REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT

OF

THE AUDITOR-GENERAL

ON

AFRICAN UNION AND OTHER INTERNATIONAL ORGANIZATIONS SUBSCRIPTION FUND

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL TREASURY

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THE NATIONAL TREASURY

AFRICAN UNION AND OTHER INTERNATIONAL ORGANIZATIONS SUBSCRIPTION FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. ACRONYMS AND DEFINITIONS OF TERMS

A. Acronyms and Abbreviations

AGPO:	Access to Government Procurement Opportunities
A-in-A	Appropriations in Aid
BETA:	Bottom-Up Economic Transformation Agenda
CARB:	County Allocation of Revenue Bill
CCF:	Climate Change Fund
CGS:	Credit Guarantee Scheme
CSD:	Central Securities Depository
DORB:	Division of Revenue Bill
IPSAS:	International Public Sector Accounting Standards (IPSAS)
IRMF:	Institutional Risk Management Framework
KRA:	Key Result Areas
MCDAs:	Ministries, Counties, Departments and Agencies
MDAs:	Ministries, Departments and Agencies
MSME:	Micro, Small and Medium Enterprises
NIFC:	Nairobi International Financial Centre
NHIF:	National Hospital Insurance Fund
NSSF:	National Social Security Fund
PFM:	Public Finance Management
PSSS:	Public Service Superannuation Scheme
RK-FINFA:	Rural Kenya Financial Inclusion Facility
RTPs:	Restrictive Trade Practices
SACCOs:	Saving and Credit Cooperative Organizations
SAGAs:	Semi-Autonomous Government Agencies
VFM:	Value for Money

B. Definition of Key Terms

Appropriation in Aid: Revenue collected by various Government Ministries, Departments and Agencies (MDAs) and spent at source after appropriation.

Career Development Guidelines: A policy document that provides clearly defined career structures, well-defined job descriptions and specifications, standards for recruitment, training, advancement, career planning, and succession management.

Carbon Credits: Are financial instruments where the buyer compensates another entity to undertake measures aimed at lowering its greenhouse gas emissions. The purchaser then receives recognition for these emissions reductions.

County Allocation of Revenue Bill: A Bill for an Act of Parliament, prepared in fulfilment of the requirements of Article 218(2) of the Constitution and Section 191 of the Public Finance Management Act, 2012, to provide for the equitable allocation of revenue raised nationally among the county governments in every financial year and the responsibilities of national and county governments pursuant to such allocation and for connected purposes.

County Governments Additional Allocation Bill: A Bill for Act of Parliament to provide for additional allocations (conditional and unconditional) to county governments; the responsibilities of National t and county governments pursuant to such allocations; and for connected purposes.

Evaluation: Refers to a systematic and objective assessment of ongoing or completed activities. The aim is to determine the relevance and level of achievement of activity objectives, effectiveness, efficiency, impact and sustainability. Evaluations also feed lessons learnt into the decision-making process.

Emerging Issues: This refers to recent occurrences /events /phenomena which might impact the sector negatively or positively. They include environmental, policy, legal, technological, economic, political, social and cultural.

Monitoring: Is a continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities. It is an oversight of the activity's implementation stage.

Public Financial Management Reforms: These are reforms aimed at strengthening Public Finance Management (PFM) systems to enhance effectiveness of the budget processes, improve transparency and deployment of Public Private Partnership arrangements in funding infrastructural projects, among others.

Risk: The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Value for Money (VFM) Audits: To give assurance on prudent utilization of public resources and establish whether funds have been used economically, efficiently and effectively.

2. KEY NATIONAL TREASURY INFORMATION AND MANAGEMENT

a) Background Information

The National Treasury was established vide the Executive Order No. 1 of 2025. The basis for establishment of the National Treasury is found in Article 225 (1) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

At Cabinet level, the National Treasury is represented by the Cabinet Secretary for National Treasury, who is responsible for the general policy and strategic direction of the Ministry.

b) Mandate of the National Treasury

The National Treasury derives its mandate from Article 225 of the Constitution, Public Finance Management Act 2012 and the Executive Order No.1 of 2025. The National Treasury exercises its mandate in consistency with any other legislation as developed or reviewed by Parliament from time to time.

The core functions of the National Treasury as derived from the above legal provisions include;

i. Overall Economic Policy Management;
ii. Management of Public Finance;
iii. Formulation of National Budget;
iv. Public Debt Management;
v. Formulation and Maintenance of Government Accounting Standards;
vi. Bilateral and Multi-Lateral Financial Relations;
vii. Capital Markets Policy;
viii. Oversight of Revenue Collection as prescribed;
ix. Competition Policy Management;
x. Insurance Policy and Regulation;
xi. Development and Enforcement of Financial Governance Standards;
xii. Financial Sector Analysis and Management including SACCOs, NSSF and SHA;
xiii. Financial Institutions Oversight;
xiv. Management of National and County Governments Financial Management System and Standards;
xv. Development of Kenya as an International Financial Centre;
xvi. Anti-Money Laundering Policy; and
xvii. Development and promotion of carbon trading (carbon credit markets) as an emerging asset class within the capital markets.

Vision
"Excellence in economic and public finance management, and development planning for Kenya's socio-economic transformation."

Mission
"To provide leadership in prudent economic and public finance management and development planning through formulation, implementation and monitoring of policies for Kenya's inclusive growth".

Core Values
The National Treasury is guided by the following **STRICT** core values:

- Stakeholder participation;
- Transparency and accountability;
- Results oriented;
- Integrity;
- Customer focus; and
- Teamwork and commitment;

Role of the National Treasury in the Devolved System of Government

The National Treasury is mandated by law to: -

i. Strengthen financial and fiscal relations between the National Government and County Governments and support County Governments in performing their functions;
ii. Issue guidelines on the preparation of county development planning;
iii. Prepare the annual legislative proposals on intergovernmental fiscal transfers;
iv. Provide logistical support to intergovernmental institutions overseeing intergovernmental fiscal relations;
v. Coordinate the development and implementation of financial recovery plans for County Governments that are in financial distress;
vi. Build capacity of County Governments on public finance management matters for efficient, effective and transparent financial management as well as planning, monitoring and evaluation; and
vii. Administer the Equalization Fund.

c) Key Management

The National Treasury's day-to-day management is bestowed on following key offices.

Office of the Principal Secretary
The Principal Secretary is responsible for the day-to-day administration of the National Treasury operations and is the Accounting Officer and Authorized Officer. In addition, the Principal Secretary is charged with the responsibility of advising the Cabinet Secretary on policy, technical and administrative functions in the National Treasury.

Organizational Structure of the National Treasury
The National Treasury is organized into four (4) technical Directorates headed by Directors General and one (1) Administrative and Support Services Directorate headed by a Principal Administrative Secretary.
Each Director General is responsible for a Directorate comprising a cluster of Departments responsible for related policy functions. In addition, the National Treasury has two independent

departments namely Public Procurement and Internal Audit headed by a Director and Internal Auditor General respectively. The National Treasury also has a Public Finance Management Reforms Secretariat headed by a Programme Coordinator.

The Directorates and Departments are as follows:

Directorate of Budget, Fiscal and Economic Affairs
The Directorate is headed by a Director General, reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a Director:
(a) Budget Department;
(b) Macro and Fiscal Affairs Department;
(c) Financial and Sectoral Affairs Department; and
(d) Inter-Governmental Fiscal Relations Department.

Directorate of Accounting Services
The Directorate is headed by a Director General reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a Director:
(a) Government Accounting Services;
(b) Information Financial Management Systems (IFMIS);
(c) National Sub-County Treasuries; and
(d) Government Digital Payments Unit.

Directorate of Public Debt Management Office
The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following three (3) Technical Departments each headed by a Director:
(a) Resource Mobilization (Front Office);
(b) Debt Policy, Strategy and Risk Management (Middle Office); and
(c) Debt Recording and Settlement (Back Office).

Directorate of Administrative and Support Services (Common Shared Services)
The Directorate is headed by a Principal Administrative Secretary, reporting to the Principal Secretary. It is organized into ten (10) specialized functions offering common shared services. The common shared services of the National Treasury consist of functions that are not core to the National Treasury but offer critical support services to the National Treasury. The functions include:
(a) Accounting;
(b) Finance;
(c) Human Resource Management and Development;
(d) Central Planning and Project Monitoring;
(e) Supply Chain Management;
(f) Legal;
(g) Public Communications;
(h) General Administration;
(i) Internal Audit; and
(j) ICT.

Directorate of Public Investment and Portfolio Management
The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following five (5) Technical Departments each headed by a Director:
(a) Government Investment and Public Enterprises;
(b) National Assets and Liabilities Management;
(c) Parastatal Reforms:
(d) Pensions Department; and
(e) Public Investment Management.

Directorate of Public Private Partnership
The Directorate is headed by a Director General, reporting to the Principal Secretary on matters relating to Public Private Partnership.

Note: Directorate of Public Investment and Portfolio Management and Directorate of Public Private Partnership have since been transferred from the National Treasury to the new State Department for Public Investment and Assets Management vide Executive Order No. 1/ 2025 dated June, 2025.

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

S/No.	Designation	Name
1.	Principal Secretary	Dr. Chris Kiptoo, CBS
2.	Principal Administrative Secretary	Mr. Samson Wangusi, OGW
3.	Director General, BFEA	Mr. Albert Mwenda, MBS
4.	Director General, Accounting Services	FCPA. Bernard Ndung'u, MBS
5.	Director General, PIPM	Mr. Lawrence Kibet, EBS
6.	Director General, PDMO	Mr. Raphael O. Otieno
7.	Director General, PPP	Eng. Kefa Seda
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Kathanje, OGW
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Director, Financial and Sectoral Affairs Department	Mr. Ronald Inyangala, OGW
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Director, Intergovernmental Fiscal Relations Department	Mr. Samuel Kiptorus
13.	Internal Auditor General	Dr. CPA. Sammy Kimunguyi, CFE, CISA
14.	Director, Government Accounting Services Department	CPA, FA. Jona Wala
15.	Director, National Sub County Treasuries	CPA. Francis Kariuki, OGW
16.	Director, Integrated Financial Management Information System	Mr. Mboni Kyallo
17.	Director, National Assets and Liability Management	CPA. Geoffrey Malombe, ndc(k)
18.	Director, Government Investment and Public Enterprises	CPA. Kennedy Ondieki, EBS
19.	Director, Pensions Department	Mr. Michael Kagika, EBS
20.	Director, Parastatal Reforms	Dr. Karen Kardie, DBA
21.	Director, Public Investment Management Unit	Mr. Orumoi Jonah

22.	Director, Resource Mobilization Department	Mr. Amos Cheptoo
23.	Director, Debt Policy, Strategy and Risk Management Department	Mr. Daniel Ndolo
24.	Director, Debt Recording and Settlement Department	Mr. Jeremiah Tomno
25.	Director Administration (Ag.)	Mr. Denis Kirui
26.	Director Accounting Services/Head, Accounts Division	CPA. George K. Gichuru
27.	Head, Finance Unit	Mr. Ambrose Ogango
28.	Director/Head, Supply Chain Management Unit	Mr. Caleb Ogot
29.	Senior Deputy Internal Auditor General/Head, Internal Audit Unit	CPA. Lucy Mugwe
30.	Principal State Law Counsel, Legal Unit	Ms. Faith Chirchir
31.	Director, Human Resource Management and Development	Mr. Benson Giuthua, OGW
32.	Director, Information Communication and Technology	Mr. Edward Ruteere
33.	Director, Central Planning and Project Monitoring Department	Mr. John Olela
34.	Director, Public Communications Unit	Mr. Godfrey Isiye
35.	Ag. Director Government Digital Payments Unit	Mr. Silas Oswe
36.	Director, Exchequer Services	CPA. Jane Wacuka, OGW
37.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Joel Bett

e) Fiduciary Oversight Arrangements

To manage the fiduciary risk, the National Treasury has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

i. Audit Committee

In line with the Public Finance Management Act, 2012 the National Treasury has established a Ministerial Audit Committee comprising five members, four of whom are independent. The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

The committee support the Accounting Officer with regard to the responsibilities on issues of risk management, internal controls, governance and associated assurance. The Committee also follow up on the implementation of the recommendations of internal and external auditors.

ii. Public Finance Management Committees

Budget Implementation Steering Committee

In order to effectively monitor the implementation of the National Government budget, the National Treasury has established a steering Committee chaired by the Cabinet Secretary, National Treasury. The Principal Secretaries for the National Treasury and State Department for Economic Planning provide general oversight in the Budget implementation.

Budget Implementation Technical Committee
The Committee is chaired by the Principal Administrative Secretary and comprises the Directors General and various Heads of Department. The Committee is responsible for monitoring the actual implementation of the identified measures and programmes and reporting detailed progress on the same regularly.

Budget Implementation Ministerial Committee
To monitor the implementation of the Ministry's budget, programmes and activities, the National Treasury has appointed a committee comprising of officers from all the Departments of the Ministry. The Committee reviews and analyses the progress made by Departments in the implementation of budget and the planned programmes and activities and advises the management accordingly.

Public Finance Management Standing Committee (PFMSC)
Established to provide strategic guidance on Public Finance Management according to the Public Finance Management (National Government) Regulations. The committee is crucial for ensuring prudent financial management and accountability at the National Treasury.

Project Implementation Committee
To monitor the implementation of the Government's Infrastructure Projects, the National Treasury has established a Project Steering Committee Comprising Principal Secretaries from implementing Ministries and appointed a technical committee comprising officers from the technical departments of the Ministry. The Committees review and analyse the progress made by ministries in the implementation of domestically and externally funded projects and advises accordingly.

Development Partner Oversight
To effectively manage Official Development Assistance to the Government, the National Treasury has, under the Public Debt Management, a department responsible for all matters relating to Development Partners. The Department has various Units that coordinate different development partner activities in the Country.

Public Financial Management Sector Working Group
To facilitate the implementation of financial management reforms, the National Treasury has appointed senior officers to the Public Financial Management Sector Working Group. The Committee plays an oversight role in the implementation of financial reforms in the public service in collaboration with the development partners.

iii. Top Management Committee
To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed Senior Management Committee comprising of Directors General. The Committee receives reports from departments, build consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner. Additionally, the Treasury constituted Ad hoc Committees to handle specific assignments in the Financial Year 2024/25.

iv. The National Treasury Monitoring and Evaluation Technical Committee (NTPMEC)

The National Treasury undertakes monitoring and evaluation exercises to establish progress made in the implementation of various programmes and projects including those that are funded by the development partners.

The National Treasury Monitoring and Evaluation Technical Committee (NTPMEC) is a dedicated technical committee which was established by PS/NT on 28th May, 2024 to mainstream PM&E practices within the National Treasury and ensure effective oversight and evaluation of fiscal policies, budgetary allocations, and public investments.

The Committee is mandated to enhance the efficiency, transparency, and accountability of the planning, budgeting, financial management, and M&E practices within the National Treasury. It aims to provide systematic oversight, evaluation, and evidence-based recommendations for functional and operational efficiency and realization of intended strategic outcomes.

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3. PROFILE OF CABINET SECRETARY, THE NATIONAL TREASURY



HON. FCPA. JOHN MBADI NG'ONGO, EGH is the Cabinet Secretary (CS) for The National Treasury. Before his appointment, Hon. Mbadi had an extensive career in public service, most recently serving as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly.

The CS has a rich history in legislative leadership, having served as the elected MP for Suba South Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Throughout his parliamentary tenure, he was a member of numerous key committees, including the House Business Committee, Liaison Committee, Budget and Appropriations Committee, Selection Committee, Appointments Committee, Public Accounts Committee, Public Investments Committee, Constitutional Implementation Committee, the Ad Hoc Committee on the Cost of Living, and the Defence and Foreign Relations Committee. Notably, he was also a member of the Legislative Taskforce responsible for drafting the Public Finance Management Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 28 years of experience. He has held the position of Accountant at the University of Nairobi and served as the Chair of Medair East Africa. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.

His contributions have been recognized with honours such as the Chief of the Order of the Burning Spear (CBS) and Elder of the Order of the Golden Heart of Kenya (EGH). His skills span planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills.

4. PROFILE OF PRINCIPAL SECRETARY, THE NATIONAL TREASURY



DR. CHRIS K. KIPTOO, CBS is the Principal Secretary, the National Treasury. He was appointed Principal Secretary by H.E the President William Samoei Ruto on 1st December, 2022. Since his appointment, Dr Kiptoo has been at the forefront in implementing Fiscal consolidation, Public Debt management including the Eurobond, expenditure rationalization, revenue mobilization as well as reform of state-owned enterprises (SOEs).

Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives.

In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector; macroeconomic accounting, modelling and forecasting.

Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa.

Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.

5. STATEMENT BY THE CABINET SECRETARY, THE NATIONAL TREASURY

In accordance with Section 12 of the Public Finance Management Act, 2012, the National Treasury is responsible for coordinating the country's economic and financial management. Overall, the National Treasury has continued to maintain a policy environment that is conducive to economic growth and development of the country.

The FY 2024/25 marked the third year following the transition from the previous administration to the current one. The FY 2024/25 was manifested by accelerated implementation of programmes. However, revenue performance into the year fell short of target resulting in deployment of austerity measures and reprioritizations of activities.

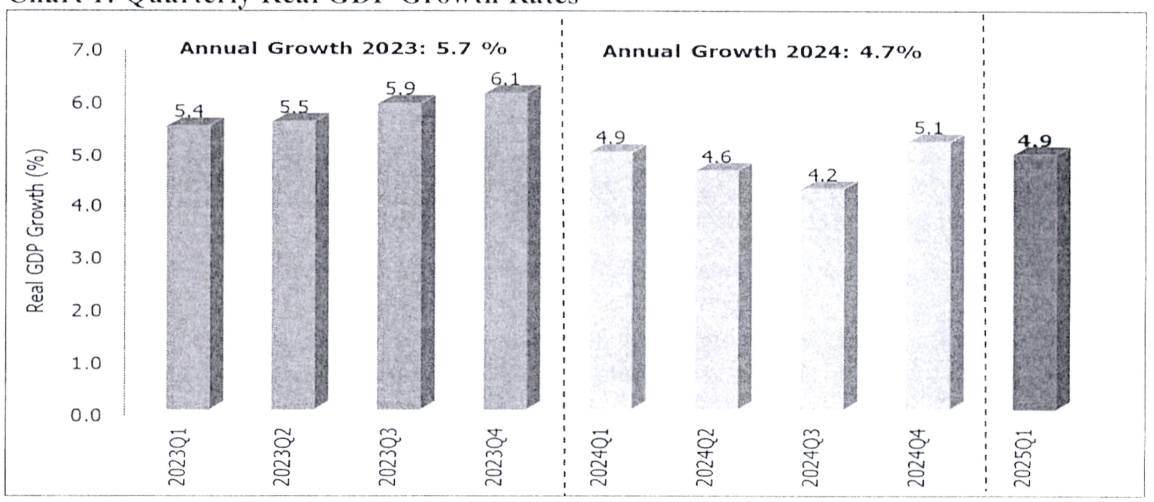
Economic Growth

In 2024, the economy grew by 4.7 percent supported by positive growths in all sectors except construction and mining. This growth was lower compared to 5.7 percent in 2023 mainly due to adverse effects of floods in the second quarter and the anti-Finance Bill protests in the third Quarter of 2024 that disrupted economic activities.

The economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent, a similar growth compared to the corresponding quarter of 2024 **(Chart 1).** This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of industrial activities, and the resilience of services sector.

All economic sectors recorded positive growth rates in the first quarter of 2025, though the magnitudes varied across activities. The diversified structure of the economy remains a key source of resilience for the economy to domestic and external shocks.

Chart 1: Quarterly Real GDP Growth Rates



Source of Data: Kenya National Bureau of Statistics

The primary sector grew by 6.2 percent in the first quarter of 2025 compared to a growth of 4.5 percent in the first quarter of 2024 **(Table 1)**. This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub sector. Activities in the **agriculture, forestry and fishing sub-sector** expanded by 6.0 percent in the first quarter of 2025 compared to a growth of 5.6 percent in a similar quarter in 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in

production of sugarcane, milk deliveries and increased coffee exports. The sector's performance was further supported by improved external demand of cut flowers and vegetables. However, the sector's performance was somewhat curtailed by a decline in tea production.

