

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
OF	
DATE: 15 FEB 2022	Time: 10:00 AM
TABLED BY: LDM	
CLERK-AT-THE-TABLE: Gertrude Chebet	

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR
EAST AFRICAN COMMUNITY**

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

23 DEC 2021

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**MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL
DEVELOPMENT**
(STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY)

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

**MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY**

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1. KEY ENTITY INFORMATION AND MANAGEMENT

1.1 Background information

1.1.1 Overview of the Ministry

The Ministry of East African Community and Regional Development was formed by Executive Order No.1 of June 2018 by merging the Ministry of East African Community (EAC) Integration and the Ministry of Regional and Northern Corridor Development

The Ministry has two State Departments namely; East African Community, and Regional & Northern Corridor Development. The Ministry is established to coordinate Kenya's participation in the East African Community integration process pursuant to Article 8(3)a of the Treaty for the Establishment of the East African Community; coordinate business transformation in Kenya; coordinate Northern Corridor Integration projects (NCIP) and Regional Development Authorities.

The Cabinet Secretary represents The Ministry of East African Community and Regional Development at Cabinet level and is responsible for the general policy and strategic direction of the Ministry.

1.1.2 Vision of the Ministry

To be a champion on regional integration, business transformation and sustainable basin-based development.

1.1.3 Mission of the Ministry

To deepen and widen East African Integration, facilitate business transformation and enhance integrated basin-based development for improved livelihoods for all Kenyans.

1.1.4 Mandate of the Ministry

The Ministry derives its mandate from the Executive Order No. 1 of May 2020 (Revised) as follows:

- i Policy on East African Community.
- ii. East African Community Affairs.
- iii. Implementation of the East African Treaty.
- iv. Facilitate and enhance the Ease of doing Business in Kenya.

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- v. Identifying and recommending business reforms for promoting business and for making Kenya competitive locally, regionally and internationally.
- vi. Coordinating engagements of the Government of Kenya with private sector in respect to business climate and business transformation.
- vii. Co-ordination of implementation of EAC regional Programmes and Projects.
- viii. Promotion and Fast Tracking of EAC Integration.
- ix. Co-ordination of Government's participation in East African Community Affairs.
- x. East African Community Meetings and Institutions.
- xi. Coordinating Kenya South Sudan Liaison Office (KESSULO).
- xii. Coordination of Regional development Authorities.
- xiii. Monitoring and Evaluation of the implementation of Northern Corridor Development.
- xiv. Fast tracking identified Northern Corridor Integration Projects.
- xv. Oversight and Co-ordination of Lamu South Sudan Ethiopia Transit Corridor (LAPSSET) Programme implementation.
- xvi. Providing Secretariat Service during Ministerial and Head of States Summit Meetings on Northern Corridor Development.
- xvii. Coordinating Northern Corridor Transit and Transport Co-ordination Authority (NCTTCA).

1.1.5 Core Values

In order to realize its Vision and Mission, the Ministry is guided by the following core values.

- i. Customer focus
- ii. Results-Oriented
- iii. Integrity
- iv. Teamwork
- v. Equity
- vi. Professionalism

1.1.6 Core Functions

The Ministry's core functions include:

- i. Liaison with the EAC Organs and Institutions and the Partner States.
- ii. Coordination of Ministries, Counties, Departments and Agencies (MCDAs), the private sector and Non-State Actors to participate effectively in the EAC integration process.
- iii. Capacity building of the citizenry to maximize the benefits of EAC integration.

- iv. Communication and dissemination of information on the integration process and opportunities arising thereof.
- v. To facilitate, oversee and coordinate the planning and direction of national policies and resources to create conditions favourable for the development and achievement of the objectives of the East African Community and implementation of the provisions of the EAC Treaty and protocols.
- vi. To facilitate, coordinate and oversee the negotiations on Customs Union, the Common Market, the Monetary Union and the Political Federation.
- vii. To facilitate, coordinate and oversee all EAC regional projects and programme.
- viii. To coordinate ease of doing business.
- ix. To facilitate, coordinate and oversee Integrated Regional Development projects and programmes.
- x. To enhance the Ministry's capacity to effectively perform its functions and create awareness for the benefit of all Kenyans.
- xi. To coordinate Kenya's participation in EAC-SADC-COMESA tripartite and the African Continental Free Trade Area (CFTA) negotiations.
- xii. To coordinate Kenya South Sudan Liaison
- xiii. To Coordinate Northern Corridor Integration Projects in collaboration with implementing Ministries and Agencies.
- xiv. To monitor, evaluate and report on the implementation of the Northern Corridor Integration Projects.
- xv. To coordinate and oversee the Regional Development Authorities (RDAs).
- xvi. Formulate and review regional development policies.
- xvii. Coordinate resource mobilization to facilitate RDAs on the implementation of integrated development projects and investments.
- xviii. Provide technical support to the RDAs.

1.2 Key Management

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

- Senior Management Committee;
- Ministerial Human Resource Advisory Committee;
- Ministerial Tender Committee; and
- Ministerial Training Committee

1.3 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Accounting Officer	Dr. Kevit Desai, CBS
2.	Secretary Administration	Mr.Stephen Ikua
3.	Integration Secretary	Dr.Alice Yalla, OGW
4	Principal Finance Officer	CPA joseph Maina
5	Assistant Accountant Gen	CPA Maureen Oganga
6	Senior Procurement	Mr. George Mwaura

1.4 Fiduciary Oversight Arrangements

- a) Budget Implementation Committee
- b) Audit Committee
- c) Public Financial Management Committee
- d) Resource Mobilization Committee

1.5 Entity Headquarters

Co-operative Bank House

16th - 21st floor

Haile Selassie Avenue

NAIROBI, KENYA

Entity Contacts

Telephone: (254) -02245741/2211614

E-mail: ps@meac.go.ke

Website: www.meac.go.ke

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1.6 Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

1.7 Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

1.8 Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

2. FOREWORD BY THE CABINET SECRETARY

In the Financial Year 2020/2021, the State Department implemented programmes that were geared towards deepening and widening the EAC Integration. The programmes were anchored on the national priorities, specifically to enable realization of the “Big Four Agenda”. The notable achievements for the State Department for East African Community during the period include: improvement in Kenya’s global ease of doing business ranking to Position 50 from 56 out of 190 countries globally and tabling of the Doing Business Milestones in Parliament by H.E the President in November 2020; convening stakeholders’ consultation and identification of a total of 1,121 tariff lines for review under the EAC Common External Tariff; development of the EAC Export Promotion Strategy 2020 – 2025 and its implementation Work Plan; Two Hundred and Twenty-Six (226) Non-Tariff Barriers (NTBs) cumulatively resolved since 2007; validated the final draft Common Market Scorecard 2020 on free movement of goods, services, and capital; development of the EAC Customs Strategy 2021/22-2025/26; finalized feasibility study and titling of land for the construction of the Busia Cross Border Market; coordination of ratification the Protocol on Cooperation in ICT; finalized the EAC Banking certification Policy; finalized EAC Microfinance services Policy and its implementation strategy; East African Monetary Institute Bill 2018 was assented to by all Partner States; and East African Statistics Bureau Bill 2018 was passed by EALA.

The achievements under Northern Corridor Integration Projects include: finalization of the Land Valuation Index Bill, to assist in speeding up acquisition of land for NC infrastructure projects; finalization of the Land value (Amendment) Act which has been assented into Law and established a Land Acquisition Tribunal; finalization of the Lake Victoria Inter-Modal Transport System which was commissioned by H.E. the President.

Achievements for the State Department for Regional Development include: establishment of integrated irrigation projects, set up of value addition factories like the integrated fruit processing plant to support the “Big Four” Agenda; coordinated tree planting campaign where over 2 million tree seedlings were planted as a mitigation towards climate change and also a contribution towards 10% tree cover; and development of a draft miscellaneous amendment Bill for the Regional Development Authorities Act.

As the country moves on with the implementation of the “Big Four” Agenda and Kenya’s Blue Print Vision 2030, it is envisioned that the information contained in this report will provide

valuable source of reference in updating Kenyans on the business reforms on ease of doing business, progress of the EAC integration and also in the integrated regional development projects. I urge all stakeholders to review the report as a way of increasing knowledge and our commitment in the use of public resources and service delivery.

KEY ACHIEVEMENTS

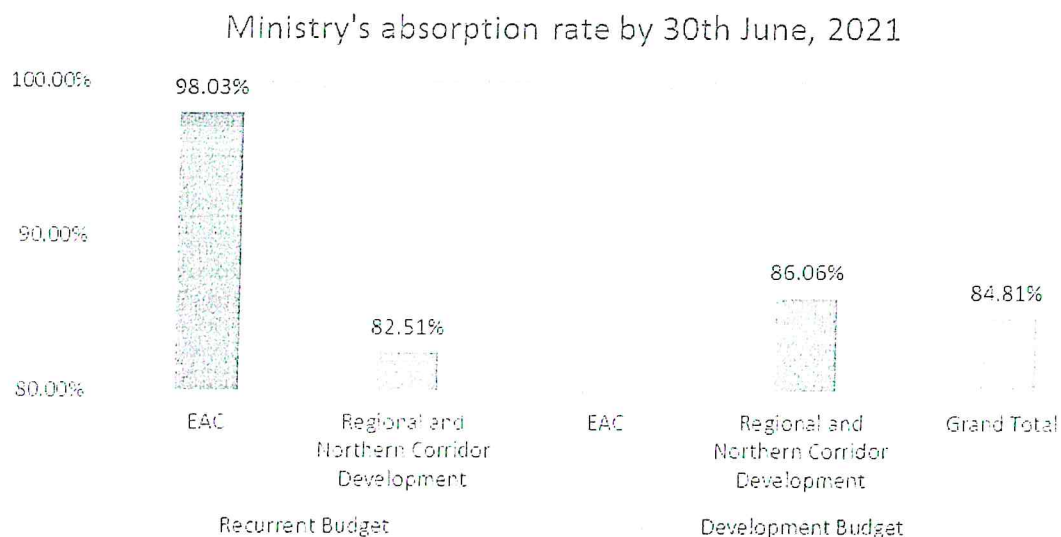
The Ministry was allocated a total of **Kshs 5,383,924,614** with a recurrent and development allocations of **Kshs 4,126,024,714** and **Kshs 1,257,899,900** respectively. As shown in Table 1 below, the State Department for EAC (SDEAC) had a budgetary allocation of Kshs. 511,325,519 as recurrent expenditure and no development allocation for the Financial Year 2020/21. The State Department for Regional and Northern Corridor Development (SDR&NCD) was allocated of Kshs 4,872,599,095 with Kshs 3,614,699,195 and Kshs 1,257,899,900 as allocations for recurrent and development respectively. Out of Kshs 4,126,024,714 recurrent budget, the Ministry was allocated Kshs. 3,482,936,130 as transfers to Regional Development Authorities (RDAs).

As at 30th June 2021, 84.81% of the allocation was utilized by the Ministry, with the State Department for EAC utilizing 98.03% of its allocation while the State Department for Regional and Northern Corridor Development managed to utilize 83.42% of its approved allocation as shown in the table below.

Table 1: Utilization of funds in the Ministry for the period 2020/21

Expenditure Type	State Department	FY 2020/21 (Kshs)		Absorption rate as at 30th June 2021
		Approved Estimates (Kshs)	Total Expenditure (Kshs)	
RECURRENT BUDGET	EAC	511,325,519	501,275,473	98.03%
	Regional & Northern Corridor Development	3,614,699,195	2,982,339,485	82.51%
	Sub Total	4,126,024,714	3,483,614,958	84.43%
DEVELOPEMENT BUDGET	EAC	0	0	0%
	Regional & Northern Corridor Development	1,257,899,900	1,082,591,452	86.10%
	Sub Total	1,257,899,900	1,082,591,452	86.10%
Grand Total		5,383,924,614	4,566,206,410	84.81%

Figure 1: Budget utilization rates within the two State Departments



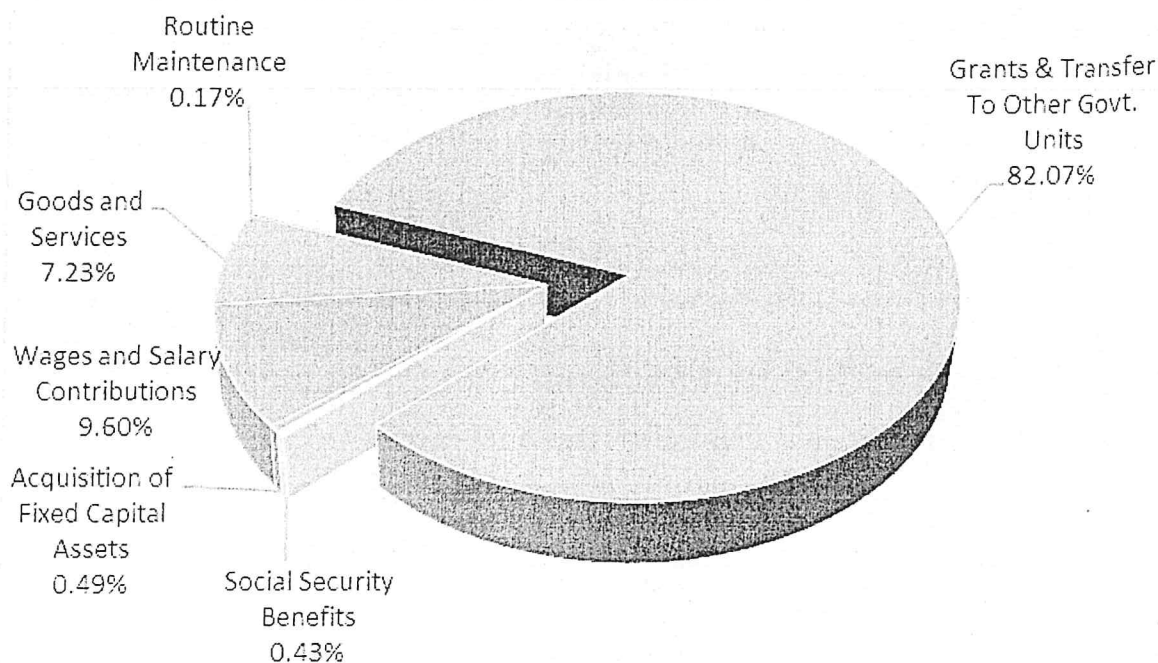
The Ministry utilized the Approved 2020-2021 Budget by Economic Classification as shown in table 2 and Figure 2.

Table 2: Analysis of Expenditure by Economic Classification

Economic Classification	Approved Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)
Wages and Salary Contributions	344,479,997.00	334,480,809	9,999,188.
Goods and Services	259,066,439.00	252,036,477	7,029,962
Routine Maintenance	7,015,979.00	5,928,039	1,087,940
Grants & Transfer To Other Govt. Units	3,482,936,130.00	2,859,127,683	623,808,448
Social Security Benefits	14,949,756.00	14,949,756.00	0.00
Acquisition of Fixed Capital Assets	17,576,413.00	17,092,196.00	484,217.00
Grand Total	4,126,024,714.00	3,483,614,961	642,409,757

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Figure 2: Analysis of Expenditure by Economic Classification



Summary of key achievements during the Financial Year 2020/2021

During the period under review, State Department realized tremendous achievements under Business Transformation function and the EAC Integration.

