36,199,252
System Support and Data Dissemination	58,460,048	49,735,794
Statistics Sweden interns	11,884,507	6,763,741
NIPFN - EU Project	59,064,366	82,514,569
	<b>474,378,103</b>	<b>821,855,470</b>

The prior year statements have been restated due to surrender of imprests for the previous periods that were accounted for during the current year.



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**15. Bank Charges**

These are made up of:

	<b>2022/2023</b>	<b>2021 / 2022</b>
	<b>KShs.</b>	<b>KShs.</b>
KCB GOK - RECURRENT	649,751	632,654
KCB DEVELOPMENT	1,065	5,802
<b>Total</b>	<b>650,816</b>	<b>638,456</b>

The total bank charges for the year are levied by the banks for running the accounts and have been recognized as expense in the Statement of Financial Performance.

**16. Cash and Cash Equivalents**

For purposes of the cash flow statement, cash and cash equivalents represent cash in bank.

	<b>2022/2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
Bank	1,783,347,242	1,747,206,274
<b>Total Cash</b>	<b>1,783,347,242</b>	<b>1,747,206,274</b>

The Bureau operates three bank accounts with the Kenya Commercial Bank. The detailed analysis of the cash and cash equivalents is as follows:

		<b>2022/2023</b>	<b>2021 / 2022</b>
<b>Name of Bank</b>	<b>Account Number</b>	<b>KShs</b>	<b>KShs</b>
KCB -Main Account	1107086183	1,416,871,444	1,392,501,496
KCB- Development	1116027593	329,575,051	297,958,826
<b>Project Accounts</b>			
KCB: NIPFN - EU	1240875711	36,900,747	56,745,952
<b>Total</b>		<b>1,783,347,242</b>	<b>1,747,206,274</b>

**Notes to the Financial Statements (Continued)**

**17. Receivables**

These are made up of:

	<b>2022 / 2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
Staff Debtors	2,989,250	78,599,777
2009 Census Imprests	4,438,906	4,438,906
2019 KPHC Imprest	3,060,790	6,049,217
Sundry Debtors	23,686,673	49,800,964
Prepayments	20,797,545	81,642,347
Deposits	164,241	1,017,786
GoK Exchequer	-	150,000,000
<b>Total</b>	<b>55,137,405</b>	<b>371,548,997</b>

- a. Staff debtors represent outstanding imprests, medical expenses recoverable and salary overpayments as at end of June 2023.
- b. 2009 census imprests were amounts advanced to the various District Census Committees, to facilitate various activities during the 2009 Population and Housing Census exercise, but still remains un-surrendered. The Bureau is still following and pursuing the matter.
- c. 2019 KPHC imprest were funds advanced to the County Census Committees and whose process of surrender and recoveries is ongoing.
- d. Sundry debtors relate to the ERP development amount made to Mareba Computers of Sh.23,433,873, the subject of a court case per Note 29.
- e. Prepayments represent the proportion of various service contracts paid in advance as follows:

Item	Amount - KSh.
Staff Medical Insurance - Aug 2023	10,531,127
Softwares Maintenance contracts	10,266,418
<b>Total</b>	<b>20,797,545</b>

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

The prior year statements have been restated due to surrender of imprests for the previous periods that were accounted for during the current year. This is also captured in the Statement of Changes in Net Assets

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**18. Property, Plant and Equipment**

<b>FIXED ASSETS</b>	<b>LAND &amp; BUILDINGS</b>	<b>FURNITURE &amp; FITTINGS</b>	<b>PLANT &amp; EQUIPMENT</b>	<b>MOTOR VEHICLES</b>	<b>COMPUTERS</b>	<b>TOTAL AMOUNT</b>
<b>COST/Valuation</b>						
<b>At 1st July 2021</b>	<b>13,601,955</b>	<b>58,371,570</b>	<b>19,157,909</b>	<b>480,400,344</b>	<b>4,045,554,578</b>	<b>4,617,086,356</b>
Additions	-	-	-	-	1,880,000	1,880,000
Adjustments	-	-	-	(12,550,000)	23,271,346	10,721,346
<b>At 30th June 2022</b>	<b>13,601,955</b>	<b>58,371,570</b>	<b>19,157,909</b>	<b>467,850,344</b>	<b>4,070,705,924</b>	<b>4,629,687,702</b>
Additions	-	87,500	25,800	-	6,967,980	7,081,280
Adjustments - New Values	38,875,000	61,139,495	69,035,265	325,530,000	86,294,965	580,874,725
Adjustments - Accum. Depreciation	(7,107,884)	(58,371,570)	(19,157,909)	(467,850,344)	(4,045,554,578)	(4,598,042,285)
<b>At 30th June, 2023</b>	<b>45,369,071</b>	<b>61,226,995</b>	<b>69,061,065</b>	<b>325,530,000</b>	<b>118,414,291</b>	<b>619,601,422</b>
<b>DEPRECIATION</b>						
<b>At 1st July 2021</b>	<b>805,393</b>	<b>20,505,056</b>	<b>10,391,745</b>	<b>331,358,499</b>	<b>2,715,562,076</b>	<b>3,078,622,769</b>
Charge for the Year	177,696	7,296,448	2,394,740	96,080,068	1,310,733,548	1,416,682,500
Adjustments	-	-	-	(12,550,000)	-	(12,550,000)
<b>At 30th June 2022</b>	<b>983,089</b>	<b>27,801,504</b>	<b>12,786,485</b>	<b>414,888,567</b>	<b>4,026,295,624</b>	<b>4,482,755,269</b>
Adjustments	(983,089)	(27,801,504)	(12,786,485)	(414,888,567)	(4,026,295,624)	(4,482,755,269)
Charge for the Year	971,875	7,642,436	8,629,409	65,106,000	37,111,622	119,461,342
<b>At 30th June 2023</b>	<b>971,875</b>	<b>7,642,436</b>	<b>8,629,409</b>	<b>65,106,000</b>	<b>37,111,622</b>	<b>119,461,342</b>
<b>NET BOOK VALUE</b>						
<b>30th June 2022</b>	<b>12,618,866</b>	<b>30,570,066</b>	<b>6,371,424</b>	<b>52,961,777</b>	<b>44,410,300</b>	<b>146,932,433</b>
<b>30th June, 2023</b>	<b>44,397,196</b>	<b>53,584,559</b>	<b>60,431,656</b>	<b>260,424,000</b>	<b>81,302,669</b>	<b>500,140,080</b>