The **mining and quarrying sub-sector** contributed to the overall primary sector performance with a strong rebound of 10.0 percent during the quarter, reflecting increased activity and renewed investment following a period of subdued performance in the previous year.

The industry sector recorded a growth of 2.6 percent in the first quarter of 2025, improving from 1.5 percent in the same quarter of 2024. This growth was driven by positive performance across manufacturing, electricity and water supply, and construction.

The **manufacturing sub-sector** grew by 2.1 percent compared to a growth of 1.9 percent in the first quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, the sector benefitted from strong increases in coffee auctions, milk deliveries, sugar production, and soft drink output. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets. However, the sector faced some constraints due to a decline in credit to manufacturing enterprises.

The **electricity and water supply sub-sector** grew by 3.6 percent, compared to 2.8 percent in Q1 2024, largely due to a rise in total electricity generation. Renewable energy sources contributed significantly, with solar and wind generation increasing. Growth in the sector was curtailed by an increase in Thermal power generation while hydro and geothermal generation declined.

Construction sub-sector grew by 3.0 percent in the first quarter of 2025, up from 0.4 percent in Q1 2024, driven by increased consumption of key inputs such as cement and iron and steel. However, imported bitumen volumes declined, suggesting a potential slowdown in road construction activities.

In the first quarter of 2025, **the services sector** recorded a real GDP growth of 4.8 percent, a slowdown from the 6.8 percent growth posted in the corresponding quarter of 2024. The decline can be attributed to a combination of factors including rising prices, a slowdown in manufacturing, and the lingering effects of the COVID-19 pandemic. The Transportation and Storage sub-sector expanded by 3.8 percent, slightly lower than the 4.1 percent growth in Q1 2024, supported by increased land transport and port activity.

Accommodation and Food Service activities grew by 4.1 percent in the first quarter of 2025, a slowdown, compared to a growth of 38.1 percent in the first quarter of 2024.The growth is due to several factors, including the recovery from the COVID-19 pandemic, increased domestic tourism, and a growing middle class with more disposable income. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (JKIA) and Mombasa International Airport (MIA) increased by 0.5 percent in the first quarter of 2025 compared to a 10.4 percent growth in the first quarter of 2024. This is due to Government initiatives geared towards promoting domestic tourism and improving infrastructure also contribute to this growth.

The **Information and Communication sub-sector** grew by 5.8 percent in the first quarter of 2025, compared to 9.2 percent growth in the corresponding quarter of 2024. This performance was supported by an increase in the volume of outgoing domestic voice traffic, use of domestic Short Messaging Services (SMSs) and mobile money transactions. Similarly, the total utilized international bandwidth increased in the first quarter of 2025, mainly attributed to the launch of an additional internet service provider in the country.

The **Financial and Insurance sub-sector** recorded a slower growth of 5.1 percent in the first quarter of 2025 compared to 9.6 percent growth in the corresponding quarter of 2024. Despite the overall slowdown, the sector remained buoyed by increased activity in financial transactions and improved credit conditions.

Table 1: Sectoral Real GDP Growth rate (Percent)

Sectors	Annual Growth Rates		Quartely Growth Rates		
	2023	2024	2023 Q1	2024 Q1	2025 Q1
1. Primary Industry	**5.7**	**3.9**	**5.4**	**4.5**	**6.2**
1.1. Agriculture, Forestry and Fishing	6.6	4.6	6.5	5.6	6.0
1.2 Mining and Quarrying	(6.5)	(9.2)	(10.6)	(16.1)	10.0
2. Secondary Sector (Industry)	**2.6**	**1.5**	**2.1**	**1.5**	**2.6**
2.1. Manufacturing	2.2	2.8	2.1	1.9	2.1
2.2. Electricity and Water supply	3.2	1.9	3.8	2.8	3.6
2.3. Construction	3.0	(0.7)	1.4	0.4	3.0
3. Tertiary sector (Services)	**6.8**	**6.1**	**6.6**	**6.8**	**4.8**
3.1. Wholesale and Retail trade	3.3	3.8	3.7	3.6	5.4
3.2. Accomodation and Restaurant	33.6	25.7	46.3	38.1	4.1
3.3. Transport and Storage	5.5	4.4	6.8	4.1	3.8
3.4. Information and Communication	10.3	7.0	10.4	9.2	5.8
3.5. Financial and Insurance	10.1	7.6	4.7	9.6	5.1
3.6. Public Administration	5.0	8.2	8.4	7.5	6.5
3.7. Others	6.1	5.2	5.7	5.8	4.4
of which: Professional, Admin & Support Services	9.4	9.4	8.6	9.4	4.6
Real Estate	7.3	5.3	6.6	6.9	5.3
Education	2.9	3.9	3.6	2.4	2.9
Health	4.5	6.3	4.8	5.4	4.8
Taxes less subsidies	3.2	4.4	2.7	2.9	5.7
Real GDP	**5.7**	**4.7**	**5.4**	**4.9**	**4.9**
of which Non-Agriculture	**5.8**	**4.8**	**5.5**	**5.0**	**4.5**

Source of Data: Kenya National Bureau of Statistics

The implementation of the FY 2024/25 budget faced notable challenges, primarily following the withdrawal of the Finance Bill 2024. Its withdrawal, alongside the associated public demonstrations, adversely affected economic activity and disrupted business operations across the country, compounding the fiscal pressures facing the Government. In response, the Government undertook a revision of the fiscal framework through Supplementary Estimates No. I in August 2024. This revision reflected a lower revenue base following the preliminary outcomes of FY 2023/24, while also addressing immediate cash flow constraints. These adjustments were critical to ensuring the continuity of public service delivery. In addition to the mid-year economic disruptions, the budget execution has been further constrained by shortfalls in revenue and emerging expenditure pressures.

Notably, the implementation of Collective Bargaining Agreements and funding requirements under the new university education financing model placed significant demands on the available fiscal space. These challenges led to cash flow pressures and a build-up of pending obligations, which necessitated careful fiscal management and reprioritization. To address these evolving dynamics, the Government prepared Supplementary Budget Estimates to accommodate revenue shortfalls experienced during the current fiscal year and accommodated expenditure pressures.

In this regard, the FY 2024/25, the fiscal balance (on commitment basis and excluding grants) amounted to KSh 1,044.5 billion (5.8 percent of GDP) against a targeted deficit of KSh. 648.8 billion (3.6 percent of GDP). The fiscal balance (on a commitment basis and including grants) in FY 2024/25 stood at 5.8 percent of GDP against a target deficit of 3.3 percent of GDP.

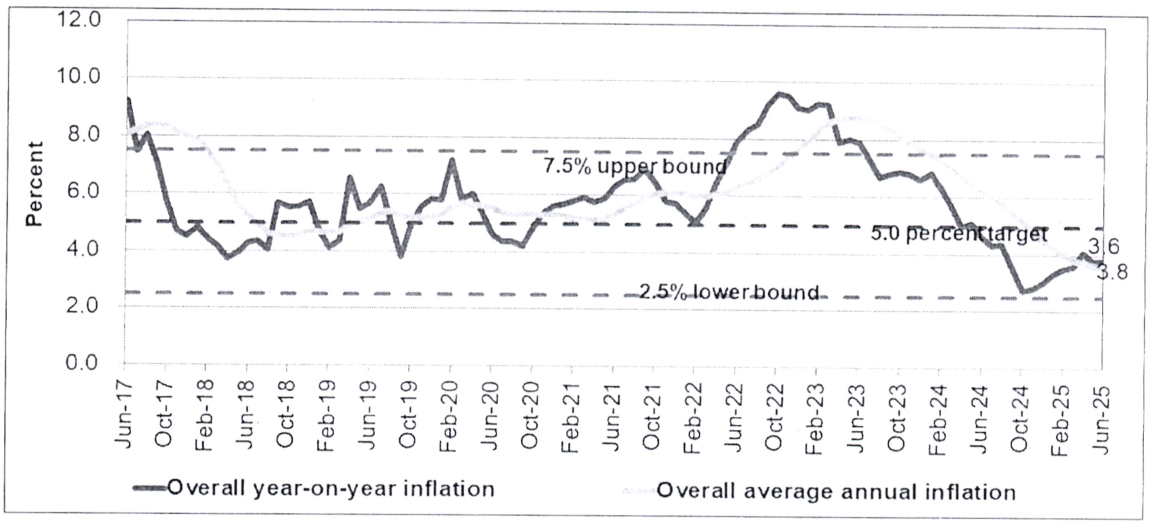
Total revenue collection by the end of June 2025, stood at KSh. 2,918.6 billion against a target of KSh 3,343.2 billion, resulting to a shortfall of KSh 424.6 billion. The shortfall was on account of below collection ordinary revenue of Ksh 497.0 billion. Ministerial A-I-A, however, was above the target collection by Ksh 72.5 billion. Total revenue inclusive of the ministerial A-I-A grew by 8.0 percent, an increase from a growth of 14.5 percent recorded in June 2024. Ordinary revenue collection in FY 2024/25 was KSh 2,420.2 billion against a target of KSh 2,917.2 billion, which was KSh 497.0.0 billion below the target.

The total expenditure and net lending for the period under review amounted to KSh 3,963.1 billion, against a target of KSh 3,992.0 billion. The resultant under expenditure of KSh 28.9 billion is attributed to below target absorption of development expenditures by the National Government. Recurrent expenditure for National Government amounted to KSh 2,937.2 billion against a target of KSh 2,841.9 billion leading to a above target expenditure of KSh 95.2 billion. The above target expenditure in recurrent category is mainly attributed to above target expenditure on Operation and Maintenance (O&M) and domestic interest payments.

Inflation

The overall year-on year inflation remained under control and within the Government target range of 5±2.5 percent. Inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024 (**Chart 2).** Easing inflation has been supported by abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFNF) inflation reflecting impact of previous monetary policy tightening. Overall average inflation declined from 6.2 percent in June 2024 to 3.6 percent in June 2025 and has remained below the mid-point of the target band of 5.0 percent since June 2024.

Chart 2: Inflation Development

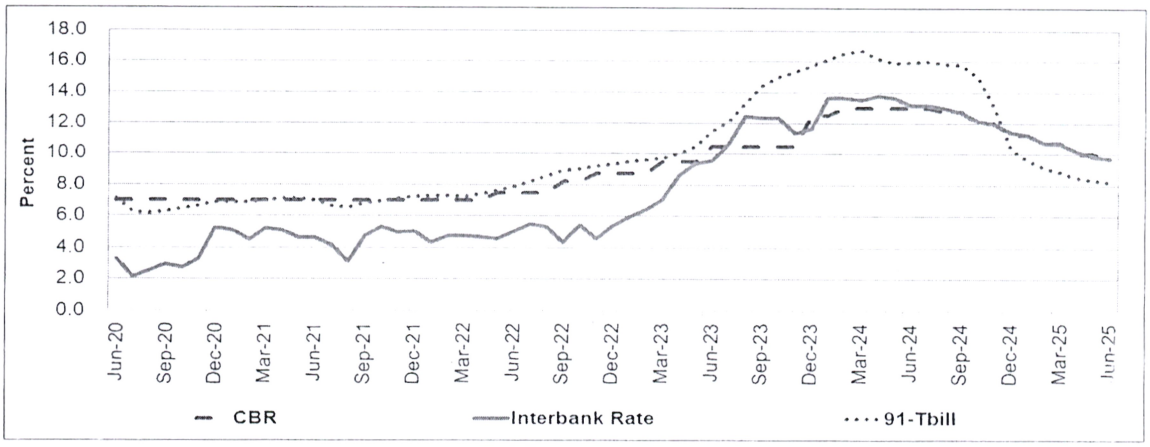


Source of Data: KNBS

Given that inflation was below the mid-point of the target range and the exchange rate had stabilized, the Central Bank of Kenya through the Monetary Policy Committee (MPC) gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13 percent in August 2024 to 11.25 percent in December 2024 and further to 9.75 percent in June 2025. The easing of the monetary policy stance supported lowering of interest rates to boost lending by banks to the private sector thereby supporting economic activities.

Interest rates declined in line with the easing of the monetary policy. The interbank rate declined to 9.7 percent in June 2025 compared to 13.1 percent in June 2024 and remained within the prescribed corridor around the CBR (set at CBR± 150 basis points). The 91-day Treasury Bills rate also declined to 8.2 percent in June 2025 from 16.0 percent in June 2024.

Chart 3: Short-Term Interest Rates

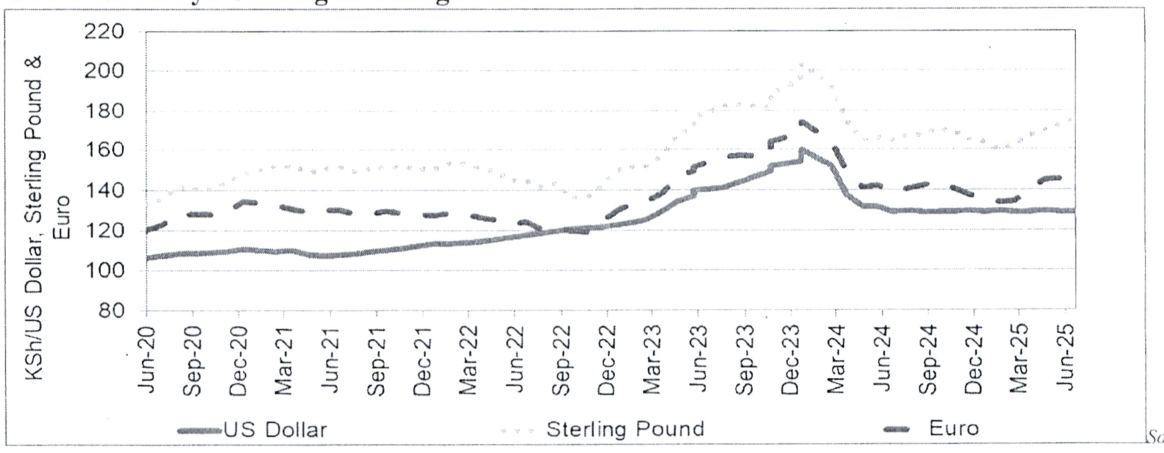


Source of Data: Central Bank of Kenya

Exchange Rates

The Kenya Shilling exhibited mixed performance against major international currencies. It remained relatively stable against the US Dollar, strengthening marginally by approximately 0.08 percent, indicating steady demand for the US Dollar and minimal volatility in the exchange rate. However, the Shilling weakened notably against the Euro and the Sterling Pound, depreciating by about 7.11 percent and 6.69 percent, respectively. In June 2025, it exchanged at an average of KSh 129.3 per US Dollar compared with KSh 129.4 per US Dollar in June 2024. Against the Euro, the Shilling traded at an average of KSh 149.2 by end of June 2025 compared to KSh 139.3 by end of June 2024, while against the Sterling Pound, it exchanged at an average of KSh 175.5 compared to KSh 164.5 over the same period.

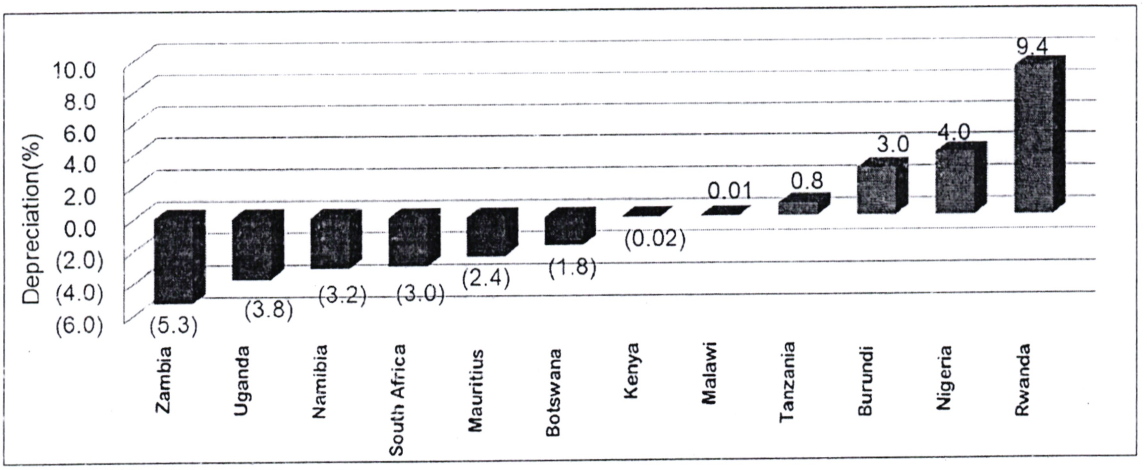
Chart 4a: Kenya Shilling Exchange Rate



Source of Data: Central Bank of Kenya

In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low amid high demand for the US dollar in the international markets. The Kenya Shilling remained stable supported by resilient remittances, adequate foreign exchange reserves and strong exports receipts. Majority of other Sub-Saharan Africa Currencies depreciated during the same period, particularly: Malawian Kwacha, Tanzanian Shilling, Burundi Franc, Nigeria Naira, and Rwanda Franc (**chart 4b**).

Chart 4b: Performance of Selected Sub-Saharan Countries Currencies against the US Dollar (June 2024 to June 2025)



Source of Data: National Central Banks

Pending Bills

The total outstanding National Government pending bills as at 31st March, 2025 amounted to KSh. 421.6 billion. These comprise recurrent bills of of KSh. 162.0 billion (38.4 percent) and development pending bills of KSh. 259.7 billion (61.6 percent). The pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Local Authorities Pension Trust, and others. The highest percentage of the SCs pending bills belong to Contractor/Projects and Suppliers. Ministries/State Departments and other Government Agencies pending bills constitutes mainly of historical pending bills.

The National Government policy on clearance of pending bills continues to be in force. All MDAs are therefore, expected to continue with prioritization of payment of the pending bills by settling them as a first charge in the current financial year budget in line with the Treasury guidelines for implementation of the financial year 2024/25 and the medium-term budget, Treasury Circular No. 7/2023.

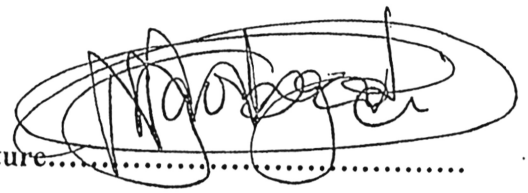
Bottom-Up Economic Transformation Agenda (BETA)

MDAs continued to prioritize allocations towards the achievement of the BETA priorities while addressing the policy, legal, regulatory, and governance issues to ensure optimal use of resources in execution of the planned interventions. BETA is geared towards economic turn around and inclusive growth and aims to increase investments in at least five sectors with high potential impact on the economy as well as household welfare.

These include: -

i. Agricultural Transformation;
ii. Micro, Small and Medium Enterprise (MSME);
iii. Housing and Settlement;
iv. Health care: and
v. Digital superhighway and Creative Industry.

Fiscal policy for FY 2024/25 and the medium-term budget aimed to support the Bottom-Up Economic Transformation Agenda (BETA) through a growth friendly fiscal consolidation plan. The consolidation was supported by enhanced revenue mobilization, rationalization and prioritization of expenditure while protecting essential social and development budget. As part of the process, the Government embarked on the implementation of the National Tax Policy and the Medium-Term Revenue Strategy (MTRS) that further strengthened tax revenue mobilization efforts during the period under review and going forward.



