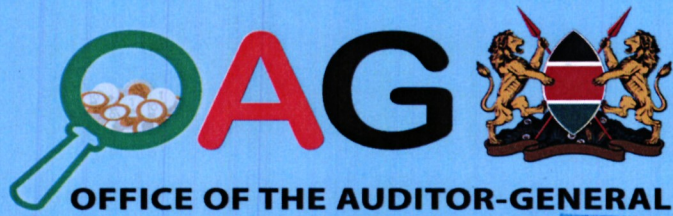
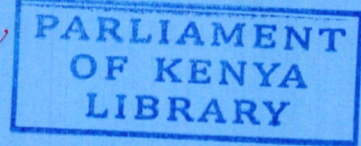


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

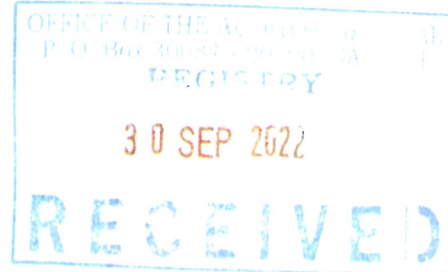
OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
DATE: 19 APR 2023	DAY: Wednesday
ON	Hon. Owen Baya, Deputy leader of the Majority Party
CLERK-AT THE TABLE:	Medo

MINISTRY OF FOREIGN AFFAIRS

**FOR THE YEAR ENDED
30 JUNE, 2022**



MINISTRY OF FOREIGN AFFAIRS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022



MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Foreign Affairs was formed in May, 2016 vide Executive Order No.1/2016. At cabinet level, the Ministry of Foreign Affairs is represented by the Cabinet Secretary, who is responsible for the general policy and strategic direction of the Ministry of Foreign Affairs.

The mandate of the Ministry of Foreign Affairs is to pursue Kenya's Foreign policy in accordance with the Constitution of Kenya, with overarching objectives of protecting and promoting the nation's interest abroad.

Vision

A peaceful, prosperous and globally competitive Kenya.

Mission

To project, promote and protect Kenya's interests and image globally through innovative diplomacy, and contribute towards a just, peaceful and equitable world.

Core Values

1. Customer focus: We shall treat our customers with courtesy, respect and promptness.
2. Patriotism: Our staff shall exercise loyalty and uphold allegiance to the Republic of Kenya at all times.
3. Team spirit: We shall promote teamwork to enhance service delivery. The Ministry will further inculcate a sense of shared and collective responsibility for the execution of the Ministry's mandate.
4. Professionalism: Our members of staff shall exercise high level of professional competence and confidentiality in all their work.
5. Ethics and Integrity: We will embrace transparency and accountability in all operations of the Ministry.
6. Equity and fairness: We shall promote justice, impartiality and diversity in all our dealings

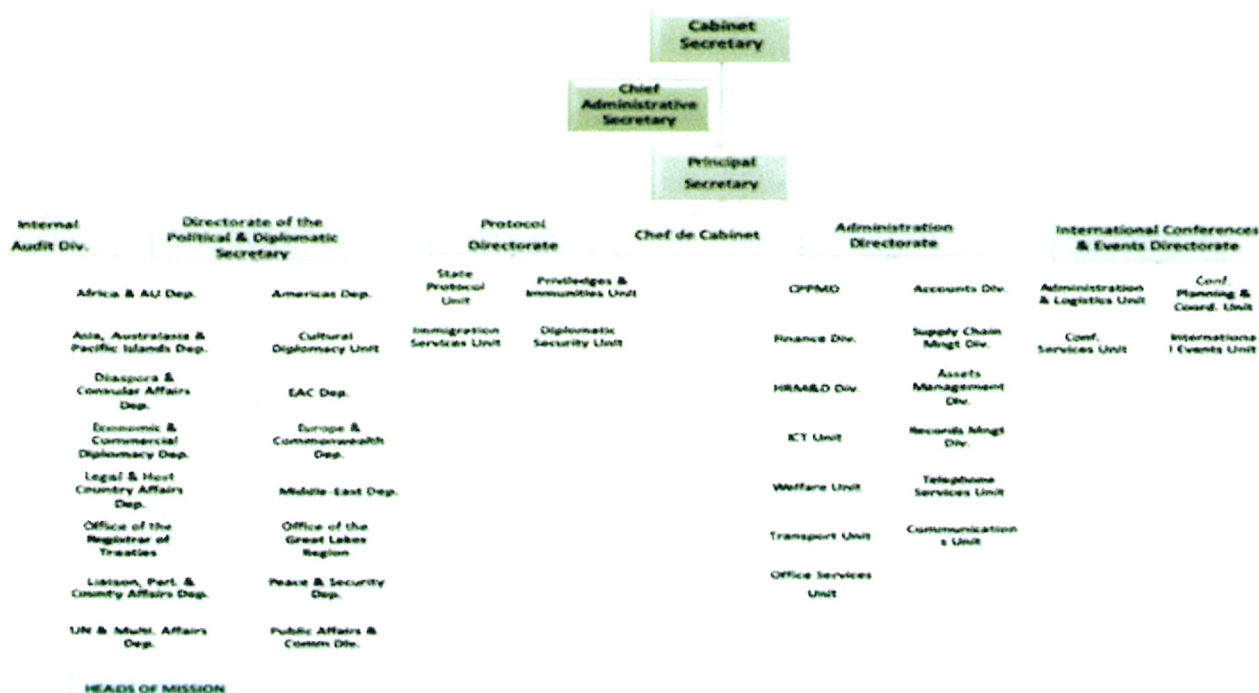
(b) Key Management

The Ministry of Foreign Affairs day-to-day management is under the following key organs:

- Principal Secretary;
- Director General for Bilateral and Political Affairs;
- Secretary Foreign Service Administration;
- Directors and;
- Heads of Departments

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Annual Report and Financial Statements for the year ended 30th June 2022

(c) Fiduciary Management



Amb. Raychelle Omamo SC, EGH
Cabinet Secretary

Amb. Raychelle Omamo, SC, EGH was officially appointed as a Cabinet Secretary, Ministry of Foreign Affairs of the Republic of Kenya on 14th January 2020. Prior to her appointment she served as Cabinet Secretary of Defence and Chairperson of the Defence Council between April, 2013 and January, 2020. In 2015, she also served as the Acting Cabinet Secretary of Labour and Social Protection.

An astute diplomat, Ambassador Omamo represented Kenya as her Ambassador to France with accreditation to Spain, Portugal, the Holy See and Serbia and as Permanent Representative to UNESCO during the period 2003 and 2009.

Ambassador Omamo is a lawyer by profession having received her training at the University of Kent at Canterbury in the United Kingdom and at the Kenya School of Law. She is a Senior Counsel and as a practitioner she served as Chairperson of the Law Society of Kenya and the

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Annual Report and Financial Statements for the year ended 30th June 2022

	<p>Vice President of the East Africa Law Society. She was also the recipient of the ICJ (K) Jurist of Year award in 2002.</p> <p>Ambassador Omamo has served on a number of Kenya Government taskforces and commissions related to the advancement of the rule of law such as the Task Force on Landlord and Tenant Law; the Task Force on the Establishment of the Truth and Reconciliation Commission; and as Counsel to the Commission of Inquiry into the Illegal/Irregular Allocation of Public Land (The Ndung'u Commission).</p>
 <p>Hon. Ababu Namwamba, EGH Chief Administrative Secretary</p>	<p>Hon. Ababu Namwamba was appointed CAS since January 2018 to February 2022. He holds a Master of Laws (LLM) Degree from American University, Washington College of Law, Washington D.C. He also has a Diploma in Legal Practice, Kenya School of Law, and a Bachelor of Laws (LLB) Degree from the University of Nairobi.</p> <p>He previously served as a Member of Parliament (MP) for Budalangi Constituency in the 10th and 11th Parliament. During the two terms in Parliament, he chaired the Justice and Legal Affairs Committee, the Public Accounts Committee (PAC) and served as the vice chair of the Parliamentary Select Committee on Constitutional Review. Hon. Namwamba also served as Minister for Sports and Youth Affairs of the Republic of Kenya.</p>

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**Amb. Macharia Kamau, CBS
Principal Secretary**

Amb. Macharia Kamau, CBS, was appointed as the Principal Secretary in the Ministry of Foreign Affairs in February 2018. He is a career diplomat with rich experience. Before the appointment, he had served as Kenya's Permanent Representative to the United Nations in New York since 2010.