The Bureau assets were valued during the FY2021/2022, and the valued incorporated in the financial statements as from 1<sup>st</sup> July 2022.

**Notes to the Financial Statements (Continued)**

**19. Trade and Other Payables**

These comprise of amounts outstanding arising from dealings with both internal and external customers, and are due to them, but had not been settled by year end.

	<b>2022/2023</b>	<b>2021 / 2022</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Creditors and Accruals	19,759,565	39,737,845
Employee Payables	365,167	-
2019 Census Bank Rejections	2,502,779	2,639,864
<b>TOTAL</b>	<b>22,627,511</b>	<b>42,377,709</b>

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

**20. Refundable Deposits**

These are amounts that are awaiting to be refunded to the respective payees after unsuccessful bidding for boarded items as well as monies retained on tender biddings:

	<b>2022/2023</b>	<b>2021 / 2022</b>
	<b>KSh.</b>	<b>KSh.</b>
Bid Bonds/ Retention Monies	1,817,266	2,577,238
<b>TOTAL</b>	<b>1,817,266</b>	<b>2,577,238</b>

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**Notes to the Financial Statements (Continued)**

**21. Provisions**

These are made up of:

	Staff Gratuity Ksh.	Bad Debts Ksh.	Audit Fees Ksh.	Total Ksh.
01.07.2022 Bal. b/f	13,896,903	-	3,480,000	17,376,903
Additional Provisions	6,472,068	26,695,268	1,740,000	34,907,336
Provision-utilised		-	(3,480,000)	(3,480,000)
<b>Total provisions</b>	<b>20,368,971</b>	<b>26,695,268</b>	<b>1,740,000</b>	<b>48,804,239</b>

Staff Gratuity amount is calculated on a monthly basis at the rate of 31% of the basic salaries of the staff on contract. These are long-term liabilities that fall due when the contract terms are completed successfully.

The provisions for bad debts have taken into account the contingent liabilities under Note 29.

The audit fees are the provisions for the audit expense awaiting the final certificates from the auditors.

**22. Taxation**

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

	2022/2023 KShs.	2021 / 2022 KShs.
<b>At Beginning of the Year</b>	<b>8,758</b>	<b>12,441,208</b>
Taxes on Interest Income	28,448,611	26,238,246
Taxes - Commercial Vehicles	128,640	-
<b>Tax dues for the Period</b>	<b>28,577,251</b>	<b>26,238,246</b>
<b>Total Dues</b>	<b>28,586,009</b>	<b>38,679,454</b>
Tax paid during the Period:		
Amount Withheld at Source	(14,224,305)	(13,119,123)
Amount Paid to KRA	(13,781,347)	(25,551,573)
<b>Total Paid</b>	<b>(28,005,652)</b>	<b>(38,670,696)</b>
<b>At Year End</b>	<b>580,357</b>	<b>8,758</b>

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**Notes to the Financial Statements (Continued)**

**23. Deferred Income**

These are grants received during the financial year for on-going activities. However, some of the activities were not undertaken due to timing differences of the financial years of the donors and the Bureau.

<b>Particulars</b>	<b>NIPFN</b>	<b>Total</b>
<b>Particulars</b>	<b>Kshs.</b>	<b>Kshs.</b>
As at 01.07.2022	56,745,952	56,745,952
Receipts	39,090,302	39,090,302
Project Imprests	158,859	158,859
Refunds to KNBS	(30,000)	(30,000)
Less: Project Expense	(59,064,366)	(59,064,366)
<b>As at 30.06.2023</b>	<b>36,900,747</b>	<b>36,900,747</b>

**24. Remission to National Treasury**

In compliance with Section 84 of the Public Financial Management (PFM) Regulations 2015, the Bureau surrendered Sh.2,370,871 into Consolidated Fund 24<sup>th</sup> February 2023. This was the excess appropriation-in-aid generated for the period ended 30<sup>th</sup> June 2022.