Signature..... Date 18th August, 2025

HON. FCPA JOHN MBADI NG'ONGO, EGH
CABINET SECRETARY
THE NATIONAL TREASURY AND ECONOMIC PLANNING

6. STATEMENT BY THE PRINCIPAL SECRETARY

Budget performance

The National Treasury expenditure for the FY 2024/25 stood at Ksh. 93.50 billion against an approved budget of Ksh .122.18 billion as per supplementary III, translating to an overall absorption rate of 76.53%. This shows a minimal decline of 0.23% from 76.76% recorded in the financial year 2023/24. The National Treasury' printed estimate, supplementary estimates, expenditure and absorption rates are demonstrated in the summary table below:

Table on Budget and Expenditure for FY 2024/25 as at 30th June 2025

Vote	Printed Estimates FY 2024/25	Supplementary I Estimates FY 2024/25	Supplementary II Estimates FY 2024/25	Supplementary III Estimates FY 2024/25	Expenditure as at 30th June, 2025	Absorption rate (%age)
	Kshs. million					
Recurrent	**75,596.0**	**66,721.4**	**78,013.0**	**82,266.0**	**66,988.5**	**81.4**
Development	**59,526.2**	**52,504.4**	**39,039**	**39,910.3**	**26,508.3**	**66.4**
Total Budget	**135,122.1**	**119,225.8**	**117,051.8**	**122,176.4**	**93,496.8**	**76.5**

The Chart 1 below represents the trend of budget allocation trend through supplementary in 2024/25 FY

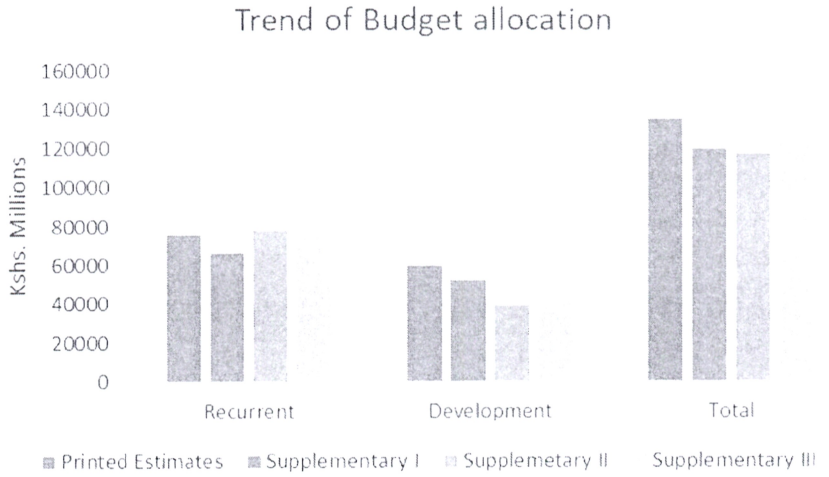
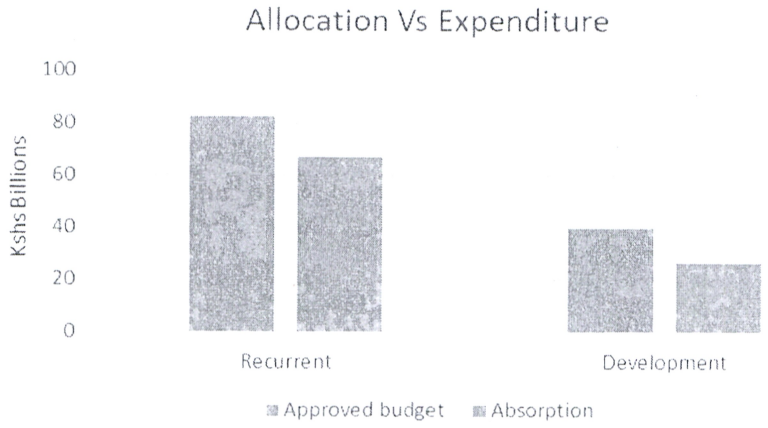


Chart 2 below presents the National Treasury total budget execution for the FY 2024/25.

Chart 2: Allocation against Total Expenditure



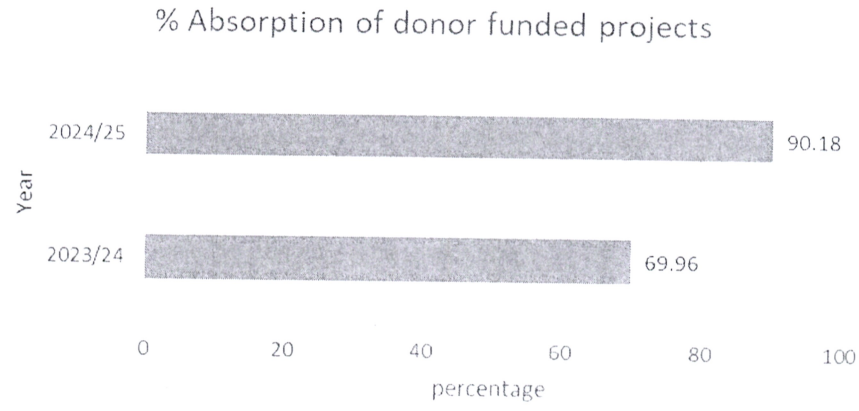
When disaggregated by recurrent and development expenditure, the budget execution indicates that the recurrent budget allocation of Ksh.66.99 billion was absorbed at 81.4% against an approved budget of 82.27 billion. This marked a decline from the absorption rate of 92.70% recorded in FY 2023/24.

On the other hand, development expenditure absorption was Ksh .26.51 billion against an allocation of Ksh 39.91billion recording an absorption rate of 66.52 %. The under absorption in development expenditure is attributed to exchequer challenges.

Budget execution for externally funded resources for FY 2024/2025

The externally funded projects recorded an absorption of Ksh. 29.61 billion against an allocation of Ksh. 32.84 billion translating to an absorption rate of 90.18%. This is a marked improvement from the 69.96% recorded in 2023/24. The improvement is attributed to increased commitments by donors. Absorption of Externally Funded Projects was affected by delays during preliminary processes e.g. in procurement resulting to delayed commencement. Also, delays in receiving of No Objection from Development Partners on implementation of most activities, inadequate GoK counterpart funding, budget cuts and weak performance by implementers as disbursement depends on milestones achieved.

Chart 3: Budget execution for externally funded projects for FY 2024/25



Budget Execution by Programme

The National Treasury implemented the 2024/25 FY budget within four economic programmes. These were: General Administration, Planning and Support Services; Public Financial Management; Economic and Financial Policy Formulation and Management; and Market Competition.

Key Achievements under programmes

The National Treasury registered Key Achievements during the Financial Year 2024/2025 as follows:

Electronic Government Procurement (e-GP) System. The National Treasury is set to fully roll out the system across all Procuring Entities within both the National and County Governments. This move is part of ongoing Public Finance Management Reforms aimed at enhancing efficiency, transparency, and value for money in public procurement. All Suppliers are required to Register for E-Government Procurement (e-GP) System by July 1, 2025. The implementation of the e-GP system follows a directive by His Excellency the President during the State of the Nation address delivered on 21st November 2024. In his speech, the President directed that the National Treasury to ensure the complete deployment of the e-GP system by the first quarter of 2025.

The National Treasury undertook training of users and suppliers in Q3 and Q4 0f 2024/25 FY as shown in the summary table below:

	ITEM	Targeted figures	Number of Persons Trained	No of Procuring Entities benefitted	% achievement	Remarks
A	**No.of Users Trained**					
1	Ministries and State Departments	840	807	53	96%	All MDAs to have been trained by 30th June 2025
2	Counties and County Assemblies	705	700	46	99%	All County /County Assemblies to have been trained by 30th July 2025
3	State Corporations	6,400	3,297	306	52%	Webinnar Trainings (9th - 13th June, 2025)
	Total		4804	405		
B.	Trainers of Trainers (ToTS)					
	Number of ToTs	160	60			New TOTs to be recruited in July 2025
C	Suppliers	Targeted Figures	No of Suppliers trained			
	No of Suppliers Trained	xxxxxxx	1,786			Suppliers to register for weekly webinars on the e-GP website
D	Registration of Procuring Entities	Targeted Figures	No of PEs Registered			
	No of PEs Registered	*xxxxxxx xxx*	*358*			*Registration ongoing*
E	NO. OF SUPPLIERS REGISTERED	Targeted Figures	No. of Registered Suppliers			
	TOTAL No of Suppliers Registered	xxxxxxx xxx	999			Suppliers to self-register on e-GP System

General Administration, Planning and Support Services programme, the National Treasury leased 3,546 security vehicles for the National Police Service towards enhancing security;

The Public Financial Management programme, Total revenue collection by the end of June 2025, is estimated at KSh. 2,918.6 billion against a target of KSh 3,343.2 billion, resulting to a shortfall of KSh 424.6 billion. The shortfall was on account of below collection ordinary revenue of Ksh 497.0 billion. Ministerial A-I-A, however, was above the target collection by Ksh 72.5 billion. Total revenue inclusive of the ministerial A-I-A grew by 8.0 percent, an increase from a growth of 14.5 percent recorded in June 2024. Ordinary revenue collection in FY 2024/25 was KSh 2,420.2 billion against a target of KSh 2,917.2 billion, which was KSh 497.0 billion below the target.

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Economic and Financial Policy Formulation and Management programme, the National Treasury developed the Framework for verification and payment of outstanding Contribution in Lieu of Rate (CILOR) for County Governments. In addition, the National Treasury implemented measures to attract three (3) NIFC firms. These include (i) facilitating discussions with regulators to introduce large scale global insurance provider into the market, (ii) collaborating with the Department of Immigration to facilitate fast-tracked investor and work permit issuance and (iii) supporting a foreign incoming Venture Capital firm with business registration.

Mobilization of resources, funds amounting to over Kshs 466,575 million were mobilized from external sources while domestic resources amounting to Kshs 294, 937 million from internal sources to support the budget.

Market Competition and Creation of an Enabling Business Environment programme, the National Treasury through the SAFER project transferred Kshs. 5.5 billion to Kenya Development Corporation (KDC) for onward lending to PFIs which will then lend to qualified MSMEs. With respect to access to justice, the National Treasury through the Competition Tribunal determined 100% of Appeals on Competition.

Implementation of Digital Superhighway, the National Treasury established Contact Centre Services to manage payment related queries from e-Citizen clients.

Emerging Issues

The emerging issues that impacted on the operations the National Treasury include: -

i. Technological advancement in the ICT sector present opportunities to leverage ICT innovations in the conduct of business as well as risks relating to governance and data security. As the financial systems increasingly go digital, there is the associated risks with cyber-attacks;

ii. The proliferation of fake news on social media platforms, which have a wider audience and faster response time sometimes portrayed the National Treasury in a negative manner;

iii. Green Finance: with climate change concerns, there is the pressing need to integrate environmental, social, and governance (ESG) considerations into fiscal policies and investments;

iv. Development of Sector specific Project Appraisal Manuals continues to be a priority to guide sector specific analysis. The National Treasury is required to develop over 40 sector specific appraisal manuals to guide the over 40 sectors on the nuanced appraisal process. and

v. Debt sustainability concerns. Ensuring that debt levels remain sustainable while funding essential services is a critical challenge that continues to face the National Treasury.

Challenges

Some of the challenges the National Treasury faced while implementing the 2024/25 budget include:-

i. Resource Constraint persisted and affected implementation of budgets;

ii. The rationalization of the budget, occasioned by underperformance of revenue collection and emerging government priorities affected the implementation of programmes. In the FY 2024/25, the National Treasury faced a total revenue collection shortfall of KSh 424.6 billion on account of shortfalls in both ordinary revenue;

iii. Shortage of Key Technical Staff continues to affect operational efficiency in the core mandate:
   (a) Despite recruitment of staff across certain cadres, the National Treasury continues to experience staff shortage across all cadres against authorized establishment. As indicated in the operational performance on human resource, the current staff capacity is at 55% This is mainly attributed to natural attrition. The planned recruitment and promotion of staff by the appointing authorities has been slow hence affecting service delivery and succession management initiatives; and

   (b) Operating environment is manifested, among others, by shortage of office space especially for key technical staff and, Inadequate resourcing of the Monitoring and Evaluation function.

iv. Civil unrest occasioned by regular protests disrupted implementation of various activities thus disrupting service delivery. Business investment were destroyed and life lost thus impacting heavily on economic development of the country.

To manage the above emerging issues and challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry undertook the following: -

i. Raised domestic resources to support implementation of various ongoing programme through development of diverse methods for domestic resource mobilization;

ii. Continued to implement succession planning towards progressively filling in staff shortage, continued training and timely promotions; and

iii. Engaged other development partners for concessional loans and grants as well as pursued strategies to finance government projects.

Recommendations

In order to address the challenges and emerging issues, the following measures should be undertaken: -

i. Sustain efforts for effective mobilization of resources to finance public expenditure particularly towards facilitation and implementation of the Bottom-Up Economic Transformation Agenda and emerging Government priorities. Key in this respect is the need for adequate resourcing of Kenya Revenue Authority to deploy innovative tax administration for efficient and optimal collection of taxes.

   In addition, the National Treasury will leverage on the digitization of all critical Government processes with a view to bringing convenience to citizens and raising revenue efficiently for Government services that are paid for electronically;

ii. Reforms in Public Financial Management and taxation should be sustained to enable the National Treasury expand the fiscal space and enhance absorption capacity. This includes reforming institutions and restructuring of parastatals to wean some from reliance on exchequer;

iii. Strengthening Tax Administration, The National Treasury will enhance KRA's capacity to leverage on technology to seal leakages; enhancements of iTax and Integrated Customs Management System (iCMS); and use of e-TIMS (Tax Invoice Management System). These policy strategies will expand the primary surplus in the fiscal framework and stabilize the growth of public debt thereby boosting the country's debt sustainability position;

iv. Continued implementation of succession planning, especially with respect to recruitment of key technical staff to achieve optimal staffing levels for enhanced operational efficiency;

v. Strengthening Monitoring and Evaluation Framework and capacity through automation of the Planning and M&E processes;

vi. Continued leveraging on ICT to ensure timely delivery of targets and foster efficiency; and

vii. Implementing the recommendations arising from the 2023/24 project rationalization review to achieve optimal project portfolio and increase fiscal space.

Going forward, the National Treasury will support the Government's priority on scaling up efforts on policy interventions and structural reforms under BETA so as to navigate the global turbulence, accelerate economic recovery, and address overarching development challenges namely creating jobs, eradicating poverty and mitigating climate change. As part of the efforts, the National Treasury will accelerate investments in: (i) reforming markets (ii) domestic resource mobilization and application of those resources to development projects; (iv) reform and restructure of State-Owned Entities and (v) digitization of government services.

Signature ..... Date 12/8/25

DR. CHRIS KIPTOO, CBS

PRINCIPAL SECRETARY/ NATIONAL TREASURY

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2024/2025

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 development objectives of the National Treasury's 2023-2027 Strategic Plan are to:-

(a) Strengthen organization capacity for quality service delivery;
(b) Enhance mobilization, allocation and utilization of public resources;
(c) Ensure stable and sustainable macro-economic environment; and
(d) Ensure market structures that encourage competition and orderly conduct of business;

Progress on Attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made Specific, Measurable, Achievable, Realistic and Time-bound **(SMART)** and converted into development outcomes. Attendant indicators were identified for tracking progress and performance measurement:

Below is the progress implementation of the stated objectives: -

Table 1: Programme Performance

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
THE NATIONAL TREASURY							
Programme 1: General Administration, Planning and Support Services							
Programme Outcome: Efficient and effective service delivery							
SP 1. Administration Services	Administration	Records management automated	% of implementation of activities	100	100	0	Target achieved. Contractor on boarded and digitization process ongoing
		Vehicles Leased	No. of vehicles leased	3,548	3,548	0	Target fully met
		National Treasury Media Centre Operationalized	% Operationalization of the Media Centre	60	60	0	Target fully met
	State Corporations Appeals Tribunal (SCAT)	Appeal cases determined	No. of appeal cases determined	1	13	12	Target surpassed
		New Tribunal Court registries /circuit hearing established in counties	No. of court registries	2	1	-1	Target not achieved. Section 22(12) of State Corporations Act Cap 446 provides that the Tribunal can only hold sittings in Nairobi. However, the tribunal held virtual hearings from all regions.

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
SP 2. Human Resources Management Services	Administration	Reorganized Structure of the TNT	Reorganized Structure of the TNT	1	1	0	Target achieved. Currently attending to appeals by respective departments on the approved structure
		Career Guidelines for TNT	Approved Career Guidelines	1	0	-1	Target not achieved. The activity is planned for 2025/26 FY
SP 3. Financial Services	Public Service Superannuation Scheme (PSSS)	Onboarding of Public Servants onto PSSS	% level of eligible Public Servants on-boarded onto PSSS	100	100	0	Eligible public servants are on boarded in real-time, while current employees are supported through ongoing contributions to the PSSS. The numbers per quarter grew by 534 in Q 1; 521 in Q2 and 46,442 in Q3, and 1023 in Q4 . Current membership is 489,589.
	Pensions Department	Processed pension claims	% Pension claims received & processed	100	85	-15	Claims paid per quarter: 233 in Q1;196 in Q2; 232 in Q3; 90 in Q4 and 112 claims received in June 2025 are pending : Total Claims received in the Year were 863
			No. of days taken to process and pay pensions claims	60	60	0	Target achieved
		Acquire and operationalize a new Pensions Management Information	% level of operationalization of PMIS system	100	75	-25	Training on the system is planned to be undertaken in FY 2025/26

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		System (PMIS)					
	Kenya Revenue Authority	Ordinary revenue collected	Revenue collected (Kshs Trillion)	3.34	2.92	(0.42)	Target not fully met.
Programme 2: Public Financial Management							
Programme Outcome: Transparent and accountable management of public resources							
SP 5. Resource Mobilization	Resource Mobilization Department	Donor Funds Disbursed	Funds disbursed to MDAs as a % of the external resources mobilized	100	86	-14	Target not achieved dueto low absorption by MDAs
			External resources mobilized as a % of fiscal gap	55	53	-2	Target not fully achieved due to non-disbursement of the 7th Development Policy Operation (DPO7) by the World Bank.
		Annual Borrowing Plan	No of Annual Borrowing Plans	1	1	0	Target achieved
	Debt Policy Strategy and Risk Management	Bonds Issued	No. of Sovereign/ Green bonds issued	1	2	1	Target achieved, the government issued 1.5 billon dollar, whose proceeds were used to buy back part of USD 2 billion Eurobond Maturing in June 2024

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
			No. of benchmark bonds issued	12	6		First Quarter Target achieved, this was due to 3 new benchmark bonds were issued and 3 early issued were re-opened to new investors.
	PPP Directorate	Government Projects under PPP framework	No. of PPP projects approved	12	11	-1	Target not fully met
	Global Fund	Anti-Retroviral Therapy (ART) Supplies	No. of patients receiving ART (Millions)	1.37	1.37	0	Target achieved
		Artemisinin-Based Combination Therapy (ACT) Supplies	No. of People receiving ACT (Millions)	5.9	5.7	-0.2	The total number of confirmed malaria cases annually is about 6 million. The number of doses of ACT distributed to ensure continuous supply at facility is 7 million doses annually. On a quarter about 1.5 million doses are expected to be issued to facilities.
		Tuberculosis (TB) Supplies	% of TB patients treated and tested for HIV	100	100	0	Target achieved
SP 6. Budget Formulation Coordination and	Macro and fiscal Affairs Department	National Budget	Budget Review and Outlook Paper	1	1	0	Target achieved
			Budget Policy Statement	1	1	0	Target achieved

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
Management			Finance Bill	1	1	0	Target achieved. To boost revenues, three bills were prepared: i) Tax Laws (Amendment) Bill, 2024; ii) Tax Procedures (Amendment) Bill, 2024; and iii) Business Laws (Amendment) Bill, 2024 which were enacted in December 2024.
	Budget Department	National Budget	Annual Appropriation Bill	1	1	0	Target achieved
			Supplementary Appropriation Bills	2	2	0	Target achieved
			Guidelines for FY 2025/2026 MTEF Budget issued by 30th August 2024.	1	1	0	Treasury Circular No. 11/2024 issued on 23rd August, 2024
			FY 2025/26 Budget Estimates finalized and submitted to Parliament by 30th April 2025.	1	1	0	Target achieved
SP 7. Audit Services	Internal Audit Department	Value for Money Audits	No. of Value for Money (VFM) Audits reports	30	45	15	Target surpassed due to MDAs requests
		Government Entities capacity built on IRMF	No. of Government Entities capacity built on IRMF	5	13	8	Target surpassed due to more requests from MDAs to be trained.