Achievements under Business Transformation

Kenya's ease of doing business ranking under business transformation improved from position 56 to position 50. The Ministry:

- i. Developed the Ease of Doing Business Reform Milestone Report 2014-2020, that was tabled in Parliament by H.E the President during the Seventh (7th) State of the Nation Address
- ii. Developed and disseminated the annual business reform action plan across the 11 Ease of Doing Business indicators.
- iii. Coordinated the drafting and enactment of the Business Laws (Amendment) Act 2021.
- iv. Coordinated the publication of Eight (8) Legal Notices to implement the identified regulatory reforms.
- v. Held Fifteen (15) meetings to monitor the implementation of reforms in accordance with the action plan for the current Doing Business cycle.
- vi. Coordinated the publication of Sixteen (16) Public Notices that communicated the implemented Business Reforms in the current Doing business cycle.

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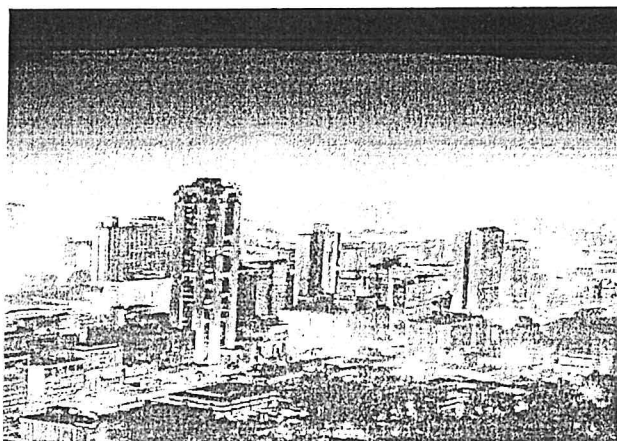


REPUBLIC OF KENYA

Ease of Doing Business

Reform Milestones 2014-2020

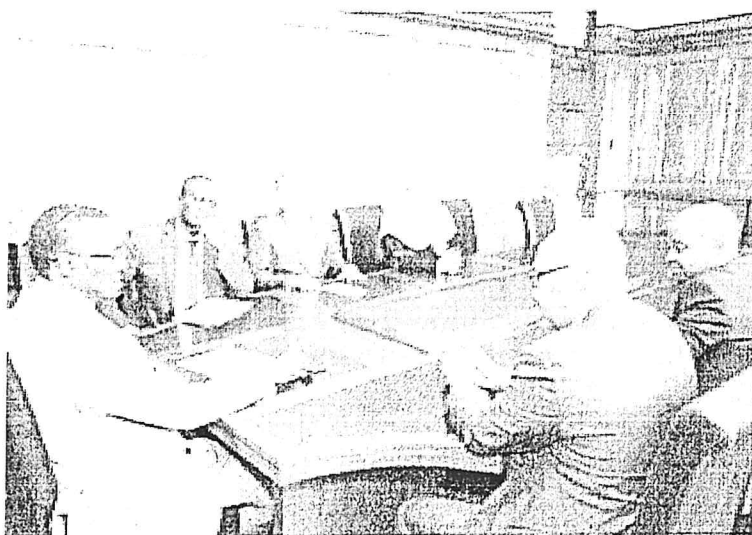
November, 2020



Ministry of East African Community and Regional Development



A stakeholder sensitization workshop on Land Registrations Reforms



A stakeholder sensitization workshop on Land Registrations Reforms

Achievements under the EAC Integration

The State Department implemented several activities under the EAC Integration pillars namely; EAC Customs Union, EAC Common Market, EAC Monetary Union, EAC Political Federation, and EAC Cross-Cutting issues. The achievements are as follows:

EAC Customs Union

The implementation of the EAC Customs Union and Common Market Protocols continued during the period under review. Among others, the following achievements were realized:

- i. Coordinated the Comprehensive Review of the EAC Common External Tariff (CET) under the Regional Task Force.
- ii. Continued with the implementation of the EAC Single Customs Territory where total cargo throughput at the port of Mombasa, increased from 27 million metric tons in 2016 to 34 million metric tons in 2019
- iii. Commenced automation of the EAC Certificate of Origin (E-certificate of Origin) aimed at exchange of electronic certificates to allow confirmation of the authenticity in the destination Partner States
- iv. Adoption of a multi-Sectoral and coordinated approach for cargo clearance to facilitate Trade amid Covid-19 pandemic. This included customs, Standards bodies, Health, Immigration, Security, Police, Port/Border control in the one-stop centre to minimize the time taken to clear goods, drivers and crew.
- v. Coordinated the Comprehensive Review of the East African Community Customs Management Act, 2004.
- vi. Coordinated the development of the EAC Customs Strategy 2021/22-2025/26
- vii. Coordinated the development of the EAC OSBP Sustainability Strategy 2021/2022 - 2025/2026 to ensure the sustainability of OSBPs.
- viii. Cumulatively resolved Two Hundred and Twenty-Six (226) None Tariff Barriers (NTBs) since 2007, while Fifteen (15) NTBs remained outstanding.
- ix. Coordinated the Development of the EAC Export Promotion Strategy 2020 – 2025.
- x. Continued with the Simplification of Procedures for exports and imports in the EAC where 42 procedures from different commodities notably Coffee, Tea, Flowers, Meat and Meat products, cotton and Nuts & Oils have undergone simplification since 2018.
- xi. Coordinated the commencement of implementation of the Africa Continental Free Trade Area (AfCFTA) in January, 2021.

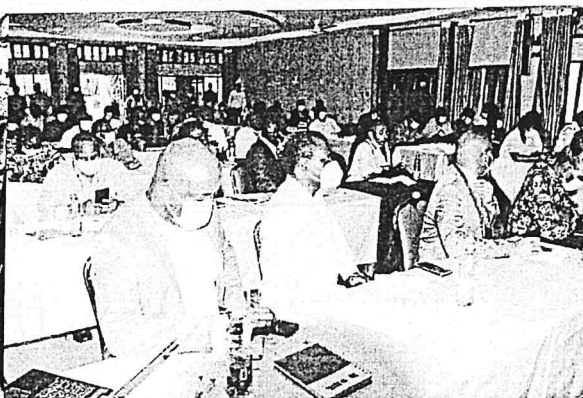
- xii. In liaison with the Ministry of Interior participated in the coordination of the operationalization of Moyale One Stop Border Post. Moyale OSBP became operational in May, 2021.

EAC Common Market

- i. Coordinated the validation of the final draft Common Market Scorecard 2020 on free movement of goods, services, and capital.
- ii. Coordinated the adoption of the final draft 1st EAC Common Market Protocol Formative Evaluation Report 2010 – 2018 by the Sectoral Council of Ministers Responsible for EAC and Planning.
- iii. Coordinated the harmonization of testing for COVID-19 for truck drivers across Partner States; effect of COVID-19 on trade and cargo movement; and common challenges experienced at the OSBPs.
- iv. Undertook sensitization and awareness creation of cross border women traders, entrepreneurs and Border Agencies on Childcare Project in Busia (Busia and Mbale), Kajiado (Namanga) and Migori (Isabania) Counties.
- v. Undertook sensitization and awareness creation forum on Consultancy Services for the Assessment, Design, and Supervision of the Proposed Safe Market for Traders in Soko Posta, Busia County.
- vi. Coordinated nine (9) cross border meetings at Malaba, Busia, Isibania, Namanga, Taveta and Lunga Lunga points of entry and exit to enhance cross border relations and promote and coordinate border management.
- vii. Coordinated the development and operationalization of regional protocols and guidelines, and a mobile phone-based Cargo and Truck Driver Tracking System to mitigate against the spread of Covid-19.
- viii. Concluded a feasibility study on the Jumuiya market in Busia and held a stakeholders meeting for buy-in. Land identification and demarcation was undertaken in conjunction with the Busia County government. Beacons were erected, hydrological survey was done and a water points identified.



PS Dr. Kevit Desai erecting a beacon at the site of the proposed market



Stakeholders during the Consultative Session for the Busia Jumuiya Market at the Breeze Hotel, Busia

EAC Monetary Union

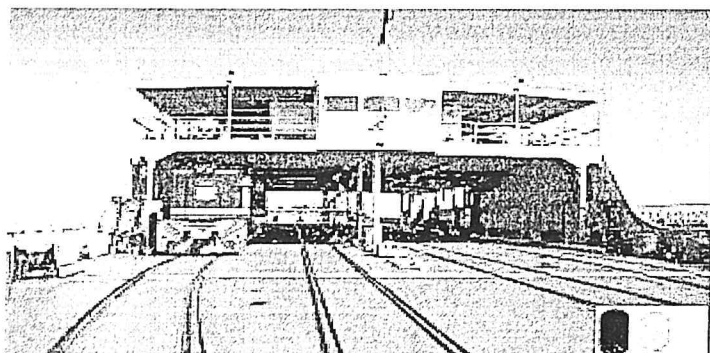
- i. Coordinated the enactment of The East African Monetary Institute Bill 2018 and Pronounced 1st of July, 2021 as the commencement date of the operationalization of the East African Monetary Institute Act, 2019.
- ii. Coordinated implementation of measures by EAC Partner States to Limit the Economic Impact of COVID-19 that included lowering of policy interest rates; reduction of the statutory minimum reserves requirement for commercial banks; increased healthcare spending; accelerated payment of domestic arrears; tax relief through lower tax rates, exemptions and deferral of tax payments among others.

Northern Corridor Integrated Projects

- i. Development of the Land Valuation Index Bill, 2018 was finalized to assist in speeding up acquisition of land for NC infrastructure projects; Land value (Amendment) Act finalized and assented into Law on 16th August, 2019; and Land Acquisition Tribunal established.
- ii. Lake Victoria Inter-Modal Transport System was finalized and commissioned on 31st May, 2021 by H.E. the President. Figure below is the rehabilitated MV Uhuru and 3 billion revamped Lake Victoria Inter-Modal Transport.



Revamped 3b Kisumu Port



Rehabilitated MV Uhuru

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Emerging Issues

- i. The onset of COVID-19 Pandemic containment measures which threatens to erode the gains achieved on the free movement of goods and persons across EAC borders and along the Northern Corridor;
- ii. Diplomatic standoffs within EAC sub-regional integration process with possibilities of Partner States sliding back to unilateralism.
- iii. Establishment of new EAC Institutions which require contributions from the Partner States namely EAC Monetary Institute, EAC Statistics Bureau, EAC Competition Authority temporary hosted in Arusha, Tanzania, EAC Centre for Aviation Medicine in Nairobi, Kenya, EAC Health Research Commission in Bujumbura, Burundi, EAC Kiswahili Commission in Zanzibar, and EAC Science and Technology Commission in Kigali, Rwanda.
- iv. Implementation of the African Continental Free Trade Area (AfCFTA), UK with the EAC.

Challenges facing the Ministry

State Department for EAC

National:

- v. Inadequate budgetary funding to implement the State Department's mandate including sensitization, research, and communication of results.
- vi. High turnover of focal point officers in MDAs.
- vii. Lack of budgetary provision to other MDAs to implement EAC programmes.
- viii. Inadequate human resource capacity.
- ix. Inadequate Information Communication Technology equipment – obsolete infrastructure.
- x. The outbreak of COVID-19 Pandemic that has continued to cause supply chain disruption globally and this has impacted negatively on trade facilitation and threatened to reverse gains made towards free movement of goods and persons in the region.

Regional:

- xi. The enforcement of different COVID-19 measures by EAC Partner States to contain the pandemic has had a negative impact particularly at borders. Some borders witnessed unprecedented long queues of trucks, long periods of waiting for COVID 19 results by truck drivers and some truck drivers denied entry into neighbouring Partner State if found to be positive.
- xii. Inconsistent application of the Common External Tariff (CET), re-occurrence and emergence of new NTBs, and restrictive use of rules of origin continue to be detrimental to the free flow of trade.

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- xiii. Inadequate legal and institutional reforms across the EAC Partner States to facilitate implementation of the Common Market Protocol.
- xiv. Slow process in finalizing EAC negotiations due to the principle of consensus and sovereignty of Partner States.
- xv. Delays in ratification of the EAC protocols such as Foreign Policy Coordination, Environment and Natural Resources Management and by implication the delayed implementation of the provisions therein. This has restricted the operational space necessary for the region's response interventions.
- xvi. Donor dependence on most of the EAC projects and programs leading to non-implementation of planned activities.
- xvii. Re-emergence of unilateralism and protectionist policies.
- xviii. Shifting geo-political landscape.
- xix. Lack of Partner States commitments to implement decisions and directives of the community.

State Department for Regional and Northern Corridor Development

- i. Frequent movement of the Directorate on government reorganization;
- ii. Slow pace of reviewing the Regional Development Authorities policy and bills;
- iii. Inadequate staffing;
- i. Align the regional Development Authorities towards implementation of programmes/projects under the 'Big Four' initiatives;
- ii. Regional geopolitics has adversely affected the implementation of the Petroleum Oil Pipelines and other NCIP infrastructure projects;
- iii. The construction of the SGR continues to present challenges of land acquisition and funding in Kenya while in Uganda the project financing is a major bottleneck;
- iv. The East African Tourism Visa (EATV) stickers' sales continue to experience the challenge of accountability due to poor record keeping at points of sale and uncoordinated purchases of stickers by Partner States. This makes it difficult to reconcile the sales and revenue sharing among the Partner States;
- v. Delay in enacting of the proposed amendment of land laws in Kenya to fast track land acquisition for NCIP;
- vi. Delayed submission of geo-spatial data by Ministries in charge of infrastructure projects leading to inefficient coordination of implementation of the NCIP by the lands cluster;
- vii. Incompatible Partner States National Laws that hinders the finalization of several agreements and MOUs in the Peace and Security Cluster;
- viii. The NCIP office faces challenge of inadequate funding for project monitoring and evaluation; and
- ix. Lack of a policy framework to guide the funding and operationalization of the NCIP Regional Centres of Excellence.
- x. Delayed receipt of development funds hence delay in implementation of some of the projects.
- xi. High levels of insecurity in some of the areas where projects are being implemented

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RECOMMENDATIONS AND WAY FORWARD

- i) **Budgetary allocation:** That the Ministry's ceiling be increased for both recurrent and development votes to correspond with the expanded mandate and to ensure provision of efficient and seamless service delivery.
- ii) **Post Covid-19 Recovery Strategy:** The Ministry will lay strategies for urgent socio-economic response, based on five critical pillars: Protecting health services and systems; social protection and basic services; protecting jobs and small and medium sized enterprises, and the most vulnerable productive actors; macroeconomic response and multilateral collaboration; and social cohesion and community resilience.
- iii) **ICT development:** An integrated approach to ICT development is key particularly during the Covid-19 pandemic period. It calls for a network system, local digital systems and mobile applications that include projects, market system, community involvement, monitoring and evaluation techniques, policies and regulations and stakeholders' collaborations.
- iv) **Human Capacity Strengthening:** In order to address human resource capacity gaps and build the capacity of public servants, the Ministry requests provision of adequate resources to enable recruitment, development and implementation of comprehensive succession plans.
- v) **Progressive reduction and avoidance of pending bills:** To improve budget execution, the Ministry should adhere to work plans and procurement plans within available budgetary allocation to avoid accumulation of pending bills. The State Department requests adequate allocations to progressively reduce the burden of historical pending bills on the delivery units.
- vi) **Public Private Partnerships (PPP):** The National Treasury and Planning should support and fast-track the approval process of the PPP projects submissions as a means of joint resource mobilization with the respective Agencies to ensure that these projects are implemented to realize the attainment of the "Big Four" Agenda, SDGs and Vision 2030.
- vii) **Enhanced funding for Climate Change mitigation and adaptation measures:** The Ministry has been undertaking Climate Change Mitigation and Adaptation initiatives. It requests that adequate budget provision be made to enable implementation of initiatives to address the effects of climate change on natural resources and the communities by these agencies.
- viii) **Bilateral engagements:** Lay down strategies for more bilateral engagements to strengthen the EAC integration process;
- ix) **Research:** Enhance financing for research to mainstream an evidence- based integration.
- x) **Stakeholder Engagement:** Increased stakeholder capacity on EAC trade regime to facilitate uptake on the available trade opportunities and graduation of informal cross border traders to Small and Medium Enterprises (SMEs).