The Surplus Remission has been computed as follows:

	<b>2022/2023</b>	<b>2021 / 2022</b>
	<b>KShs.</b>	<b>KShs.</b>
Surplus AIA fo the period	73,370,871	197,150,771
Allowable AIA Deduction	(71,000,000)	(71,000,000)
Surrender to The Exchequer	-	210,000,000
<b>Computation included in the Statement of Financial Performance</b>	<b>2,370,871</b>	<b>336,150,771</b>

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**Notes to the Financial Statements (Continued)**

**25. Cash generated from Operations:**

		2022 / 2023	2021 / 2022
	Notes	Kshs.	Kshs.
Deficit for the year		(352,680,441)	(1,701,166,993)
Adjusted for:			
Depreciation and Amortisation	11	119,461,342	1,416,682,500
Taxation dues	22	28,577,252	26,238,246
Prior Year Expenses Adjustments			7,369,222
<b>Working Capital adjustments</b>			
Decrease (Increase) in Receivables	17	284,797,786	(135,090,411)
(Decrease) Increase in Payments received in advance	20	(759,972)	427,007
Increase (Decrease) in Payables	19	(19,750,198)	(1,947,994)
Contribution to Provision	21	31,427,337	(19,495,071)
Increase (Decrease) in Deferred Income	23	(19,845,206)	53,706,775
<b>Net Cash Flows from Operating Activities</b>		<b>71,227,900</b>	<b>(353,276,719)</b>

**26. Reconciliation of Comparison of Budget and Actual Amounts**

The Bureau's budget is prepared on an accrual basis. As such, the budget and the financial statements are already on the same basis and further adjustments are not required to align the financial statements to the budget. The following is a reconciliation of the period's deficit.

	Ksh.
Deficit for the Year	(352,680,441)
Surplus per budget/actual comparison	(202,270,977)
Provision for Income Tax	(28,577,251)
Remission to National Treasury	(2,370,871)
Depreciation/Amortisation charges	(119,461,342)
Deficit for the Year	(352,680,441)

**Notes to the Financial Statements (Continued)**

**27. Financial Risk Management**

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

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

**Credit risk**

The Bureau's credit risk is primarily attributable to its receivables. However, it is limited because the customers are staff members with whom the Bureau has legal enforceable right for the recovery of the outstanding amounts.

The credit risk on liquid funds with financial institutions is low. This is because the bank balances are held with regulated financial institutions and are fully performing.

The amount that best represents the Bureau's maximum exposure to credit risk as at 30 June 2022 and 30 June 2023 is made up as follows:

	Fully Performing	Past Dues	Impaired	Total
	KShs.	KShs.	KShs.	KShs.
<b>At 30.06.2022</b>				
Cash & Cash Equivalents	1,747,206,274			1,747,206,274
Receivables	371,548,996			371,548,996
<b>Total</b>	<b>2,118,755,270</b>	-	-	<b>2,118,755,270</b>
<b>At 30.06.2023</b>				
Cash & Cash Equivalents	1,783,347,242			1,783,347,242
Receivables	55,137,405			55,137,405
<b>Total</b>	<b>1,838,484,647</b>	-	-	<b>1,838,484,647</b>



**Notes to the Financial Statements (Continued)**

**Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Bureau's directors, who have built an appropriate liquidity risk management framework for the management of the Bureau's short, medium and long-term funding and liquidity management requirements. The Bureau manages liquidity risk through continuous monitoring of forecast and actual cash flows.

The table below analyses the Bureau's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	2022/2023	2021 / 2022
	KShs	KShs
<b>Financial Assets</b>		
Receivables	55,137,405	371,548,996
Cash & Cash Equivalents	1,783,347,242	1,747,206,274
	<b>1,838,484,647</b>	<b>2,118,755,270</b>
<b>Financial Liabilities</b>		
Payables	22,627,511	42,377,709
<b>Net Liquidity Gap</b>	<b>1,861,112,158</b>	<b>2,161,132,979</b>

**Interest rate risk**

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

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Notes to the Financial Statements (Continued)**

**Sensitivity analysis**

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point and five percentage point as at 30th June 2023 would have been higher/lower as hereunder:

	2022 / 2023	2021 / 2022
	KShs	KShs
Interest Income	94,828,704	87,460,821
Change In Interest Rates		
1%	948,287	874,608
-1%	(948,287)	(874,608)
Change In Interest Rates		
5%	4,741,435	4,373,041
-5%	(4,741,435)	(4,373,041)

**28. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the Bureau include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

The Government of Kenya is the principal shareholder of the Bureau, holding 100% of the Bureau's equity interest. The Bureau received grants from the Government per Note 6(a) and other grants per Note 6 (b) above.

The expenses incurred and remuneration of the Chairman to the Board and the Board members are as per Note 10.