As Kenya's Permanent Representative to the United Nations, Amb. Kamau was instrumental in developing the Sustainable Development Goals and the 2030 Agenda for Sustainable Development as Co-Chair and Co-Facilitator respectively. He also served as Chair of the Peace Building Commission, President of the UNICEF Board, President of the Conference of State Parties to the Convention on the Rights of Persons with Disabilities and President of the United Nations Forest Forum, among other responsibilities.

Prior to that, he served as Kenya's Permanent Representative to Kenya Mission to the United Nations Office in Nairobi, the United Nations Environment Programme and United Nations HABITAT.

Ambassador Kamau has a cross section of expertise and skills built in excess of 36 Years in areas dealing with Political, Development and Policy Work, Strategic Planning, Negotiation and UN Reform.

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Annual Report and Financial Statements for the year ended 30th June 2022

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary	Amb. Raychelle Omamo, SC, EGH
2	Chief Administrative Secretary	Hon. Ababu P. Namwamba, EGH
3	Principal Secretary	Amb. Macharia Kamau, CBS
4	Director General for Bilateral and Political Affairs	Amb. Moi Lemoshira
5	Secretary Foreign Service Administration	Amb. Josphat Kaunda Maikara
6	Ag.Chief Of Protocol	Amb.Betty Cherwon
7	Head, Finance	Mr. James Aloyo Aboka
8	Head, Global Asset Management	Amb.Dr. Margaret Gachuru
9	Head, Human Resource Management & Development	Mr. John Gitu
10	Head, Accounts	Mr. Vincent L. Kirwa
11	Head, Central Planning & Project Monitoring	Mr. Joseph Macharia Ndugire
12	Head, Supply Chain Management	Ms. Keneth Njoroge Mwangi
13	Head of Internal Audit	Ms. Serah Lutta

(d) Fiduciary Oversight Arrangements

The Ministry's fiduciary oversight is carried out by the following committees;

a. Ministerial Audit Committee

This committee is mandated under Section 174 of the PMF regulations of 2015. It is tasked with following roles:

- Support the Accounting Officer in regard to risk, Control and Governance.
- Facilitate provision of accounts/statements and supporting documents and any additional information and explanations to the auditors on timely basis during the exercise.
- Follow up on the implementation of the recommendations of Internal and External Auditors.
- Coordinate Ministry's appearance before the PAC, PIC and any other watchdog bodies by ensuring timely preparation and submission of proper reports and supporting documents
- Implementation of PAC/PIC recommendations and compile reports to the National Treasury for inclusion into the Treasury memorandum to be tabled back to parliament.

b. Project Management committee

This committee is mandated by the National Treasury Circular No7/2021 dated 28th June 2021 on Budget Implementation. It is tasked with following roles:

- Identification and prioritisation of projects based on the Ministry Strategic plan and Vision 2030
- Assessment of viability and sustainability of new projects
- Approval of projects to be implemented based on the established criteria
- Monitor and evaluate the projects
- Recommend the mode of project financing

c. Budget Implementation Committee

This committee is mandated by the National Treasury Circular No7/2021 dated 28th June 2021 on Budget Implementation. It is tasked with following roles:

- To review, consider and oversee implementation of the Ministerial annual work plan, procurement plan and cash flow plan
- To review utilisation of cash limits and consider any changes as may be required.
- To oversee implementation of the budget (Recurrent, Development and Donor Funds)
- To advise the accounting officer on any challenges related to budget implementation
- To review and recommend re-allocation of expenditures
- To prepare Ministerial budgets in consultation with Heads of Departments.

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

(e) Ministry of Foreign Affairs Headquarters

P.O. Box 30551-00100
Old Treasury Building
Harambee Avenue
NAIROBI, KENYA

Entity Contacts

Telephone: (254) 20331888
E-mail: info@mfa.go.ke
Website: www.mfa.go.ke

(f) Entity Bankers (all banks)

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

(g) Independent Auditors

Auditor - General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Adviser

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

2. FOREWORD BY THE CABINET SECRETARY



It is my great honour and privilege to present the Ministry's report and financial statements for the Financial Year ending 30th June 2022. In this particular year, the Ministry was allocated a total budget of Ksh. 19,991 M.

With reference to absorption of the allocated funds, the Ministry was able to utilize Ksh 19,195 M translating to an overall absorption rate of 96 % compared to the 92% recorded in the Financial Year 2020/2021. The rise in absorption rate was mainly occasioned by the effective coping mechanisms that the Ministry employed to counter post-COVID-19 pandemic constraints faced during implementation of the planned activities. However, late release of exchequer by the National Treasury continued to affect the absorption rate, leading the Ministry to accrue pending bills of at least Ksh. 701 million at the close of the Financial Year under review.

The financial report and statements provide an opportunity to elaborate how the funds allocated to the Ministry in a particular Financial Year were appropriated towards delivery of Foreign Policy goals and strategic objectives as outlined in the Strategic Plan 2018/19-2022/23. It is with great satisfaction I note that in the 2021/22 Financial Year, the Ministry continued to execute its core mandate of projecting, promoting, and protecting Kenya's national interests across the world as specified in the Executive Order No.1 of May 2020 and subsequently recorded an excellent performance. The highlights of the key achievements are as indicated below:

1.0 Peace Diplomacy

Global and regional peace, security and stability remains a central tenet of Kenya's Foreign Policy as it underscores the critical correlation between peace & security and development. As such, Kenya has maintained her role as an anchor state and guarantor of regional peace and security especially with regard prevention and resolution of conflicts, peace negotiations, peace-building, peace keeping, humanitarian response as well as post-conflict reconstruction. During the period under review, the Ministry effectively coordinated and advanced Kenya's peace and security agenda within regional and international mechanisms such as the East African Community (EAC), Common market for Eastern and Southern Africa (COMESA), International Conference on the Great Lake Region (ICGLR), Inter-Governmental Authority on Development (IGAD), African Union (AU) and the United Nations Organization (UN).

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Annual Report and Financial Statements for the year ended 30th June 2022

Kenya's Peace Diplomacy has sought to consolidate Kenya's legacy in promoting peace and stability as a necessary condition for development and prosperity in countries within the region.

1.1 United Nations Security Council (UNSC)

Kenya officially joined the United Nations Security Council (UNSC), as a Non-Permanent member, on January 1, 2021 for the 2021-2022 term with a clear Four Point-Agenda championing: Regional Peace, Climate and Security, Countering Terrorism and Violent Extremism, and Support Operations and Peace building. The UNSC is made of 15 countries, 5 permanent members and 10 Non-Permanent members.

One of the key highlights during Kenya's membership at the UNSC was assuming the Presidency of the UN Security Council for the month of October 2021, a role which is taken in turn by each member of the Council. This was the third time Kenya assumed non-permanent membership of the Council. It was a historic and consequential month for the country's foreign policy and diplomacy. The significance of Kenya presiding over the affairs of the UN Security Council is that the Security Council is the principal organ for the maintenance and furtherance of international peace and security.

Kenya hosted a number of High-Level Open Debates, which anchored the country's Presidency of the Council, as follows:

- a. Two High-Level Open Debates that were presided over by His Excellency the President.
 - a) Heads of State and Government Level Open Debate on Peacebuilding and Sustaining Peace: Diversity, State Building and Search for Peace
 - b) Heads of State and Government Level Debate on Cooperation between the UN and the Regional and Sub-Regional Organizations – African Union – Leveraging the African Union Peace and Security Architecture (AUPSA) and the sub-regional mechanisms for the continent's peace, security and prosperity
- b. Two High-Level Open Debates that were presided over by the Cabinet Secretary for Foreign Affairs.
- c. A High-Level Open Debate on the Situation in the Middle East, including the Palestinian Question that was presided over by the Principal Secretary.
- d. A briefing on Small Arms and Light Weapons by the Permanent Representative, Kenya Mission to the UN in New York.

Milestones attained during Kenya's Presidency of the Council, in October of 2021, include;

- (a). During the High-Level Open Debate on "Renewing Solidarity to Successfully Deliver Peace and Security in a Changing Conflict Environment", presided over by His Excellency President Uhuru Kenyatta, C.G.H., on October 28th, 2021, a Security Council Presidential Statement (PRST) was issued and will henceforth form part of the official documentations and records of the Council.
- (b). During the High-Level Ministerial Debate under the theme of "Supporting the renewed commitment of the Great Lakes countries in seeking sustainable solutions to the root causes and drivers of conflict", presided over by the Cabinet Secretary for Foreign Affairs, a Security Council Presidential Statement (PRST) was issued. This PRST will henceforth form part of the official documentations and records of the Council and is consistent with Kenya's objective of advocating African issues at the Council and specifically matters of regional peace and security.