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Audit Committees Capacity Built	No. of Audit Committees Capacity Built.	5	7	2	Target overachieved due to more requests from MDAs
SP 8. Accounting Services	Accounting Services Department	Consolidated Financial Statements	No. of Consolidated Financial Statements prepared	4	4	0	Target achieved
		Officers trained on International Public Sector Accounting Standards (IPSAS)	No. of officers trained on International Public Sector Accounting Standards (IPSAS)	200	221	21	Target achieved.
		Transition and re-engineer the system to Accrual Accounting	Percentage of transition	100			To be reported in subsequent FY
		Treasury Single Account designed and documented	Percentage of achievement	50	50	0	Target achieved
		Capacity Built Accounting Personnel on implementation of transition to accrual accounting and TSA	No. of Accounting Personnel Capacity Built on implementation of transition to accrual and TSA	1000	850	150	Training will be undertaken once TSA is rolled out

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
	National Sub-County Treasuries	Operational Vote book Mangement System for National sub-County Treasurues roled out	No. of sub–County Treasuries with Operational Vote book Mangement System	315	315	0	Target achieved
		Sensitized National sub-County Accountants on Migration from Cash accounting to accrual accounting	No. of NSC Accountants sensitized	1000	663	-337	Target not achieved due to budget constraints
	IFMIS Department	PFM users trained on IFMIS Modules	No. of PFM users trained on IFMIS Modules	2,000	2,100	100	Target surpassed due to government digitizing most of its services
		IFMIS upgrade to the latest version	No of IFMIS versions running on version 12.2.10	1	1	0	Target achieved
		Exchequer rollout to the counties	Number of counties requisitioning online	10	10	0	Target achieved
		Treasury single account designed and documented	Percentage of achievement	100	100	0	Target achieved
		Exchequer release process to MDACs	Percentage of automation	100	75	-25	Requirement gathering and design completed

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		automated					
		IFMIS integrated with Debt Management Systems	Percentage of integration	100	25	-75	Requirements and integration design completed
	Kenya Accountants and Secretaries National Examinations Board (KASNEB)	Offering financial support to trainees pursuing financial management courses	No. of Trainees offered financial Support Services	106,000,000	163,232,888	57,232,888	Significant increase in financial support recieved by trainees relative to the annual target due to high demand for financial support and strealined application processes
		Engaging training institutions offering kasneb courses	No of Trainees trained in KASNEB Foundation Financial management & Literacy Programs	500	10	-490	Only 10 trainees inducted in Phase I. This was due to delays in finalizing the financial literacy curriculum and pilotim=ng of the programme.
		Institutions and schools sensitized on financial management	No of Institutions / schools sensitized on financial support services	50	68	18	Target achieved. An increase in the number of institutions sensitized is due to implementationof a marketing plan targeting training institutions

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Institutions and schools sensitized on Financial Support Services	No. of Trainees offered financial Support Services	5000	4338	-662	4,338 trainees recieved financial support services occasioned by the continous award model and aggressive promotion of the KASNEB Foundation financial Aid Program to training institutions and students
SP 9. Supply Chain Management Services (SCMs)	Public Procurement Department	AGPO enterprises registered	No. of AGPO enterprises registered	21,000	21,335	335	Target surpassed due to enhanced sensitization
		AGPO beneficiaries trained	No. of AGPO beneficiaries trained	2,000	2,235	235	Target surpassed due to partnerships with other Government Institutions to train more beneficiaries.
		PFM staff trained on Public Procurement and Asset Disposal System	Percentage of achievement	100	60.5	-39.5	4,804 of 7,945 targeted officers trained on EGP system
		e-Government Procurement System Government deployed in Government institutions	No. of government procuring Entities on e-Government Procurement System	12	358	346	Process hastened after completion of pilot phase with 12 entities

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Reviewed Public Procurement Legal Frameworks	No. of Reviewed Public Procurement Legal Frameworks	1	1	0	Public Procurement and Asset Disposal Act reviewed, approved by Cabinet & awaiting Parliamentary approval
		Public Procurement and Asset Disposal Manuals /guidelines developed	No. of Public Sector entities monitored for compliance with IPSAS	1	1	0	Sustainable public procurement frameworks/guidelines developed, undergone public participation and awaiting Cabinet approval
	Public Procurement Administrative Review Board (PPARB)	Procurement Services	% of Public Procurement dispute cases resolved within 21 days	150	160	10	Target surpassed. More cases filed at the Review Board were heard and determined within 21 days
	Public Procurement Regulatory Authority (PPRA)	Procurement Services	No of MCDAs monitored on compliance with Public Procurement and Asset Disposal Act, 2015	2650	5540	2890	Annual target exceedingly met
SP 10. Public Financial Management Reforms	Public Finance Management Reforms (PFMR) Secretariat	Skills and capacity building in PFM	No. of officers trained on Public Finance Management	8,000	8,900	900	Target overachieved due to high reforms uptake by the MDAs
			Cummulative % of PFM reforms implemented in PFMR Strategy 2023-2028	40	35	-5	Target underachieved due to budget cuts

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
SP 11. Government Investment and Assets	Government Investment and Public Enterprises	Govt. Investment Management Services	% of State Corporations Budgets reviewed	100	100	0	Target achieved, relevant Budgets for SC reviewed
			No. of national government investment reports prepared	1	1	0	Target Achieved. Report prepared and sent to Parliament.
	National Assets and Liabilities Management Unit	MDAs sensitized on Government Assets and Liabilities management policy and guidelines	No. of MDAs sensitized	100	82	-18	Target not fully achieved due to budget constraints
		Asset registers from MDAs analyzed	Percentage of analyzed asset registers	100	100	0	Target achieved
		Asset and Inventory Management Modules to rolled out to 40 MDAs and 24 Counties	Percentage of MDAs and Counties rolled out	2.5	2.38	-0.12	Target not fully met due to budgetary contraints
		Quarterly feedback provided to MDAs	Percentage of achievement	2.5	2.5	0	Target fully achieved

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
	Privatisation Commission	Government Privatization Services	No. public entities privatized	4.00	-	-4	Implementation of Kenya Wine Agencies Limited (KWAL) – EOI was advertised on 12th August 2024 and RFP sent to the shortlisted bidders on 5th September 2024 with a closure date of 26th September 2024. The process was scuttled by the court ruling on Privatisation Act, 2023 on 24th September 2024.
			No. of specific privatisation proposals developed	2.00	2.00	-	Two specific privatization proposals were prepared. These proposals were for the Kenya Meat Commission (KMC) and the Ark Limited and both were submitted to the National Treasury.
	Kenya Trade Network Agency	Cargo dwelling time at ports of entry reduced	No. of days taken to clear goods at the ports of entry	3	3	0	Target Achieved
Programme 3: Economic and Financial Policy Formulation and Management							
Programme Outcome: Stable macroeconomic environment for economic growth							
SP 12. Fiscal Policy Formulation, Development and Management	Macro and Fiscal Affairs	Stable Inflation	Inflation rate (%)	5 ± 2.5	3.8	0	Target met due to tight monetary policy measures. The main drivers of inflation were increases in cost of food and non-alcoholic beverages, transport.housing water

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
							electricity gas & other fuels
	Financial Reporting Centre	Complete Terrorism Financing risk assessment	TF Risk assessment report	1	1	0	TF Risk assessment completed in Q2
		Update national Anti-Money Laundering and Countering Financing of Terrorism strategies	Updated AML/CFT strategies	1	2	1	Updated AML strategy adopted in Q1 and updated CFT strategy adopted in Q3
		Onsite and offsite inspections of DNFBPs and Non-Banking Financial Institutions	Number of onsite & Off site inspections on DNFBPs	98	98	0	Target achieved
		Outreach sessions of Customer Due Dilligence, Enhanced Due Dilligence, Beneficial Ownership and Politically Exposed	Number of sessions for CDD, EDD, BO and PEPs on DNFBPs	40	40	0	Target achieved. The training covered preventive measures including CDD/EDD/BO/PEPS and STR Reporting

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Persons on DNFBPs					
		Registration of Reporting entities	Number of registered reporting entities	600	600	0	Target achieved
	Inter-Governmental Fiscal Relations	County Allocation of Revenue Bill (CARB) Division of Revenue Bill (DORB) & County Governments Additional Allocations Bill prepared	County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB), County Governments Additional Allocations Bill prepared (CGAAB), and Cash Disbursement Schedule	4	4	0	Target timely met
		Inter-Governmental Fiscal Relations Repository System	% level of Inter-Governmental Fiscal Relations Repository System development	50	100	50	The portal link is https://igfr.treasury.go.ke
		Draft review of PFM (PIM) Regulations, 2022 produced	Percentage of review	100	10	-90	Target not fully achieved due to budget constraints

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Public Investment Management/ Public Private Partnership (PIM/PPP) Framework developed	% level of development of PIM/PPP Framework	100	80	-20	Work in Progress - currently undertaking consultations with senior management
	Nairobi International Financial Centre Authority	Investments and Regional Financial Institutions certified with NIFC	No. of Certified NIFC firms	3	0	-3	Target not achieved
	Financial and Sectoral Affairs	Legislative framework in financial & Sectoral developed.	No. of legal frameworks developed (three Capital Markets Regulations. and Unclaimed Financial Assets Regulations	3	3	0	Target achieved
		Kenya Credit Guarantee Company (KCGC) incorporated and operationalized	% level of guarantee company operationalized	100	90	-10	Target partially achieved
		Green Financing Facility (GFF) loans disbursed	No of farmers benefiting from the GFF loans	3,000	354	-2,646	Target partially achieved whereby, GFF operations manual along with the green taxonomy developed.

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
SP 13. Debt Management	Debt Policy, Strategy and Risk Management Department	Medium Term Debt Strategy Developed	No. of Medium-Term debt strategy developed	1	1	0	Target achieved
		Published Annual Debt Report	No. of Annual Debt Reports Published	1	1	0	Target achieved
		Annual Public Debt Management Performance report	No. of developed Annual Public Debt Management performance report	1	1	0	Target achieved
	Debt Recording and Settlement Department	Mature serviceable public debt serviced	% of mature serviceable public debt serviced	100	100	0	Target achieved
		Published External Public Debt Register on the TNT website	No. of Published External Public Debt Stock & Register on the TNT website	1	1	0	Target achieved
SP 14. Microfinance Sector Support and Development	Financial and Sectoral Affairs	Operationalize the Credit Guarantee Scheme (CGS)	Capital injected into the Credit Guarantee Scheme in KSh. (Billions)	1	0	-1	Target not achieved
Programme 4: Market Competition and Creation of Enabling Business Environment							
Programme Outcome: Sustained high productivity and competitive markets							
SP 15. Elimination of Restrictive Trade	Competition Authority of Kenya	Consumer Protection and Regulatory Services	% of consumer complaints investigated and concluded	70	48	22	485 cases handled out of which 332 were finalized.

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
Practices			% of Merger and acquisitions applications determined	100	96	4	26 out of 27 received mergers finalized
			Cases of Deterrence of Abuse of Buyer Power concluded as a % of total investigations	65	23	42	43 cases received out of which 15 were finalized
			% of cases on restrictive trade practices investigated and finalized	100	29	71	52 cases handled out of which 15 were finalized
SP 17. Access to Justice	State Corporations Appeals Tribunal (SCAT)	Improve access to courts and reduction of average distance to courts	No. of registries operationalized	2	1	-1	Operationalized the Nairobi registry and started receiving cases
		Appeal cases received & determined	Number of appeal cases determined	10	16	6	The Tribunal had targeted to receive 10 cases but it received 16 cases and 5 cases were determined and the rest are scheduled to be determined
	Competition Tribunal	Cases on restrictive trade practices investigated, finalised and determined	% of cases on restrictive trade practices investigated, finalised and determined	100	93	7	25 out 27 cases finalised

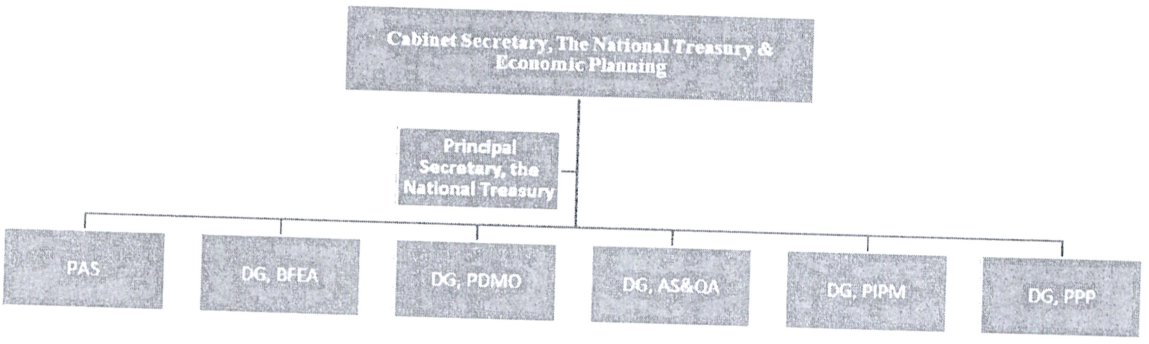
8. STATEMENT OF GOVERNANCE

i. Brief of Key Leadership Structure

The National Treasury and Economic Planning is divided into three entities: The National Treasury, the State Department for Economic Planning and the State Department for Public Investment and Assets Management. It is represented by the Cabinet Secretary who is responsible for the general policy and strategic direction of the Ministry.

At the top management level, the National Treasury is headed by the Principal Secretary who is the accounting officer and is responsible to the Cabinet Secretary in the performance of his duties. The National Treasury has six Directorates headed by Directors General and a Principal Administrative Secretary who is responsible for Administration and Support Services.

The National Treasury Leadership Structure



PAS : Principal Administrative Secretary, Directorate of Administrative Services;

DG, BFEA: Director General, Directorate of Budget, Fiscal and Economic Affairs;

DG, PDMO : Director General, Directorate of Public Debt Management Office;

DG, AS&QA: Director General, Directorate of Accounting Services & Quality Assurance;

DG, PIPM: Director General, Directorate of Public Investment & Portfolio Management;

DG, PPP: Director General, Directorate of Public, Private Partnership.

Note: The Directorate of Public Investment & Portfolio Management and Directorate of Public, Private Partnership have since been transferred to the State Department for Public Investment and Assets Management.

ii. Management Committees Established and Their Roles

The National Treasury has appointed managements committees to monitor the implementation of programmes, projects and report on their performance. They include:

Top Management Committee

Top Management Committee comprises of Cabinet Secretary, Principal Secretary and Directors General. The Committee receives reports from departments, build consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner.

iii. The Audit Committee

In line with the Public Finance Management Act 2012, the National Treasury has established a Ministerial Audit Committee comprising of the Chairperson and four members, of which four are independent. The members were appointed on 15th December, 2022.

The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations. The Committee is active and meets on a quarterly basis to deliberate on their functions.

iv. Risk Management, compliance, conflict of interest

The National Treasury embarked on the development of its Risk Management Policy Framework. Risk Champions for all Directorates were appointed and trained and Risk registers have been developed.

v. Recent Trainings and development in governance for those in key leadership

The National Treasury supported those in key leadership positions to attend leadership and strategic management courses at the Kenya school of Government and other reputable international institutions.

vi. Public participation activities

The National Treasury underscores the importance for public participation as provided for under the Constitution of Kenya and Public Finance Management (PFM) Act, 2012 by giving Kenyans opportunities to interrogate proposed amendments to the PFM Act, 2012 and make submissions on their views for consideration in policy making and implementation so as to strengthen and deepen good governance.

The National Treasury carried out Public Sector Hearings for the Proposed Budget for the FY 2025/26 and the medium term by holding both physical meetings and virtual hearings. The National Treasury provided an opportunity to all Kenyans across the country to interrogate the Public Finance Management Act 2012 Amendments that aimed at aligning the debt anchor to international best practices.

vii. Compliance with laws and regulations

The National Treasury complies with the Constitution of Kenya, all applicable laws and regulations in line with acceptable national and international standards as well as its internal policies.

In order to enhance compliance to existing legislations and regulations, the National Treasury, through the Legal Unit has lined up a series of interventions to be progressively implemented. To begin with, in the FY 2023/24, the National Treasury being a data recipient and a data controller, initiated efforts to ensure compliance to the Data Protection Act 2019 and the right to privacy as per Article 31 of the Constitution. The effort entailed undertaking a precursor training on data protection for auditees. The training benefited thirty-six (36) the National Treasury staff as part of the steps for comprehensive legal and regulatory compliance audit.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Report on Operational and financial performance of the organization for the last three-to-five-year period

Operational Performance

Operational performance is examined from two main indicators. These are: (i) performance contract management (ii) human resource staff capacity.

Performance Contract Management

In the Financial Year 2020/ 21, the National Treasury and Planning was ranked 5th in the Top Five Performing Ministries with an Average Composite Score of 3.2124 which is a good performance. There was a decline in performance compared to that of 2019/2020 whereby TNT&P was ranked the best performing Ministry with a Composite Score of 3.0209.

In the FY 2021/2022 the National Treasury and Economic Planning retained a ranking of position 5 with a composite score of 3.1173 representing 'good performance'. The composite score was an improvement from the 3.2124 recorded in 2020/21.

In the FY 2022/2023 the National Treasury and Economic Planning was ranked position 9 with a composite score of 3.3158 representing 'good performance'. Compared to the performance of the previous years, there was a slight decline since the Ministry had a composite score of 3.1173 in 2021/22 FY and 3.2124 in 2020/2021 FY.

In the FY 2023/2024 the National Treasury and Economic Planning had a composite score of 3.2296 representing 'good performance'. This is an improvement from the FY 2022/23 composite score of 3.3158.

Note: The Performance Contract for FY 2024/25 has not been evaluated.

A summary of performance contract indicators for two years and ranking for the last five years are given in the table below.

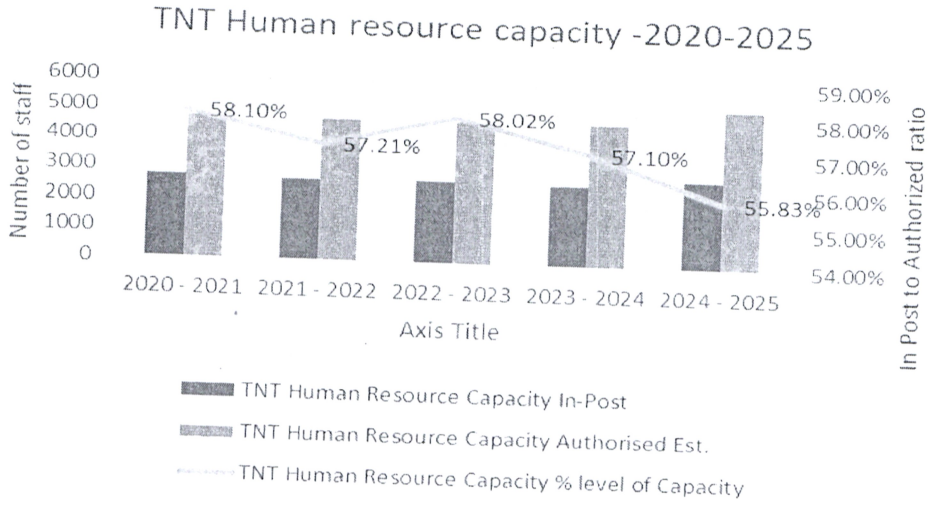
Table 2: Summary of performance of the National Treasury and Economic Planning in ranking of Ministries Departments and Agencies over five Financial Years

2019/2020 FY	2020/2021 FY	2021/2022 FY	2022/2023 FY	2023/24 FY
Overall Score: 3.0209 Overall Rank: Position 1 Overall Grade: 70-100% Performance category: Good Core Mandate Score: 1.8089	Overall Score: 3.2124 Overall Rank: Position 5 Overall Grade: 70-100% Performance category: Good Core Mandate Score: Not measured	Overall Score: **3.1173** Overall Rank: Position- 5 Overall Grade: 70-100% Performance category: Good	Overall Score: **3.3158** Overall Rank: Position – 9 Overall Grade: 70-100% Performance category: Good	Overall Score: **3.2296** Overall Rank: Position – Not published Overall Grade: 70-100% Performance category: Good

Human resource staff capacity.