**Notes to the Financial Statements (Continued)**

**29. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

	2022 / 2023	2021 / 2022
	KSh.	KSh.
Nakuru HCCC No 115 of 2008: Attorney General (KNBS) Vs The Standard Newspapers Limited	1,500,000	1,500,000
<b>Total</b>	<b>1,500,000</b>	<b>1,500,000</b>

**Contingent Liabilities:**

	2022 / 2023	2021 / 2022
	KSh.	KSh.
Nairobi HCCC No 79 of 2010 BM Logistics VS KNBS	20,746,800	20,746,800
Nairobi Chief Magistrates Civil Case No 244 of 2015: Mareba Computers Vs KNBS	5,948,468	5,948,468
<b>Total</b>	<b>26,695,268</b>	<b>26,695,268</b>

The Bureau has the following pending legal cases and whose details are:

- a. Seven cases have so far been filed against the Bureau by the three North Eastern Counties and area Members of Parliament challenging the 2019 census results as indicated below:
  - i. Nairobi High Court Petition No. 102 of 2020: County Government of Mandera –Vs- Kenya National Bureau of Statistics & 3 Others
  - ii. Nairobi High Court Petition No. 103 of 2020: Hon. Abdullah Bashir Sheikh & 5 Others –Vs- Kenya National Bureau of Statistics & 3 Others
  - iii. Nairobi High Court Petition No. 106 of 2020: Hon. Adan Keynan Wehliye & 4 Others –Vs- Kenya National Bureau of Statistics & 3 Others
  - iv. Nairobi High Court Petition No. 107 of 2020: County Government of Wajir –Vs- Kenya National Bureau of Statistics & 3 Others
  - v. Nairobi High Court Petition No. 110 Of 2020: Hon. Abdi Omar Shurie & 3 Others –Vs- Kenya National Bureau of Statistics & 3 Others
  - vi. Nairobi High Court Petition No. 111 of 2020: County Government of Garrissa –Vs- Kenya National Bureau of Statistics & 3 Others

- vii. Garissa High Court Petition No. 3 of 2020: Abdulahi Mohamed Kanyare & 3 Others –vs- Kenya National Bureau of Statistics & 3 Others.

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

**This case will be heard on 16<sup>th</sup> and 17<sup>th</sup> October 2023 at Garissa High court**

*This is an active case and the Bureau will participate in the hearing.*

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

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

The Management has sought further advice from the AG and also requested the AG to file an appeal in the court of appeal Challenging the award as well as seek a stay of execution of the judgment. The AG has on 7<sup>th</sup> July 2022 via a letter through state Counsel confirmed that the record of appeal is being finalized for filing.

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

**c. Nakuru HCCC No 115 of 2008: Attorney General (KNBS) Vs The Standard Newspapers Limited**

This case concerned an accident that occurred near Gilgil involving the Bureau's vehicle and another one owned by Standard Newspapers Limited. The Bureau is claiming KShs.1.5 million, being the value of the vehicle that was extensively damaged in the accident. The matter was heard and concluded on **5<sup>th</sup> February 2020**. The judgement was delivered on 10<sup>th</sup> June 2021 in favour of the Bureau for the sum of Sh.1.5 million plus costs and interest. The next step is to extract the decree and certificate of costs in this matter to enable the Bureau to realize the fruits of the judgement. The AG has been representing the Bureau.

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

**Notes to the Financial Statements (Continued)**

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

The plaintiff company had been contracted to install an Enterprise Resource Programme, ERP, at the Bureau. Bulky of the contract sum was paid leaving a balance of the sum claimed in this case, that is **KShs.5,948,468/=**. Since the ERP was not implemented fully by the plaintiff, the Bureau filed counterclaim for a sum of **Kshs.23,433,873/=** being the sum that had already been paid to the plaintiff but it did not install the ERP that the Bureau had procured. Owing the value of the counterclaim, that exceeds the pecuniary jurisdiction of the Magistrates court, the matter was transferred to the High Court for final determination. The process of transfer took a while as the plaintiff was opposing the said transfer. Subsequently, the matter was transferred to the High Court. The matter is still pending in court, and will be **heard on 25<sup>th</sup> October 2023**. The Corporation Secretary is representing the Bureau.

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

**e. Nairobi CMCC No.1421 of 2005: Beatrice Koskey Vs The Honourable Attorney General**

Motor vehicle **GK A839** was involved in an accident in the year 2004. It belonged to the then Central Bureau of Statistics. The driver died and another person who was in the vehicle with the driver also died. The wife of the deceased passenger has sued, seeking compensation.

**The matter was dismissed for want of prosecution and it is concluded.**

**30. Events after the Reporting Period**

There were no material adjusting and non- adjusting events after the reporting period.

**31. Ultimate and holding entity**

The Bureau is a Semi- Autonomous Government Agency under The National Treasury and Economic Planning. Its ultimate parent is the Government of Kenya.

**32. Currency**

The financial statements are presented in Kenya Shillings (KShs) rounded to the nearest KShs.