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

(c). It is worthwhile to note that the Security Council Chambers were opened to the larger membership of the United Nations, following the advent of the COVID-19 pandemic during Kenya's Presidency of the Council. This was during the High-Level Ministerial Annual Open Debate on Women and Peace and Security, which was presided over by the Cabinet Secretary on October 21st, 2021. The ministerial event was held under the theme "Investing in Women Peacekeeping and Peacebuilding".

1.2 African Union Peace and Security Council (AUPSC)

Kenya is a member of the African Union Peace and Security Council whose three (3) year tenure lapses in March 2022. The Peace and Security Council is the standing decision-making organ of the AU for prevention, management and resolution of conflicts and crisis situations in Africa. It is also the key pillar of the African Peace and Security Architecture (APSA), which is the framework for promoting peace, security and stability in Africa.

The PSC has 15 members with equal voting powers. Kenya took over the rotational chairmanship of the African Union Peace and Security Council (AUPSC) in the month of March 2021 and articulated the following agenda;

- (1). Reinvigorating the role of the A3+1 (Kenya, Niger, Tunisia and Saint Vincent and the Grenadines) in the UN Security Council
- (2). Securing Sustainable Peace in Africa, especially in the context of Silencing the Guns in Africa
- (3). Peace Keeping in Africa with regard to emerging challenges and critical lessons for sustainable Peace Keeping Operations
- (4). Women Peace, Culture and Gender Inclusivity.

The highlight of the month was the virtual meeting of the AUPSC Heads of State and Government of March 9, 2021, that was successfully chaired by H.E. President Uhuru Kenyatta. The meeting had two key agenda items;

- (1) Sustainable Peace in Africa: Focusing on Climate Change and its Effects on Peace and Security.
- (2) Silencing the Guns in Africa, pursuant to paragraph 15 of the decision of the 14th Extraordinary Summit of the Assembly of Heads of State and Government of the Africa Union.

2.0 Economic and Commercial Diplomacy

Kenya's Economic and Commercial diplomacy has sought to achieve robust and sustained economic transformation in order to secure Kenya's social economic development and prosperity. Economic cooperation, trade and investment takes center stage in the country's efforts to attain the goals envisaged in the Kenya's Vision 2030 of elevating the country to middle income status. The Ministry has developed strategies that will ensure it actively participates in activities to achieve economies of scale and boost the country's competitiveness to enhance domestic and foreign trade and investment. The objective is to strengthen bilateral, regional and multilateral economic cooperation, promote investments, promote exports of Kenyan goods and services, and promote Nairobi as a diplomatic and economic hub and a premier destination for international conferences and events.

The ministry has been able to realize a number of Key achievements which revolves around coordination of, facilitation of, and/ or participation in trade and investment missions, business forums, and strategic breakfast meetings, regional and international summits and meetings both at bilateral and

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

multilateral levels. The achievements revolve around coordination of, facilitation of, and/or participation in trade and investment missions, business forums, and strategic breakfast meetings, regional and international summits and meetings both at bilateral and multilateral levels. At the multilateral level the Ministry coordinates economic cooperation framework within the World Trade Organization (WTO), the United Nations Trade Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), United Nations Development Programme (UNDP), UN Economic Commission for Africa among others.

Major activities undertaken by the ministry during the year include:

(1) The Ministry participated in the Kenya -US Free trade agreement negotiations in July and November 2020. The Kenya- US Free trade agreement was formally launched in May 2020. The negotiations are still on course

(2) The Ministry participated in various Regional Economic Communities meetings (EAC, COMESA, AfCFTA & the Tripartite) to articulate Kenya's position in negotiations. These meetings included the EAC experts' meetings of the African Continental Free Trade Area negotiations on:

- The EAC tariff concessions
- Investment
- Rules of Origin
- Disputes Settlement Body
- Intellectual Property
- Trade in goods
- Competition Policy
- Schedules of Commitments on Trade in Services among others
- Non-Tariff Barriers
- Customs Cooperation, Trade Facilitation and Transit, with the aim of enhancing trade in the region.
- Development AfCFTA Investment Protocol.

At Bilateral level, Kenya held Business Forums with South Africa, Tanzania and Malawi where Strategic Partnership Agreement were signed seeking to improve trade between the Countries.

Kenya also organized the Kenya-Estonia Business Forum. The Forum brought together key business players in the two countries and both were able to interact and form bonds that would later translate to trade and investments between the two especially in the ICT sector.

The Ministry also coordinated economic activities of multilateral cooperation within the framework of: WTO, UNCTAD, WIPO, and UNIDO. The Ministry successfully coordinated Kenya's participation in UNCTAD-15 in Barbados where H.E the president handed over the chairmanship of UNCTAD to Barbados and participated in Dialogue three (3) of the World Leaders Summit themed "Building a more prosperous development path: Matching the scale of the moment".

The "Safari-Oceans" Business forum was successfully held in Barbados. This forum saw the signing of the following Agreements:

- An MOU on the development of the National Botanical Garden of Barbados

- Confidential MOU on Air Services between the Government of the Republic of Kenya and the Government of Barbados
- An MOU on Establishment of a Joint Trade Committee (JTC)
- MOU between Kenya National Chamber of Commerce and Industry (KNCCI) and Barbados Chamber of Commerce and Industry (BCCI)

3.0 Cultural Diplomacy

Kenya's Cultural diplomacy has sought to use our cultural heritage and endowments as pedestals of our foreign engagement. The exchange of ideas, values, traditions and aspects of our diverse culture and identity is used to strengthen relationships, build broad support and create influence for Kenya's economic and political goals, enhance socio cultural cooperation and promote our national interests. In line with our cultural diplomacy policy of promoting the use of Kiswahili, the UN Educational, Scientific and Cultural Organization (UNESCO) has passed a resolution on November 23, 2021 recognizing it. The United Nations has since declared 7 July each year as the world's official day to celebrate the Kiswahili language.

Kenya has placed Cultural Diplomacy at the top of its agenda. It's in this regard that H.E. President Uhuru Kenyatta is one of the 12 (twelve) African Union co-champions of Arts, Culture and Heritage. The twelve African Union Heads of State and Government form the African Union Council of the Peers on Arts, Culture and Heritage. The Council committed to:

- Give a pride of place to culture, arts and heritage.
- Advocate for the ratification of the Charter for the African Cultural Renaissance;
- Gather political and financial commitment of the member States for the African World Heritage Fund;
- Promote culture as a tool for peace building;
- Develop creative industries generating economic development and outreach;
- Preserve and develop African languages as a vehicle of communication, knowledge and culture; and
- Speed up the return of cultural assets.

The Council came up with the African Union Theme of the Year 2021: Arts Culture and Heritage "***Levers for Building the Africa We Want***"

The Ministry works closely with the State Department of Sports, Culture and Heritage to support the President in fulfilling his mandate as the African Union Co-champion of Arts, Culture and Heritage. The Unit is following-up on the Kenya's ratification of the Charter for the African Cultural Renaissance.

A Kenyan delegation led by Hon. Eugene Wamalwa, CS Ministry of Defence (representing the President) participated in the 2nd edition of the Biennale of Luanda, Angola – "Pan African Forum for Culture of Peace" that took place from 27th November to 2nd December 2021.

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Annual Report and Financial Statements for the year ended 30th June 2022

Kenya was the first African Country to host the 18th edition of World Athletics under 20 Championships (WA U20 Championships) from 17th -22nd August 2021 at the Moi International center. The country emerged top on medal awards.

During the 2020 Tokyo Olympics held in Japan from 23rd July to 8th August 2021, Kenya curated a virtual Tokyo summer Olympics-Kenya house (www.kenyahouse.ke) which promoted Kenya Culture, Tourism, Trade & investments not only in Japan but also to the rest of the world. Besides the Kenya team in Tokyo excelled and was best in Africa in medal awards.

The Ministry participated in inter-ministerial meetings and retreat for the establishment of the African Athletic Development Centre in Moi University Eldoret.

Kenya hosted the World Rally Championship (WRC) Safari Rally in June 2021 and 2022 marking the WRC return to Africa for the first time since 2002. The event is part of the World Rally Championship.