Human resource capacity is a component of operational efficiency in the National Treasury. In this regard, the National Treasury currently operates at 55.80 per cent staff capacity in relation to authorized establishment. This is a decline from staff operational capacity of 57.1% in 2023/24 FY and 58% FY in 2022/23. The decline in staff capacity is attributed to slow succession management in relation to increasing staff requirement as indicated by authorized establishment. Chart below illustrates the current staff capacity against authorised establishment.

Human resource capacity for the period FY 2020/21 to 2024/25



In terms of cadre, the National Treasury ratio of technical to support staff currently stands at 70.83 and 29.17 per cent of in-post staff.

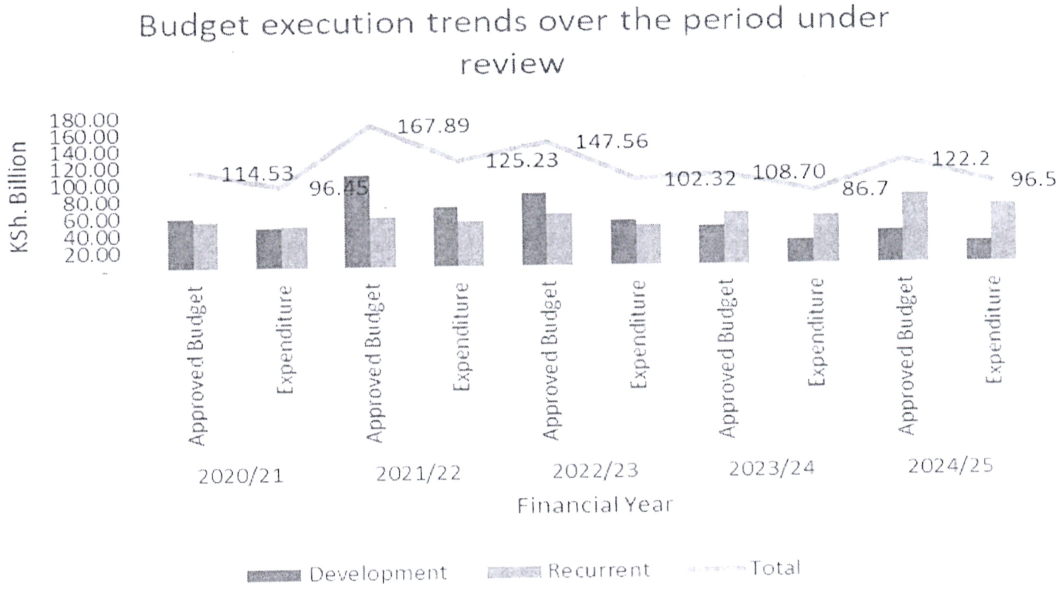
The National Treasury trained 933 staff of different carders on relevant skills sets during the period under review.

Financial Performance

Over the last five-year period, the National Treasury recorded mixed trend in performance in financial stewardship relating to absorption of GoK funds. Chart below illustrates the National Treasury financial performance in relation to expenditure for the period 2020/21-2024/25FY.

The allocations to the National Treasury recorded increasing trend with highest allocations recorded in the FY 2021/22. The increase in allocation is attributed to transferring of marine and transport functions to the National Treasury. These functions were transferred back to the Ministry of Transport and Infrastructure in the FY 2023/24.

The National Treasury total budget against expenditure for 2020/21- 2024/25 (Ksh. Billions)



The table below illustrates budget allocations vs expenditure per programme.

Table 5: Allocation Per Programme Vote 1071 FY 2024/25

Programme	Printed Estimates FY 2024/25	Supplementary I Estimates FY 2024/25	Supplementary II Estimates FY 2024/25	Supplemntary III Estimates FY 2024/25	Expenditure as at 30th June, 2025
(Kshs. Million)					
1. General Administration, Planning and Support Services	76,480.3	58,740.1	78,019.2	84,150.9	36,919.9
Administration Services	42,499.5	25,508.2	36,349.6	42,080.2	35,025.2
Human Resource Management Services	121.4	114.8	114.8	114.8	112.5
Financial Services	33,204.6	33,070.9	41,008.5	40,909.5	736.5
ICT Services	654.8	46.3	546.3	1,046.3	1,045.7
2. Public Financial Mangement	46,862.9	49,502.2	31,699.2	26,448.2	24,393.2
Resource Mobilization	24,696.4	24,716.2	13,088.9	14,403.5	14,311.5
Budget formulation, Coordination and Management	12,522.2	17,143.6	9,231.9	2,024.9	2,020.0
Audit Services	901.4	861.2	861.2	904.2	859.7
Accounting Services	3,058.4	2,342.0	3,150.0	3,425.0	3,298.8
Supply Chain Management	900.6	1,129.2	2,089.2	2,389.2	2,274.9
Public Financial Management	827.0	526.4	594.4	564.4	422.0
Government Investment and Assets	3,957.0	2,783.6	2,683.6	2,737.0	1,206.2
3. Economic and Financial Policy Formulation and Management	11,270.5	10,475.0	6,715.3	10,959.3	9,886.6
Policy Formulation and Mangement	9,003.3	8,217.7	5,536.1	9,930.1	8,927.3
Debt Management	155.4	148.4	148.4	148.4	145.4
Micro Finance Sector Support and Development	2,111.8	2,108.9	1,030.9	880.9	813.9
4. Market Competition	508.5	508.5	618.0	618.0	618.0
Elimination of				618.0	618.0

Restrictive Trade	508.5	508.5	618.0		
Grand Total	135,122.1	119,225.8	117,051.8	122,176.4	71,817.6

Major Risks Facing the National Treasury

The National Treasury faces several key risks, including high debt levels, climate change impacts, and challenges in revenue mobilization. These factors can strain the country's fiscal stability and limit its ability to invest in priority programs.

1. High Public Debt:

- Kenya's public debt, both domestic and external, is a significant concern, with a high proportion of it held by multilateral and bilateral lenders. The National Treasury aims to manage debt levels by gradually reducing the stock of Treasury bills and lengthening the maturity of public debt instruments. Challenges in revenue collection can exacerbate debt sustainability issues, potentially leading to cash flow problems and the accumulation of unpaid bills.

2. Climate Change Impacts:

Climate change poses a major risk to key sectors like agriculture and tourism, impacting economic resilience and potentially affecting government revenue. The National Treasury is prioritizing climate resilience as a crucial aspect of development and economic growth. Climate-related disasters also lead to increased government spending on disaster relief and recovery efforts, further straining the budget.

3. Revenue Mobilization Challenges:

- Difficulties in mobilizing sufficient revenue to meet budgetary needs are a recurring issue. Economic downturns, high inflation, and exchange rate depreciation can negatively impact revenue collection. The National Treasury is working to enhance fiscal consolidation efforts and rebuild fiscal buffers to mitigate revenue shortfalls.

4. Fiscal Risks from State Corporations:

- Many state corporations face liquidity challenges and have accumulated significant arrears, posing a fiscal risk to the government. A significant number of state corporations are loss-making, further straining public finances. The National Treasury is working to improve the management and oversight of state corporations to mitigate these risks.

Addressing these risks requires a multi-pronged approach, including sound macroeconomic policies, effective debt management strategies, investment in climate resilience, improved revenue collection, and enhanced fiscal discipline across all government entities.

Material Arrears in Statutory and other Financial Obligations

As at 30th June, 2025, the organization had minimal material arrears in statutory and other financial obligations. The status is summarized as follows:

a) Statutory Deductions

All mandatory statutory deductions, including PAYE, NHIF, NSSF, and pension contributions, were remitted in full and on time to the respective institutions during the financial year. There were no outstanding arrears reported in relation to employee benefit remittances.

b) Pending Bills

The organization recorded pending bills], mainly related to: Unsettled invoices for supplies and services already rendered, delays in processing payments due to procurement documentation gaps or budget absorption constraints and a small portion attributed to late exchequer releases in the last quarter.

These pending bills are fully recognized in the financial statements and have been prioritized for settlement in the first quarter of the FY 2025/26.

The National Treasury Key Projects/ Investments implemented or ongoing

The Table below indicates a summary of 18 key projects for the National Treasury indicating project cost, cumulative expenditure, Absorption rate and project status.

Table 3: Key projects implemented by the National Treasury in 2024/25 FY

S/No.	Project	Project Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate	Remarks
1.	National Treasury Special Global Fund - Malaria Grant - KEN-M (NFM3) - BETA	547,823,464.00	312,819,406.00	57.10%	Project Completed
2.	National Treasury Special Global Fund - HIV-AIDS Grant - KEN-H (NFM3) - BETA	6,143,272,199.00	5,478,371,242.00	89.18%	Project Completed
3.	National Treasury Special Global Fund - TB Grant - KEN-T (NFM3) - BETA	579,301,743.00	359,292,987	62.02%	Project Completed in March 2025
4.	National Treasury Special Global Fund - Malaria Grant - KEN-M (NFM4) - BETA	244,335,971.00	215,917,579.00	88.37%	Project ongoing

5.	National Treasury Special Global Fund - HIV-AIDS Grant - KEN-H (NFM4) - BETA	4,186,572,056.00	4,186,572,056.00	100.00%	Project ongoing
6.	National Treasury Special Global Fund - TB Grant - KEN-T (NFM4) - BETA	593,269,152.00	197,347,205.00	33.26%	Project ongoing
7.	National Treasury Infrastructure Finance and Public Private Partnerships Project (IFPPP), Credit/Grant No.: 51570-KE - BETA	43,000,000.00	43,000,000.00	100.00%	Project Completed
8.	National Treasury Infrastructure Finance Public Private Partnerships-Additional Financing (IFPPP2-AF), Credit/Grant No.: 61201-KE - BETA	689,086,883.00	689,086,883.00	100.00%	Project Completed
9.	National Treasury support to Public Financial Management (PFMR)	150,000,000. 00	26,386,200.00	17.59%	Project ongoing
10.	National Treasury Regional Integration Implementation Program	116,553,557)	115,553,557.00	99.14%	Project ongoing
11.	National Treasury Public Debt Management Support Project	59,000,000.00	34,811,027.00	59.00%	Project ongoing
12.	National Treasury Capacity Strengthening Project	50,000,000.00	6,415,211.00	12.83%	Project ongoing
13.	National Treasury Green Climate Fund Readiness Project	22,600,000.00	16,002,597	70.81%	Project ongoing
14.	National Treasury Kenya Affordable Housing Project - BETA	8,150,000,000.00	8,150,000,000.00	100.00%	Project ongoing
15.	National Treasury Supporting Access to Finance & Enterprise Recovery (SAFER) - BETA	5,900,000,000.00	5,006,270,769.00	84.85%	Project ongoing

16.	Kenya Financing Locally Led Climate Action Programme (FLLCoA) - BETA	2,000,000,000	1,525,157,868.00	76.26%	Project ongoing
17.	National Treasury Rural Kenya Financial Inclusion Facility (RK-FINFA) - BETA	650,000,000.00	604,241,997.00	92.96%	Project ongoing
18.	Operationalization of Kenya Mortage Refinancing Company (KMRC) - BETA	2,717,000,000.00	2,717,000,000.00	100.00%	Project Completed

Future Developments and other information

In the next five (5) Year period, the National Treasury plans to implement the following Four (4) Key Result areas and attendant strategies as stipulated in the Strategic Plan for the period 2023-2027:

1. Stable and sustainable macroeconomic environment

Under this Key Result Area, the National Treasury plans to:

i. Develop and implement macroeconomic and fiscal policies that support stable macroeconomic environment and stimulate economic recovery to 5.6 percent growth in FY 2027/28; boost the ratio of gross national savings to GDP to 13.3 percent in the FY 2027/28; increase the ratio of national investments to 18.6 percent GDP in the FY 2027/28;

ii. Oversee implementation of monetary policy that targets to maintain inflation rate at 5 percent +/-2.5 percent; low and stable lending interest rates; stable and competitive exchange rates; and strong official foreign exchange reserves;

iii. Establish the Kenya Credit Guarantee Company to administer CGS – This will entail establishing a functional Credit Guarantee Company to administer Credit Guarantee Scheme (CGS);

iv. Agricultural and Rural Financial Inclusion (RK- FINFA) – this will enhance access, efficiency and stability of agricultural and rural finance by smallholder farmers and agribusiness MSME;

v. Implement the Green Financial Markets programme to enhance access to green finance and strengthen the enabling environment to attract green finance and investments needed to transition to a low-carbon, climate resilient and green economy;

vi. The National Treasury has embarked to redesign the taxation instruments to make them more supportive to economic activity without distorting the market and eroding investment incentives. This will boost revenue collection and raise tax effort from the

current 16.0 percent of GDP in FY 2023/24 to where it was previously, above 20 percent of GDP. This will be done through the implementation of the National Tax Policy and the Medium-Term Revenue Strategy for the period FY 2024/25 - 2026/27 that will provide a combination of tax administration and policy measures to enhance revenue mobilization; and

vii. Operationalize Nairobi International Financial Centre (NIFC) to develop a more predictable, efficient and globally competitive financial environment

2. Resource mobilization for financing public expenditure

Under this Key Result Area, the National Treasury plans to:

i. Broaden the tax base and enhance tax compliance;
ii. Digitization of government payment services;
iii. Mobilization of external and domestic resources;
iv. Diversification of borrowing sources;
v. Undertake periodical portfolio review, assessment and reporting;
vi. Enhance public debt management efficiency and transparency;
vii. Support contracting authorities in preparation of PPP projects and procurement of private investors;
viii. Support contracting authorities in the management of PPPs in operation;
ix. Enhance mobilization of resources for the Project Facilitation Fund (PFF);
x. Establish and sustain relations with investors in PPPs;
xi. Enhance PPP legal and regulatory framework;
xii. Enhance the capacity of County Governments on tax analysis and revenue forecasting; and
xiii. Development of legal framework for County Government tax processes.

3. Policy, legal and institutional frameworks for development planning, budgeting, and intergovernmental and stakeholder relations

Under this key Result Area, the National Treasury plans to: -

i. Enhance uptake of government procurement opportunities by the marginalized groups;
ii. Promote value for money in public procurement;
iii. Enforce compliance on public sector accounting standards and other government regulations;
iv. Support effective implementation and reporting of reform interventions in the PFM Reforms Strategy 2023-2028;
v. Prepare and disseminate guidelines on PFM with County Governments;
vi. Enhance compliance with PFM laws by County Governments;
vii. Enhance compliance of all public sector entities with assets and liabilities policies and guidelines;
viii. Prepare legislative proposals on sharing of resources between the two levels of governments and among the counties are in place;

ix. Enhance the capacity of SCs in budgeting, performance contracting, financial reporting, and monitoring;
x. Develop Public Investment Policy and Guidelines;
xi. Digitalize and automate the budget process;
xii. Improve efficiency and effectiveness in pensions administration and management;
xiii. To strengthen transparency and accountability in public investment management; and
xiv. Provide objective assurance on Management of resources in public sector entities.

4. Strengthened institutional capacity and internal business processes

Under this Key Result Area; the National Treasury will implement the following;
i. Scale up efforts to towards optimal staffing levels;
ii. Undertake Employee capacity building and development;
iii. Institutionalize knowledge management;
iv. Restructure the Organizational for enhanced productivity;
v. Enhancement of communication mechanism and brand identity; and
vi. Enhance the efficiency and effectiveness of planning and project monitoring.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The National Treasury's mandate is to formulate, implement and monitor prudent economic and financial policies at national and county levels of government as guided by the following SMART core values include:

Core Value	Description
Stakeholder participation	Adopt a participatory approach to policy formulation, planning, budgeting, monitoring and evaluation to facilitate inclusiveness, ownership and consensus.
Transparency and accountability	Committed to openness, prudence and accountability in service delivery.
Results oriented	Pursuing timely and effective attainment of targeted results at all levels
Integrity	Uphold high moral standards and professional competence in service delivery.
Customer focus	Putting customers first and continuously provide equitable, timely and quality services that match or exceed their expectations.
Teamwork and commitment	Embracing teamwork and commitment through collaborative efforts of all actors to achieve common goals.

Sustainability Strategy and Profile

The Kenyan economy has remained resilient and is now recovering from the recent multiple domestic and external shocks. These shocks included geopolitical conflicts and adverse effects of climate change.

In order to mitigate the negative impact of these shocks, the following policy interventions have been implemented under the Bottom-Up Economic Transformation Agenda (BETA) centered around three main areas:

i. Fostering stability in the economy and public finance as a pre-condition for secure and sustained economic growth;
ii. Strengthening implementation of growth enhancing, structural and institutional reforms; and
iii. Sustaining measures to boost longer-term resilience and economic growth including public investment for accelerated private investment, supporting manufacturing for job creation, fostering environmental sustainability, climate change mitigation and adaptation.

The focused interventions, structural reforms and policies of the Government over the last two years have started to yield some positive results namely:

i) Kenya's growth outlook indicates a stable macroeconomic environment Growth of 5.3 percent in 2025 enhanced agricultural productivity; resilient services sector; and ongoing implementation of priorities under BETA for inclusive growth;

ii) Inflation has significantly declined and remained below the target midpoint of 5.0 percent since June 2024, reflecting the effectiveness of monetary policy, and lower energy and food prices. Inflation declined to 4.1 percent in April 2025 from 5.0 percent in April 2024;

iii) To reduce the cost of credit, monetary policy has gradually eased by lowering the Central Bank Rate from 13.0 percent in August 2024 to 10.0 percent in April 2025, in response to low inflation and a stable exchange rate. This approach aims to lower interest rates, encouraging banks to lend more to the private sector and stimulate economic activity;

iv) The foreign exchange market remained stable since March 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East and Eastern Europe; and

v) The Kenya Shilling exchange rate exchange rate has stabilized against other major international currencies. In April 2025, the exchange rate against the US dollar averaged at Ksh 129.5 compared to an average of Ksh 159.7 in January 2024, an appreciation of 18.9 percent.

vi) Real GDP grew by 4.7 percent in 2024 supported by positive growths in all sectors except construction and mining. This growth was lower compared to 5.7 percent in 2023 mainly due to adverse effects of floods in the second quarter and the anti-Finance Bill protests in the third Quarter of 2024 that disrupted economic activities. The economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent, and is projected to rebound and grow by 5.3 percent in 2025;

vii) Nominal GDP rose to 16.2 trillion in 2024 from Ksh 13.5 trillion in 2023; a 12% increase. Similarly, GDP per capita income increased to Ksh 309,460 in 2023 from Ksh,291,770 in 2023;

viii) Total new jobs (both formal and informal) generated in the economy were 782.3 thousand in 2024. Of this, wage employment in the modern sector grew by 4.1% which translated to creation of 122.8 thousand new jobs;

ix) The overall year-on year inflation is under control and within the Government target range of 5±2.5 percent. Inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024;

x) In June 2025, it exchanged at an average of KSh 129.3 per US Dollar compared with KSh 129.4 per US Dollar in June 2024. Against the Euro, the Shilling traded at an average of KSh 149.2 by end of June 2025 compared to KSh 139.3 by end of June 2024, while against the Sterling Pound, it exchanged at an average of KSh 175.5 compared to KSh 164.5 over the same period.

In order to support the Government's Bottom-Up Economic Transformation Agenda (BETA), the National Treasury has implemented a growth responsive fiscal consolidation plan over the last two years designed to reduce debt vulnerabilities and rebuild fiscal buffers amid significant global and domestic challenges. Special focus has been placed on broadening the revenue base and containing non-priority expenditures while enhancing social safety nets with the support of our Development Partners.