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**Appendices**

**Appendix I: Implementation Status of Auditor-General's Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe:</b>
<b>Issues raised for Financial Year 2020/2021</b>				
<b>2.0 Unrecoverable Receivables</b>				
	<p>The statement of financial position as at 30 June, 2021 reflects an amount of Kshs. 236,458,585 under receivables which includes staff imprest Kshs. 4,438,906 in respect of 2009 census which the Management is awaiting approval to write it off from its books. Further, included in the amount for receivables is Kshs. 64,850,985 for sundry debtors out of which Kshs. 23,433,873 relate to an ERP development debt that is subject to a court case. My opinion is not modified on the effect of the above matters.</p>	<p><b>The ERP Development</b> The ERP was implemented in the Bureau through the STATCAP Project at a cost of Kshs 29,742,342 as per contract No KNBS/STATCAP 005/11-12. It had three (3) components i.e Financials (SYSPRO ERP), Fleet management System and VIP Payroll &amp; Human Resources.</p>		<p>The matter is still in court and this is disclosed in the Notes to the Financial Statements under - <b>Nairobi Chief Magistrates Civil Case No 244 of 2015: Mareba Computers Vs KNBS</b></p>
<b>Issues raised for Financial Year 2021/2022</b>				
<b>3. Unrecoverable Receivables</b>				
	<p>The statement of financial position and as disclosed in Note 17 to the financial statements reflects receivables balance of Kshs.371,548,997 which includes staff imprest amount of Kshs.4,438,906 relating to 2009 census. As reported previously, the Management is awaiting approval to write it off from its books. Further, included in the receivables balance is Kshs.49,800,964 for sundry debtors out of which Kshs.23,433,873 relate to an Enterprise Resource Programme</p>	<p><b>Management response:</b>  <b>Kshs.4,438,906 relating to 2009 census</b> During the 2009 KPHC, Kenya National Bureau of Statistics advanced funds to the then 158 District Commissioners to facilitate the payments of suppliers, and field census personnel in cases where they did not have bank accounts, as well as the security officers and village elders.</p>		

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<p>(ERP) development debt that is subject to a court case.</p> <p>In addition, included in the receivables balance is Kshs.78,599,777 for staff debtors out of which Kshs.2,285,119 relates to imprest for staff who already have exited the Bureau through resignation or retirement.</p> <p>In the circumstances, the recoverability of Kshs. 4,438,906, Kshs. 23,433,873 and Kshs. 2,285,119 all totaling Kshs. 30,157,898 could not be confirmed as at 30 June 2022.</p>	<p>The then District Commissioners were the AIE holders and the chairpersons of the District Census Committees. Payment documents were to be surrendered with the appropriate documentation to KNBS headquarters for processing and clearance of the imprests. However 10 District Commissioners did not surrender an amount of Kshs 4,366,565.25 which is still outstanding in the Bureau's financial records.</p> <p>The Bureau has in the past sought the assistance of the State Department for Interior in recovering the un-surrendered imprests through your office. On 24<sup>th</sup> March 2020, the Bureau wrote to The National Treasury seeking approval to write off the amount and response is still awaited.</p> <p>The Bureau appeared before the Public Investment Committee on 23<sup>rd</sup> November 2021 and was directed to request for the recoveries of the same from the affected officers, and the amount be remitted to KNBS for accounting purposes.</p> <p><b>Kshs.23,433,873 relate to an Enterprise Resource Programme (ERP) Nairobi Chief Magistrates Civil Case No 244 of 2015: Mareba Computers Vs KNBS</b></p>	
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	<p>The plaintiff company had been contracted to install an Enterprise Resource Programme, ERP, at the Bureau. The bulk of the contract sum was paid leaving a balance of the sum claimed in this case, that is <b>KShs.5,948,468/=</b>. Since the ERP was not implemented fully by the plaintiff, the Bureau filed counterclaim for a sum of <b>Kshs.23,433,873/=</b> being the sum that had already been paid to the plaintiff but it did not install the ERP that the Bureau had procured. Owing the value of the counterclaim, that exceeds the pecuniary jurisdiction of the Magistrates court, the matter was transferred to the High Court for final determination. The process of transfer took a while as the plaintiff was opposing the said transfer. Subsequently, the matter was transferred to the High Court. The matter is still pending in court, and once a date is fixed by both parties, it shall proceed to hearing. The Corporation Secretary is representing the Bureau.</p> <p><i>This is an active case and the Bureau is exposed to the extent of the sum claimed by the plaintiff plus costs and interest.</i></p> <p><b>Kshs.2,285,119 imprest relates staff exits</b></p> <p>Demand letters for the Kshs. 2,285,119 which has remained outstanding from staff who have exited the Bureau through resignation and</p>	
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	<p>retirement, were done and delivered. The Bureau is following up on the matter, with the officers who joined other organizations, upon failure to receive responses.</p> <p><b>Outstanding Kshs.78,599,777 for staff debtors</b></p> <p>These were the current imprests whose processing was ongoing. The Bureau has increased capacity in the area of processing and accounting of imprest surrenders. The process is a regular and an ongoing activity. Further, monthly payroll recoveries are being done, with a view to ensuring full clearance of all overdue balances.</p>	
<p><b>Emphasis of Matter</b></p> <p><b>Financial Performance</b></p> <p>The statement of financial performance reflects a deficit of Kshs.1,365,016,222 (2020-2021: Kshs.1,689,690,623 and 2019-2020: Kshs.3,621,820,560) resulting decrease in revenue reserve for the last four (4) years from Kshs. 8,727,438,641 in 30 June 2019 to the current balance of Kshs. 1,722,129,687 as at 30 June 2022.</p> <p>Although the Management and as disclosed under Note 5 to the financial statements has indicated that it has resources to continue in business for the foreseeable future, If strategies are not put in place to reverse the trend, the Bureau is likely</p>	<p><b>Management Responses:</b></p> <p>The going concern concept of accounting implies that the Bureau will continue its operations in the future and will not halt or be forced to discontinue operations due to any reason. The Bureau is a going concern as no evidence is available to believe that it will or will have to cease its operations in foreseeable future.</p> <p>In the application of the going concern concept of accounting, the Bureau's computation of depreciation is on the basis of expected economic life of fixed</p>	