On request by Kenya State Party, the World Heritage Centre, conducted a Reactive Monitoring Mission from 5th to 10th March 2020 on Lake Turkana National Park. This effort was geared towards protecting the Lake that is listed as World Heritage Site in danger.

Promotion of Swahili language as a core objective of cultural diplomacy pillar of the Kenyan foreign policy received a major boost when the United Nations declared 7th July of each year as the Worlds official day to celebrate Swahili Language. It is the first African Language to be recognized by the UN and have its own day of celebration.

4.0 Diaspora Diplomacy

Kenya's Diaspora diplomacy has recognized the importance of harnessing the diverse skills, expertise and potential of Kenyans living abroad, and facilitating their integration into the national development agenda. The Ministry is Kenya's primary link with the rest of the world. It works with all other Ministries, Departments and Agencies (MDAs) in order to project, promote and protect Kenya's interests globally through effective diplomatic engagement. Kenya's foreign policy is inclined towards upholding the country's sovereignty, promoting universal peace, and fostering good relations with its neighbours, within Africa and the rest of the world.

Diaspora is one of the five pillars of Kenya's Foreign Policy. To achieve the overall objective of mainstreaming and empowering Kenyans abroad to effectively make significant contribution to the development of the country strategies, the Ministry has continued to protect and safeguard interests of Kenyans abroad by providing consular services; and promoting continuous dialogue with Kenyans in the Diaspora. In this regard, the Ministry has made the following achievements:

- (1) Facilitating repatriation of about 5,000 Kenyans in distress across the globe who were stranded at the height of COVID-19 pandemic in 2020. About 1000 of these Kenyans were patients in various hospitals in India.
- (2) The Ministry, with the assistance and support of friendly countries facilitated evacuation of 39 Kenyans from Afghanistan in 2021, after the collapse of the Afghan Government.

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

(3) The Ministry has facilitated repatriation of about 3044 distressed Kenyans from Middle East countries in conjunction with Kenya Missions abroad and other relevant Ministries, Departments and Agencies (MDAs). 67 remains of deceased Kenyans from abroad were also repatriated back home.

(4) In order to bring consular services closer to Kenyans in the Diaspora, the Ministry has facilitated issuance of e-passports in Washington D.C., London, Berlin, Bern, Paris, Pretoria, Dubai, Doha, Stockholm and Canberra.

(5) The Ministry in collaboration with the Central Bank of Kenya (CBK) conducted the first Diaspora Remittances Survey between March and April 2021. The Survey collected information on remittance inflows to Kenya, with the aim of guiding policy geared towards efficiency and cost-effective remittance channels in order to boost the role of remittances in Kenya's socio-economic development. (Despite COVID-19 pandemic, remittances rose from USD 2,796 million in 2019 to USD 3,094 million in 2020.)

(6) With the aim of promoting dialogue with Kenyans in the Diaspora, the Ministry in cooperation with the Kenya Revenue Authority (KRA) hosted webinars on Tax and Customs Compliance with Kenyans in Switzerland, Belgium, France, Italy and Spain in November 2021.

(7) The Ministry has prepared a Draft National Evacuation Plan. The draft document is now waiting validation by stakeholders.

5.0 Environmental Diplomacy

Kenya's Environmental diplomacy has sought to recognize Kenya's enormous stake in the sustainable management of its own natural resources, those of the region and the world. Underlying this commitment, is the urgency to confront the impact of contemporary environmental challenges such as global climate and to provide the link between the management of shared resources and issues of security, sustainability and prosperity especially within the Eastern African and Great Lakes region. The pillar further aims to facilitate the realisation of the post 2015 global development agenda.

According to the United Nations Environment Programme (UNEP) Climate note, the world is in a climate emergency – “a code red for humanity” according to the UN Secretary-General. The concentration of greenhouse gas (GHG) emissions in the atmosphere is wreaking havoc across the world and threatening lives, economies, health and food. The world is far from securing a global temperature rise to below 2°C as promised in the Paris Agreement. With a baseline in 1990, some countries are emitting more, some the same and others are emitting less.

To limit global temperature, rise to below 2°C aiming for 1.5°C, as promised in the Paris Agreement, countries must cut 30 gigatonnes of GHG emissions annually by 2030. The necessary solutions exist yet currently more emissions are entering the atmosphere making it harder to keep the planet safe.

According to a study done by UNEP 71% of people in Kenya consider climate change to be a major threat. Kenya has been involved in several global initiatives to reduce the changes in climate, some of which include; The United Nations Climate Change Conference (COP26). The world is getting warmer because of emissions from fossil fuels like coal, oil and natural gas, caused by humans. In addition, extreme weather events linked to climate change - including heatwaves, floods and forest fires – are getting intense.

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Annual Report and Financial Statements for the year ended 30th June 2022

To slow down global warming, some 200 countries, called parties, met in Glasgow, UK from October 31 to November 13 to discuss plans to keep global warming well below 2 degrees Celsius by cutting down greenhouse gas emissions by 2030 to avoid a climate catastrophe.

COP26 presented a momentous opportunity for governments to make a serious commitment to address climate change and its implications for humankind and the health of our planet. The Glasgow Climate Pact followed two weeks of talks that saw more than 30,000 people arrive in Glasgow, including civil society, the media, world leaders and government representatives.

Kenya was represented by President Uhuru Kenyatta and a high-level delegation from the Ministry of Environment, the Ministry of Foreign Affairs, the United Nations Environment Programme (UNEP) officials and the Council of Governors led by Hon. Wilber Ottichilo Chair of the Environment and Climate Change Committee. The President noted that the energy sector accounts for most of the global greenhouse gas emissions. He noted the world's greatest challenge was innovating new low carbon energy solutions and highlighted the strides Kenya has made in expanding access to clean and affordable energy.

His Excellency the President said Kenya is on course to achieving the full transition to clean energy by the year 2030, stating that renewable energy currently accounts for 73% of Kenya's installed power generation capacity while 90% of electricity in use is from green sources among them geothermal, wind, solar, and hydro-electric installations.

During the conference, Cabinet Secretary for the Ministry of Foreign Affairs, participated as a panelist in the Agriculture Innovation Mission for Climate Initiative that discussed the critical role of technological innovation in achieving a net-zero climate-resilient economy and the endless unprecedented economic opportunities. The Cabinet Secretary highlighted the importance of Innovation in Agriculture as a source of food security and singled out Kenya's pioneering role in unlocking the massive potential of renewable energy and mobile technology in securing the climate future.

Cabinet Secretary for the Foreign Affairs also took part in a High-level round table on “Climate, Peace and Stability: Weathering Risk Through COP and Beyond,” where she spoke on Climate Change as a threat multiplier and the need to take concrete action to prevent conflict through early warning systems, investment in technology, adaptation and addressing the needs of women and children who bear the most brunt of climate change.

Two side events were held during the COP26 in Glasgow to support the UN Oceans Conference in 2022, which Kenya is co-hosting with Portugal. “On The Road to Lisbon: The 2022 United Nation Ocean Conference” was held to increase recognition of ocean –based solutions to climate change and to contribute to a successful and ambitious 2022 UN Ocean Conference; and a High-level dinner in support of the “Ocean Climate Nexus: Bridging Glasgow to Lisbon”. Kenya was represented at both events by the Mrs. Nancy Karigithu, Principal Secretary, State Department for Maritime and Shipping Affairs

The Ministry also facilitated Signing of a MoU between UN-Habitat and the County Government of Nakuru on 5th February 2021 in regard to Co-operation on Technical Support for Urban Planning, Solid Waste Management, Local Economic Development and Revenue Enhancement. Following this collaborative actions and major milestones achieved between County Government of Nakuru and UN-

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Habitat amongst others with different stakeholders, Nakuru City was granted City Status on 1st December 2021.

The Second Session of the UN-Habitat Executive Board was held on 15th-16th November 2021. During the meeting Member States agreed to increase budgetary allocations to UN-Habitat thus enabling UN-Habitat undertake Normative and Operative activities effectively and assess progress in Preparation for the High Level Mid Term Review on implementation of the New Urban Agenda. Prior to the meeting the Mission and Member States also participated in negotiations in the Working Group on Programs and Budget.

6.0 Policy, Institutional and Legal Reforms

a) Foreign Service Act:

The Ministry of Foreign Affairs coordinates the government-wide effort to project, protect and promote Kenya's strategic interests abroad. The execution of this mandate required the structure and composition of the Foreign Service to be anchored in law.

Consequently, in 2006, the Ministry embarked on a rationalization process aimed at expanding the Ministry's capacity to effectively respond to challenges of the 21st century diplomacy.