Environmental performance/climate change/mitigation of natural Disaster
The National Treasury has constituted a committee comprising officers from the key Departments of the Ministry to oversee all matters relating to environmental sustainability. The National Treasury participated in tree planting exercise which saw over 1,499,260 seedlings planted at Muumandu in Machakos County, Sorget in Kericho County, Kaptaget in Elgeyo Marakwet County. Additionally, to ensure a conducive work environment, the National Treasury has contracted a company to manage cleaning and waste disposal services.

Employee welfare
Employee welfare is critical for effective implementation of the programmes and projects of an organization. Noting the importance of human resources, the National Treasury has a department established to handle Human Resources Management and Development. The Ministry has also established a Human Resource Management Advisory Committee and Departmental Training Committees that processes all the promotions, discipline, training, appraisal and general employee matters in line with the Public Service guidelines and procedures. Recruitment of officers is guided by the principles of the public service such as inclusivity among others.

In addition, a committee on occupational safety and health has been established to follow up of the safety conditions in the work place. In order to attract and retain competent officers, the National Treasury conducted capacity building for the staff in various technical subjects and recruited officers at the entry grade to fill skills gaps and enhance human resource capacity.

During the review period, we implemented succession management plan by declaring vacant posts to be filled by the Public Service Commission at the higher levels. This is a preparation for the anticipated exit from service in the next two years arising from retirement of officers who will have attained the exits mandatory retirement age. Further, the National Treasury has continued to build the capacity on the online staff appraisal management system in collaboration with the Public Service Commission to ensure seamless implementation of the system.

Operational Practices/Market place practices
The National Treasury is responsible for promoting fair trade practices in the economy. To ensure effective implementation of this function assigned by the Constitution, one of the programmes implemented by the Treasury is ensuring that existing market structures encourage competition and orderly conduct of business in order to support high productivity and competitive markets. This is undertaken mainly by the Competition Authority of Kenya, a State Corporation under the National Treasury. Further, to guarantee fairness in the allocation of procurement contracts, the National Treasury ensures strict adherence to the provisions of the Public Procurement and Assets Disposal Act and its regulations. In addition, invoices for goods and services received/rendered are paid based on first-in-first-out (fifo) method.

Community Engagements
Towards Corporate social responsibility, members of staff from the National Treasury participated in tree planting exercise which saw over 1,499,260 seedlings planted at Muumandu in Machakos County, Sorget in Kericho County, Kaptaget in Elgeyo Marakwet County. The National Treasury took part in the 9th edition of the Kaptagat Integrated Livelihood Program's Annual Tree Growing Initiative to advance Kenya's reforestation efforts.

11. OVERVIEW OF THE SUBSCRIPTIONS FUND

11.1 Background of the Fund

The fund is established under by Gazette Notice No. 10 of 2017, in exercise of section 24 of the Public Finance Management Act of 2012.

The Fund consists of:

- Ten percent of the import declaration fee imposed under section 7 of the Miscellaneous fees and Levies Act, 2016.
- Monies Appropriated by Parliament
- Any other money that may accrue to the Fund
- The account of the Fund shall be opened and maintained at the Central Bank of Kenya.

The account of the Fund shall be opened and maintained at the Central Bank of Kenya.

11.2 Object and purpose of the Fund

The object and purpose of the Fund shall be to make Kenya's contribution to the African Union and any other international organisation, to which Kenya has a financial obligation.

11.3 Payments out of the Fund

There shall be paid out of the Fund, payments pursuant to the object and purpose for which the Fund is established.

11.4 Receipts, saving and accruals to be retained for the purpose of the fund.

All receipts, savings, balance and accruals of the Fund at the close of each financial year, shall be retained for the purpose for which the fund is established.

11.5 Administration of the Fund

(1) The Principal Secretary of the National Treasury is hereby designated as the officer administering the Fund.

(2) The officer administering the Fund shall—

(a) Control the administration of the Fund;

(b) Cause to be kept all proper books of accounts and other books and records relating to the Fund; and

(c) Prepare, sign and transmit to the Auditor-General in respect of each financial year and within three months after the end thereof, a statement of account relating to the Fund in such form as the National Treasury may from time to time prescribe, in accordance with Public Finance Management Act, 2012.

11.6 Winding-up of the Fund

In the event of winding up of the Fund, the cash balances shall be transferred to the National Exchequer Account while other assets of the Fund shall be transferred to the National Treasury.

The day-to-day operations of the Fund are run by a Secretariat appointed by the Principal Secretary of the National Treasury.

12. REPORT OF THE ADMINISTRATOR

The Administrator submits the report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Fund's affairs.

i) Principal activities

The principal activity of the fund is to make Kenya's contribution to the African Union and any other international organization to which Kenya has a financial obligation.

The total budget of the Fund during the financial year was **Kshs. 9,657,434,355.** The total receipts for the financial year 2024-2025 were **Kshs. 5,218,159,319** resulting to under collection of **Kshs. 4,439,275,036.** The under collection was due to decrease in import declaration fee imposed under section 7 of the Miscellaneous Fees and Levies Act, 2016.

During the financial year the fund paid **Kshs. 4,715,566,967** to various International Organizations. The under absorption of funds by **Kshs. 4,941,867,388** was attributed to: -

(a) Some invoices arriving late or are revised mid-year, so committed funds can't be paid out within the period.

(b) Currency exchange rate difference at the time of payment contributes to lower absorption rate. Exchange rates at the time the budget was prepared was higher than at the time payment were made. The average dollar exchange rate was Kshs.135.00 per dollar, whereas average exchange rate for Euro was Kshs.145.84 to one Euro. At the time payments were being made Kenya shillings had appreciated, Exchange rate was Kshs.130.00 to the dollar and Kshs.141.00 to the Euro.

(c) There was anticipation of new subscriptions and one-off subscriptions that from experience leadership do commit to in the international forums and such require immediate settlement. however, during the year only one case of IFAD was noted.

ii) Performance

The performance of the Fund for the year ended June 30, 2025, is set out on page 1 to 18

iii) Surplus remission

The Fund is not required to remit surpluses to the Consolidated Fund.

iv) Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act.

.....

Fund Administrator

13. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of the Fund established under Kenya Gazette Notice No. 10 of 2017, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. 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 fund, (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 fund; (v)Selecting and applying appropriate accounting policies, and (vi)Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kenya Gazette Notice No. 10 of 2017. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern.

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

Approval of the Financial Statements
The Financial Statements were approved by on ....25/8/.....2025

.....	.....	.....
Dr. Chris Kiptoo, CBS.		**George K. Gichuru**
Principal Secretary	**Fund Administrator**	**Head of Accounting Unit**
The National Treasury		**ICPAK M/No. 9262**

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AFRICAN UNION AND OTHER INTERNATIONAL ORGANIZATIONS SUBSCRIPTION FUND FOR THE YEAR ENDED 30 JUNE, 2025 – THE NATIONAL TREASURY

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of African Union and Other International Organizations Subscription Fund set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2025, statement of financial

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of African Union and Other International Organizations Subscription Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects revenue budget and actual on comparable basis amounts of Kshs.9,657,434,355 and Kshs.5,218,159,319 respectively, resulting in under-funding of Kshs.4,439,275,036 or 46% of the budget. The statement also reflects actual expenditure (subscriptions) of Kshs.4,715,566,967 against actual receipts of Kshs.5,218,159,319 resulting in under-performance of Kshs.502,592,352 or 10% of the budget.

The under-funding and under-performance affected implementation of the planned activities and may have impacted negatively on service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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 Information

Management is responsible for the Other Information set out on pages iv to lxv, which comprise of Key National Treasury Information and Management, Profile of the Cabinet Secretary – The National Treasury, Profile of the Principal Secretary, Statement of the Cabinet Secretary, Statement by the Principal Secretary, Statement of Performance

against Predetermined Objectives, Statement of Governance, Management Discussion and Analysis, Environmental and Sustainability Reporting, Overview of the Subscriptions Fund, Report of the Administrator, and Statement of Management Responsibilities. The Other Information does not include the financial statements and our auditor's report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and, accordingly, I do not express an audit opinion or any form of assurance 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 effects of 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

Multiple Laws Guiding Operations of the Fund

As previously reported, I draw your attention to overview on the Fund's financial statements which indicates that the Fund is established under a Gazette Notice No. 10 of 2017, in exercise of Section 23 of the Public Finance Management Act, 2012. The Public Finance Management (African Union and Other International Organizations Subscription Fund) Regulations, 2017 established the African Union and Other International Organizations Subscription Fund through which Kenya's contributions to African Union and Other International Organizations across all Government agencies were to be paid. Until 2017, the Government, through The National Treasury, had been paying subscriptions to International Organizations through Vote R53 – Consolidated Fund Services – Subscriptions to International Organizations under various pieces of legislation namely: International Finance Corporations Act, CAP 466, International Development Association Act, CAP 465, Bretton Woods Agreements Act, CAP 464, the African Development Bank Act, CAP 492 and the Multilateral Investment Guarantee Agency Convention, 1988 (Revised 2010).

Previously, the Ministries, Departments and Agencies (MDAs) had been remitting such subscriptions through their voted provisions within their budgets. The establishment of

the African Union and Other International Organizations Subscription Fund therefore rendered all other individual voted provisions to be consolidated and budgeted under one umbrella body, the African Union and Other International Organizations Subscriptions Fund.

Management has not caused the revocation or repealing of the earlier laws to be in tandem with the current legislation and therefore avert the risk of making multiple payments to the international organizations.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Lack of International Organizations Subscriptions Register

During the year under review, the Fund did not maintain a comprehensive register of all the international organizations to which Kenya has a financial obligation. This is contrary to Regulation 7(2)(a) and (b) of the Public Finance Management (African Union and Other International Organizations Subscription Fund) Regulations, 2017 which requires the officer administering the Fund to control the administration of the Fund and cause to be kept all proper books of account and other books and records relating to the Fund.

In the circumstances, the existence of effective controls over subscriptions to international organisations could not be confirmed.

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 controls, 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 the 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 (Accrual

Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention terminate the Fund 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 comply 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/. This description forms part of my auditor's report.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 November, 2025

15. STATEMENT OF FINANCIAL PERFORMANACE FOR THE YEAR ENDED 30TH JUNE 2025.

	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue - Non-Exchange Transactions			
Transfers from Other Government Entities	6	5,218,159,319	5,156,098,191
Total Revenue		**5,218,159,319**	**5,156,098,191**
Expenses			
Subscriptions	7	4,715,566,967	8,040,145,015
Surplus Transfer to Exchequer	10	-	2,300,000,000
Total Expenses		**4,715,566,967**	**10,340,145,015**
Surplus for the year		502,592,352	(5,184,046,824)
Net Surplus for the year		**502,592,352**	**(5,184,046,824)**

The notes set out on pages 7 to 18 form an integral part of these financial statements.

The financial statements were approved on 25/8/25 by

.....	.....	.....
Dr. Chris Kiptoo, CBS.		**George K. Gichuru**
Principal Secretary	**Fund Administrator**	**Head of Accounting Unit**
The National Treasury		**ICPAK M/No. 9262**

16. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025.

	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets - Current Assets			
Cash and Cash Equivalents	8	690,630,567	188,038,215
Total Financial Assets		690,630,567	188,038,215
Net Financial Assets		690,630,567	188,038,215
Accumulated Surplus		690,630,567	188,038,215
Net Assets		690,630,567	188,038,215

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 25/8/2025 and signed by:

.....	.....	.....
Dr. Chris Kiptoo, CBS.		**George K. Gichuru**
Principal Secretary	**Fund Administrator**	**Head of Accounting Unit**
The National Treasury		**ICPAK M/No. 9262**

17. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2025.

	Accumulated Surplus	Total
	Kshs	Kshs
As at 1 July 2023	5,372,085,039	5,372,085,039
Net Deficit for the Year	(5,184,046,824)	(5,184,046,824)
As at 30 June 2024	188,038,215	188,038,215
Balance As at 1 July 2024	188,038,215	188,038,215
Net Surplus for the Year	502,592,352	502,592,352
As at 30 June 2025	690,630,567	690,630,567

.....
Dr. Chris Kiptoo, CBS.

Principal Secretary

.....
George K. Gichuru
ICPAK Member No. 9262
Head of Accounting Unit

18. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2025.

	Notes	2024-2025	2023-2024
Cash flows from Operating Activities		**Kshs**	**Kshs**
Receipts			
Transfers from other Government Entities	6	5,218,159,319	5,156,098,191
Total Receipts		**5,218,159,319**	**5,156,098,191**
Payments			
Subscriptions	7	4,715,566,967	(8,040,145,015)
Surplus Transfer to Exchequer	10	-	(2,300,000,000)
Total Payments		**4,715,566,967**	**(10,340,145,015)**
Net Cash from Operating Activities	9	502,592,352	(5,184,046,824)
Net Increase in Cash & Equivalents		502,592,352	(5,184,046,824)
Cash & Equivalents at 1st July 2024		**188,038,215**	**5,372,085,039**
Cash & Equivalents at 30th June 2025	**8**	**690,630,567**	**188,038,215**

.....
Dr. Chris Kiptoo, CBS.
Principal Secretary
The National Treasury

.....
Fund Administrator

.....
George K. Gichuru
Head of Accounting Unit
ICPAK M/No. 9262

19. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2025.

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from Other Government entity	9,657,434,355	-	9,657,434,355	5,218,159,319	4,439,275,036	54%
Total Funds Available	9,657,434,355	-	9,657,434,355	5,218,159,319	4,439,275,036	
Expenses						
Subscriptions	9,657,434,355	-	9,657,434,355	4,715,566,967	4,941,867,388	49%
Total expenditure	9,657,434,355	-	9,657,434,355	4,715,566,967	4,941,867,388	49%
Surplus for the Year End	-	-	-	502,593,352		

Budget Notes

- The under collection by **Kshs. 4,439,275,036** was due to decrease in import declaration fee imposed under section 7 of the Miscellaneous Fees and Levies Act, 2016.

- The under absorption of funds by **Kshs. 4,941,867,388** was attributed to Some invoices arriving late or are revised mid-year, so committed funds can't be paid out within the period. Currency exchange rate difference at the time of payment contributes to lower absorption rate. Exchange rates at the time the budget was prepared was higher than at the time payment were made. The average dollar exchange rate was Kshs.135.00 per dollar, whereas average exchange rate for Euro was Kshs.145.84 to one Euro. At the time payments were being made Kenya shillings had appreciated, Exchange rate was Kshs.130.00 to the dollar and Kshs.141.00 to the Euro. There was anticipation of new subscriptions and one-off subscriptions that from experience leadership do commit to in the international forums and such require immediate settlement. however, during the year only one case of IFAD was noted

20. NOTES TO THE FINANCIAL STATEMENTS

Note 1: General Information

The African Union and other International Organizations Subscription Fund is established by and derives its authority and accountability from Public Finance Management Act, 2012.

Note 2: Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires The African Union and other International Organizations Subscription Fund to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of The African Union and other International Organizations Subscription Fund.

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

3. Adoption Of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There are no new standards effective in the FY.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	*Applicable 1st January 2025* The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. *The standard has no impact on the entity*
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	*Applicable 1st January 2025* The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. *The standard has no impact on the entity*
IPSAS 45: Property Plant and Equipment	*Applicable 1st January 2025* The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. *The standard has no impact on the entity*
IPSAS 46:	*Applicable 1st January 2025*

Measurement	The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. ***The standard has no impact on the entity***
IPSAS 47: Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. ***The standard has no impact on the entity***
IPSAS 48: Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. ***The standard has no impact on the entity***
IPSAS 49: Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. ***The standard has no impact on the entity***
IPSAS 50: Exploration For & Evaluation of Mineral Resources	*Applicable 1st January 2027* The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure

	any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. *The standard has no impact on the entity*

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025

Note 4: Summary of Significant Accounting Policies

a) Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Subscriptions Fund and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

b) Budget information

The original budget for FY 2024-2025 was approved by the National Assembly in June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Subscriptions Fund upon receiving the respective approvals in order to conclude the final budget. The budget is not prepared on the same basis as the Financial i.e., the budget is prepared on cash basis while the financials are prepared on accrual basis a reconciliation of surplus between the financial performance and budget is included in Annex VII.

c) Provisions

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

Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

d) Contingent liabilities

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

e) Contingent assets

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

f) Nature and purpose of reserves

There is an accumulated surplus reserve fund that facilitates the core mandate of the Subscriptions Fund.

g) Changes in accounting policies and estimates

The Subscriptions Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

h) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

i) Related parties

The Subscriptions Fund regards a related party as a person with the ability to exert control individually or jointly, or to exercise significant influence over the Subscriptions Fund, or vice versa. Members of key Subscriptions Fund are also regarded as related parties.

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Note 5: Significant Judgments and Sources of Estimation Uncertainty

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

a) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Subscriptions Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

i) The condition of the asset based on the assessment of experts employed.
ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
iii) The nature of the processes in which the asset is deployed.
iv) Availability of funding to replace the asset.
v) Changes in the market in relation to the asset

Note 6

Transfers from Other Govt Entities

	2024-2025	2023-2024
	Kshs	**Kshs**
Kenya Revenue Authority	5,218,159,319	5,156,098,191
Total	**5,218,159,319**	**5,156,098,191**

*Analysis of receipts during the year provided in Annex V

Note 7

Expenses

	2024-2025	2023-2024
	Kshs	**Kshs**
National Treasury (Subscription fees)	4,715,566,967	8,040,145,015
Total	**4,715,566,967**	**8,040,145,015**

*Breakdown as attached in annex VI

Note 8

Cash and Cash Equivalents

	2024-2025	2023-2024
	Kshs	Kshs
Cash at Bank – AU & Other Int. Subs. Fund A/C	690,630,567	188,038,215
Total	690,630,567	188,038,215
Cash and Cash Equivalents	**690,630,567**	**188,038,215**

Note 8 a) Detailed analysis of cash and cash equivalents

		2024-2025	*2023-2024*
Financial Institution	**Account Number**	**Kshs**	**Kshs**
Central Bank of Kenya	1000323876	690,630,567	188,038,215
Total		**690,630,567**	**188,038,215**

Note 9

Net Cash Flows from Operating Activities

	2024-2025	2023-2024
	Kshs	**Kshs**
Net Surplus for the year	**502,592,352**	(5,184,046,824)
Net Cash Flows from Operating Activities	**502,592,352**	**(5,184,046,824)**

Note 10

Surplus Transfer to Exchequer

	2024-2025	2023-2024
	Kshs	**Kshs**
Surplus Transfer to Exchequer	-	2,300,000,000
Total	-	**2,300,000,000**

11. Financial Risk Management

The Fund activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Subscriptions Fund overall risk programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Subscriptions Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.
The Fund's financial risk objectives and policies are detailed below:

i) **Credit risk**

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Subscriptions Fund based on prior experience and their assessment of the current economic environment.

ii) **Liquidity risk**

Ultimate responsibility for liquidity risk rests with the Subscriptions Fund directors, who have built an appropriate liquidity risk framework for the Fund requirements. The Subscriptions Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iii) **Capital Risk**

The objective of the capital risk is to safeguard the Subscriptions Fund ability to continue as a going concern.

12. Related Party Disclosures

a) **Nature of related party relationships**

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Subscriptions Fund, holding 100% equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Subscriptions Fund, both domestic and external.

Other related parties include:

i) The Parent Ministry;
ii) Other SCs and SAGAs

13. Surplus Remission

The Fund does not remit surpluses to the consolidated fund.

Events after the Reporting Period

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

14. Events after the Reporting Period

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

15.Ultimate and Holding

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

16. Currency

The financial statements are presented in Kenya Shillings (Kshs).