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CONCLUSION

I wish to thank all the staff in the Ministry for diligently, and effectively working towards the implementation of our policy and the agreed Annual work plan targets. I understand the many challenges we went through during the implementation exercise, but working together as a team and putting the resource available where they were planned to be, we will make Kenya a great nation, creating substantial wealth and many job opportunities. The opportunities in the sector are enormous. We desire more stable and reliable funding, especially for the Ministry's programme and projects, staff development, applied research and necessary tools to unlock the enormous potential in Kenya, in the immediate future.

We, at the Headquarters, need to develop a close and trusted working partnership with the Partner States so that the Regional Integration and investments can continue contributing to the economic growth of Kenya and improve the standard of living of our people.

ACKNOWLEDGEMENT

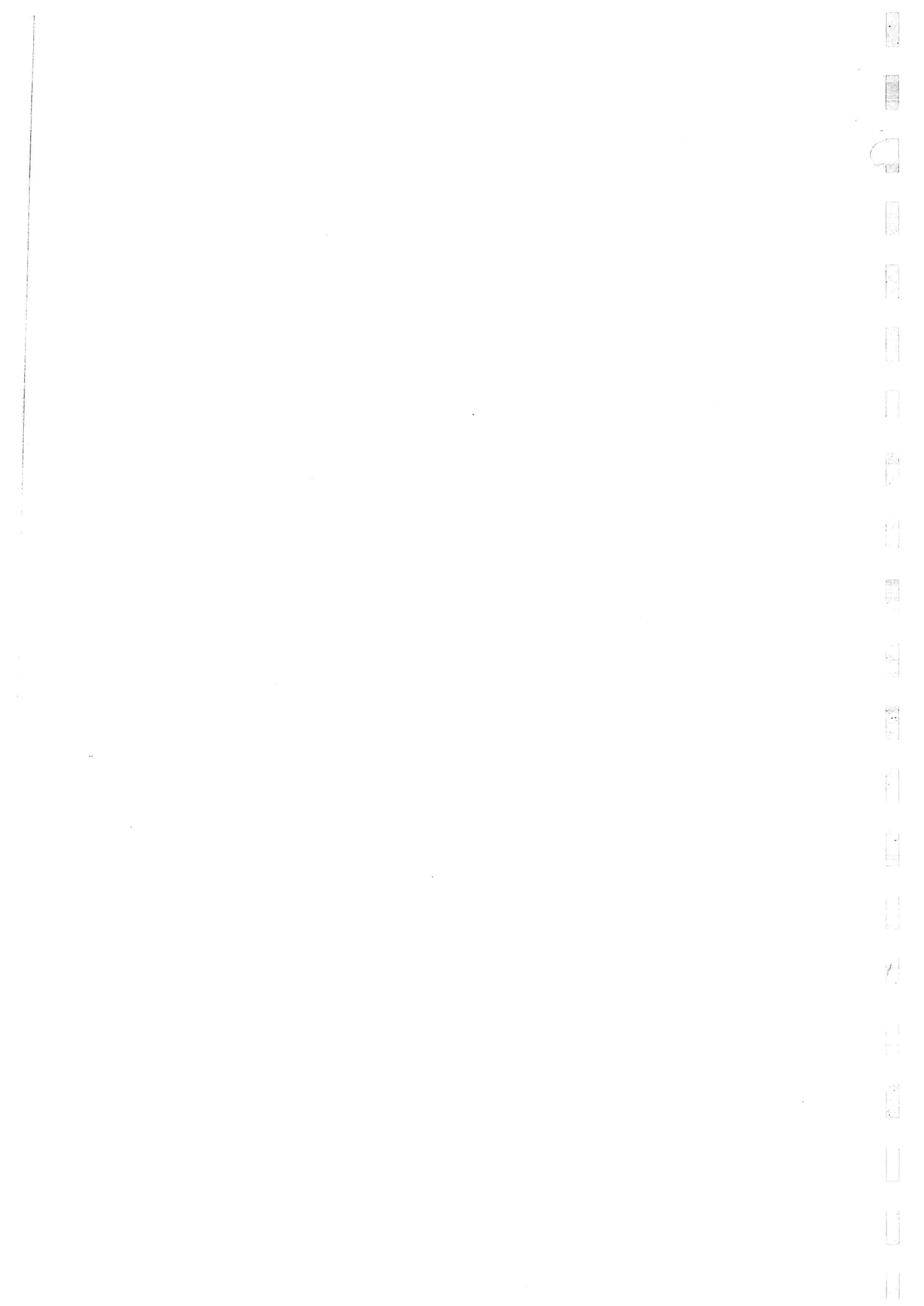
On behalf of my Ministry, I wish to take this early opportunity to thank the Government for the support in funding the strategic steps we have taken in building capacity for Kenya to manage Regional Integration and investments.

Signed.....

Date.....

14/12/2021

Hon. Adan Mohamed, EGH
Cabinet Secretary



3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

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

The key strategic objectives as per the Ministry's strategic plan for 2018-2022 plan are to:

- i. Strengthen the coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives.
- ii. Deepen and widen implementation of the EAC Pillars of integration.
- iii. Upscale nationwide publicity and advocacy on EAC integration, RNCD and their benefits.
- iv. Re-engineer Kenya's engagement in regional integration for optimization of benefits from the integration process.
- v. Improve coordination and oversight of RDA's, Northern Corridor Transport & Transit Coordination Authority and LAPSET Corridor Development Authority.
- vi. Support private sector through implementation of targeted business reforms.
- vii. Strengthen legal and regulatory reforms for business competitiveness.

Progress on attainment of Strategic Objectives

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

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STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY

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Program	Strategic Objective	Outcome	Key Performance Indicator	Performance FY 20/21
EAC Integration and Regional Development	Strengthen the coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives	Enhance coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives	<ul style="list-style-type: none"> Country Position Papers with Stakeholders participation Timely Implementation and Status reports M& E reports 	<ul style="list-style-type: none"> All EAC preparatory meetings involved stakeholders All reports were released on a timely basis
	Deepen and widen implementation of the EAC Pillars of integration	Improved business environment and trade facilitated	% of compliance with common external tariff (CET) and EACCMA provisions	<ul style="list-style-type: none"> Kenya complied fully with all the EAC CET and EACCMA Continued with the Reviewed of EAC CET
			No. of bilateral meetings held to deepen and widen EAC integration	Two bilateral meetings were held between Kenya and Tanzania in Arusha and Nairobi in May 2021
			No. of NTBs eliminated	As at May 2021, Two Hundred and Twenty-Six (226) None Tariff Barriers (NTBs) had been cumulatively resolved since 2007, while Fifteen (15) NTBs remained outstanding
			No. of EAC Harmonized standards adopted by Kenya	Cumulatively over 1,110 EAC harmonized standards were adopted
			% of Cross border trade disputes	95% of all cross border disputes were resolved

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Program	Strategic Objective	Outcome	Key Performance Indicator	Performance FY 20/21
EAC Integration and Regional Development	Strengthen the coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives	Enhance coordination and participation in the formulation and implementation of EAC and RNCD policies, decisions and directives	<ul style="list-style-type: none"> • Country Position Papers with Stakeholders participation • Timely Implementation and Status reports • M& E reports 	<ul style="list-style-type: none"> • All EAC preparatory meetings involved stakeholders • All reports were released on a timely basis
	Deepen and widen implementation of the EAC Pillars of integration	Improved business environment and trade facilitated	% of compliance with common external tariff (CET) and EACCMA provisions	<ul style="list-style-type: none"> • Kenya complied fully with all the EAC CET and EACCMA • Continued with the Reviewed of EAC CET
			No. of bilateral meetings held to deepen and widen EAC integration	Two bilateral meetings were held between Kenya and Tanzania in Arusha and Nairobi in May 2021
			No. of NTBs eliminated	As at May 2021, Two Hundred and Twenty-Six (226) None Tariff Barriers (NTBs) had been cumulatively resolved since 2007, while Fifteen (15) NTBs remained outstanding
			No. of EAC Harmonized standards adopted by Kenya	Cumulatively over 1,110 EAC harmonized standards were adopted
			% of Cross border trade disputes	95% of all cross border disputes were resolved

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			resolved	
			% rate of completion of pre-requisite requirements for establishment of Busia cross border market	100% rate of completion of pre-requisite requirements: <ul style="list-style-type: none"> • Land identified • Financing agreement finalized • Titling and beacon erection finalized Stakeholders buy-ins undertaken
			No. of OSBPs operationalised	Continued operationalization of OSBPs by establishing EXIM desks at the OSBPs
		EAMU institutions established to lay the foundation for EA Monetary Union	No. of EAC institutions established	EAMI was established in January 2020 on assent to the EAMI Bill by all the Partner States.
			No. of enabling legislations adopted on EAMU	Five (5) legislations were finalized: <ul style="list-style-type: none"> • EAC Competition (Amendment) Bill Nov. 2019; • EAC Insurance Bill Jan. 2020; • East African Monetary Institute Act, Jan 2020; • EAC Surveillance, Compliance and Enforcement Commission Bill Jan. 2020; • East African Financial Services Commission Jan. 2020

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	Upscale nationwide publicity and advocacy on EAC integration, RNCD and their benefits.	Increased awareness on EAC integration and RNCD	No. of publicity awareness creation held in Counties	SIX (6) publicity and awareness creation forums were held to sensitize border Counties on EAC issue
	Re-engineer Kenya's engagement in regional integration for optimization of benefits from the integration process	Enhanced bilateral engagement with Partner States	No. of bilateral meetings held to deepen and widen EAC integration	<ul style="list-style-type: none"> • Four (4) meetings of Joint Border Management Committees were held • Two bilateral meetings were held between Kenya and Tanzania in Arusha and Nairobi in May 2021
	Support private sector through implementation of targeted business reforms.	Improved business processes	No. of legal and regulatory business reforms enacted Ease of Doing Business World Bank Global ranking index	12 regulatory business reforms on the 11 indicators on ease of doing business were enacted Kenya improved from position 61 to 56 out of 190 Countries

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

The State Department of EAC exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on three (3) pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar:

1. Environmental performance

Every year, the SDEAC coordinates Kenya Stakeholders in the marking the Mara-Day, celebrated by Kenya and hosted alternately by Kenya and Tanzania on 15th September. The activities to mark the day run for one week prior to the climax celebrations on 15th and key activities involve tree planting within the Mara Catchment, as well as clean up exercises in some pollution hotspots. Although the main celebrations were hosted in Tanzania, the tree planting and clean up exercises were undertaken even on the Kenyan side of the Basin. Hon. Ken Obura, the CAS Ministry of EAC & RD led the Kenyan delegation to the celebrations at Mugumu Tanzania.

The Mara River Basin is a Trans boundary resource and a biodiversity hotspot of international importance that is currently threatened by a variety of challenges among them; habitat modification and fragmentation, deforestation, reduction in vegetation cover and species diversity.

2. Employee welfare

The State Department of EAC continues to abide by the Public Service Commission guidelines in hiring its staff. As per requirements, SDEAC undertook a Training Needs Assessment (TNA) where skills gaps were identified. Training projections was undertaken and staff mapped to training courses according to their skills gap.

The State Department of EAC also undertook Performance Appraisal for its entire staff according to the performance appraisal guidelines issued by the Public Service Commission.

3. Community Engagements

- i. The State Department coordinated the procurement of Two Mobile Laboratories for Covid-19 testing under the EAC Regional Network of Public Health Reference laboratories project. The two mobile laboratories are deployed at Namanga OSBP and Naivasha ICD. The two laboratories have facilitated the testing of truck drivers transporting cargo along the Transit Corridors.
- ii. The State Department undertook various sensitization and awareness creation forums on customs union, common market, monetary union and political federation with a view to

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informing the stakeholders of the available opportunities. The sensitization workshops were on Regional Integration policy, business community (Small and Micro enterprises, Border communities, Youth /women/ disadvantaged groups). The State Department, in partnership with the Law Society of Kenya (LSK), successfully conducted sensitization workshops for lawyers in the Counties of Nairobi, Mombasa (twice), Kisumu, Kilifi, Uasin Gishu, Nakuru and Meru;

- iii. The State Department coordinated the EAC Support to Border Governance Agencies' Response to COVID-19 Pandemic Programme. Through GIZ support, each of the six operational OSBPS received Personal Protective Equipment (PPEs) comprising: 500 reusable Face Masks, 800 Sets of Gloves and 50 bottles of Sanitizers (500mls). Additionally, each of the OSBP received 300 copies of Pamphlets containing Information on Management of Cross Border Movement in the context of COVID-19. This programme was undertaken from 22nd – 26th June, 2020.

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5: STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the State Department for East African Community is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for East African Community accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for East African Community further confirms the completeness of the accounting records maintained for the entity, which have been relied upon; in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for East African Community confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under

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audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The entity's financial statements were approved, and signed by the Accounting Officer on

14/12/ 2021.


Principal Secretary

Name: D. K. DELA, CBS


Assistant Accountant General

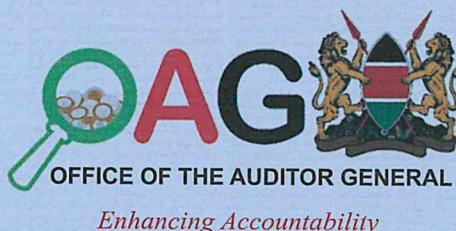
Name: M. O. OLEKHA

ICPAK Member Number:

6763

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY FOR THE YEAR ENDED 30 JUNE, 2021

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, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such funds are applied for 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 control, 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 of Kenya, 2010 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

Opinion

I have audited the accompanying financial statements of State Department for East African Community set out on pages 29 to 53, which comprise the statement of financial assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows, summary statement of appropriation: recurrent and development combined, budget execution by programmes and sub-programmes 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, 2010 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of State Department for East African Community as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters 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

Pending Bills

Note 15 to the financial statements reflects pending bills totaling Kshs.13,002,057, which include pending accounts payables and other pending payables of Kshs.124,767, Kshs.4,453,133 as balance brought forward, and additions during the year of Kshs.8,424,157 respectively.