Among the key recommendations of the 2006 report was the re-organisation of the Ministry's legal framework, the management structures and establishment of the Foreign Service Academy. This would be made possible through the enactment of the Foreign Service ACT.

In October, 2020, The Ministry and the National Assembly's Departmental Committee on Defence and Foreign Relations held a meeting to discuss the Foreign Service Bill.

Through the combined efforts of the Ministry and the Committee, the Foreign Service Act, 2021 was assented on 17th November, 2021 and commenced on 7th December, 2021.

b) Assets Acquisition and Management Policy:

The Ministry has a critical mandate of pursuing Kenya's Foreign Policy in accordance with the Constitution and the Foreign Service Act 2021. The overarching objective of Kenya's Foreign Policy is to "project, promote and protect the image of Kenya". The future of the Foreign Policy is pegged on expanding and strengthening Kenya's diplomatic footprint and programmatic capabilities the world over. This in turn requires a high-quality workforce that is supported by a modern, secure and cost-effective infrastructure. In this regard, the Ministry takes cognizance of the need to provide safe, secure and functional facilities and operational assets to support Missions in achieving the foreign policy objectives, and to support expansion of diplomacy. This requires effective and efficient planning in the acquisition and management of diplomatic properties.

The Ministry has acquired and is expected to continue acquiring and assets necessary for enabling it to deliver on its mandate, both locally and in Missions abroad. However, the Ministry does not have guidelines on acquisition and management of its diplomatic properties and other operational assets

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which has led to ad hoc and piece meal acquisition, poor maintenance and management of the properties and other assets.

Asset Acquisition and Management Plan (AAMP) is intended to provide organizational and operational framework on acquisition and management of properties and other assets of the Ministry. It will address existing gaps by providing the requisite framework for decision-making on assets acquisition and management including allocation of resources. It will provide a means for the Ministry to plan ahead more proactively and more accurately in executing its assets investment agenda.

The AAMP addresses the lack of:

- A formal plan and strategy for acquisition of properties for the and in Missions abroad
- Clear guidelines for allocation of resources for capital projects in the various Missions
- Strategy for reciprocal land allocation to foreign governments
- Clear maintenance, management and disposal guidelines for diplomatic properties in Missions abroad,
- Guidelines for leasing and high rental expenditure in Missions abroad.

c) Policy and Legal Framework:

In pursuit of strengthening the policy and legal framework, the Ministry finalized the Foreign Service Regulation and Representational bill. It is awaiting tabling in Parliament.

7.0 Challenges

Budgetary constraints and government-wide austerity measures led to partial or non-implementation of the planned Ministry's programmes/activities. The situation is even worse when it comes to Missions abroad especially the ones with multiple accreditations as it leads to ineffective representation. Notably, the Ministry's actual budgetary allocation has not been commensurate with the actual financial resource requirements. Late release of exchequer compounds the challenges.

The COVID-19 Pandemic has caused unprecedented changes in the manner the Ministry conducts business. As such, it has exacerbated the already existing problems of lack of computers to conduct virtual meetings and completely cut tete- a- tete meetings, which is a good component of conducting diplomatic meetings. The Ministry was also compelled to scale down most of its key activities as a result of coronavirus outbreak.

There is poor coordination of multi-stakeholder issues with Ministries, Departments and Agencies (MDAs) which leads to delayed submission of position papers, opinions, comments and candidatures. The poor intra- and inter-agency coordination also leads to slow implementation of cooperation frameworks and inadequate follow-up as well as cancellation of programmes/activities.

8.0 Lessons Learnt

The pandemic has brought to the fore the critical value and necessity of on-time and real-time information and data for decision making. Additionally, new methods can be used in creative and

innovative ways to manage in the current uncertain and challenging times. The Ministry continues to monitor and assess the global risks caused by the COVID-19 pandemic, develop strategic partnerships to mitigate its impact on health and economic security and reconfigure the Ministry's working methods and approaches in light of the COVID-19 pandemic.

The COVID-19 Pandemic is not solely a health problem but one that also poses an existential threat to the development and stability of all of humanity, one that calls for a concerted global response. The virus has managed to alter socio-political and economic conditions that are manifested internationally. The COVID-19 situation has proffered unique challenges to the execution of Kenya's Foreign Policy objectives and goals. The Ministry continues to adapt accordingly by leveraging on innovation and technology to continue Kenya's engagement with the community of nations.

The Locust invasion and perennial flooding which adversely affect food security and by extension peace in the region.

9.0 Recommendations

- The Ministry recommends adequate financing for the full implementation of its mandate.
- The National Treasury working with other relevant institutions such as the Controller of Budget and Parliament should improve on exchequer releases on a timely basis to minimize service delivery disruptions. In addition, supplementary budgets should be passed in good time to allow appropriate planning and budget implementation. For Missions with ongoing projects, lump sum release of budgets is important to avoid delays in making payments.
- The Ministry of Foreign Affairs should play a bigger role in following up on the implementation of agreements by other MDAs, Missions and other international organizations to ensure the country reaps the benefits therein. The Ministry could for instance initiate more review meetings for agreements signed and invite the comments of the relevant MDAs on whether the agreements are pertinent and what the way forward should be.
- There is need for collaboration and strategic partnerships in dealing with other menaces including locust invasion and perennial flooding which adversely affect food security and by extension peace in the region.

10.0 Conclusion

The financial year 2021/2022 was eventful for our country and the rest of the world in general, owing to the challenges and opportunities arising from the Corona Virus (COVID-19) pandemic. Despite the difficult operational environment, the MFA family fostered excellent teamwork and embarked on a whole new direction, including the development of a vibrant health and digital diplomacy. Still, we remained grounded on H.E President Uhuru Kenyatta's foreign policy vision which extolled Pan-Africanism and at the same time sought global partnerships for Kenya's development goals, as envisaged in the Big Four Agenda and Vision 2030. As a team, we successfully campaigned for non-permanent membership of the UN Security Council, where we have done exceeding well as exemplified by a fruitful Kenya Presidency of the Council.

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The commendable performance was achieved through firstly, the great leadership of H.E. the President, who is Kenya's top diplomat and secondly, teamwork from my colleagues in the Ministry as we all pulled together in the same direction. I am confident that together we will continue to constantly project, pursue and protect our national interests globally while at the same time driving new arrangements that are transparent and in consonance with our values.

AMB. RAYCHELLE OMAMO SC, EGH

Sign

**CABINET SECRETARY
MINISTRY OF FOREIGN AFFAIRS**



H.E Uhuru Kenyatta, President of the Republic of Kenya and H.E Cyril Ramaphosa, President of the Republic of South Africa during President Kenyatta's State Visit to South Africa in November, 2021.



The Cabinet Secretary, Ministry of Foreign Affairs Amb Raychelle Omamo and Foreign Minister in the Department of International Relations and Cooperation Dr. Naledi Pandor of South Africa signed MOU to broaden bilateral relations, trade and investment on behalf of their respective countries.

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Cabinet Secretary, Amb. Raychelle Omamo (Centre), the Chief Administrative Secretary, Hon. Ababu Namwamba (Right) and Principal Secretary Amb. Macharia Kamau (Left) during the launch of Ministry's report on major milestones and achievement.



Amb. Raychelle Omamo, Cabinet Secretary, His Highness the Minister of Foreign Affairs Prince Faisal bin Farhan Al Saud, of the Kingdom of Saudi Arabia during the Joint Commission for Cooperation (JCC) held in Riyadh, Kingdom of Saudi Arabia in March 2022.



CS Amb Raychelle Omamo and the Minister of Foreign Affairs of the Republic of Barbados, Senator The Most Honourable Jerome Walcott officially opened the CARICOM diplomatic mission at Two Rivers, Nairobi, Kenya



Amb. Martin Kimani, Kenya's Permanent Representative to the UN and President to the United Nations Security Council for the month of October 2021, chaired the briefing on the United Nations Integrated Office in Haiti (BINUH) on October 4, 2021

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3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY2021/2022

The Ministry of Foreign Affairs is mandated to pursue Kenya's Foreign Policy objectives in accordance with the Constitution of Kenya. The main objective of the Policy is to constantly protect and pursue our national interests while at the same time driving new arrangements that are transparent and consonant with Kenya's values. The underlying principles of Kenya's Foreign Policy have been strong advocacy for a rule-based International System, environmental sustainable, equitable development and secure world. Currently, Kenya's diplomacy is largely oriented towards: protection of sovereignty and territorial integrity; global and regional peace, security and stability; enhancing regional integration; promotion of the Big Four Agenda and Sustainable Development Goals (SDGs); expanding economic diplomacy; and championing cultural diplomacy.

