




Enhancing Accountability

OFFICE OF THE AUDITOR-GENERAL
ADDENDUM TO THE PERFORMANCE AUDIT REPORT ON
MANAGEMENT OF CASH AND DOMESTIC DEBT
BY THE NATIONAL TREASURY
OF SEPTEMBER 2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 04 DEC 2025	DAY: THURSDAY
TABLED BY:	DEPUTY MAJORITY LEADER
CLERK-AT THE-TABLE:	FINLAT

02 DECEMBER, 2025

Introduction

1. Following social media reports dated from 24 November, 2025 on the Cash and Debt Management Report, issued in September 2024, which indicated that money raised through Government Bonds between 2018 and 2023 could not be traced, my Office conducted an analysis on the issue as reported in Paragraphs 4.22 to 4.25 on “Inadequate Utilization of Bonds Proceeds for Development”, of the Report.
2. The audit examined cash management operations and data of The National Treasury (TNT), Central Bank of Kenya (CBK) and the Office of Controller of Budget (OCoB) for the five (5) years from financial years 2018/2019 to 2022/2023. The assessment covered utilization of Treasury Bond proceeds between 1 July, 2018 to 31 January, 2023.

Purpose of the Addendum


3. The follow up analysis has established that there were subsequent Treasury Bond transactions (both proceeds and releases) that occurred between 1 February, 2023 and 30 June, 2023 which did not relate to the period under audit review. The total proceeds realized for this period totaled Kshs.392,167,872,505 and transfers to CFS totalled Kshs.363,151,080,497
4. As a result, and taking into consideration the subsequent transactions, the cumulative Treasury Bond proceeds for the period 1 July, 2018 to 30 June, 2023 were Kshs.3,367,306,903,898 and Transfers to CFS of an equal amount. The current audit analysis has confirmed that the Treasury Bond proceeds received for the financial years 2018/2019 to 2022/2023 were transferred to the Exchequer with a NIL cash book balance as at 30 June, 2023.
5. Consequently, the table below and the attached Appendices I and II indicate that the Bond Proceeds and Exchequer issues relating to the now subsequently extended period from 1 July, 2018 to 30 June, 2023 has captured additional transactions for the months from 1 February, 2023 to 30 June, 2023.

Table 1: Utilization of Bonds Proceeds From 01 July 2018 to 30 June 2023

Financial Year	Actual Proceeds Realized (Bank Statement) (B)	Payment Amounts (In line with Cashbook & Bank Statement) (C)	PVs Narrations/ Nature of Expenditures
2018/2019	444,418,076,046	444,417,917,514 (444,767,000,000 less Opening Bal. 349,082,486)	Exchequer Releases (PVs N01-29)
2019/2020	558,870,005,467	558,870,005,467 (558,870,164,002 Less Opening Bal.158,535.70)	-Kshs.508,561,665,892-Exchequer Releases to MDA (PVs No 1-2 and PVs Nos 5-28) -Kshs.50,308,498,111-(settle domestic debt maturity on 2 nd SEP 2019 and domestic debt maturity on 23 rd SEP 2019 PVs 003 and 004)
2020/2021	790,577,923,686	790,577,923,686	Exchequer Releases (All PVs01-33)
2021/2022	877,038,741,180	877,038,741,180	Exchequer Releases (PVs 01-41)
2022/2023	696,402,157,519	696,402,157,519	Exchequer Releases PVs 1-42
Totals	3,367,306,903,898	3,367,306,903,900	

Source: OAG Analysis of Treasury Bond Schedule, Cashbook, Bank Statement and Payment Vouchers

6. The analysis confirms that the Treasury Bonds proceeds received from 1 July, 2018 to 30 June, 2023 were transferred to the Exchequer with a NIL cash balance as at 30 June, 2023. However as earlier reported in the main report issued in September 2024, the utilization of proceeds for funding repayments of maturing Treasury Bonds contradicts the fiscal responsibilities principles stated in the PFM Act, Section 15(2)(c).
7. It is recommended that the report issued in September 2024 be read together with this Addendum for clarity.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

2 December, 2025

APPENDICES

Appendix 1: Additional Treasury Bond Proceeds Received from 01 February 2023 to 30 June 2023

Date	Proceeds Received	PVs No
28/02/2023	12,265,397,437.10	013
28/02/2023	16,751,394,569.90	014
31/03/2023	15,000,000,000.00	015
31/03/2023	28,000,000,000.00	015
31/03/2023	7,445,854,191.25	015
31/01/2023	12,622,459,543.30	016
28/04/2023	3,489,708,926.70	017
28/04/2023	5,086,587,984.60	018
28/04/2023	1,722,411,854.25	019
31/05/2023	20,200,170,269.25	020
31/05/2023	10,567,109,440.90	021
31/05/2023	25,000,000,000.00	021
31/05/2023	2,276,917,419.45	021
29/06/2023	212,910,662,122.75	023
29/06/2023	17,000,000,000.00	024
29/06/2023	1,829,198,744.80	024
Total	392,167,872,505	

Appendix 2: Additional Transfers to the CFS Received from 01 February 2023 to 30 June 2023

Date	Transfers to CFS	Payment Voucher No	Nature of Utilization
31/03/2023	26,000,000,000.00	022	Exchequer Release
31/03/2023	17,000,000,000.00	023	Exchequer Release
31/03/2023	7,445,854,191.25	024	Exchequer Release
31/03/2023	12,622,459,543.30	025	Exchequer Release
28/04/2023	3,489,708,926.70	26	Exchequer Release
28/04/2023	5,086,587,984.60	27	Exchequer Release
28/04/2023	1,722,411,854.25	28	Exchequer Release
31/05/2023	13,000,000,000.00	29	Exchequer Release
31/05/2023	2,000,000,000.00	30	Exchequer Release
31/05/2023	5,200,170,269.25	31	Exchequer Release
31/05/2023	3,000,000,000.00	32	Exchequer Release
31/05/2023	7,567,109,440.90	33	Exchequer Release
31/05/2023	25,000,000,000.00	34	Exchequer Release
31/05/2023	2,276,917,419.45	35	Exchequer Release
29/05/2023	100,000,000,000.00	36	Exchequer Release
29/05/2023	50,000,000,000.00	37	Exchequer Release
29/05/2023	50,000,000,000.00	38	Exchequer Release
29/05/2023	10,000,000,000.00	39	Exchequer Release
29/05/2023	2,910,662,122.75	40	Exchequer Release
29/05/2023	17,000,000,000.00	41	Exchequer Release
29/05/2023	1,829,198,744.80	42	Exchequer Release
Total	363,151,080,497		