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<p>to face financial challenges in the near future.</p>	<p>assets rather than their current market value, with the assumption that the operations will continue for an indefinite period of time and the assets will be used until fully depreciated. In this regard, the depreciation amount was Sh.1,428,548,588 during FY2020/2021 as compared to Sh.1,416,682,500 during the period to 30<sup>th</sup> June 2022.</p> <p>The management is not aware of any material uncertainties that may cast significant doubt upon the Bureau's ability to continue as a going concern.</p> <p>The financial statements continue to be prepared on the going concern basis. Further, as can be noted from the statement of financial position, the Bureau held cash in bank as part of its reserves.</p>	



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

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**Appendix II : Projects Implemented by the Bureau**

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

<b>Project Title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period</b>	<b>Donor Commitment</b>	<b>Separate Donor Reporting required per Agreement</b>	<b>Consolidated in the Financial Statements</b>
2019 Population and Housing Census - Analytical Reports	N/A	UN Women	2022/2023	KSh. 43.93 million	Yes	Yes
NIPFN	FOOD/2017/393-022	European Union	2022/2023	Euro 3.5 Million (KShs.397 Million)	Yes	Yes
Regional Integration Implementation Programme	N/A	COMESA	2022/2023	KShs. 3 Million	No	Yes
Capacity Building	N/A	Statistics Sweden	2022/2023	Ksh. 6.74 million	No	Yes
Women Economic Empowerment	N/A	Kenyatta University	2022/2023	KShs.3.4 million	No	Yes

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<b>Appendix III: Transfers from Other Government Entities</b>						
Name of Entity Transferring Funds	Date Received	Nature: Recurrent / Development	Total Amount KShs.	Where Recorded / Recognized		
				Statement of Financial Statement	Receivables	Total Transfer during the Year
The National Treasury and Economic Planning	04.08.2022	Recurrent	103,885,000	103,885,000		103,885,000
	02.09.2022	Recurrent	103,885,000	103,885,000		103,885,000
	29.09.2022	Recurrent	103,885,000	103,885,000		103,885,000
	03.11.2022	Recurrent	103,885,000	103,885,000		103,885,000
	07.12.2022	Recurrent	103,885,000	103,885,000		103,885,000
	30.12.2022	Recurrent	103,885,000	103,885,000		103,885,000
	01.02.2023	Recurrent	103,885,000	103,885,000		103,885,000
	03.03.2023	Recurrent	62,719,500	62,719,500		62,719,500
	13.04.2023	Recurrent	222,427,200	222,427,200		222,427,200
	08.05.2023	Recurrent	103,885,000	103,885,000		103,885,000
	07.06.2023	Recurrent	103,885,000	103,885,000		103,885,000
	27.06.2023	Recurrent	103,885,000	103,885,000		103,885,000
	18.10.2022	Development	2,982,500	2,982,500		2,982,500
	04.11.2022	Development	2,982,500	2,982,500		2,982,500
	29.06.2023	Development	1,988,947	1,988,947		1,988,947
Total			<b>1,331,950,647</b>	<b>1,331,950,647</b>	-	<b>1,331,950,647</b>

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**Appendix III (Contd): Recording of Financial Transfers from Other Entities**

Name of Entity Transferring Funds	Nature	Date Received	Total	Where Recorded		
				Statement of Financial Statement	Receivables	Total Transfer during the Year
<b>1. State Department for Economic Planning</b>	Exchequer Releases	Various dates as above	1,331,950,647	Revenue from Non- Exchange Transactions	Note 6(a)	
		<b>Subtotal</b>	<b>1,331,950,647</b>			<b>1,331,950,647</b>
<b>2. Development Partners</b>						
COMESA -RIIP Funds	Direct Payment		5,000,000	Revenue from Non- Exchange Transactions	Note 6 (b)	
Kenyatta University	Direct Payment		10,508,400			
World Food Programm	Direct Payment		2,193,000			
UNWomen	Donor		9,267,756			
Statistics Sweden	Donor		11,884,707			
NIPFN - EU	Donor		59,064,366			
		<b>Subtotal</b>	<b>97,918,229</b>			<b>97,918,229</b>
<b>TOTAL TRANSFERS</b>						<b>1,429,868,876</b>

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**Appendix IV: End Year Quality Review Check**