The Ministry's strategic objectives as per the Strategic Plan for FY 2018/19 – 2022/23 are to: -

- (a) Protect Kenya's sovereignty and Territorial integrity;
- (b) Promote national, regional and international peace, security and stability;
- (c) Promote economic cooperation, trade and investments;
- (d) Promote and safeguard Kenya's interests abroad;
- (e) Promote Kenyan diaspora engagement and enhance consular services;
- (f) Enhance public diplomacy and stakeholders' engagement, and
- (g) Strengthen policy, legal and institutional capacity.

Progress on Attainment of Strategic Objectives

For purposes of implementing the above development objectives, during the period 2018/19 – 2021/2022, the Ministry implemented four programmes and ten sub programmes. The programmes are General Administration, Planning and Support Services; Foreign Relations and Diplomacy; Economic and Commercial diplomacy; and Foreign Policy Research, Capacity Development and Technical Cooperation. Outlined below are major achievements in the delivery of planned outputs during the period under review. The achievements are outlined by programmes and sub-programmes as highlighted below:

Progress on the attainment of Strategic Objectives through Performance Contracting

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

Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
Programme 1: General Administration, Planning and Support Services								
Programme outcome: Improved Service Delivery								
General Administration, Planning and Support Services	SP 1.1: Administration services	DG-Management	Network infrastructure for IFMIS installation in Kenya Missions abroad	% Level of Network infrastructure	10	15	+5	The Ministry targeted to ensure that 10% of IFMIS Network infrastructure is installed in Missions. Currently, IFMIS installation is at 20%.
		Legal	Foreign Service Bill finalized	% Level of completion	20	50	+30	The Ministry was to move from 50% to 70%. However, the bill has been finalised - 100%
		Diplomatic Privileges	Integrated Protocol Management Information System (IPMIS) operationalized	% Level of operationalization	15	25	+10	The Ministry's target for FY 2021/22 is 5% (i.e. to move from 75%-90%) It is now at 100%. Notably, 22 out of 22 processes are complete.
		CPPMD	Improved policy, project and programme implementation	Annual performance evaluation report	1	1	0	Achieved
		HRM&D CPPMD	Performance Appraisal System (PAS) and Performance Management System (PMS)	% of training by Missions/Directorates requests honoured	100	100	0	All request for trainings were facilitated.
		Finance, CPPMD, Internal Audit	Sub-sector report, PPR, PBB, printed and supplementary budgets, financial statements, audit responses reports prepared	Reports	7	7	0	Achieved
Programme 2: Foreign Relations and Diplomacy								
Outcome: Enhanced Foreign Relations & Diplomatic Engagement								
Foreign Relations and Diplomacy	SP 2.1: International relations and cooperation	DG-Bilateral & Political Affairs	New Missions/Consulates General operationalized	No. of Missions & Consulates	6	5	-1	Operationalized Maputo, Hargeisa, Arusha, Jakarta and Goma. Guangzhou was not opened due to financial constraints and covid-19 pandemic impact
		DG-Bilateral &	Renewal of term of	No of Honorary Consuls	3	0	-3	The Ministry coordinated the re... of

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
		Political Affairs, Diaspora and Consular Affairs	service of Honorary Consul in strategic cities/towns coordinated					four (4) Honorary Consuls, namely of Athens, Greece; Nagoya, Japan; Kyiv, Ukraine, and Milan, Italy. The approval of the renewal of their terms - that was sent to the Office is the President - is being awaited.
			Interventions on contemporary issues affecting Kenya & Africa made at the UN	No. of Briefs & Statements prepared	180	192	+12	Over achieved
		DG-UN and Multilateral Affairs; International Candidatures and Strategic Placement	Kenya's Country and individual candidatures in the international governance system lobbied for	No. of country and individual candidatures lobbied for	15	12	-3	Country: Universal Postal Union (UPU) Council of Administration and Postal Operations Council (successfully elected on 25 August 2021); International Maritime Organization (IMO) Council (Kenya successfully re-elected to the IMO council on 10th Dec, 2021 in London); Kenya elected to UNESCO Legal Committee, Headquarters Committee, Intergovernmental Bioethics Committee (IGBC), Intergovernmental Committee for Physical Education and Sport (CIGEPS) 18TH Nov, 2021 in Paris; Kenya's re-election to Region D (Africa) of the Council of the International Telecommunication Union (ITU) for the term 2022-2026 at elections to be held in October, 2022 Individual: Mr. Ali Kaka for position of Regional Councillor for Africa, International Union for the Conservation of Nature (IUCN)-successfully re-elected in Sept 2021; Amb. Dr. Monica Juma-SG Commonwealth-Ongoing; Mr. George M. Kinoti- Delegate for Africa, INTERPOL Executive Committee- Successfully elected on 25th Nov, 2021, Istanbul, Turkey; Dr. Allan Azegele VC of Codex Alimentarius Commission- successfully elected on 11th Nov, 2021, Geneva and Prof. Phoebe Okowa- International Law Commission- successfully elected on 12th Nov, 2021, New York; Amb. Martin Kimani as member of the Permanent Forum on People of Africa Descent (PPPAD)- successfully elected on 16th Dec, 2021, New York; Initiated lobbying for re-election of Mr. Simon Njuguna to the

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
								Commission on the Limits of the Continental Shelf (CLCS); re-election of Mr. John Omo as Secretary General of the African Telecommunication Union (ATU) in July, 2022
			A strategy on Kenya's international candidatures and strategic placement developed	Finalised strategy	Draft	Draft presented to Cabinet Secretary for approval	0	Draft Strategy version 0.3 shared with the Cabinet Secretary for approval for publishing and eventual launch
		DG-Bilateral & Political Affairs	Joint Commissions for Cooperation (JCC) held	No. of JCCs held	22	11	-11	Kenya- Tanzania JCC (August 2021); Kenya-South Africa(August 2021); Kenya-Malawi (Oct 2021); Kenya- Barbados (Oct 2021); Kenya- USA BSD (Nov 2021); Kenya- Ukraine Political Consultations (Sept 2021); Saudi Arabia, Kenya- Philippines 2022, Kenya-Mozambique, Kenya-Egypt
		DICE	Major international conferences and events hosted/participated	No. of Conferences held	12	12	0	Coordinated the Africa Green Revolution Forum (AGRF) Summit, (Sept 2021), Africa Green Revolution Summit, Hybrid (7 th - 10 th Sept, 2021), Africa Caricom (Virtual &th Sept, 2021), Glasgow COP 26, Hybrid (31 st Oct- 12 th Nov, 2021), 38 th ASEAN Summit (9 th Nov, 2021), UNGA (17 th -27 th Sept, 2021)Kenya UNSC presidency (Oct 2021), UNEA & UNEP @50 (March 2022),9 th Africities Summit(17 th -21 st May 2022),Stockholm +50,UN Ocean Conference
		DG Multilateral & DG-Bilateral & Political Affairs	Country Position Papers for use at international forums (UN, AU, ICGLR, EAC, IGAD, CHOGM, FOCAC, etc) prepared	No. of Country position papers prepared	48	48	0	Country position papers prepared for: UN meetings: Africa -CARICOM summit, EAC Meetings, FOCAC, and AU.
		DG Multilateral UNSC	Kenya's continued membership of United Nations Security Council (UNSC) prosecuted	No of High Level in person/virtual debates at the Heads of State and Government, Ministerial, and Ambassadorial levels facilitated	15	15	0	The following have been facilitated: <ul style="list-style-type: none"> The Head of State -Opening session of the High-Level Segment of the 76th Session of UNGA virtually. The Head of State - High-Level Debate virtually. The Head of State - UN Food Systems Summit in-person.