Management has not provided an explanation for non-payment of the pending bills.

Failure to settle bills during the year in which they relate to adversely affects the provisions of the subsequent year to which they are charged.

Other Information

The Management is responsible for the other information, which comprises State Department information and overall performance, statement of performance against the State Department's predetermined objectives, corporate social responsibility statement/sustainability reporting and statement of State Department management responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

Late Exchequer Releases

The statement of receipts and payments reflects exchequer releases of Kshs.502,981,964 as disclosed in Note 1 to the financial statements. Included in the figure is Kshs.92,956,173 and Kshs.28,644,650 totalling to Kshs.121,600,823 which was received in the State Department on 24 June, 2021 and 8 July, 2021 respectively. The late release of the exchequer by The National Treasury to the State Department caused delays in the use of the resources. Further, exchequer received on 8 July, 2021 was backdated in the records of the Department as received on 30 June, 2021 which is contrary to the basis of IPSAS cash reporting framework. This is contrary to Section 17(2)b of the Public Finance Management Act, 2012, which states that, payment from the National Exchequer Account should be done without undue delay on all amounts that are payable for public services.

The delayed exchequer releases may have affected the State Department's ability to implement its planned programmes and possible underutilization of the budget, resulting to negative impact on delivery of services to the public.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements 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 governance.

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

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

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

Those charged with governance are responsible for overseeing the State Department for East African Community's financial reporting process, reviewing the effectiveness of how the State Department monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key

roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 misstatements caused by error or fraud in amounts which 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 State Department for East African Community'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 which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the State Department for East African Community's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department for East African Community 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 State Department for East African Community to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2021

**MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY**

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For the year ended 30, June 2021.

7: STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Exchequer releases	1	502,981,964	509,629,751
TOTAL RECEIPTS		502,981,964	509,629,751
PAYMENTS			
Compensation of Employees	2	240,558,689	216,498,859
Use of goods and services	3	231,671,245	280,421,606
Other grants and transfers	4	7,736,230	-
Social Security Benefits	5	4,702,359	-
Acquisition of Assets	6	16,606,950	10,456,356
TOTAL PAYMENTS		501,275,473	507,376,821
SURPLUS/DEFICIT		1,706,491	2,252,930

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14/12/2021 and signed by:


Principal Secretary

Name: DR K. DESAI, CBS


Assistant Accountant General

Name: M OCAHCA

ICPAK Member Number 6763

MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
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8: STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7A	500,851	9,086,445
Cash Balances	7B	265,028	296,322
Total Cash and cash equivalent		765,879	9,382,767
Accounts Receivables	8	1,971,525	262,326
TOTAL FINANCIAL ASSETS		2,737,404	9,645,093
FINANCIAL LIABILITIES			
Accounts Payables	9	481,785	6,937,975
NET FINANCIAL ASSETS		2,255,619	2,707,118
REPRESENTED BY			
Fund balance b/fwd	10	2,707,118	2,155,778
Surplus /Deficit for the year		1,706,491	2,252,930
Prior year adjustments	11	(2,157,990)	(1,701,590)
NET FINANCIAL POSSITION		2,255,619	2,707,118

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 18/12/2021 and signed by:


Principal Secretary

Name: DR K. DESAI CBI


Assistant Accountant General

Name: M OLANGA

ICPAK Member Number 6763

MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY

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9: STATEMENT OF CASH FLOWS

		2020-2021	2019 -2020
		Kshs	Kshs
Receipts for operating income			
Exchequer Releases	1	502,981,964	509,629,751
Payments for operating expenses			
Compensation of Employees	2	240,558,689	216,498,859
Use of goods and services	3	231,671,245	280,421,606
Other grants and transfers	4	7,736,230	-
Social Security Benefits	5	4,702,359	-
		484,668,523	496,920,465
Adjustments during the year			
Decrease/(Increase) in Accounts Receivable		(1,709,199)	191,862
Increase/(Decrease) in Accounts Payable		(6,456,190)	6,932,975
Prior Year Adjustments		(2,157,990)	(1,701,590)
Net cash flow from operating activities		7,990,061	18,132,533
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	(16,606,950)	(10,456,356)
Net cash flow from investing activities		(16,606,950)	(10,456,356)
NET INCREASE IN CASH AND CASH EQUIVALENT		8,616,889	7,676,177
Cash and cash equivalent at BEGINNING of the year		9,382,767	1,706,590
Cash and cash equivalent at END of the year		765,878	9,382,767

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14/12/21 20 21 and signed by:


Principal Secretary

Name: DR K. DESAI


Assistant Accountant General

Name: MOLANJA

ICPAK Member Number: 6263

10: SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Exchequer releases	207,317,760	304,007,760	511,325,519	502,981,964	8,343,555	98.37%
TOTAL RECEIPTS	207,317,760	304,007,760	511,325,519	502,981,564	8,343,555	98.37%
PAYMENTS						
Compensation of Employees	73,250,000	169,940,000	243,190,000	240,558,689	2,631,311	98.92%
Use of goods and services	148,657,570	90,336,159	238,993,728	231,671,245	7,322,482	96.94%
Other grants and transfers	(34,893,770)	42,630,000	7,736,230	7,736,230		100%
Social Security Benefits	4,702,359		4,702,359	4,702,359		100%
Acquisition of Assets	15,601,601	1,101,601	16,703,202	16,606,950	96,252	99.42%
TOTAL PAYMENTS	207,317,760	304,007,760	511,325,519	501,275,473	10,050,046	98.03%
Surplus/Deficit				1706,491	(1,706,491)	

(a) The changes between the original and final budget are as a result of reallocations within the budget during the supplementary budget

The entity financial statements were approved on 14/12/ 2021 and signed by:

Principal Secretary
Name: Pr. K. DESAI

Assistant Accountant General
Name: M. C. ANEJA
ICPAK Member Number 6763

11: BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2021 Kshs	Adjustments Kshs	Final Budget 2021 Kshs	Actual on comparable basis 2021 Kshs	Budget utilization difference Kshs
Programme 1					
0305010000	14,525,078		14,525,078	13,853,182	671,896
0305020000	423,162,191		423,162,191	413,578,460	9,583,731
0305030000	14,510,706		14,510,706	12,637,552	1,873,154
0305040000	41,469,107		41,469,107	43,931,672	(2,462,565)
0305070000	17,658,437		17,658,437	17,274,606	383,831
Total	511,325,519		511,325,519	501,275,473	10,050,046

(NB: This statement is a disclosure statement indicating the utilization in the same format at the Entity's budgets, which are programme based.

12: SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the *State Department for East African Community*. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

i) Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

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ii) Transfers from the Exchequer

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

iii) External Assistance

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

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

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

During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

iv) Other receipts

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

b) Recognition of payments

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

i) Compensation of Employees

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

ii) Use of Goods and Services

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

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iii) Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Third Party Payments

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

7. Cash and Cash Eequivalents

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

a) Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to Kshs 481,785 compared to Kshs 6,937,975 in prior period as indicated on note 9. There were no other restrictions on cash during the year.

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8. Accounts Receivable

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

9. Accounts Payable

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

10. Pending Bills

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2020 for the period 1st July 2020 to 30th June 2021 as required by Law and there were two supplementary adjustments to the original budget during the year.

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

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

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12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year-end with a significant impact on the financial statements for the year ended 30th June 2021

14. Errors

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

15. Related Party Transactions

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

16. Contingent Liabilities

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for

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East African Community does not recognize a contingent liability but discloses details of any contingencies in the notes to the accounts.

13: NOTES TO THE FINANCIAL STATEMENTS

1: EXCHEQUER RELEASES

Description	2020-2021	2019-2020
	Kshs	Kshs
Total Exchequer Releases for quarter 1	78,871,522	87,040,585
Total Exchequer Releases for quarter 2	108,696,970	154,246,440
Total Exchequer Releases for quarter 3	134,108,220	91,181,287
Total Exchequer Releases for quarter 4	181,305,252	177,161,439
Total	502,981,964	509,629,751

(Total amount of budgeted exchequer as per the approved estimates for the financial year amounted to kshs 511,325,519 against the total exchequer received of kshs 502,981,964 resulting in a shortfall of Kshs 8,343,555)

2: COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
Basic salaries of permanent employees	162,230,681	146,816,394
Personal allowances paid as part of salary	78,328,008	69,682,465
Total	240,558,689	216,498,859

The expenditure increased due to promotions, recruitment of additional staff in the technical departments and transfer of KESSULO to the State Department

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3: USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	-	170,269
Communication, supplies and services	4,600,042	6,584,954
Domestic travel and subsistence	36,029,659	58,150,279
Foreign travel and subsistence	47,682,296	55,959,897
Printing, advertising and information supplies & services	4,330,952	6,158,275
Rentals of produced assets	97,362,506	73,208,455
Training expenses	1,581,088	4,757,240
Hospitality supplies and services	14,155,671	27,669,214
Specialized materials and services	348,987	988,218
Office and general supplies and services	6,554,923	5,611,250
Fuel Oil and Lubricants	6,590,458	9,771,890
Other operating expenses	8,156,800	25,219,723
Routine maintenance – vehicles and other transport equipment	3,815,947	5,533,116
Routine maintenance – other assets	461,916	638,826
Total	231,671,245	280,421,606

The Covid pandemic affected the calendar of activities during the period under review, with minimal participation in the EAC meetings.

4: OTHER GRANTS AND TRANSFERS

Explanation	2020-2021	2019-2020
	Kshs	Kshs
Scholarships and other educational benefits	7,736,230	-
Total	7,736,230	-

The other grants and transfers relate to scholarship to South Sudanese students under the KESSULO programme, which was transferred to the State Department in the period under review

5: SOCIAL SECURITY BENEFITS

Explanation	2020-2021	2019-2020
	Kshs	Kshs
Employee Social Benefits in cash and in kind	4,702,359	-
Total	4,702,359	-

The social security payments are gratuity payment to employees on contract

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6: ACQUISITION OF ASSETS

Non -Financial Assets	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Vehicles and Other Transport Equipment	14,500,000	-
Purchase of Office Furniture and General Equipment	23,000	462,300
Research Studies, Project Preparation, Design & Supervision	2,083,950	9,994,056
Total	16,606,950	10,456,356

7A: BANK ACCOUNTS

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	2020-2021	2019-2020
			Kshs	Kshs
State Dept of EAC A/C No 1000384778 Kshs	-	Recurrent	19,066	2,198,970
State Dept of EAC, A/C No. 1000384794 Kshs	-	Deposit	481,785	6,887,475
Total			500,851	9,086,445

7B: CASH IN HAND

	2020-2021	2019-2020
	Kshs	Kshs
Cash in Hand – Held in domestic currency	265,028	296,322
Total	265,028	296,322

Cash in hand should also analysis

	2020-2021	2019-2020
	Kshs	Kshs
Location 1(Cash Office-Headquarters)	265,028	296,322
Total	265,028	296,322

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8: ACCOUNTS RECEIVABLE

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	1,864,886	184,356
Salary advances	106,639	77,970
Total	1,971,525	262,326

<i>Name of Officer or Institution</i>	Date of Imprest	Amount Taken	Amount Surrendered	Balance
		Kshs		Kshs
Peter Kiplagat	2015/16	174,836		174,836
Charles Githu Wanjia	3/6/21	1,690,050		1,690,050
Total		1,864,886		2,196,824

<i>Name of Officer or Institution</i>	Date Salary Advance Taken	Amount Taken	Amount Surrendered	Balance
		Kshs		Kshs
Stella Anyango Oduogi	22/2/21	101,440	29,816	71,624
Omar Awadh Abeid	05/2/21	60,040	25,025	35,015
Total		161,480	54,841	106,639

9. ACCOUNTS PAYABLE

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Deposits	481,785	6,887,475
AIA	-	50,500
Total	481,785	6,937,975

The accounts payable represent balances in deposits for COMESA RIIP funds for payments of work plan activities to be implemented.

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10. FUND BALANCE BROUGHT FORWARD

Description	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts	9,086,445	1,145,957
Cash in hand	296,322	560,633
Accounts Receivables (outstanding imprests & salary advances)	262,326	454,188
Accounts Payables	(6,937,975)	(5000)
Total	2,707,118	2,155,778

11. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	9,086,445	(2,198,970)	6,887,475
Cash in hand	296,322	-	296,322
Accounts Receivables	262,326	(9,520)	252,806
Accounts Payables	(6,937,975)	(50,500)	(6,887,475)
Others (AIA)	-	-	-
	2,707,118	(2,157,990)	549,128

Prior year relate to bank balances swept back to exchequer and outstanding imprest surrendered

12: (INCREASE)/ DECREASE IN RECEIVABLE

	2020-2021	2019-2020
	KShs	KShs
Receivables as at 1 st July (a)	9,520	406,778
Receivables as at 30 th June (b)	1,971,525	9,520
Imprest surrendered during the year(c)	(271,846)	(224,616)
Increase)/ Decrease in Receivables D=a+b-c	1,709,199	191,682

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13. INCREASE/ (DECREASE) IN ACCOUNTS PAYABLE

	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July (a)	6,887,475	5,000
Deposits and Retentions held during the year	12,824,800	15,012,600
Deposits and Retentions paid during the year	19,230,490	8,130,125
Increase/ (Decrease) in payables	481,785	6,887,475

14. RELATED PARTY DISCLOSURES

Related parties of the State Department of East African Community represent key management Personnel, The National Treasury and other Regional partners.