<b>Ref</b>	<b>Ensure the following for financial statements prepared for the year ended 30<sup>th</sup> June 2023</b>	<b>Comment</b>
1	<p><b>Financial Statements</b></p> <p>i. Financial statements are prepared using the applicable reporting framework, IFRS or IPSAS Accrual as prescribed by the PSASB</p>	DONE
2	<p><b>Trial Balance</b></p> <p>i. The trial balance is balancing and has been used to prepare the latest financial statements. ii. All known adjustments effected before running the final trial balance.</p>	DONE
3	<p><b>General Ledgers</b></p> <p>i. For all General Ledgers cut-off procedures have been observed. ii. Financial statement items should be recognized in the relevant accounting period. iii. Any suspense account should be cleared.</p>	DONE
4	<p><b>Accounting Policies</b></p> <p>i. Accounting policies adopted by the entity are in line with the entity's reporting finance manual and comply with the respective adopted reporting framework. ii. Only relevant accounting policies should be included in the financial statements.</p>	DONE
5	<p><b>Cash and Cash equivalent: Bank balance</b></p> <p>i. Ensure that bank reconciliations for the whole year have been prepared, reviewed and approved as per the organization's manual. ii. Ensure that the bank reconciliation does not include invalid reconciling items such as stale checks or bank charges that should be recorded as expenses in the general ledger. iii. Cash balance. iv. Carry out a cash count ensuring that entity personnel independent from the one in charge of cash is present and signs off on the petty cash certificate. v. Ensure that the petty cash reconciliation opening balance agreed to the previous cash count and the closing balance agrees to the petty cash certificate at the end of the fiscal period.</p>	DONE
6	<p><b>Investments: Short term deposits</b></p>	DONE

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	<ul style="list-style-type: none"> <li>i. Check and ensure that deposits have certificates and have been recorded in the system</li> <li>ii. Ensure the investments schedule clearly shows the amount of principal, interest rate, dates of placement and maturity, no. of days held, interest earned at the earlier of date of maturity or period end.</li> <li>iii. Ensure that the interest income earned on deposit is correctly recorded in the general ledger.</li> <li>iv. Ensure that the accrued interest at the end of the year is accurately computed and recorded.</li> <li>v. Review the investments schedule and ensure that all computations have been done.</li> </ul>	
7	<p><b>Receivables</b></p> <ul style="list-style-type: none"> <li>i. Ensure that there is an aged receivables listing that agrees to the general ledger/trial balance.</li> <li>ii. Ensure that all provisions made are appropriately approved and are as per entity's policy.</li> <li>iii. Ensure that the evidence of following up on long outstanding balances is available.</li> <li>iv. Document credit risk management for the receivables as at the end of closing period.</li> </ul>	DONE
8	<p><b>Inventories</b></p> <ul style="list-style-type: none"> <li>i. Ensure that an inventory count is conducted and the results match what is recorded in the general ledger/trial balance.</li> <li>ii. Ensure that all variances arising from the result above are well explained.</li> <li>iii. Ensure that any impairments in value are accurately computed and presented in the trial balance.</li> </ul>	DONE
9	<p><b>Property plant and equipment &amp; intangible assets</b></p> <ul style="list-style-type: none"> <li>i. Ensure the fixed assets register is up to date and agrees with the fixed assets movement and eventually to the general ledger/trial balance.</li> <li>ii. Conduct a verification exercise and ensure that all assets that are impaired are provided for.</li> <li>iii. Ensure all assets that are being held as collateral for the entity borrowings are clearly identified and documented in the fixed assets file.</li> <li>iv. Update the list of fully depreciated assets and their condition as at the end of reporting period.</li> </ul>	DONE

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	<p>v. Any work in progress included under PPE should be detailed and confirmed that indeed it was not complete as at the end of fiscal year.</p> <p>vi. Confirm adequacy of insurance for all the assets held.</p> <p>vii. Prepare a fixed assets movement schedule.</p> <p>viii. Ensure that the movement schedule agrees to the following: -</p> <ul style="list-style-type: none"> <li>✓ The opening balances on both cost and accumulated depreciation agree to the prior year signed financial statements.</li> <li>✓ The depreciation charge for the year agrees to the depreciation in the Statement of Financial Performance.</li> <li>✓ The net book value agrees to the disclosed in the Statement of Financial Position.</li> </ul>	
10	<p><b>Biological Assets</b></p> <ul style="list-style-type: none"> <li>i. Perform a count at the end of the period.</li> <li>ii. Ensure that the fair value is computed accurately and that all assumptions are well documented.</li> <li>iii. Ensure that the fair value adjustments have been accurately passed to reflect the change in valuation in the Statement of Financial Position and the Statement of Financial Performance.</li> </ul>	N/A
11	<p><b>Accounts payable: Trade payables</b></p> <ul style="list-style-type: none"> <li>i. Obtain the aged payables listing and ensure that they agree to the general ledger.</li> <li>ii. Review all unpaid invoices and ensure that expenses that all expenses relating to the fiscal year are accrued accurately.</li> <li>iii. Ensure that any long outstanding payables have been written off after appropriate approval has been obtained.</li> </ul> <p><b>Accounts payable: Deferred Income</b></p> <ul style="list-style-type: none"> <li>i. Ensure that the deferred income has been adjusted correctly having recognized income that relates to the current fiscal year.</li> </ul>	DONE
		DONE