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
								<ul style="list-style-type: none"> The Head of State - High-Level dialogue on Energy CSMFA - high-level panel discussion on Multilateral Momentum CSMFA - Ministerial-Level Conversation on Afghanistan (Working Lunch) CSMFA - 10th Ministerial Conference of the Community of Democracies CSMFA - High-Level Ministerial informal interactive dialogue on cooperation with the League of Arab States CSMFA - High Level Meeting in Commemoration of the Twentieth Anniversary of the Adoption of the Durban Declaration and Plan of Action CSMFA - Security Council High Level Open Debate on "Maintenance of international peace and security: Climate and Security" CSMFA - Ministerial Meeting on "Securing Women's Leadership in Post Pandemic life" hosted by IPI in partnership with Government of Sweden CSMFA - Ministerial meeting of the Alliance for Multilateralism CSMFA - Informal Roundtable discussion on "Closing the Digital Divide: from the Roadmap to the Common Agenda" CSMFA - Berlin Climate and Security Conference 2021 Opening Session a virtual high-level panel discussion on Multilateral

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
								<p>Momentum: An Agenda for Action on Climate, Peace, and Stability.</p> <ul style="list-style-type: none"> The Permanent Representative of Kenya to the United Nations- hosted a High-level Plenary meeting to commemorate and promote the International Day for the Total Elimination of nuclear weapons in New York
				No. of field visit by the UN Security Council to a situation country in Africa facilitated	1	1	0	The UNSC Mission led by the Permanent Representative of Kenya to the United Nations, Ambassador Dr. Martin Kimani visited the Republic of Mali to assess the security situation in the country and also urge authorities to implement election agreements reached with the West African regional bloc after the 2020 Coup
				No. of activities and calendar of the A3+1 members of UN Security Council coordinated	2	2	0	<p>Kenya hosted a retreat of the United Nations Security Council's block of four elected Members seeking to reinvigorate the group's role in the execution of the African and Caribbean agenda at the United Nations Security Council (UNSC).</p> <p>The caucus of the African and Caribbean nations which sits at the United Nations Security Council (UNSC) received a formal endorsement during the inaugural CARICOM-Africa Summit convened by Kenya</p>
			Internal Fund for Africa (IFAD) Regional office for East & Southern Africa; Office of the President in Office of the ACP States; The Caribbean Community (CARICOM) Regional office; Office of the President as Chair of the East African Community (EAC); Office of the Special Envoy to South Sudan and Special Unit of the UN Security Council and AUPSC operationalised	No. of offices operationalised	5	1	-4	Internal Fund for Africa (IFAD) Regional office for East & Southern Africa was operationalized; Office of the President in Office of the ACP States was merged with Economic Affairs and Diplomacy
		UN HABITAT	Implementation as well as review of Kenya -	No. of tripartite committee meetings to	3	3	0	Three meetings were held between State Department of Housing & Urban

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
			Habitat Country Programme (KHCP) 2018-2021 facilitated	review Kenya Habitat Country Programme held				Development, State Department for Devolution and ASALS, Kenya Permanent Mission to UN-Habitat and UN Habitat to discuss progress of the implementation of the Habitat country programme
			Annual President's report on fulfilment of Kenya's international obligations prepared	Annual President's report	1	1	0	The consolidation process of the 9th Report is near complete and the Ministry is waiting for further guidance from the Head of Public Service on the dates of submission for the 9th Report.
		Registrar of Treaties	Cabinet Secretary's report on treaties ratified by Kenya in each financial year prepared	Annual CS report	1	1	0	The Ministry submitted the 5th Annual Report of the Cabinet Secretary on Treaties ratified by Kenya to the National Assembly in fulfilment of the statutory requirements provided for in the Treaty Making and Ratification Act, 2012 (Rev. 2018).
			Sensitization and Public Awareness sessions on treaty making process conducted	No. of sessions	1	1	0	The Ministry sensitized Focal Point Officers from MDAs across Government on the relevance of implementation and reporting of implementation of treaties at a Breakfast Meeting held at the Stanley Hotel on Tuesday 7th June 2022.
	SP 2.2: Management of international treaties, agreements & conventions							The Following is the status of HCAs: a) The International Fund for Agricultural Development (IFAD)-Review is ongoing. b) International Conference on the Great Lakes Region (ICGLR)- Signed by CS MFA and awaits the other party's signature c) Gazettement was done for the following: Trademark East Africa; Global Fund for Malaria; and World Customs Organization d) Started Discussions of the Horn Economic and Social Policy Institute (HEPSI) e) Host Country Agreement between the Government of the Republic of Kenya and Trademark East (TMEA) - 6th July 2021 f) Administrative Arrangement between the Delegation of the European Union in Kenya and the Ministry of Foreign Affairs of the Republic of Kenya and the Independent Electoral and
		Registrar of Treaties Legal Affairs	Host country agreements with international organizations reviewed and signed	No. of Host Country Agreements reviewed and/or signed	6	6	0	

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
								Boundaries Commission of Kenya concerning the Observation of the 2022 General Elections- Signed on 17th June 2022
								<ul style="list-style-type: none"> Kenya-South Sudan boundary Demarcation meeting (Sept 2020) Namanga Tanzania preparatory meeting of re-affirmation and demarcation of Kenya-South Sudan Boundary (Oct 2021) Tripartite meeting on the Tri-Junction if the international boundaries between Kenya, Uganda and South Sudan held in Mombasa (15th-17th Dec, 2021) Bilaterals between Kenya and South Sudan, and Between Kenya and Uganda, discussed status and preparedness towards the re-affirmation and demarcation of the Tri-Junction boundaries held in Mombasa (18th-20th Dec, 2021) Inspection of the re-affirmation and demarcation of the Kenya-Tanzania International boundaries held in Narok (22nd-24th Dec, 2021) Completion of phase 1 and launch of the 2nd phase of the re-affirmation and demarcation of the Kenya- Tanzania boundaries held in Namanga Tanzania (Nov 2021)
			Kenya boundary demarcation and reaffirmation meetings held with foreign countries	No. of boundary demarcation meetings attended	4	6	+2	
			State and official visits facilitated	No. of visits	20	30	+10	<p>Outbound: Lusaka, France, Belgium, Turkey, UK, Tanzania, New York, South Africa, Barbados, Mozambique, Uganda, Ethiopia, Washington DC, Paris, Zambia, Addis Ababa, Dubai, Brussels and Geneva</p> <p>Inbound: Estonia, Malawi, Zimbabwe, Hungary, DRC, China, Sierra Leone, Barbados, Zambia, Africaes and UNEP @50</p>
	SP 2.3: Coordination of state protocol	Protocol	Bilateral agreements/MoUs on various areas of cooperation concluded	No. of agreements/MoUs concluded	31	91	+60	91 Bilateral agreements/ MoUs were signed

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
	SP 2.4: Management of Diaspora & Consular Affairs	Diaspora & Consular Affairs	Diaspora Conferences and Expos held	No. of Events held	4	3	-1	Facilitated holding of 7 th Annual tax summit, Webinar on indigenous foods and medicines for domestic export markets; and Virtual Meeting on impact of Covid-19 organised by Kenya's and Friends in the Park UK in collaboration with the Kenya High Commission in London.
			A database of the Kenyan Diaspora and Diaspora Associations at Kenya Missions abroad updated and maintained	An updated database	1	1	0	Achieved
			Consular services provided	% No. of Kenyans assisted	100	100	0	Achieved
	SP 2.5: Infrastructure development for Missions	Global Assets Management	Chanceries, Residences and Staff houses purchased/constructed	No. of G.o.K properties acquired	1	0	0	Process of identifying the chancery to be purchased in London and preparation of tender documents is ongoing
			Chanceries, Residences and Staff houses refurbished/renovated	No. of G.o.K properties refurbished/renovated	6	6	0	Refurbishment/ renovations finalized in Washington Refurbishment/ renovations are ongoing in London, Addis Ababa, Kinshasa, Lusaka, New York and Rome
Programme 3: Economic and Commercial Diplomacy								
Outcome: Increased Economic Partnerships								
Economic and Commercial Diplomacy	SP 3.1: Economic Cooperation and Commercial Diplomacy	Economic Affairs and Commercial Diplomacy	Investment promotion activities and business forums coordinated	No. of Events coordinated	16	9	-7	Kenya-Estonia Business Forum-9th - 11th Sept 2021; Kenya South Korea Business Forum, Coffee Expo Seoul 14th - 17th July 2021; Business forum on the sidelines of UNCTAD 15; EAC Jua Kali Nguvu Kazi in Mwanza, Tanzania from 1st - 12th December, 2021; Kenya-Saudi Arabia-14 th March; Kenya- Indonesia-18 th March; Kenya-South Africa High level Business Forum 23 rd Nov 2021, Kenya-Portugal 29 th June 2022
			Economic Partnership Agreements (EPAs) signed	No. of Agreements signed	5	10	+5	1. Agreement between the Government of Kenya and the Government of Ireland for the Elimination of Double Taxation Avoidance (DTA) with respect to taxes on income and the prevention of Tax Evasion and Avoidance. - 23rd July 2021. 2. Agreement between the Government of Republic of Kenya and the Government of the Republic of the United