Related party transactions

	2020-2021	2019-2020
	Kshs	Kshs
Key Management Compensation		
Cabinet Secretary	14,688,000	14,688,000
Chief Administrative Secretary	10,640,640	10,640,640
Principal Secretary	9,182,256	9,182,256
<u>Transfers from related parties</u>		
Transfers from the Exchequer	502,981,964	509,629,751
Transfers from other MDAs		
The National Treasury(<i>COMESA RIIP FUNDS</i>)	12,500,000	15,000,000
Total Transfers from related parties	515,481,964	559,140,647

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15: OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

		Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Name of Firm	Kshs	Kshs	Kshs	Kshs
Supply of services	Various	-	8,187,035.65	-	8,187,035.65
Supply of Goods	M/s Dorotel Consultants	-	237,120.00	-	237,120.00
Total		-	8,424,156.65	-	8,424,157

15.2: PENDING STAFF PAYABLE

Not applicable

15.3: Other Pending Payables (See Annex 3)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Historical payables	4,453,133.00	-	-	4,453,133.00
Amounts due to third parties	-	124,766.70	-	124,766.70
Total	4,453,133.00	124,766.70	-	4,577,900

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16. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2017/2018 1173	Payment for Services not rendered	Due to exigent factors beyond the State Department, the meeting was cancelled when commitment to service providers had been made. The department was not able to communicate to service providers earlier than the 24 hours as the regulations of the service providers' states. The Management commits to ensuring prudent Financial management in relation to procurement of air tickets.	Resolved	
2018/2019	Irregular	The initial procurement	Not Resolved	Within 2

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1592.1	renovation of Office	procurement process, this State Department had requested the State Department of Public Works for the Bill of Quantities (BQs) including the drawings. The State Department of Public works provided summary estimate vide letter Ref CQS/D118/GEN/VOL.1/9 dated 3 rd May 2018 including the drawing. A priced bill of quantities has since been received from State Department of Public Works.		months
1592.2	Unsupported Procurement of furniture	Quotations were requested online and are available and the professional advice for the Head of procurement to the Accounting Officer is available	Not resolved	Within 2 months
1593	Unsupported payments on conference facility	Management has put in place measures to ensure proper survey is done on the requirements of a conference facility and	Not Resolved	Within 2 months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1591	payment of consultancy Services	was done by the State for Industrialization in 2016/17. The Ease of Doing Business was transferred from the State Department for Industrialization vide Executive Order OP/CAB.1/63 dated 1 st April, 2019, in view of the same, the function talling 120,977,931 were forwarded formally by the Accounting Officer of the State Department for Industrialization to this Department vide letter Ref: MOI/IND/7/78 dated 14 th June, 2019. The State Department in compliance with directives on pending		months
		Bills, duly processed the pending bills which had been cleared in the audit period under review.		
1592	Unsupported	As part of the	Not Resolved	Within 2

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		proper documentation of participants is kept in record.		
1594	Long outstanding Imprests	Amounts of Kshs 231,942 have since been recovered and remitted to this department leaving a balance of Kshs 174,836 . Follow up letter done on 28 th July 2021 by the Accounting Officer,	Resolved	Amounts remitted to the State Department Recurrent Bank account vide Statement dated
1595	Other Matters Budget and Budgetary Control	The under absorption was due to under collection in the proceed from domestic and foreign grants in the use of goods and services and acquisition of assets under Development vote. This was occasioned when Trade Mark East Africa resolved administratively to prioritize financing of the infrastructure projects and imposed austerity measures on the soft projects that agencies such as this State Department implements; thus leading to under absorption	Resolved	
1596	Pending Bills	The Department had pending Bills of Kshs.25, 414,982 that remained outstanding for various reasons. The pending bills have since been cleared leaving a balance of Kshs 4,453,133 which relate to 2015/2016 which are under verification	Not Resolved	Within 2 months

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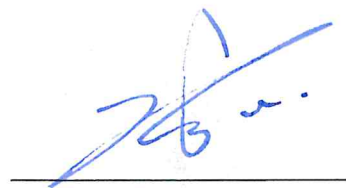
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1598	Lack of Audit Committee	During the year under review the process of recruitment and appointment of the Audit committee members was ongoing and not complete	Resolved	
2019/2020 1656	Payment of Unlawful Employment	The Payment of 4,400,000 was based on the guidance and interpretation by the senior State Counsel based on the judgement dated 18 th May 2018 and correspondence from the attorney General and Department of Justice dated 18 th July, 2019	Not Resolved	
1657	Long outstanding Imprests	Outstanding imprest of Kshs 174,836. Follow up letter done on 28 th July 2021 by the Accounting Officer,	Resolved	The amounts have been remitted to the statement vide Bank statement dated
1658	Pending Bills	The pending bills of Ksh 558,882.20 was cleared leaving a balance of 4,453,133	Not Resolved	Within 2 months
1659	Unresolved prior years	Most of the unresolved prior years have been cleared with the remaining awaiting rescheduling of PAC appearance to resolve	Not Resolved	
1660	Non-maintenance of Assets Register	The Procurement is in the process of updating inventory for construction of a comprehensive Assets register	Not Resolved	With 2 months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1661	Lack of Audit Committee	The Audit Committee is now in place and fully constituted and operational	Resolved	



Principal Secretary

Name: *Dr. K. DESAI*



Assistant Accountant General

Name: *M. O. K. K. K.*

ICPAK Member Number *6763*

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ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	A	B	c	d=a-c		
Supply of goods						
M/s Dorotel Consultants	-	2020/2021	-	237,120	-	Inadequate budget
Sub -Total				237,120	-	
Supply of services						
1. Attic Tours & Travel	2,568,700	2015/2016		2,568,700	2,568,700	Committee verification
2. Seguro Tours & Travel	644,490	2015/2016	115,355	529,135	529,135	Committee verification
3. Pago Airways	5,484,035	2015/2016	4,128,737	1,355,298	1,355,298	Committee verification
4. Alindi Auto Limited	589,655.15	2020/2021	-	589,655	-	wrong account details provided. (Returned cheque)
5. Alindi Auto Limited	325,816.85	2020/2021	-	325,817	-	Inadequate funds
6. M/s Travigent Agencies	933,090	2020/2021	-	933,090	-	Inadequate funds
7. M/S Silver Travel	538,780	2020/2021	-	538,780	-	Inadequate funds
8. M/S Tymstar Motors	465,200	2020/2021	-	465,200	-	Inadequate funds
9. M/S MFI document Solutions	305,312	2020.2021	-	305,312	-	Inadequate funds
10. M/S Realite (Coop Bank)	3,508,856.65	2020/2021	-	3,508,857	-	Inadequate budget
11. M/S Lumber Solutions	793,000	2020/2021	-	793,000	-	Inadequate budget
12. M/S Copy Cat	727,325	2020/2021		727,325	-	Inadequate budget
Sub- total				12,640,167		
Grand Total				12,877,289	4,453,133	

**MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY**

Reports and Financial Statements

For the year ended 30, June 2021.

ANNEX 3 ANALYSIS OF OTHER ACCOUNTS PAYABLE

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2020	Comments
		a	b	c	d=a-c		
Amount due to Third parties							
1. SWA Foreign	Salary deduction	4,320			4,320		
2 Stima Sacco		14,974			14,974		
3 ICEA		32,731			32,731		
4 Madison Insurance		4,365			4,365		
5 Family Bank		11,700			11,700		
6 Kenya Women Finance		11,593			11,593		
7 Harambee Staff		960			960		
8 SAYE Post Bank		11,420			11,420		
9 Gusii Mwalimu Sacco		14,704			14,704		
10 Kenya Police		14,940			14,940		
11 Film Dept		660			660		
12 Select Management		2400			2400		
Totals		124,767			124,767		

MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY
Annual Report and Financial Statements
For the year ended 30, June 2021.

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/21
Motor Vehicles and Other transport equipment	13,897,355	14,500,000	-	-	28,397,355
Transport Equipment	2,232,646				2,232,646
Office furniture and general equipment	4,417,900	23,000			4,440,900
ICT Equipment, furniture and fittings	2,743,320				2,743,320
Other Machinery and Equipment	39,050				39,050
Research Studies, Project Preparation, Design & Supervision prefeasibility	19,946,246	2,083,950			22,030,196
Total	49,739,206	16,606,950			59,883,467

NB: The balance as at the end of the year is the cumulative cost of all assets bought and additions during the year. Additions during the year should tie to note 6 Kshs 2,083,950 is expenditure reflected under prefeasibility studies under Ease of Doing Business.

**MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT
STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY**

Reports and Financial Statements

For the year ended 30, June 2021.

REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes



Trial Balance Comparison Report

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-21

Compare With: JUL-19 To ADJ2-20

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
	Kshs	Kshs	Kshs	Kshs
1320102 Capital Grants from International Organizations	0.00	0.00	0.00	0.00
1320100 Grants from International Organizations - Cash through Exchequer	0.00	0.00	0.00	0.00
1320000 Grants from International Organizations	0.00	0.00	0.00	0.00
2110101 Basic Salaries - Civil Service	162,230,681.80	0.00	146,816,393.90	0.00
2110100 Basic Salaries - Permanent Employees	162,230,681.80	0.00	146,816,393.90	0.00
2110301 House Allowance	50,515,302.70	0.00	47,282,607.35	0.00
2110305 Prosecutorial and State Counsel Allowance	390,000.00	0.00	720,000.00	0.00
2110309 Special Duty Allowance	1,098,364.30	0.00	901,440.00	0.00
2110312 Responsibility Allowance	3,034,799.50	0.00	2,823,400.00	0.00
2110313 Entertainment Allowance	1,906,774.10	0.00	779,500.00	0.00
2110314 Transport Allowance	15,381,071.90	0.00	11,213,518.00	0.00
2110315 Extraneous Allowance	1,074,745.30	0.00	810,000.00	0.00
2110317 Domestic Servant Allowance	296,400.00	0.00	374,400.00	0.00
2110318 n Practising Allowance	580,602.25	0.00	415,600.00	0.00
2110320 Leave Allowance	449,947.60	0.00	1,012,000.00	0.00
2110327 Ministerial Allowance	3,600,000.00	0.00	3,350,000.00	0.00
2110336 Car Purchase Allowance	0.00	0.00	0.00	0.00
2110300 Personal Allowances paid as part of Salary	78,328,007.65	0.00	69,682,465.35	0.00
2110000 Wages and Salary Contributions	240,558,689.45	0.00	216,498,859.25	0.00
2210101 Electricity	0.00	0.00	170,269.00	0.00
2210100 Utilities, Supplies and Services	0.00	0.00	170,269.00	0.00
2210201 Telephone, Telex, Facsimile and Mobile Phone Services	3,598,254.50	0.00	4,403,290.35	0.00
2210202 Internet Connections	789,979.55	0.00	1,660,003.65	0.00
2210203 Courier & Postal Services	211,808.25	0.00	521,660.00	0.00
2210200 Communication, Supplies and Services	4,600,042.30	0.00	6,584,954.00	0.00
2210301 Travel Costs (airlines, bus, railway, mileage allowances, etc.)	6,573,477.00	0.00	14,775,730.20	0.00
2210302 Accommodation - Domestic Travel	26,751,919.00	0.00	37,426,148.20	0.00
2210303 Daily Subsistence Allowance	2,439,463.00	0.00	5,248,200.00	0.00
2210304 Sundry Items (e.g. airport tax, taxis, etc?)	264,800.00	0.00	700,200.00	0.00
2210300 Domestic Travel and Subsistence, and Other Transportation Costs	36,029,659.00	0.00	58,150,278.40	0.00
2210401 Travel Costs (airlines, bus, railway, etc.)	8,193,586.00	0.00	15,888,876.45	0.00
2210402 Accommodation	31,959,322.60	0.00	30,815,644.50	0.00
2210403 Daily Subsistence Allowance	7,224,975.00	0.00	8,610,821.00	0.00
2210404 Sundry Items (e.g. airport tax, taxis, etc?)	304,412.00	0.00	644,555.00	0.00
2210400 Foreign Travel and Subsistence, and other transportation costs	47,682,295.60	0.00	55,959,896.95	0.00
2210502 Publishing & Printing Services	3,887,175.95	0.00	4,307,971.00	0.00
2210503 Subscriptions to Newspapers, Magazines and Periodicals	252,176.00	0.00	871,604.00	0.00
2210505 Trade Shows and Exhibitions	191,600.00	0.00	978,700.00	0.00
2210500 Printing, Advertising and Information Supplies and Services	4,330,951.95	0.00	6,158,275.00	0.00
2210603 Rents and Rates - Non-Residential	96,913,127.90	0.00	71,371,948.25	0.00
2210604 Hire of Transport, Equipment	449,378.40	0.00	1,836,506.80	0.00
2210600 Rentals of Produced Assets	97,362,506.30	0.00	73,208,455.05	0.00
2210701 Travel Allowance	643,700.00	0.00	1,610,060.00	0.00
2210702 Remuneration of Instructors and Contract Based Training Services	14,600.00	0.00	49,000.00	0.00
2210704 Hire of Training Facilities and Equipment	9,000.00	0.00	0.00	0.00
2210706 Book Allowance	18,000.00	0.00	45,200.00	0.00
2210707 Project Allowance	15,000.00	0.00	49,980.00	0.00
2210710 Accommodation Allowance	56,200.00	0.00	183,200.00	0.00
2210711 Tuition Fees Allowance	824,588.00	0.00	2,819,800.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
2210700 Training Expenses	1,581,088.00	0.00	4,757,240.00	0.00
2210801 Catering Services (receptions), Accommodation, Gifts, Food and Drinks	3,886,021.00	0.00	8,920,954.00	0.00
2210802 Boards, Committees, Conferences and Seminars	10,219,600.00	0.00	18,647,260.10	0.00
2210808 Purchase of Coffins	50,050.00	0.00	101,000.00	0.00
2210800 Hospitality Supplies and Servi	14,155,671.00	0.00	27,669,214.10	0.00
2211001 Medical Drugs	106,210.00	0.00	232,500.00	0.00
2211004 Fungicides, Insecticides and Sprays	39,800.00	0.00	0.00	0.00
2211009 Education and Library Supplies	95,667.00	0.00	230,518.00	0.00
2211016 Purchase of Uniforms and Clothing - Staff	107,310.00	0.00	525,200.00	0.00
2211000 Specialised Materials and Supp	348,987.00	0.00	988,218.00	0.00
2211101 General Office Supplies (papers, pencils, forms, small office equipment etc)	3,689,342.75	0.00	3,363,829.20	0.00
2211102 Supplies and Accessories for Computers and Printers	2,835,780.35	0.00	2,247,421.00	0.00
2211103 Sanitary and Cleaning Materials, Supplies and Services	29,800.00	0.00	0.00	0.00
2211100 Office and General Supplies and Services	6,554,923.10	0.00	5,611,250.20	0.00
2211201 Refined Fuels and Lubricants for Transport	6,590,458.00	0.00	9,771,889.80	0.00
2211200 Fuel Oil and Lubricants	6,590,458.00	0.00	9,771,889.80	0.00
2211305 Contracted Guards and Cleaning Services	5,489,090.80	0.00	6,561,386.85	0.00
2211306 Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	349,400.00	0.00	166,960.00	0.00
2211308 Legal Dues/fees, Arbitration and Compensation Payments	0.00	0.00	4,400,000.00	0.00
2211310 Contracted Professional Services	2,318,309.65	0.00	14,091,376.20	0.00
2211300 Other Operating Expenses	8,156,800.45	0.00	25,219,723.05	0.00
2210000 Goods and Services	227,393,382.70	0.00	274,249,663.55	0.00
2220101 Maintenance Expenses - Motor Vehicles	3,815,947.20	0.00	5,533,115.45	0.00
2220100 Routine Maintenance - Vehicles	3,815,947.20	0.00	5,533,115.45	0.00
2220202 Maintenance of Office Furniture and Equipment	199,654.00	0.00	202,826.00	0.00
2220210 Maintenance of Computers, Software, and Networks	262,262.15	0.00	436,000.00	0.00
2220200 Routine Maintenance - Other Assets	461,916.15	0.00	638,826.00	0.00
2220000 Routine Maintenance	4,277,863.35	0.00	6,171,941.45	0.00
2640101 Scholarships and other Educational Benefits - Secondary Education	7,736,230.00	0.00	0.00	0.00
2640100 Scholarships and other Educational Benefits	7,736,230.00	0.00	0.00	0.00
2640000 Other Transfers and Emergency Relief	7,736,230.00	0.00	0.00	0.00
2710102 Gratuity - Civil Servants	4,702,359.00	0.00	0.00	0.00
2710100 Government Pension and Retirement Benefits	4,702,359.00	0.00	0.00	0.00
2710000 Social Security Benefits	4,702,359.00	0.00	0.00	0.00
3110302 Refurbishment of Non-Residential Buildings	0.00	0.00	0.00	0.00
3110300 Refurbishment of Buildings	0.00	0.00	0.00	0.00
3110701 Purchase of Motor Vehicles	14,500,000.00	0.00	0.00	0.00
3110700 Purchase of Vehicles and Other Transport Equipment	14,500,000.00	0.00	0.00	0.00
3111001 Purchase of Office Furniture and Fittings	0.00	0.00	462,299.85	0.00
3111009 Purchase of other Office Equipment	23,000.00	0.00	0.00	0.00
3111000 Purchase of Office Furniture and General Equipment	23,000.00	0.00	462,299.85	0.00
3111499 Research, Feasibility Studies	2,083,949.60	0.00	9,994,056.50	0.00
3111400 Research, Feasibility Studies, Project Preparation and Design, Project Supervision	2,083,949.60	0.00	9,994,056.50	0.00
3110000 Acquisition of Fixed Capital Assets	16,606,949.60	0.00	10,456,356.35	0.00
6530101 Ministry HQ Recurrent Bank A/C	19,066.00	0.00	2,198,970.00	0.00
6530100 Recurrent Bank Accounts	19,066.00	0.00	2,198,970.00	0.00
6530000 Recurrent Bank Accounts	19,066.00	0.00	2,198,970.00	0.00
6550101 Ministry HQ Deposit Bank A/C	481,784.90	0.00	6,887,475.00	0.00
6550100 Deposit Bank Accounts	481,784.90	0.00	6,887,475.00	0.00
6550000 Deposit Bank Account	481,784.90	0.00	6,887,475.00	0.00
6580101 Cash	265,028.00	0.00	296,322.00	0.00
6580104 Cash in Transit	0.00	0.00	0.00	0.00
6580100 Cash in Hand	265,028.00	0.00	296,322.00	0.00