21. ANNEXES

Annex 1: Progress on Follow up of Auditor Recommendations

Ref 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)*
Audit Report on the Financial Statements 2023-2024	**Para.32.** Unsupported and Irregular Transfer of Funds	The statement of receipts and payments reflects transfer to Exchequer Account of Kshs. 2,300,000,000 which was transferred on 14 June, 2024. This was Surplus in the fund account that was transferred to the Exchequer account after an Executive Directive that all excess funds should be transferred to Exchequer account for budget support. Accounting Officer's approval to transfer the funds was attached to the voucher transferring the funds. The voucher was also availed to the auditors during the audit exercise. The same is hereby forwarded for audit review.	Not Resolved Management waiting to appear before Public Account Committee of the National Assembly	F/Y 2025/2026
	Para 33. Budgetary Control and Performance	It's true that the statement of comparison of budget and actual amount reflects final budget and actual on comparable basis of Kshs. 9,657,431,661 and Kshs 5,425,698,452 respectively resulting to an underfunding of Kshs. 4,501,333,470 The underfunding was due to decline in imports and a reduction in applicable rates from 3.5% to 2.5% vide the Finance Act 2023	Not Resolved Management waiting to appear before Public Account Committee of the National Assembly	F/Y 2025/2026

Ref 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)*
	Para 34. Multiple Laws Guiding Operations of the Fund	It is true that all financial obligations pertaining to Subscriptions to International Organizations are settled through the African Union and Other International Organizations Subscription Fund. Funds are allocated under the National Treasury and Economic Planning Vote. MDAs are no longer allocated a budget item to pay international subscriptions, hence there is no risk of making multiple payments. Further, The National Treasury has commenced the process of repealing all other pieces of legislation whose mandate are covered by the fund. A letter has been written to the Attorney General requesting for concurrence to proceed and repeal the earlier laws	Not Resolved Repealing process not yet completed	F/Y 2025/2026

.....
Dr. Chris Kiptoo, CBS.
Principal Secretary
National Treasury

.....
George K. Gichuru
ICPAK Member No. 9262
Head of Accounting Unit

Annex II: Inter-Fund Confirmation Letter

Name of transferring entity: The African Union and Other International Fund

Name of beneficiary entity: African Union and Other International Organizations

Confirmation of amounts received by The African Union and Other International Fund (Kshs) as at 30th June 2025					
Reference Number	**Date Disbursed**	**Recurrent (A)**	**Development (B)**	**Total (C)=(A+B)**	**Remarks**
AU & other international funds	1st July 2024 to 30th June 2025	4,715,566,967	-	4,715,566,967	Payments for International Subscriptions
Total		**4,715,566,967**	vi)	**4,715,566,967**	**Nil**

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

Head of Accounts Department – The National Treasury

Name: George K. Gichuru **Sign** ..... **Date** .....

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
United Nations Environment Programme	Subscriptions Payment		Climate Change				5,247,462.90	A.U & Other International Organizations fund	
World Meteorological Organization	Subscriptions Payment		Climate Changes Awareness	3,225,263.40				A.U & Other International Organizations funds	
United Nations Environment Programme	Subscriptions Payment		Climate Change				627,446.40	A.U & Other International Organizations funds	

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	**Sub-programme**	**Disaster Type**	**Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)**	**Expenditure item**	**Amount (Kshs.)**	**Comments**
Regional Centre for Disaster Management	Regional Centre for Disaster Management	Disaster Management	Preparedness	A.U & Other International Organizations	5,500,000	Paid

- This is Subscription to Regional Centre for Disaster Management that deals in Global and Regional Blocks in order to fast Track National and Country capacity for early warning preparedness, response, recovery, humanitarian, search and rescue.

Annex V: Inter-Entity Transfers (Receipts from KRA)

Section 2(a) of the legal Notice No. 10of 30 Jan 2017states that the fund shall consist 10% of the import declaration fee.
The revenue accountability statement prepared by KRA for the Year ended 30 June 2025 had 10% African Union Fund entitlement analyzed below:

DATE	TRANSACTION REFERENCE CODE	RECEIPTS(F/Y 24-25)
1-Jul-2024	FT24183L4MW4	62,474,565.30
2-Jul-2024	FT24184QYF8X	15,717,281.20
3-Jul-2024	FT24185K8J9F	6,243,470.65
4-Jul-2024	FT24186BRPBY	18,657,182.70
5-Jul-2024	FT24187TFN87	14,754,513.30
8-Jul-2024	FT24190XB4LY	16,087,841.30
9-Jul-2024	FT241910HPBX	11,852,454.40
10-Jul-2024	FT24192H6HLH	15,109,332.50
11-Jul-2024	FT241934WS1T	13,526,035.80
12-Jul-2024	FT241942YFBM	19,103,745.40
15-Jul-2024	FT24197YWESJ	19,780,981.30
16-Jul-2024	FT24198ZWYTW	16,197,519.80
17-Jul-2024	FT24199YWHFC	23,106,787.50
18-Jul-2024	FT24200N7PWS	16,988,549.10
19-Jul-2024	FT2420166VH8	21,098,627.60
22-Jul-2024	FT24204KTG94	16,968,418.80
23-Jul-2024	FT24205RN7DJ	28,033,321.20
24-Jul-2024	FT24206K4RXF	29,266,911.30
25-Jul-2024	FT24207NG0V9	17,410,494.80

26-Jul-2024	FT24208DQXC0	21,095,672.70
29-Jul-2024	FT24211KWN5W	12,543,997.80
30-Jul-2024	FT24212Y88PD	16,419,081.80
31-Jul-2024	FT242130XFC1	28,975,951.80
1-Aug-2024	FT24214N2W5G	11,308,907.00
2-Aug-2024	FT24215G4V3C	24,465,045.60
5-Aug-2024	FT24218LV8VG	27,596,927.10
6-Aug-2024	FT24219SLL0D	19,218,432.70
7-Aug-2024	FT24220T8BL4	23,637,328.50
8-Aug-2024	FT2422190J1K	14,200,066.40
9-Aug-2024	FT24222TVLCF	12,978,025.50
12-Aug-2024	FT24225F46LT	16,658,400.20
13-Aug-2024	FT242263B3M0	19,955,077.20
14-Aug-2024	FT24227KK75X	20,190,084.20
15-Aug-2024	FT24228LVLS9	14,654,877.10
16-Aug-2024	FT24229RXG5X	17,529,184.40
19-Aug-2024	FT24232CT5F6	15,285,206.50
20-Aug-2024	FT2423370ZX3	17,633,441.10
21-Aug-2024	FT24234ZXW9S	35,298,010.50
22-Aug-2024	FT242353C9QZ	19,648,139.20
23-Aug-2024	FT2423698322	24,659,687.40
26-Aug-2024	FT24239X539F	15,691,898.30
27-Aug-2024	FT2424032M9Z	13,852,591.40
28-Aug-2024	FT24241GQX2G	21,349,207.00
29-Aug-2024	FT242429MZF3	

		18,254,771.90
30-Aug-2024	FT24243Y173J	20,808,716.10
2-Sep-2024	FT24246CYMKW	32,830,920.20
3-Sep-2024	FT24247C8FV7	13,931,365.70
4-Sep-2024	FT24248PWGN5	19,117,045.60
5-Sep-2024	FT24249WRV6Y	18,298,140.80
6-Sep-2024	FT24250BXNR4	17,465,525.00
9-Sep-2024	FT24253868ZB	29,495,991.20
10-Sep-2024	FT242548KDM8	18,342,821.80
11-Sep-2024	FT242554H8W3	22,201,814.60
12-Sep-2024	FT24256BMNWP	35,079,517.50
13-Sep-2024	FT24257MKPBT	17,936,398.90
16-Sep-2024	FT24260NS1GY	14,303,521.40
17-Sep-2024	FT24261819J6	16,376,733.40
18-Sep-2024	FT24262GNBRB	25,272,586.70
19-Sep-2024	FT24263H2B72	18,329,853.60
20-Sep-2024	FT24264M1C3G	18,919,292.90
23-Sep-2024	FT24267NRVP5	18,249,023.40
24-Sep-2024	FT242687C119	22,290,596.60
25-Sep-2024	FT24269LJK0D	27,859,319.20
26-Sep-2024	FT24270LRX75	21,611,031.50
27-Sep-2024	FT242714DMQ9	22,585,997.00
30-Sep-2024	FT24274XL9R9	13,246,696.80
1-Oct-2024	FT24275YCFFF	12,883,212.90
2-Oct-2024	FT24276ZQBHG	28,745,300.90

3-Oct-2024	FT24277ZSMCB	23,790,657.90
4-Oct-2024	FT2427884YFQ	18,659,559.10
7-Oct-2024	FT242810VDMQ	17,909,438.80
8-Oct-2024	FT24282Y00NV	29,872,984.80
9-Oct-2024	FT24283VWNCL	25,363,986.00
11-Oct-2024	FT24285TS2DF	14,992,813.50
14-Oct-2024	FT24288BJ23D	17,656,164.70
15-Oct-2024	FT24289PPNLX	6,285,562.20
17-Oct-2024	FT24291RRH61	1,004,968.80
18-Oct-2024	FT24292QM8ZK	53,255,620.60
22-Oct-2024	FT24296HCC43	19,602,175.60
23-Oct-2024	FT24297ZMNN9	17,682,227.60
24-Oct-2024	FT242984MNJC	32,989,601.20
25-Oct-2024	FT24299GDJ2V	18,887,515.00
28-Oct-2024	FT24302LP8G8	20,428,197.80
29-Oct-2024	FT2430357BH0	28,822,114.30
30-Oct-2024	FT243042KHQK	30,529,281.10
31-Oct-2024	FT243056NBV5	21,670,535.60
1-Nov-2024	FT243063DH29	18,796,310.00
4-Nov-2024	FT24309TCLT4	745,401.50
5-Nov-2024	FT24310DCWZZ	23,946,040.90
6-Nov-2024	FT24311JRXD0	30,193,918.20
7-Nov-2024	FT24312QPPHC	4,782,646.20
8-Nov-2024	FT24313532F2	4,969,639.90
11-Nov-2024	FT24316D6016	

		24,598,388.60
12-Nov-2024	FT24317TD74K	5,322,426.50
13-Nov-2024	FT243182HJ0P	42,149,527.70
14-Nov-2024	FT24319P3M1H	16,496,690.70
15-Nov-2024	FT2432088269	10,221,204.90
18-Nov-2024	FT24323YR3GW	9,550,163.30
19-Nov-2024	FT24324HRJWY	41,319,175.10
20-Nov-2024	FT24325VNQ7	20,046,850.90
21-Nov-2024	FT243261VY26	22,890,807.00
22-Nov-2024	FT243275RHGS	31,736,627.50
25-Nov-2024	FT24330WMYCC	20,517,838.00
26-Nov-2024	FT24331SNW99	15,352,872.30
27-Nov-2024	FT243322FCWS	28,551,932.50
28-Nov-2024	FT24333GV150	16,125,653.50
29-Nov-2024	FT24334SFMR7	20,565,330.60
2-Dec-2024	FT243371NSCM	22,169,515.80
3-Dec-2024	FT24338J8KM1	37,500,859.40
4-Dec-2024	FT243393YLGV	55,078,074.30
5-Dec-2024	FT2434093LQZ	15,105,310.80
6-Dec-2024	FT24341HH5QZ	16,477,335.80
9-Dec-2024	FT24344KD850	16,092,391.30
10-Dec-2024	FT24345Q9X37	15,519,043.70
11-Dec-2024	FT243466D134	26,837,369.20
13-Dec-2024	FT24348N7JPX	19,501,863.80
16-Dec-2024	FT243518YZC0	23,747,640.10

17-Dec-2024	FT24352GHMTV	24,268,951.80
18-Dec-2024	FT243538566F	45,860,025.40
19-Dec-2024	FT243542V5K2	22,386,270.70
20-Dec-2024	FT2435578VCY	21,735,145.00
23-Dec-2024	FT24358NMTVX	15,826,006.40
24-Dec-2024	FT243594SGHZ	16,843,983.80
27-Dec-2024	FT24362J46V0	22,316,662.70
30-Dec-2024	FT24365KB6DW	25,199,282.80
31-Dec-2024	FT24366C0SN1	13,192,923.50
2-Jan-2025	FT25002QK5H9	21,433,299.60
3-Jan-2025	FT2500363HR7	33,518,873.20
6-Jan-2025	FT25006TRZ3D	16,024,899.80
7-Jan-2025	FT2500771WQH	18,202,150.40
8-Jan-2025	FT25008VXY09	24,196,399.30
9-Jan-2025	FT250091V91M	23,220,463.00
10-Jan-2025	FT25010PVK4M	17,178,690.60
13-Jan-2025	FT25013QQNC2	17,602,048.50
14-Jan-2025	FT25014QFPT0	29,092,808.20
15-Jan-2025	FT25015MYYCW	28,834,425.10
16-Jan-2025	FT25016D5XVP	17,680,807.40
17-Jan-2025	FT25017VGLGF	18,598,363.80
20-Jan-2025	FT25020PZJ7Y	23,145,581.60
21-Jan-2025	FT2502177V1L	14,494,049.65
22-Jan-2025	FT25022NWN6N	26,742,352.10
23-Jan-2025	FT25023GSD9X	

		16,379,811.30
24-Jan-2025	FT250249LVWG	26,104,445.40
27-Jan-2025	FT2502729NXZ	14,390,392.60
28-Jan-2025	FT25028RNL8Z	12,704,980.10
29-Jan-2025	FT250296DLGD	19,311,653.40
30-Jan-2025	FT25030NJ7MM	16,479,717.30
31-Jan-2025	FT25031G4Z3R	19,657,416.00
3-Feb-2025	FT25034YX9XQ	12,402,303.20
4-Feb-2025	FT25035T4L8T	22,256,068.20
5-Feb-2025	FT250360THN8	55,750,957.90
6-Feb-2025	FT25037N00LQ	15,773,417.90
7-Feb-2025	FT250388Y2Y0	17,153,681.50
10-Feb-2025	FT25041VZLX8	11,759,033.20
11-Feb-2025	FT25042TZV4D	18,782,686.00
12-Feb-2025	FT25043NDZNW	17,080,050.90
13-Feb-2025	FT25044C0SSM	13,547,486.70
14-Feb-2025	FT25045FHXHQ	21,584,258.00
17-Feb-2025	FT25048QWFK8	25,962,884.05
18-Feb-2025	FT25049XXS13	13,585,294.90
19-Feb-2025	FT250508T7V7	21,959,734.00
20-Feb-2025	FT250517KG2C	24,287,937.80
21-Feb-2025	FT25052SMT9S	23,506,230.80
24-Feb-2025	FT25055WJ8RG	12,357,612.10
25-Feb-2025	FT25056R2725	15,579,707.10
26-Feb-2025	FT250573DJPL	19,442,999.00

27-Feb-2025	FT25058ZFP55	37,144,007.20
28-Feb-2025	FT25059Y1FL8	25,996,073.20
3-Mar-2025	FT250620SDK2	16,431,533.10
4-Mar-2025	FT25063MZC4J	11,851,256.80
5-Mar-2025	FT25064P5GFT	17,049,527.70
6-Mar-2025	FT25065QXRTH	12,428,800.20
7-Mar-2025	FT250666C9S6	25,551,217.50
10-Mar-2025	FT250695BX5Z	13,673,519.10
11-Mar-2025	FT25070BKZPK	14,324,897.30
12-Mar-2025	FT25071ZF1XP	25,015,630.80
13-Mar-2025	FT25072855M2	33,858,696.50
14-Mar-2025	FT250731RYWD	18,335,519.50
17-Mar-2025	FT25076HCQR4	16,737,519.50
18-Mar-2025	FT250778LDK6	17,296,866.10
19-Mar-2025	FT25078GR1JQ	17,043,754.80
20-Mar-2025	FT25079GLQJ8	14,960,152.10
21-Mar-2025	FT250802MTRT	25,739,185.00
24-Mar-2025	FT25083X6JYG	23,008,770.80
25-Mar-2025	FT25084GBQ99	17,433,953.60
26-Mar-2025	FT250854D62Z	29,649,913.70
27-Mar-2025	FT25086PBDBV	15,254,768.80
28-Mar-2025	FT25087GY6G7	24,720,453.30
31-Mar-2025	FT250904KCG7	15,250,519.80
2-Apr-2025	FT250929XSJZ	44,637,419.40
3-Apr-2025	FT2509326H12	

		17,025,339.40
4-Apr-2025	FT250947BPPC	16,233,528.40
7-Apr-2025	FT250972RGM2	15,043,946.20
8-Apr-2025	FT25098VM31X	16,257,409.10
9-Apr-2025	FT25099PQBXC	33,173,560.60
10-Apr-2025	FT25100R6GDB	13,808,651.40
11-Apr-2025	FT25101NM2XT	15,296,744.60
14-Apr-2025	FT25104VT52B	18,783,788.00
15-Apr-2025	FT25105C84ZK	24,143,857.70
16-Apr-2025	FT25106J15RZ	19,245,530.00
17-Apr-2025	FT25107C3TDX	18,225,088.30
22-Apr-2025	FT25112WG42V	18,592,565.70
23-Apr-2025	FT25113SCZMH	24,908,622.20
24-Apr-2025	FT251147FSDV	21,078,069.50
25-Apr-2025	FT25115YCFYC	15,685,900.60
28-Apr-2025	FT251189HQ7L	25,099,505.10
29-Apr-2025	FT251199YRBK	32,072,854.00
30-Apr-2025	FT25120B3HWL	39,262,972.80
2-May-2025	FT2512249SCK	17,653,727.40
5-May-2025	FT25125RTJBT	30,390,728.50
6-May-2025	FT25126Z8BHT	27,094,501.90
7-May-2025	FT25127SBQGO	24,287,254.00
8-May-2025	FT2512852HVZ	17,665,418.90
9-May-2025	FT25129XDHJ9	24,256,875.30
12-May-2025	FT25132NYMJ4	25,258,384.20

13-May-2025	FT25133LSX9Z	14,131,124.60
14-May-2025	FT2513446Y85	20,622,970.80
15-May-2025	FT25135MG9RP	20,029,812.80
16-May-2025	FT25136DMBZ5	14,158,145.80
19-May-2025	FT25139YPR6B	21,718,765.10
20-May-2025	FT25140R94Q2	18,507,847.90
21-May-2025	FT25141TFVF9	29,123,001.80
22-May-2025	FT25142K2L6J	14,717,673.00
23-May-2025	FT25143DM85G	20,788,738.00
26-May-2025	FT25146365R6	13,653,915.00
27-May-2025	FT25147SC36W	19,444,914.70
28-May-2025	FT25148YG6K1	28,325,203.70
29-May-2025	FT25149KG7F	20,915,776.60
30-May-2025	FT25150NKHP7	17,885,736.40
3-Jun-2025	FT25154NPVGC	20,010,260.60
4-Jun-2025	FT25155Y8D45	34,142,297.50
5-Jun-2025	FT25156NF7LW	27,462,264.40
10-Jun-2025	FT25161J9BRR	43,797,700.20
11-Jun-2025	FT25162NSMK8	23,437,535.00
12-Jun-2025	FT25163HHS7C	20,063,486.20
13-Jun-2025	FT251649NQ0H	32,586,566.90
16-Jun-2025	FT251679V431	22,690,661.20
17-Jun-2025	FT251686774H	17,168,981.30
18-Jun-2025	FT25169L6R5F	20,585,223.20
19-Jun-2025	FT25170LXGDR	

		18,458,807.50
20-Jun-2025	FT251719WS35	25,963,142.00
23-Jun-2025	FT25174QD9HR	16,177,040.70
24-Jun-2025	FT25175SZZGZ	13,527,380.50
25-Jun-2025	FT25176K06ZP	28,482,082.80
26-Jun-2025	FT25177R32FH	18,160,443.50
27-Jun-2025	FT25178KRBFH	22,314,002.50
30-Jun-2025	FT25181X7LMF	21,801,587.60
	TOTAL	**5,218,159,318.65**

Annex VI: Analysis of Subscriptions Paid in the Year

Analyzed in the below appendix are the subscriptions paid to the African union and international organizations in the financial year 2024/2025.