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	<p>ii. Ensure that there is clear documentation and support for classifying the amount as deferred income.</p> <p><b>Accounts payable: Unexpended Grants</b></p> <ul style="list-style-type: none"> <li>i. Prepare the unexpended grants movement schedule.</li> <li>ii. Ensure that the opening balances agree to the prior year audited financial statements.</li> <li>iii. Ensure that the income and expenditure are fully supported and agree to what was received in the current year.</li> </ul>	DONE
12	<p><b>Funds/Reserves</b></p> <ul style="list-style-type: none"> <li>i. Ensure that the amount in the trial balance agrees to the prior year audited financial statements.</li> <li>ii. Prepare a movement incorporating any changes in the year and maintain the accuracy of the figure.</li> </ul>	DONE
13	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>i. Ensure that all revenue schedules are prepared disclosing the date the income was received the source, cheque number etc.</li> <li>ii. Ensure that the key prices schedule of all goods/services sold by the entity is available.</li> <li>iii. Ensure that all discounts awarded during the year are well supported and relevant approvals are available.</li> <li>iv. Ensure that the most revised copy of rental agreements is available.</li> <li>v. Ensure that any grants received from donors are well recorded (restricted/unrestricted) as per the donor agreements.</li> <li>vi. Ensure transfers from the MDA are correctly classified as recurrent or development and are disclosed properly.</li> <li>vii. The transfers from MDAs MUST agree with the MDA records as at the end of reporting period.</li> </ul>	DONE

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	viii. Ensure revenue recognition as per the accounting policies and the respective financial reporting framework.	
14	<p><b>Expenditure</b></p> <ul style="list-style-type: none"> <li>i. Ensure that all supporting documentation of expenditure are filed in an orderly manner.</li> <li>ii. Ensure that all expenses are recorded including accruals made at the end of the year.</li> <li>iii. Ensure that expenditure reports sent to donors are also available and that they agree to what is in the trial balance with any difference being explained.</li> </ul>	DONE
15	<p><b>Inter-entity balances</b></p> <ul style="list-style-type: none"> <li>i. Liaise with the Ministry at least quarterly to reconcile the amounts received from what was dispatched to ensure accuracy of the figures.</li> <li>ii. Ensure that the amounts received are clearly differentiated between recurrent and development and that a detailed schedule of when the funds were received and from who.</li> <li>iii. Ensure that any funds received in the subsequent month that relate to the year that is coming to an end are accrued for accurately and reported in the year under review.</li> <li>iv. Ensure that there is a detailed disclosure for the inter entity balance in the financial statements for ease of reconciliation with amounts disclosed by the Ministry.</li> </ul>	DONE
16	<p><b>i. Disclosures</b></p> <ul style="list-style-type: none"> <li>ii. Ensure that all amounts disclosed in the financial statements are fully supported by notes and that the amounts on the face of the financials agree to the amounts disclosed in the notes.</li> <li>iii. Ensure that the inter entity note clearly indicates funds meant for recurrent expenditure and funds meant for development expenditure with a detailed breakdown of when the funds were received and from which ministry.</li> <li>iv. Ensure that all rental agreements are available and support the operating lease disclosure.</li> </ul>	

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	<p>v. Ensure that all donor agreements are available and prepare the grant movement schedule for restricted grants ensuring that the opening balance agrees to the prior year signed financial statements, income received agrees to the bank statements and receipts issued and the income recognized agrees to the expenditure spent during the period under review.</p> <p>vi. Prepare IFRS7/IPSAS 30 disclosures ensuring that all amounts disclosed agree to the trial balance and the financial statements Ensure that any related party balances are disclosed separately with clear descriptions included in the notes to ensure understandability to the users of the financial statements.</p> <p>vii. Ensure that any subsequent events that may affect the information disclosed in the financial statements are disclosed with clear descriptions and provisions made if necessary.</p> <p>viii. Review any litigation matters that are ending in court and liaise with your legal representatives to ensure that all contingent liabilities are disclosed in the financial statements with any provisions being made in the payables.</p> <p>ix. Ensure that the note to cash clearly indicates the banks where the money is held for both cash at bank and any short and long term deposits.</p>	DONE
17	<p><b>Donor Funded Projects</b></p> <p>i. Ensure all donor funded projects are taken stock of; i.e. determining the projects that started during the year, continuing and closed projects.</p> <p>ii. Determine, based on the donor agreement whether a separate financial statement is required for the project.</p> <p>iii. Prepare Project financial statements based on the requirements stipulated in the Grant Agreement.</p> <p>iv. Ensure actual receipts and payments are compared with the budget and explanation for variation documented.</p> <p>v. Ensure compliance with Donor agreement terms and conditions and summarize issues of non-compliance.</p>	DONE

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	<p>vi. The Project Financial Statements should be prepared in accordance with IPSAS Cash basis template issued by the PSASB of Kenya as included in the National Treasury Website.</p> <p>vii. Where a separate bank account is maintained for the project, ensure a reconciliation of the bank and cash balances as at the end of reporting period.</p> <p>viii. Before submission of the project financial statements to OAG with a copy of COB and National Treasury, ensure internal reviews are carried out.</p> <p>ix. Ensure donor confirms funds transferred and any commitment from them and if there are costs which were paid by the donor on behalf of the they should also be confirmed.</p> <p>x. A listing of assets acquired using donor funds but expensed should also be maintained and the status of such assets as at the end of the reporting period.</p>	
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Additional review comments: -

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_

Name of Chief Finance Officer or any other officer reviewing: E. N. WJOROGE

Sign: \_\_\_\_\_

Date of review: 26 Sept, 2023

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**Appendix V: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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**Appendix VI: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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