Account No and Description	Current Period		Previous period	
	Debit Balance	Credit Balance	Debit Balance	Credit Balance
6580000 Cash in Hand	265,028.00	0.00	296,322.00	0.00
6710103 Salary advance	106,639.00	0.00	77,970.00	0.00
6710100 Debtors & Advances - Employees	106,639.00	0.00	77,970.00	0.00
6710000 Domestic Debtors & Advances	106,639.00	0.00	77,970.00	0.00
6740101 Prepayment	0.00	0.00	0.00	0.00
6740102 R/D Cheques	0.20	0.00	0.20	0.00
6740100 Other Debtors & Pre-payments	0.20	0.00	0.20	0.00
6740000 Other Debtors & Pre-payments	0.20	0.00	0.20	0.00
6760101 Standing Imprests	0.00	0.00	0.00	0.00
6760103 Temporary Imprests	1,864,886.00	0.00	184,356.80	0.00
6760100 Imprests	1,864,886.00	0.00	184,356.80	0.00
6760000 Government Imprests	1,864,886.00	0.00	184,356.80	0.00
6780110 Imprest Cash Recovery	0.00	0.00	0.00	0.00
6780100 Suspense & Clearance Account	0.00	0.00	0.00	0.00
6780000 Suspense & Clearance Account	0.00	0.00	0.00	0.00
7310101 General Deposits	0.00	481,785.00	0.00	6,937,985.00
7310100 General Deposits Items	0.00	481,785.00	0.00	6,937,985.00
7310000 Deposits	0.00	481,785.00	0.00	6,937,985.00
7320101 PAYE	0.00	0.00	0.00	0.00
7320102 NHIF	0.00	0.00	0.00	0.00
7320103 House Rent	0.00	0.00	0.00	0.00
7320106 NSSF	0.00	0.00	0.00	0.00
7320107 Co-operatives	0.00	0.00	10.00	0.00
7320108 Insurances	0.00	0.00	0.00	0.00
7320109 Hire Purchases	0.00	0.00	0.00	0.00
7320111 WCPs	0.00	0.00	0.00	0.00
7320112 Staff Welfare Associations	0.00	0.00	0.00	0.00
7320113 HELB Deductions	0.00	0.00	0.00	0.00
7320115 Save As You Earn (SAYE)	0.00	0.00	0.00	0.00
7320116 Mortgages / Bank Loans	0.00	0.00	0.00	0.00
7320126 Employee Contribution to PSSS	0.00	0.00	0.00	0.00
7320199 Salary Control Account	0.00	0.00	0.00	0.00
7320100 Salary Deductions	0.00	0.00	10.00	0.00
7320000 Other Liabilities	0.00	0.00	10.00	0.00
7380101 General Withholding Tax	0.00	0.00	0.00	0.00
7380102 VAT Withholding	0.00	0.00	0.00	0.00
7380100	0.00	0.00	0.00	0.00
7380000 Withholding Taxes	0.00	0.00	0.00	0.00
7390101 Inventory AP Accrual	0.00	0.00	0.00	0.00
7390103 AP Liabilities	0.00	0.00	0.00	0.00
7390100 System Required Liabilities	0.00	0.00	0.00	0.00
7399999 Cash Clearing A/c	0.00	0.00	0.00	0.00
7399900	0.00	0.00	0.00	0.00
7390000 System Required Liabilities A/cs	0.00	0.00	0.00	0.00
9910101 Provision for Encumbrance	0.00	0.00	0.00	0.00
9910100 General Provisions	0.00	0.00	0.00	0.00
9910201 Exchequer Releases/ Provisioning Account	0.00	1,908,531,285.80	0.00	1,405,549,321.60
9910209 Remittances to Exchequer	4,275,206.80	0.00	2,117,216.80	0.00
Miscellaneous Revenue				
9910200 Exchequer Provisions	4,275,206.80	1,908,531,285.80	2,117,216.80	1,405,549,321.60
9910000 Provisions	4,275,206.80	1,908,531,285.80	2,117,216.80	1,405,549,321.60
9990101 Opening Balance Bank	0.00	1,167,892.00	0.00	1,167,892.00
9990100 Opening Balance Bank	0.00	1,167,892.00	0.00	1,167,892.00
9999999 Consolidated Fund	1,401,892,877.80	0.00	894,516,057.20	0.00
9999900	1,401,892,877.80	0.00	894,516,057.20	0.00
9990000 Opening Balance Reserves	1,401,892,877.80	1,167,892.00	894,516,057.20	1,167,892.00
Total	1,910,180,962.80	1,910,180,962.80	1,413,655,198.60	1,413,655,198.60

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

**MINISTRY OF EAST AFRICAN COMMUNITY (EAC) ANG REGIONAL DEVELOPMENT
STATE DEPARTMENT OF EAC**

**BANK RECONCILIATION AS AT 30.06.2021
SDEAC RECURRENT 1221**

AC/NO - 1000384778	AMOUNT	AMOUNT
	kshs	
Balance as per Bank Certificate.....		28,505.90
Less.....		
1. Payments in the Cash Book not yet recorded in the Bank Statement (Unpresented Cheques).....	29,243,746.10	
2. Receipts in the Bank Statements not yet recorded in Cash Book.....	-	29,243,746.10
Add.....		
3. Payments in the Bank Statement Not yet recorded in the Cash Book.....	-	
4. Receipts in the Cash Book not yet recorded in the Bank Statement.....	29,234,305.15	29,234,305.15

BANK BALANCE AS PER CASH BOOK

19,064.95

19,064.95

(0.00)

I certify that I have verified the Bank Balance in the Cash Book with the
the Bank Statement and that the above Reconciliation is correct.

Prepared by:

Signature.....

Date.....

Checked by:

Signature.....

Date.....

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-AUG-20 To : 15-JUL-21

REC-STATE DEPARTMENT FOR EAST AFRICA C

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384778

Balance as per bank certificate

19,064.95

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement

Bank Balance as per Cash Book

19,064.95

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-AUG-20 To : 15-JUL-21

REC-STATE DEPARTMENT FOR EAST AFRICA

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384778

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque			Payee	Amount
No	Date			
			Total :	

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amount
No	Date	
Total :		

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amount
No	Date	
Total :		

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amount
No	Date	
Total :		

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-AUG-20 To : 15-JUL-21

DEP - STATE DEPT FOR EAST AFRICA COMMU

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384794

Balance as per bank certificate

481,785.00

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement

Bank Balance as per Cash Book

481,785.00

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-AUG-20 To : 15-JUL-21

DEP - STATE DEPT FOR EAST AFRICA CO

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384794

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT			
Cheque		Payee	Amount
No	Date		
			Total :

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amount
No	Date	
Total :		

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amount
No	Date	
Total :		

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amount
No	Date	
Total :		

REPUBLIC OF KENYA
BANK RECONCILIATION

From Date : 01-AUG-20 To : 15-JUL-21

DEP - STATE DEPT FOR EAST AFRICA COMMU.

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384794

Balance as per bank certificate

481,785.00

Less --

1. Payment in Cash Book not yet recorded in Bank Statement
(Unpresented Cheques)

2. Receipts in Bank Statement not yet recorded in Cash Book

Add --

3. Payment in Bank Statement not yet recorded in Cash Book

4. Receipts in Cash Book not yet Recorded in Bank Statement

Bank Balance as per Cash Book

481,785.00

Reconciled by: Signature: Date:

Reviewed by : Signature: Date:

Approved by: Signature: Date:

REPUBLIC OF KENYA
BANK RECONCILIATION

Page 2 of 2

F.O. 30

From Date : 01-AUG-20 To : 15-JUL-21

DEP - STATE DEPT FOR EAST AFRICA COM

Bank : Central Bank of Kenya , Branch : Haile Selassie , Account Number : 1000384794

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

Cheque		Payee	Amount
No	Date		
			Total

2. RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Receipts		Amount
No	Date	
Total :		

3. PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

Cheque		Amount
No	Date	
Total :		

4. RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

Receipts		Amount
No	Date	
Total :		

STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY

Report of the Board of Survey on the Cash and Bank Balances of

as at the close of

30TH JUNE,

21

Business on 20.....

The Board, consisting of (Names and official titles)

RUTH KIBUE

- SENIOR DEPUTY SECRETARY - CHAIRPERSON

JACOB YEGO

- PRINCIPAL ICT OFFICER

- MEMBER

CHARLES GITHU

- PRINCIPAL ACCOUNTANT

- SECRETARY

STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY - CO-OPERATIVE BANK HOUSE

Assembled at the office of

10.00 AM

15TH JUNE,

21

At (time) on the 20.....

And the following cash was produced:

Notes	Sh.	265,000.00
Silver	Sh.	28.25
Copper	Sh.	NIL
Cheques (as per details on reverse)	Sh.	NIL
		265,028.25

NIL

NIL

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

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

The Cash Book reflected the following balances as at the close of business on the

	20	265,028.25
Cash on hand	Sh.	19,064.95
Bank Balance	Sh.	284,093.20

28,505.90

Bank Certificate of Balance showed a sum of Sh.
 cts (Sh. cts

.....
 to the credit of the account on 20.....

The difference between this figure and the Bank Balance as shown by the cash Book is accounted for in the Bank reconciliation statement
 (No) attached.

Ruth Kibue
 Chairman

15TH JUNE, 2021

Charles Githu
 Members of the Board

Jacob Yego



STATE DEPARTMENT OF EAST AFRICAN COMMUNITY

Report of the Board of Survey on the Cash and Bank Balances of

..... as at the close of

30TH JUNE, 21

Business on, 20.....

The Board, consisting of (Names and official titles)

RUTH KIBUE - SENIOR DEPUTY SECRETARY - CHAIRPERSON

JACOB YEGO - PRINCIPAL ICT OFFICER - MEMBER

CHARLES GITHU - PRINCIPAL ACCOUNTANT - SECRETARY

STATE DEPARTMENT FOR EAST AFRICAN COMMUNITY - COOPERATIVE BANK HOUSE

Assembled at the office of

10.00 A.M.

15TH AUGUST

21

At (time) on the, 20.....

And the following cash was produced:

Notes Sh. NIL

Silver Sh. NIL

Copper Sh. NIL

Cheques (as per details on reverse) Sh. NIL

NIL

NIL

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

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

The Cash Book reflected the following balances as at the close of business on the

30TH JUNE, 21

20

Cash on hand Sh. NIL

Bank Balance Sh. 481,785.00

481,785.00

663,785.00

The Bank Certificate of Balance showed a sum of Sh.

10

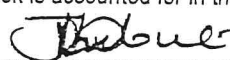
..... cts (Sh. cts)

30TH JUNE,

20

Standing to the credit of the account on 20.....