S/N	PA NO.	DATE OF PA	PAYEE	Amount in kshs
1	131261	15/08/2024	EAST AFRICAN COMMUNITY SECRETARIAT	917,938,221.7
2	131266	15/08/2024	LAKE VICTORIS FISHERIES ORGANIZATION SECRETARIAT	61,038,113.8
3	131262	15/08/2024	COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION	2,162,191.25
4	131263	15/08/2024	AFRICAN OMBUDSMAN AND MEDIATORS' ASSOCIATION	140,736.60
5	131264	15/08/2024	EASTERN AND SOUTHERN AFRICAN MANAGEMENT INSTITUTE	2,622,630.00
6	PV NO.1467	29/08/2024	REGIONAL DISATER MANAGEMENT CENTRE OF EXCELLENCE	5,500,000.00
7	131267	29/08/2024	DESERT LOCUST CONTROL ORGANISATION FOR EASTERN AFRICA	50,967,168.65
8	131268	29/08/2024	ASSOCIATION OF AFRICAN PUBLIC SERVICES COMMISSIONS	1,049,442.00
9	131265	15/08/2024	INTER - UNOVERSITY COUNCIL FOR EAST AFRICA	80,324,131.50
10	131282	12/9/2024	AFRICA MINISTERIAL CONFERNECE ON (AMCONNET)	1,311,668.00
11	131280	12/9/2024	WORLD METEOROLOGICAL ORGANISATION	3,225,263.40
12	131281	12/9/2024	MORTHERN CORRIDOR TRANSIT AND TRANSPORT	197,447,983.45
13	131283	12/9/2024	INTER AFRICAN COFFEE ORGANISATION GENERAL	7,013,449.55
14	131272	6/9/2024	WORLD SKILLS INTERNATIONAL	2,235,475.60
15	PV NO. 8569	23/08/2024	PS N.T BANK CHARGES	1,822.05
16	PV NO. 8567	24/09/2024	PS N.T BANK CHARGES	4,378.75
17	131299	23/09/2024	AFRICAN ASIAN RURAL DEVELOPMENT	3,934,482.00
18	131300	23/09/2024	INDIAN OCEAN TUNA COMMISSION	19,172,373.25
19	133473	23/09/2024	FAO - INTERNATIONAL TREATY ON PLANT	316,374.00
20	133472	23/09/2024	AFRICAN MINERALS AND GESCIENCE CENTRE	8,130,925.40
21	136563	28/09/2024	GOVERNMENT OF GRENADA NATURAL DISASTER	13,114,830.00
22	136562	28/09/2024	AFROSAI -E	1,334,182.40

23	136557	28/09/2024	COMMONWEALTH OF LEARNING	5,901,921.00
24	136558	28/09/2024	ASSOCIATION FOR DEVELOPMENT OF EDUCATION	6,557,640.00
25	136559	28/09/2024	REGIONAL CENTRE FOR MAPPING OF RESOURCES	17,311,431.60
26	136560	28/09/2024	GLOBAL ALLIANCE OF NATIONAL HUMAN RIGHTS	751,431.00
27	136561	28/09/2024	INTERNATIONAL COFFEE ORGANISATION	2,432,505.30
28	136554	28/09/2024	WORLD CUSTOMS ORGANISATION	3,838,412.40
29	136556	28/09/2024	INTERNATIONAL COCONUT COMMUNITY	2,603,633.40
30	136555	28/09/2024	AFRICAN CASHEW ALLIANCE	69,956.20
31	PV NO. 8568	9/10/2024	PS N.T BANK CHARGES	1,438.55
32	136588	5/12/2024	CENTRE FOR SCIENCE & TECHNOLOGY OF THE NON -ALIGNED & OTHER DEVOLPING COUNTIRES	10,503,506.00
33	136590	5/12/2024	CONVENTION ON THE PROHIBITION OF THE DEVELOPMENT, PRODUCTION AND STOCKPILING OF BACTERIOLOGICAL AND TOXINS WEAPONS (BWC)	90,547.80
34	136587	5/12/2024	INTERNATIONAL CENTRE FOR GENETIC ENGINEERING AND BIOTECHNOLOGY (ICGEB)	683,148.60
35	136586	5/12/2024	COMPREHENIVE NUCLEAR TEST BAN TREATY ORGANIZATION	3,019,684.70
36	136585	5/12/2024	COMPREHENIVE NUCLEAR TEST BAN TREATY ORGANIZATION	2,330,823.40
37	136584	5/12/2024	INTERNATIONAL ATOMIC ENERGY AGENCY	1,840,446.60
38	136592	24/12/2024	RAMSAR CONVENTION ON WETLANDS	135,904.40
39	136576	5/12/2024	LUSAKA AGREEMENT TASKFORCE	20,396,465.70
40	136579	5/12/2024	INTERNATIONAL GRAINS COUNCIL	1,223,753.30
41	136574	5/12/2024	AFRICAN UNION	982,607,259.45
42	136580	5/12/2024	INTERNATIONAL UNION FOR CONSERVATION OF NATURE & N.R	2,248,877.85
43	136583	5/12/2024	LAKE VICTORIS FISHERIES ORGANIZATION SECRETARIAT	61,121,540.20
44	136581	5/12/2024	INTERNATIONAL OMBUDSMAN INSTITUTE	101,930.40
45	136582	5/12/2024	INTERNATIONAL ORGANISATION OF LEGAL METEOLOGY	2,005,305.35
46	136578	5/12//2024	MEFMI	2,921,317.85
	PV 18821	14/01/2025	PS N.T BANK CHARGES	12,265.05
	PV 18822	31/01/2025	PS N.T BANK CHARGES	6,558.35
47	136577	5/12/2024	MEFMI	58,363,043.85

48	136581	27/01/2025	P.S N.T BANK CHARGES	2,699.25
49	136603	27/01/2025	INTERNATIONAL CRIMINAL COURT	14,609,777.05
50	136601	27/01/2025	AFRITAC EAST	24,590,025.00
51	136600	27/01/2025	UNITED NATIONS CONVENTION TO COMBAT DESERTFICATION	639,732.20
52	136599	27/01/2025	AFROSAI	525,027.60
53	136604	27/01/2025	UNEP - CITIES	235,460.75
54	136597	27/01/2025	INTERNATIONAL MARITIME ORGANISATION	1,006,364.85
55	136612	27/01/2025	COMMONWEALTH SECRETARIAT	21,630,238.70
56	136611	27/01/2025	COMMONWEALTH FOUNDATION	4,141,643.05
57	136613	27/01/2025	COMMONWEALTH YOUTH PROGRAMME	4,063,704.60
58	136618	17/2/2025	AFRICAN OMBUDSMAN AND MEDIATORS ASSOCIATION	140,807.00
59	136619	17/2/2025	NETWORK OF AFRICA DATA PROTECTION AUTHORITY	66,037.40
60	136620	17/2/2025	ORGANISATION FOR THE PROHIBITION OF CHEMICAL WEAPONS	4,247,092.90
61	136621	17/2/2025	COMESA	274,695,995.20
62	136623	17/2/2025	INTERNATIONAL CRIMINAL COURT	21,467,522.35
63	136624	17/2/2025	UNESCO- WORLD CULTURAL & NATURAL HERITAGE	301,627.30
64	136625	17/2/2025	WORLDSKILLS INTERNATIONAL	2,439,131.65
65	136626	17/2/2025	AFRICAN REGIONAL LABOUR ADMINSTRATION CENTRE	3,921,789.45
66	136627	17/2/2025	WORLD HEALTH ORGANIZATION	693,708.80
67	136628	17/2/2025	UNESCO- FUND FOR THE SAFEGUARDING	254,273.20
68	136629	17/2/2025	THE AFRICAN CAPACITY BUILDING FOUNDATION	43,288,134.00
69	136630	17/2/2025	INTERNATIONAL WHALING COMMISSION	1,529,853.55
70	136631	17/2/2025	UNITED NATIONS NATIONS UNIES	167,471,841.85
71	136632	17/2/2025	UNESCO- SECTOR FOR ADMINISTRATION	3,294,642.75
72	136634	17/2/2025	INDIAN OCEAN MEMORANDUM OF UNDERSTANIDNG OF POST STATE CONTROL	3,148,645.20
73	136643	3/3/2025	INTERPOL	11,558,416.25
74	136645	3/3/2025	AFRICAN ASSOCIATION FOR PUBLIC ADMINISTRATION AND MANAGEMENT (AAPAM)	3,941,616.00
75	136646	3/3/2025	INTERNATIONAL HYDROGRAPHIC ORGANIZATION (IHO)	2,336,974.75
76	136647	3/3/2025	INTERNATIONAL RENEWABLE ENERGY AGENCY (IRENA)	816,271.35

77	136649	3/3/2025	WORLD TRADE ORGANIZATION (WTO)	18,680,922.00
78	136650	3/3/2025	INTER AFRICAN COFFEE ORGANISATION (IACO)	6,871,563.80
79	138602	3/3/2025	EAST, CENTRAL AND SOUTHERN AFRICA HEALTH COMMUNITY	49,291,430.80
80	138603	3/3/2025	INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)	553,765,877.20
81	PV 18823	20/03/2025	PS N.T BANK CHARGES	25,755.55
84	138626	7/4/2025	UN - WORLD TOURSIM ORGANISATION	5,782,957.80
85	138623	7/4/2025	AFRICAN FINE COFFEES ASSOCIATION	128,842.65
86	138622	7/4/2025	INTERNATIONAL COUNCIL ON ARCHIVES	159,914.75
87	138627	7/4/2025	ASARECA	13,168,930.00
88	138625	7/4/2025	UN- AFRICAN INSTITUTE FOR THE PREVENTION OF CRIME & OFFENDERS	11,917,331.80
89	138624	7/4/2025	PARTNERS IN POPULATION AND DEVELOPMENT	5,267,842.00
90	138621	7/4/2025	AFRICAN COMMISSION ON NUCLEAR ENERGY	59,840,525.10
91	138620	7/4/2025	INTERNATIONAL BAMBOO & RATTAN ORGANISATION	1,053,928.40
92	138619	7/4/2025	ORGANISATION OF AFRICAN, CARRIBEAN AND PACIFIC STATES	34,730,423.50
93	138618	7/4/2025	FAO DESERT LOCUST CONTROL COMMITTEE	471,881.55
94	138617	7/4/2025	MARITIME ORGANISATION FOR EASTERN, SOUTHERN & N. AFRICA	1,452,143.20
95	138616	7/4/2025	INTERNATIONAL MONETARY FUND	13,168,930.00
96	PV 13834	4/7/2025	AFRICAN ECONOMIC RESEARCH CONSORTIUM	36,542,000.00
97	138615	7/4/2025	REGIONAL CENTRE ON SMALL ARMS (RECSA)	68,507,096.85
98	138614	7/4/2025	EASTERN & SOUTHERN AFRICA ANTIMONEY LAUNDERING	18,765,534.00
99	138629	10/4/2025	INTERGOVERNMENTAL GROUP OF TWENTY FOUR G-24	3,294,250.00
100	138628	10/4/2025	EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT (EBRD)	55,315,080.00
101	PV18820	8/5/2025	PS N.T BANK CHARGES	8,916.95
102	138665	6/5/2025	U.N INTERNATIONAL RESIDUAL MECHANISM FOR CRIMINAL TRIBUNALS	1,257,240.50
103	138676	6/5/2025	UNITED NATIONS SUPPORT OFFICE IN SOMALIA (UNSOS)	4,506,452.70
104	138675	6/5/2025	UNITED NATIONS MISSION IN SOUTH	9,218,269.50

			SUDAN	
105	138662	6/5/2025	INTERNATIONAL LABOUR ORGANISATION	19,086,962.90
106	138650	6/5/2025	UNITED NATIONS ENVIRONMENT PROGRAMME	5,247,462.00
107	138663	6/5/2025	PREPARATORY COMMISSION FOR THE COMPREHENSIVE NUCLEAR TEST BAN TREATY ORG.	2,664,515.85
108	138670	6/5/2025	UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (UNDOF)	617,629.75
109	138671	6/5/2025	UNITED NATIONS PEACEKEEPING FORCE IN CYPRUS (UNFICYP)	275,918.10
110	138679	6/5/2025	INTERNATIONAL ORGANISATION OF LEGAL METEOLOGY	297,745.60
111	138661	6/5/2025	INTERNATIONAL UNION FOR CONSERVATION OF NATURE & N.R	283,323.90
112	138666	6/5/2025	UN - MISSION FOR THE REFERENDUM IN WESTERN SAHARA (MINURSO)	605,168.10
113	138667	6/5/2025	UN MULTIDIMENSIONAL INTERGRATED STABILIZATION MISSION IN CAP	10,743,969.40
114	138668	6/5/2025	UN MULTIDIMENSIONAL INTERGRATED STABILIZATION MISSION IN MALI	1,012,860.95
115	138669	6/5/2025	UN ORG. STABILIZATION MISSION IN THE DRC	8,030,214.80
116	138677	6/5/2025	RAMSAR CONVENTION ON WETLANDS	288,574.10
117	138678	6/5/2025	UN ENVIRONMENT PROGRAMME	627,446.40
118	138673	6/5/2025	UNITED NATIONS INTERIM SECURITY FORCE IN ABYEI	2,750,802.50
119	138674	6/5/2025	UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO	365,773.20
120	138664	6/5/2025	PREPARATORY COMMISSION FOR THE COMPREHENSIVE NUCLEAR TEST BAN TREATY ORG.	3,131,473.20
121	138672	6/5/2025	UNITED NATIONS INTERIM FORCE IN LEBANON	4,841,736.75
122	138701	6/5/2025	COMMONWEALTH SECRETARIAT	23,451,085.35
123	138702	6/5/2025	COMMONWEALTH YOUTH PROGRAMME	4,405,759.00
124	138703	6/5/2025	COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION	58,282,043.30
125	138739	6/5/2025	UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)	65,010,254.90
126	138737	6/5/2025	THE INTERNATIONAL BUREAU OF THE WORLD INTELLECTUAL PROPERTY ORG.	933,076.20
127	138738	6/5/2025	INTERNATIONAL UNION FOR THE PROTECTION OF NEW VARIETIES OF	1,756,675.05

			PLANTS	
128	PV28706	17/6/2025	PS N.T BANK CHARGES	16,836.55
129	PV28705	20/6/2025	PS N.T BANK CHARGES	7,558.85
130	138694	26/5/2025	FOOD AND AGRICULTURE ORG. OF THYE UNITED NATIONS	8,882,824.05
131	138696	26/5/2025	INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA	1,365,236.75
132	138700	26/5/2025	UNITED NATIONS CONVENTION TO COMBAT DESERTFICATION	449,963.65
133	138693	26/5/2025	FOOD AND AGRICULTURE ORG. OF THYE UNITED NATIONS	11,249,752.60
134	138698	26/5/2025	AFROSAI-E	112,351.30
135	138697	26/5/2025	ESAMI	5,247,522.00
136	139359	30/6/2025	NILE BASIN INITIATIVE	81,623,144.55
137	139361	30/6/2025	WORLD ORG. FOR ANIMAL HEALTH	5,827,887.40
138	138373	30/6/2025	INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)	131,181,650.00
139	139369	30/6/2025	INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION	96,572,081.20
			TOTAL	**4,715,566,966.50**

Annex VII: Reconciliation of Budget Against Financial Performance

Reconciliation Of Surplus	Kshs
Surplus for the year as per financial performance	502,592,352
Rolled over resources from financial year 2023/2024	188,038,215
Surplus/Unspent as per Budget Report	**690,630,567**

Annex VIII(a) Board of Survey

A/C 1000323876 AFRICAN UNION AND OTHER INTERNATIONAL ORGANIZATIONSUBSCRIPTION FUND

REPUBLIC OF KENYA F.O. 51

Date:.. 1ST July, 2025.

Report of the board of survey on the Cash and Bank Balances of THE NATIONAL TREASURY .as at the close of
Business on.... 30th June, 2025....

The Board consisting of—(Names and official titles)
MR. Godfrey Busolo..... Chairman.....
MR. Charles Kissingu ..... Member.....
MR. Joseph Kothya..... Member.....

Assembled at the office of *THE NATIONAL TREASURY* .....
At...10.55 AM. (Time) on the .....1ST July., 2025.....

And the following cash was produced:-

Notes	Sh .....
Silver..	Sh .....
Copper..	Sh .....
Cheques(as per details on reverse)	Sh .....

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

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

The Cash Book reflected the following balances as at the close of business on the .....30th June..., 2025....

Cash on hand..	Sh...NIL.....
Bank balance.....	Sh. .690,630,567.60.....

The Bank Certificate of Balance showed a sum of Sh **1,005,835,330.76**
.....
Amounting to the credit of the account on...30th June...., 2025.....

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

Date.....

.....
Members of the Board

GPK (L)

Annex VIII(b) Certificate of Bank Balance

RECEIVED
26 JUL 2025

BANKI KUU YA KENYA

CENTRAL BANK OF KENYA

July 23, 2025

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 3340192

CERTIFICATE OF BALANCES

Customer: 100094 MINISTRY OF FINANCE

Balance Date: 30-Jun-25

Account No	Account Name	Currency	Balance
1000000977	TREASURY BILLS ACCOUNT	KES	9,240,017,070.56
1000000988	TREASURY BONDS ACCOUNT	KES	0.00
1000000996	REVENUE DEPOSIT ACCOUNT	KES	19,342,556,359.26
1000004045	TREASURY BONDS ISSUE	KES	1,143,082.35
1000004053	TREASURY BONDS REDEMPTION	KES	0.00
1000004061	TREASURY BONDS INTEREST	KES	0.00
1000004088	TREASURY BILLS REDEMPTION SUSP.	KES	0.00

Customer: 120373 NATIONAL TREASURY

Balance Date: 30-Jun-25

Account No	Account Name	Currency	Balance
1000181467	REC-THE NATIONAL TREASURY	KES	459,222,624.32
1000181664	DEV-THE NATIONAL TREASURY	KES	47,817,492.85
1000182137	DEP-THE NATIONAL TREASURY	KES	4,097,673,491.85
1000182528	CBK165-THE NATIONAL TREASURY	KES	0.00
1000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	KES	90,491,999.30
1000201924	VOLUNTARY PAY CUT	KES	0.00
1000204378	REC PUBLIC DEBT	KES	614,032,145.91
1000204419	REC-SALARIES ALLOWA MISC AND NSSSEC	KES	189,100,135.55
1000205024	PETROLEUM DEVELOPMENT LEVY FUND	KES	5,274,474,480.25
1000209518	NATIONAL TREASURY REVENUE COLL.	KES	0.00
1000221518	KENYA PETROLEUM TECHNICAL ASS PROJ	KES	0.00
1000268743	AFRICAN INSTITUTE FOR REMITTANCES	KES	17,127,569.60
1000323876	A U OTHER INTERNAT. ORG SUBSC FUND	KES	1,005,835,330.76
1000331747	GREEN GROWTH AND EMPLOY CREATION PR	KES	5,000,000.00
1000349538	PPP PROJECT FACILITATION FUND ACC.	KES	4,952,597,674.65

C2: CBK - Official

Annex VIII(c) Bank Reconciliation

THE NATIONAL TREASURY

BANK RECONCILIATION JUNE 2025

AFRICAN UNION AND OTHERS A/C 1000323876

	Sh.	Sh.
Balance as per Bank Certificate		1,005,835,330.76
Less ------		
1. Payments in Cash Book not yet recorded in Bank Statement	315,204,763.15	
2. Receipts in Bank Statement not yet recorded in Cash book	-	315,204,763.15
Add -------		
3. Payment In Bank Statement not yet recorded in Cash Book	-	
4 Receipts In Cash Book not yet Recorded in Bank Statement	-	-
Balance as per cash Book		690,630,567.61

I certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.

HAU NATIONAL TREASURY 21/7/2025

Signature *Designation* *Date*

Prepared by:			B. KAMAU	DATE			
	SIGN:			01/07/2025			

COPY TO

1 INTERNAL AUDITOR
2 AUDITOR GENERAL
3 D G A & Q A