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



Chairman

15TH JULY, 2021

Date



Members of the Board



GPK (L)

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

July 13, 2021

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

CERTIFICATE OF BALANCES

Customer: 138678- STATE DEPARTMENT FOR E.AFRICA COMMUNITY

Balance Date: 30 JUN 2021

Customer :

138678

STATE DEPT FOR
E.AFRICA
COMMUNITY

Balance Date:

30-Jun-21

Account No	Account Name	Currency	Balance
1000384778	REC-STATE DEPT FOR E.AFRICA COMM	KES	28,505.90
1000384794	DEP-STATE DEPT FOR E.AFRICA COMM	KES	663,785.00
1000384808	CBK165-STATE DEPT FOR E.AFRICA COM	KES	0.00

Lawrence Rweria
Authorised Signatory
Banking Services Division

Joyce Nasieku(Ms)
Authorised Signatory
Banking Services Division



**STATEMENT OF RECEIPTS AND PAYMENTS**

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-21

Compare With: JUL-19 To JUN-20

	Note	Current Period	Previous Period
RECEIPTS			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	0.00
Exchequer releases	4	502,981,964.20	509,629,751.60
Transfers from Other Government Entities	5	0.00	0.00
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Proceeds from Sales of Assets	8	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
TOTAL RECEIPTS		502,981,964.20	509,629,751.60
PAYMENTS			
Compensation of Employees	12	240,558,689.45	216,498,859.25
Use of goods and Services	13	231,671,246.05	280,421,605.00
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	7,736,230.00	0.00
Social Security Benefits	17	4,702,359.00	0.00
Acquisition of Assets	18	16,606,949.60	10,456,356.35
Finance Costs, including Loan Interest	19	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Other payments	21	0.00	0.00
TOTAL PAYMENTS		501,275,474.10	507,376,820.60
SURPLUS/DEFICIT		1,706,490.10	2,252,931.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Statement of Financial Position

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-21

Compare With: JUL-19 To JUN-20

	Note	Current Period	Previous Period
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	22A	500,850.90	9,086,445.00
Cash Balances	22B	265,028.00	296,322.00
Total Cash And Cash Equivalents		765,878.90	9,382,767.00
Accounts Receivables - Outstanding Imprest and Clearance Accounts	23	1,971,525.20	262,327.00
TOTAL FINANCIAL ASSETS		2,737,404.10	9,645,094.00
Financial Liabilities			
Accounts Payables - Deposits	24	481,785.00	6,937,975.00
NET FINANCIAL ASSETS		2,255,619.10	2,707,119.00
REPRESENTED BY			
Fund Balance b/fwd	25	2,707,119.00	2,155,778.80
Prior Year Adjustment	26	(2,157,990.00)	(1,701,590.80)
Surplus/Deficit for the Year		1,706,490.10	2,252,931.00
NET FINANCIAL POSITION		2,255,619.10	2,707,119.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



STATEMENT OF CASH FLOW

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-20

Compare With: JUL-18 To JUN-19

	Note	Current Period	Previous Period
		Kshs	Kshs
Receipts and operating income			
Tax Receipts	1	0.00	0.00
Social Security Contribution	2	0.00	0.00
Proceeds from Domestic and Foreign Grants	3	0.00	7,541,418.00
Exchequer releases	4	0.00	895,919,570.00
Transfers from Other Government Entities	5	0.00	0.00
Reimbursements and Refunds	9	0.00	0.00
Returns of Equity Holdings	10	0.00	0.00
Other Receipts	11	0.00	0.00
Payments for Operating Expenses			
Compensation of Employees	12	216,498,859.25	271,709,993.05
Use of goods and Services	13	280,421,605.00	600,432,274.35
Subsidies	14	0.00	0.00
Transfers to Other Government Units	15	0.00	0.00
Other Grants and Transfers	16	0.00	0.00
Social Security Benefits	17	0.00	0.00
Finance Costs, including Loan Interest	19	0.00	0.00
Other payments	21	0.00	0.00
Adjusted for :			
Adjustments during the year		7,124,836.80	(449,188.80)
Prior year adjustments		(1,701,590.80)	(415,626.00)
Net Cash From Operating Activities	A	(491,497,218.25)	30,453,905.80
Cash Flow From Investing Activities			
Proceeds from Sales of Assets	8	0.00	0.00
Acquisition of Assets	18	10,456,356.35	29,915,207.80
Net Cash Flow From Investing Activities	B	(10,456,356.35)	(29,915,207.80)
Cash Flow From Borrowing Activities			
Proceeds from Domestic Borrowings	6	0.00	0.00
Proceeds from Foreign Borrowings	7	0.00	0.00
Repayment of Principal on Domestic and Foreign Borrowing	20	0.00	0.00
Net Cash Flow From Financing Activities	C	0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT	A+B+C	(501,953,574.60)	538,698.00
Cash and Cash Equivalent at BEGINNING of The Year		1,706,590.00	0.00
Cash and Cash Equivalent at END of The Year	22A+22B	9,382,767.00	1,706,590.00

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



NOTES TO THE FINANCIAL STATEMENTS

Entity: 1221-State Department for East African
Community

Current Period: JUL-20 To JUN-21

Compare With: JUL-19 To JUN-20

1 Tax Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Taxes on Income, Profits and Capital Gains	1110000	0.00	0.00
Taxes on Payroll and Workforce	1120000	0.00	0.00
Taxes on Property	1130000	0.00	0.00
Taxes on Goods and Services	1140000	0.00	0.00
Taxes on International Trade and Transactions	1150000	0.00	0.00
Other Taxes (not elsewhere classified)	1160000	0.00	0.00
TOTAL		0.00	0.00

2 Social Security Contribution

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Health Insurance Contribution	1210100	0.00	0.00
NHIF Health Insurance Contributions	1210200	0.00	0.00
Contributions from Govt. Employees for Social & Welfare Schemes	1210300	0.00	0.00
TOTAL		0.00	0.00

3 Proceeds from Domestic and Foreign Grants

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants from Foreign Governments	1310000	0.00	0.00
Grants from International Organisations	1320000	0.00	0.00
TOTAL		0.00	0.00

4 Exchequer releases

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Exchequer Releases/ Provisioning Account for Q1	9910201	79,291,521.90	87,040,585.35
Exchequer Releases/ Provisioning Account for Q2	9910201	108,696,970.00	154,246,440.65
Exchequer Releases/ Provisioning Account for Q3	9910201	134,108,220.00	91,181,287.00
Exchequer Releases/ Provisioning Account for Q4	9910201	180,885,252.30	177,161,438.60
TOTAL		502,981,964.20	509,629,751.60

5 Transfers from Other Government Entities

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants received by Central Govt from General Govt units	1330100	0.00	0.00
Grants Received from General Govt units by Local Authorities	1330200	0.00	0.00
Grants to Fund Accounts from Central Govt Budget	1330300	0.00	0.00
Grants to other General Govt units from General Govt units	1330400	0.00	0.00
TOTAL		0.00	0.00

6 Proceeds from Domestic Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Borrowing within General Government	5110100	0.00	0.00
Borrowing from Monetary Authorities (Central Bank)	5110200	0.00	0.00
Other Domestic Depository Corporations (Commercial Banks)	5110300	0.00	0.00
Borrowing from Other Domestic Financial Institutions	5110400	0.00	0.00
Borrowing from Other Domestic Creditors	5110500	0.00	0.00
Domestic Currency and Deposit	5110600	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
TOTAL		0.00	0.00

7 Proceeds from Foreign Borrowings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Foreign Borrowings - Drawdowns through Exchequer	5120100	0.00	0.00
Foreign Borrowing-Direct Payments	5120200	0.00	0.00
Foreign Currency and Foreign Deposits	5120300	0.00	0.00
Other Foreign Accounts Payable	5120400	0.00	0.00
TOTAL		0.00	0.00

8 Proceeds from Sales of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Receipts from the Sale of Buildings - Paid to Exchequer	3510100	0.00	0.00
Receipts from the Sale of Buildings	3510200	0.00	0.00
Receipts from sale of other st	3510300	0.00	0.00
Receipts from sale of other st	3510400	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment - Paid to Exchequer	3510500	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	3510600	0.00	0.00
Receipts from the Sale of Plant Machinery and Equipment - Paid to Exchequer	3510700	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	3510800	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock - Paid to Exchequer	3510900	0.00	0.00
Receipts from Sale of Certified Seeds and Breeding Stock	3511000	0.00	0.00
Receipts from the Sale of Strategic Reserves Stocks	3520100	0.00	0.00
Receipts from the Sale of Other Inventories, Stocks, and Commodities	3520200	0.00	0.00
Receipts from the Sale of Inventories, Stocks and Commodities	3520300	0.00	0.00
Receipts from the Sale of Land	3540100	0.00	0.00
Receipts from the Sale of Other Naturally Occurring Non-Produced Assets	3540200	0.00	0.00
Receipts from the Sale of Intangible Non-Produced Assets	3540300	0.00	0.00
Receipts from the Sale of Non-Produced Assets Collected as AIA	3540400	0.00	0.00
Repayments from Loans to Government Agencies and Other Levels of Government	4510100	0.00	0.00
Loans to Non-Financial Public Enterprises	4510200	0.00	0.00
Loans to Financial Institutions	4510300	0.00	0.00
Repayments from Domestic Loans to Individuals and Households	4510400	0.00	0.00
Repayments from lending to Foreign Govts.	4520100	0.00	0.00
Repayments from lending to International Orgns.	4520200	0.00	0.00
Repayments from lending to Foreign Non - Financial Enterps. & Financial Instns.	4520300	0.00	0.00
Repayments from Other Foreign Lending	4520400	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Non - Financial Enterprises	4530100	0.00	0.00
Sales and Disposals of Equity Holdings in Domestic Public Financial Institutions	4530200	0.00	0.00
Sales and Disposals of Other Equity Holdings	4530300	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Financial Instns. and Domestic Financial Instns. operating abroad	4530400	0.00	0.00
Sales and Disposals of Equity Holdings in Foreign Enterps. Financial Instns. and Domestic Financial Instns. operating abroad	4530500	0.00	0.00
Redemption/ Disposal of Other Financial Assets	4530600	0.00	0.00
Refund of Bonds paid as Deposits for Guarantees	4530700	0.00	0.00
TOTAL		0.00	0.00

9 Reimbursements and Refunds

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs

Item Description	Item Code	Current Period	Previous Period
Refund from World Food Programme (WFP)	4540101	0.00	0.00
Reimbursement of Audit Fees	4540102	0.00	0.00
Reimbursement on Messing Charges (UNICEF)	4540103	0.00	0.00
Reimbursement from World Bank - ECD	4540104	0.00	0.00
Reimbursement from Individuals and Private Organizations	4540105	0.00	0.00
Reimbursement from Local Government Authorities	4540106	0.00	0.00
Reimbursement from Statutory Organizations	4540107	0.00	0.00
Reimbursement within Central Government	4540108	0.00	0.00
Reimbursement Using Bonds	4540109	0.00	0.00
Reimbursements and Refunds - Other (Budget)	4540199	0.00	0.00
TOTAL		0.00	0.00

10 Returns of Equity Holdings

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Returns of Equity Holdings	4550000	0.00	0.00
Returns of Equity Holdings	4610000	0.00	0.00
TOTAL		0.00	0.00

11 Other Receipts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Interest Received	1410100	0.00	0.00
Profits and Dividends	1410200	0.00	0.00
Withdrawals from Income of Quasi-corporations	1410300	0.00	0.00
Rents on land, houses and buildings	1410400	0.00	0.00
Other Property Income collected as AIA	1410500	0.00	0.00
	1415000	0.00	0.00
Sales of Market Establishment	1420100	0.00	0.00
Administrative Fees and Charges	1420200	0.00	0.00
Administrative Fees and Charges collected as AIA	1420300	0.00	0.00
Incidental Sales by Non-Market Establishments	1420400	0.00	0.00
Incidental Sales by Non-Market Establishments Collected as AIA	1420500	0.00	0.00
Receipts from Sale of Incidental Goods	1420600	0.00	0.00
Fines, Penalties, Forfeitures and other Charges	1430100	0.00	0.00
Current Grants from International NGOs paid through Exchequer	1440100	0.00	0.00
Capital Grants from International NGOs paid through Exchequer	1440200	0.00	0.00
Current Grants from International NGOs collected as AIA	1440300	0.00	0.00
Capital Grants from International NGOs collected as AIA	1440400	0.00	0.00
Other Voluntary Transfers for Current purposes	1440500	0.00	0.00
Other Voluntary Transfers for Capital purposes	1440600	0.00	0.00
Paid to Exchequer	1450100	0.00	0.00
Receipts Not Classified Elsewhere	1450200	0.00	0.00
	1510200	0.00	0.00
	1510300	0.00	0.00
	1520100	0.00	0.00
Business Permits	1520200	0.00	0.00
Cesses	1520300	0.00	0.00
Poll Rates	1520400	0.00	0.00
Plot Rents	1520500	0.00	0.00
Other Local Levies	1520600	0.00	0.00
Administrative Services Fees	1530100	0.00	0.00
Various Fees	1530200	0.00	0.00
Council'S Natural Resources Exploitation	1530300	0.00	0.00
Sales Of Council Assets	1530400	0.00	0.00
Lease / Rental Of Council'S Infrastructure Assets	1530500	0.00	0.00
Other Miscellaneous Revenues	1530600	0.00	0.00
Other Miscellaneous Revenues	1540100	0.00	0.00
Insurance Claims Recovery	1540200	0.00	0.00
Medium Term Loans (1-3 Yr Repayment)	1540300	0.00	0.00
Long Term Loans (Over 3 Yr Rpayment)	1540400	0.00	0.00
Transfers From Reserve Funds	1540500	0.00	0.00
Donations	1540600	0.00	0.00
Fund Raising Events	1540700	0.00	0.00
Other Revenues From Financial Assets Loan	1540800	0.00	0.00
	1541000	0.00	0.00
Market/Trade Centre Fee	1550100	0.00	0.00
Vehicle Parking Fees	1550200	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Housing	1560100	0.00	0.00
Social Premises Use Charges	1560200	0.00	0.00
School Fees	1570100	0.00	0.00
Other Education-Related Fees	1570200	0.00	0.00
Other Education Revenues	1570300	0.00	0.00
Public Health Services	1580100	0.00	0.00
Public Health Facilities Operations	1580200	0.00	0.00
Environment & Conservancy Administration	1580300	0.00	0.00
Slaughter Houses Administration	1580400	0.00	0.00
Water Supply Administration	1580500	0.00	0.00
Sewerage Administration	1580600	0.00	0.00
Other Health & Sanitation Revenues	1580700	0.00	0.00
Technical Services Fees	1590100	0.00	0.00
External Services Fees	1590200	0.00	0.00
	1930100	0.00	0.00
System Required Revenue A/cs	1990100	0.00	0.00
TOTAL		0.00	0.00

12 Compensation of Employees

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Basic Salaries - Permanent Employees	2110100	162,230,681.80	146,816,393.90
Basic Wages - Temporary Employees	2110200	0.00	0.00
Personal Allowances paid as part of Salary	2110300	78,328,007.65	69,682,465.35
Personal Allowances paid as Reimbursements	2110400	0.00	0.00
Personal Allowances provided in Kind	2110500	0.00	0.00
Employer Contributions to Compulsory National Social Security Schemes	2120100	0.00	0.00
Employer Contributions to Compulsory Health Insurance Schemes	2120200	0.00	0.00
Social Benefit Schemes Outside Government	2120300	0.00	0.00
TOTAL		240,558,689.45	216,498,859.25

13 Use of goods and Services

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Utilities, Supplies and Services	2210100	0.00	170,269.00
Communication, Supplies and Services	2210200	4,600,042.30	6,584,954.00
Domestic Travel and Subsistence, and Other Transportation Costs	2210300	36,029,659.00	58,150,278.40
Foreign Travel and Subsistence, and other transportation costs	2210400	47,682,295.60	55,959,896.95
Printing, Advertising and Information Supplies and Services	2210500	4,330,951.95	6,158,275.00
Rentals of Produced Assets	2210600	97,362,506.30	73,208,455.05
Training Expenses	2210700	1,581,088.00	4,757,240.00
Hospitality Supplies and Servi	2210800	14,155,671.00	27,669,214.10
Insurance Costs	2210900	0.00	0.00
Specialised Materials and Supp	2211000	348,987.00	988,218.00
Office and General Supplies and Services	2211100	6,554,923.10	5,611,250.20
Fuel Oil and Lubricants	2211200	6,590,458.00	9,771,889.80
Other Operating Expenses	2211300	8,156,800.45	25,219,723.05
Routine Maintenance - Vehicles	2220100	3,815,947.20	5,533,115.45
Routine Maintenance - Other Assets	2220200	461,916.15	638,826.00
Exchange Rate Losses	2230100	0.00	0.00
TOTAL		231,671,246.05	280,421,605.00

14 Subsidies

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Subsidies to Public Corporations	2510000	0.00	0.00
Subsidies to Private Enterprises	2520000	0.00	0.00
TOTAL		0.00	0.00

15 Transfers to Other Government Units

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	2630100	0.00	0.00
Capital Grants to Government Agencies and other	2630200	0.00	0.00

Item Description	Item Code	Current Period	Previous Period
Levels of Government			
Other Current Transfers, Grants and Subsidies	2640400	0.00	0.00
Other Capital Grants and Trans	2640500	0.00	0.00
TOTAL		0.00	0.00

16 Other Grants and Transfers

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Grants and Transfers to Foreign Governments	2610100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations	2620100	0.00	0.00
Membership Fees and Dues and Subscriptions to International Organizations (Continued)	2620200	0.00	0.00
Scholarships and other Educational Benefits	2640100	7,736,230.00	0.00
Emergency Relief and Refugee Assistance	2640200	0.00	0.00
Grants to Small Businesses, Cooperatives, and Self Employed	2640300	0.00	0.00
	2649900	0.00	0.00
TOTAL		7,736,230.00	0.00

17 Social Security Benefits

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Government Pension and Retirement Benefits	2710100	4,702,359.00	0.00
Social Security Benefits	2710200	0.00	0.00
Employer Social Benefits	2710300	0.00	0.00
Refund of Pension to UK Government	2720100	0.00	0.00
Refund of Contributions to WCPS and other Ex-Gratia	2720200	0.00	0.00
TOTAL		4,702,359.00	0.00

18 Acquisition of Assets

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Purchase of Buildings	3110100	0.00	0.00
Construction of Building	3110200	0.00	0.00
Refurbishment of Buildings	3110300	0.00	0.00
Construction of Roads	3110400	0.00	0.00
Construction and Civil Works	3110500	0.00	0.00
Overhaul and Refurbishment of Construction and Civil Works	3110600	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	3110700	14,500,000.00	0.00
Overhaul of Vehicles and Other Transport Equipment	3110800	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	3110900	0.00	0.00
Purchase of Office Furniture and General Equipment	3111000	23,000.00	462,299.85
Purchase of Specialised Plant, Equipment and Machinery	3111100	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equipment	3111200	0.00	0.00
Purchase of Certified Seeds, Breeding Stock and Live Animals	3111300	0.00	0.00
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3111400	2,083,949.60	9,994,056.50
Rehabilitation of Civil Works	3111500	0.00	0.00
Purchase of Specialised Plant	3112200	0.00	0.00
Acquisition of Strategic Stocks	3120100	0.00	0.00
Acquisition of Other Inventori	3120200	0.00	0.00
Acquisition of Land	3130100	0.00	0.00
Acquisition of Other Intangible Assets	3130200	0.00	0.00
Domestic Lending and On-lending	4110000	0.00	0.00
Domestic Equity Participation	4120000	0.00	0.00
Other Domestic Accounts Receivable	4130000	0.00	0.00
Foreign Lending and On- Lending	4140000	0.00	0.00
Foreign Equity Participation	4150000	0.00	0.00
Other Foreign Accounts Receivable	4160000	0.00	0.00
TOTAL		16,606,949.60	10,456,356.35

19 Finance Costs, including Loan Interest

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs

Item Description	Item Code	Current Period	Previous Period
Interest Payments on Foreign Borrowing	2410100	0.00	0.00
Interest Payments on Guaranteed Debt	2410200	0.00	0.00
Interest on Domestic Borrowing	2420000	0.00	0.00
Interest on Borrowing From Other Government Units	2430000	0.00	0.00
TOTAL		0.00	0.00

20 Repayment of Principal on Domestic and Foreign Borrowing

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Repayments on Borrowings from General Government	5510100	0.00	0.00
Repayments on Borrowings from Monetary Authorities (Central Bank)	5510200	0.00	0.00
Repayments on Borrowings from Other Domestic Depository Corporations (Commercial Banks)	5510300	0.00	0.00
Repayments on Borrowings from Other Domestic Financial Institutions	5510400	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5510500	0.00	0.00
Principal Repayments on Foreign Borrowing	5510600	0.00	0.00
Principal Repayments on Guaranteed Debt Taken over by Government	5520000	0.00	0.00
Principal Repayments on Guaranteed Domestic Debt Taken over by Government	5520100	0.00	0.00
Principal Repayments on Guaranteed Foreign Debt Taken over by Government	5520200	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors	5610000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Private Enterprises	5610500	0.00	0.00
	5620000	0.00	0.00
Repayments on Borrowings from Other Domestic Creditors - Public Enterprises	5620100	0.00	0.00
TOTAL		0.00	0.00

21 Other payments

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Budget Reserves	2810100	0.00	0.00
Civil Contingency Reserves	2810200	0.00	0.00
Capital Transfer to Non Financial Public Enterprises	2820100	0.00	0.00
Capital Transfer to Public Financial Institutions and Enterprises	2820200	0.00	0.00
Capital Transfer to Private Non-Financial Enterprises	2820300	0.00	0.00
System Required Expenses	2990100	0.00	0.00
	2999900	0.00	0.00
TOTAL		0.00	0.00

22A Bank Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Special Accounts	6510000	0.00	0.00
Treasury Bank Accounts (Exchequer and CRF Accounts)	6520000	0.00	0.00
Recurrent Bank Accounts	6530000	19,066.00	2,198,970.00
Development Bank Accounts	6540000	0.00	0.00
Deposit Bank Account	6550000	481,784.90	6,887,475.00
Project Specific Bank Accounts	6570000	0.00	0.00
Foreign Currency and Foreign D	6590101	0.00	0.00
Foreign Currency and Foreign D	6590203	0.00	0.00
TOTAL		500,850.90	9,086,445.00

22B Cash Balances

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Cash in Hand	6580000	265,028.00	296,322.00
Foreign Currency and Foreign D	6590201	0.00	0.00
TOTAL		265,028.00	296,322.00

23 Accounts Receivables - Outstanding Imprest and Clearance Accounts

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Domestic Debtors & Advances	6710000	106,639.00	77,970.00
Debtors & Advances - Govt Owne	6720000	0.00	0.00
Foreign Debtors & Advances	6730000	0.00	0.00
Other Debtors & Pre-payments	6740000	0.20	0.20
Government Imprests	6760000	1,864,886.00	184,356.80
Agency Accounts	6770000	0.00	0.00
Suspense & Clearance Account	6780000	0.00	0.00
Other Current Assets (System r	6790000	0.00	0.00
TOTAL		1,971,525.20	262,327.00

24. ACCOUNTS PAYABLE

Item Description	Item code	Current Period	Previous Period
		Kshs	Kshs
Deposits	7310000	481,785.00	6,937,985.00
Other Liabilities	7320000	0.00	(10.00)
Withholding Taxes	7380000	0.00	0.00
System Required Liabilities A/cs	7390000	0.00	0.00
TOTAL		481,785.00	6,937,975.00

25. FUND BALANCES BROUGHT FORWARD

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
Opening Balance Bank	22A	9,086,445.00	1,145,957.00
Opening Balance Cash	22B	296,322.00	560,633.00
Opening Balance Receivables - Imprest and Clearance Accounts	23	262,327.00	454,188.80
Opening Balance - Deposits	24	(6,937,975.00)	(5,000.00)
TOTAL		2,707,119.00	2,155,778.80

26. PRIOR YEAR ADJUSTMENTS

Item Description	Item Code	Current Period	Previous Period
		Kshs	Kshs
County Transfers	9910300	0.00	0.00
Exchequer Provisions	9910200	2,157,990.00	1,701,590.80
TOTAL		2,157,990.00	1,701,590.80



Statment of Budget Execution - Recurrent Expenditure

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-21

	Note	Printed Estimate	Reallocation / Transfer	Supplementary Estimates	Final Approved Estimate (Net)	Actual	Budget Utilization Differences	% of Utilization
		a	b	c	d=a+b+c	e	f=d-e	g=e/d%
RECEIPTS								
1	Tax Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
2	Social Security Contribution	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
3	Proceeds from Domestic and Foreign Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
4	Exchequer releases	0.00	0.00	0.00	0.00	502,981,964.20	(502,981,964.20)	0.00%
5	Transfers from Other Government Entities	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
6	Proceeds from Domestic Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
7	Proceeds from Foreign Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
8	Proceeds from Sales of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
9	Reimbursements and Refunds	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
10	Returns of Equity Holdings	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
11	Other Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
	Total	0.00	0.00	0.00	0.00	502,981,964.20	(502,981,964.20)	0.00%
PAYMENTS								
12	Compensation of Employees	339,880,000.00	0.00	(96,690,000.00)	243,190,000.00	240,558,689.45	2,631,310.55	98.92%
13	Use of goods and Services	180,672,317.00	0.00	58,321,411.00	238,993,728.00	231,671,246.05	7,322,481.95	96.94%
14	Subsidies	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
15	Transfers to Other Government Units	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
16	Other Grants and Transfers	85,260,000.00	0.00	(77,523,770.00)	7,736,230.00	7,736,230.00	0.00	100.00%
17	Social Security Benefits	0.00	0.00	4,702,359.00	4,702,359.00	4,702,359.00	0.00	100.00%
18	Acquisition of Assets	2,203,202.00	0.00	14,500,000.00	16,703,202.00	16,606,949.60	96,252.40	99.42%
19	Finance Costs, including Loan Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
20	Repayment of Principal on Domestic and Foreign Borrowing	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
21	Other payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
	Total	608,015,519.00	0.00	(96,690,000.00)	511,325,519.00	501,275,474.10	10,050,044.90	98.03%



Statement of Budget Execution - Recurrent Expenditure

Entity: 1221-State Department for East African Community

Current Period: JUL-20 To JUN-21

The Statement has been prepared, reviewed and approved by the following:

Prepared By:

Date:

Reviewed By:

Date:

Approved By:

Date:



**Budget Execution by Programme and Economic Classification**

Entity: 1221-State Department for East African Community

Period: JUL-20 To JUN-21

Program	Item	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	0.00	0.00
	2210000	Goods and Services	0.00	0.00	0.00
0305000000		East African Affairs and Regional Integration	511,325,519.00	501,275,474.10	10,050,044.90
	2110000	Wages and Salary Contributions	243,190,000.00	240,558,689.45	2,631,310.55
	2210000	Goods and Services	234,225,872.00	227,393,382.70	6,832,489.30
	2220000	Routine Maintenance	4,767,856.00	4,277,863.35	489,992.65
	2640000	Other Transfers and Emergency Relief	7,736,230.00	7,736,230.00	0.00
	2710000	Social Security Benefits	4,702,359.00	4,702,359.00	0.00
	3110000	Acquisition of Fixed Capital Assets	16,703,202.00	16,606,949.60	96,252.40
		Grand Total	511,325,519.00	501,275,474.10	10,050,044.90

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution by Heads and Programmes

Entity: 1221-State Department for East African Community

Period: JUL-20 To JUN-21

Head	Program	Description	Approved Budget	Actual Payments	Variance
0000000000		Default Value (Non-Departmental)	0.00	0.00	0.00
	0000000000	Default - Non Programmatic	0.00	0.00	0.00
1121000100		Headquarters Administrative Services	0.00	(431,753.60)	431,753.60
	0305000000	East African Affairs and Regional Integration	0.00	(431,753.60)	431,753.60
1221000100			303,222,870.00	299,395,600.00	3,827,270.00
	0305000000	East African Affairs and Regional Integration	303,222,870.00	299,395,600.00	3,827,270.00
1221000200			6,881,787.00	5,429,528.90	1,452,258.10
	0305000000	East African Affairs and Regional Integration	6,881,787.00	5,429,528.90	1,452,258.10
1221000300			7,416,589.00	7,091,981.20	324,607.80
	0305000000	East African Affairs and Regional Integration	7,416,589.00	7,091,981.20	324,607.80
1221000400			0.00	0.00	0.00
	0305000000	East African Affairs and Regional Integration	0.00	0.00	0.00
1221000500			7,975,806.00	5,465,717.00	2,510,089.00
	0305000000	East African Affairs and Regional Integration	7,975,806.00	5,465,717.00	2,510,089.00
1221000600			8,594,782.00	8,373,818.05	220,963.95
	0305000000	East African Affairs and Regional Integration	8,594,782.00	8,373,818.05	220,963.95
1221000700			12,071,436.00	9,689,619.50	2,381,816.50
	0305000000	East African Affairs and Regional Integration	12,071,436.00	9,689,619.50	2,381,816.50
1221000900			15,082,964.00	13,158,554.15	1,924,409.85
	0305000000	East African Affairs and Regional Integration	15,082,964.00	13,158,554.15	1,924,409.85
1221001000			14,510,706.00	12,649,819.40	1,860,886.60
	0305000000	East African Affairs and Regional Integration	14,510,706.00	12,649,819.40	1,860,886.60
1221001100			10,828,494.00	11,234,357.85	(405,863.85)
	0305000000	East African Affairs and Regional Integration	10,828,494.00	11,234,357.85	(405,863.85)
1221001200			14,232,950.00	18,921,487.40	(4,688,537.40)
	0305000000	East African Affairs and Regional Integration	14,232,950.00	18,921,487.40	(4,688,537.40)
1221001300			28,560,025.00	25,844,331.70	2,715,693.30
	0305000000	East African Affairs and Regional Integration	28,560,025.00	25,844,331.70	2,715,693.30
1221001400			22,819,566.00	23,163,133.80	(343,567.80)
	0305000000	East African Affairs and Regional Integration	22,819,566.00	23,163,133.80	(343,567.80)
1221001500			41,469,107.00	44,014,672.30	(2,545,565.30)
	0305000000	East African Affairs and Regional Integration	41,469,107.00	44,014,672.30	(2,545,565.30)
1221001700			17,658,437.00	17,274,606.45	383,830.55
	0305000000	East African Affairs and Regional Integration	17,658,437.00	17,274,606.45	383,830.55
1221100100			0.00	0.00	0.00
	0305000000	East African Affairs and Regional Integration	0.00	0.00	0.00
1221100200			0.00	0.00	0.00
	0305000000	East African Affairs and Regional Integration	0.00	0.00	0.00
Grand Total			511,325,519.00	501,275,474.10	10,050,044.90

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____



Budget Execution By Programmes and Sub-Programmes

Entity: 1221-State Department for East African Community

Period: JUL-20 To JUN-21

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0000000000		Default - Non Programmatic	0.00	0.00	0.00
	0000000000	Default - Non Programmatic	0.00	0.00	0.00
0305000000		East African Affairs and Regional Integration	511,325,519.00	501,275,473.30	10,050,045.70
	0305010000	East African Customs Union	14,525,078.00	13,853,181.95	671,896.05
	0305020000	East African Common Market	423,162,191.00	413,578,460.20	9,583,730.80
	0305030000	EAC Monetary Union	14,510,706.00	12,637,552.40	1,873,153.60
	0305040000		41,469,107.00	43,931,672.30	(2,462,565.30)
	0305070000		17,658,437.00	17,274,606.45	383,830.55
		Grand Total	511,325,519.00	501,275,473.30	10,050,045.70

The Statement has been prepared, reviewed and approved by the following:

Prepared By: _____

Date: _____

Reviewed By: _____

Date: _____

Approved By: _____

Date: _____