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Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
								<p>Kingdom of Great Britain and Northern Ireland - 27/07/2021</p> <p>3. Establishment of a Joint Committee on Trade and Investment between Kenya and Barbados - 6th October 2021.</p> <p>4. Tanzania Investment Centre and Ken Invest Authority between Kenya and Tanzania – 10th December 2021</p> <p>5. Republic of Kenya and the Republic of Sierra Leone on Understanding on Trade and Investment – 30th May 2022</p> <p>6. KenInvest-AICEP – June 2022</p> <p>7. KEPSA-Canadian business association</p> <p>8. KQ-SAA</p> <p>9. KNCI-Invest Barbados</p> <p>10. KEPS-URT COUNTERPART</p>
			Market surveys to identify trade and investment opportunities as well as assess constraints to Kenyan products conducted	No. of Market surveys conducted	3	3	0	Coordinated various study visits to Rwanda, Egypt and Ghana to learn on how to improve the Kenyan coffee sector through both marketing and better production and value addition.
	SP 3.2: Regional integration, bilateral and Multilateral Economic Cooperation		Economic negotiations at the regional & multilateral levels coordinated	No. of Briefs prepared	30	18	-12	<p>Multilateral: Three Preparatory meeting on UNTAD 15 to prepare Kenya position papers -12th August 2021, 19th August 2021 and 26th August, 2021; The Mini WTO Ministerial Conference on fisheries subsidies held virtually – 15th July 2021</p> <p>Regional: AfCFTA meetings on investment and intellectual property- 2nd September, 2021; EAC, fourth meeting of the committee on trading service – 27th September 2021-1st October, 2021; Extra Ordinary CSO meeting - 14th September, 2021; Regional meeting of Experts on the</p>

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Annual Report and Financial Statements for the year ended 30th June 2022

Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks		
								development of an AfCFTA Investment protocol- 22nd July, 2021; Regional Stakeholder engagement meeting towards the development of the protocol on 26th July, 2021; EAC Experts meeting on the AfCFTA negotiations – 29th -30th July, 2021; SC meeting on CCTFT and DG of customs – 23rd- 25th August, 2021; Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI)- 8th November, 2021. Experts Meeting on AfCFTA-26th to 27th October 2021; 10 th Meeting of the Committee of STOs & 8 th Council of Ministers of AfCFTA(24 th to 27 th Jan, Ghana)		
Programme 4: Foreign Policy Research, Capacity Development and Technical Cooperation										
Outcome: Improved performance and skills development										
Foreign Policy Research, Capacity Development and Technical Cooperation	SP 4.1: Foreign Policy Research & Analysis, and Capacity Development	Foreign Service Academy	State and public officers trained on Protocol, Etiquette Matters and Kenya's international Obligations	No. of state & public officers trained	100	59	-41	Trained 30 county officials from Nyanza region in a workshop held on 25 th -29 th October, 2021; Trained 29 International desk officers (13 th to 19 th March)		
			Scholarships from Foreign Governments processed	% Level of scholarships processed	100	100	0	Achieved		
			Train 30 Foreign Service Officers on Foreign Policy Research and Analysis	Number Officers trained	30	30	0	30 Foreign Service Officers trained on Foreign Policy Research and Analysis		
			Train 100 Ministry of Foreign Affairs Staff in at least two (2) UN languages	No. of Officers trained	100	110	+10	Training in Spanish language-58 and Portuguese-52 has been undertaken		
			Operationalise Foreign Policy Research and analysis through the Kenya Council of Global Affairs and affiliate centres	Foreign Policy Research and analysis operationalized	1	0	-1	Kenya Council on Global Affairs formed 3 affiliates centres. The Academy is yet to activate 1st Centre on environment. However, MOU between MFA and Stockholm Environment institute is still pending at Attorney General		
			Conduct pre-deployment training for all newly posted officers and appointed ambassadors	No. of officers trained	150	155	+5	Training done for all newly posted officers (114) and appointed ambassadors (41)		
			Presidential Commitments Actualized	% of Presidential commitments Actualized	100	100	0	All Presidential commitments Actualized		
			Foreign Service Academy	Train 30 diplomats from the EAC region on Peace and Security, Regional	30	30	0	Achieved		
				SP 4.2: International Technical Cooperation	FSA; Liaison					

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Programme	Sub-Programme	Delivery Unit	Key output	Key Performance Indicators	Annual Target	Actual	Variance	Remarks
			Train 30 diplomats from the CARICOM region on Peace and Security issues.	Integration and protocol No. of Diplomats trained	30	30	0	Achieved

4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Kenya plays and will continue to play a significant role in the international arena majorly due to its relatively extensive diplomatic presence and representation through its Missions abroad. Similarly, Kenya is an active member of both regional and international organizations such as the EAC, COMESA, IGAD, AU and the United Nations among others. These organizations provide a platform for the Ministry to address and shape the international opinion aligned to the interests and values that Kenya as a sovereign state stands for.

In this regard, the ministry has six strategic issues, with corresponding strategic objectives and specific strategies to address them. The strategic issues include: Kenya's Sovereignty, Territorial Integrity, Peace, Security and Stability; Kenya's interests globally; Economic Cooperation, International Trade and Investment; Diaspora Engagement and Consular Services; Public Diplomacy, Cultural Heritage and Stakeholder Engagement; and Policy, Legal and Institutional Capacity.

It is further evident that human rights is an that cuts across all the above six strategic issues and indeed is increasingly taking centre-stage both within the country as well as in the international context having been mainstreamed within the United Nations Sustainable Development Goals (SDGs). It is therefore important for Kenya to demonstrate adherence to human rights principles and practices, in its endeavour to achieve its strategic goals as well as contribute towards a just, peaceful and equitable society both internally and globally.

At the heart of all the Ministry's operations is the desire to deliver on the expectations of the Kenya Citizens and its customers. Below is a brief highlight of the corporate social responsibility/sustainability activities conducted in the year:

a) Sustainability strategy and profile

The Ministry through the Kenya Missions abroad:

- Engaged with Kenyans abroad during high-level visits through organizing meetings with Kenyan diaspora during various high-level visits.
- Assisted families to repatriate remains of Kenyans who passed on abroad through transfer of requisite documentation and correspondence with next of kin/family members.
- Assisted families to repatriate remains of Kenyans who had passed on abroad.
- Facilitated emergency assistance to Kenyans in countries facing a public safety crisis through liaison with host government, provision of information and preparation for evacuation in extreme circumstances.
- Carried out visits to Kenyans in distress such as those in prisons and hospitals.

b) Environmental performance /climate change/ mitigation of natural disasters

The Ministry sought to enhance the protection of the environment by securing riparian lands, water towers, improving the national forest cover and other measures to facilitate sustainable development through:

- Tree planting session held at Ngong' Forest – 1,100 trees planted

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

- Facilitation of Kenya's participation in regional and international conferences on Environmental issues.

c) Employee welfare

The Ministry undertook the following towards prevention of HIV and AIDS Infections:

- Disseminated and implemented HIV and AIDs Work Pace Policy
- Reconstituted and operationalized HIV and AIDS Control Unit (ACU) based on NACCs recommended threshold.
- Developed an Annual Work Plan and allocate resources for HIV programmes.
- Promoted attainment of Universal Health Coverage (UHC) at the workplace through offering services for disease prevention and wellness promotion for at least 80% of staff and family members with the following screening package and referrals: HIV, Blood pressure, Blood sugar and BMI
- Promote a comprehensive HIV and AIDS knowledge by reaching 80% of all staff and family members with sensitization on cancer (Breast, Cervical and prostate), stress management and mental health.
- Carried out condom promotion or stand-alone sensitizations on chastity, Abstinence and Being faithful (AB).

d) Operational practices

i. Responsible Supply chain and supplier relations

The Ministry's procurement process is guided by the provisions of the Public Procurement and Assets disposal Act, 2015. During the year, the Ministry implemented the following strategies:

- (a) Advertised for registration of suppliers to develop a pool of suppliers to enhance equal opportunities for all.
- (b) Advertised all it open tender opportunities to ensure interested suppliers access similar information.
- (c) Ensured that pending bills for previous years were settled as at close of the financial year. This is to enhance working capital of suppliers and business continuity.

e) Community Engagements

The Ministry's mandate requires engagement with various stakeholders and communities.

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the Ministry of Foreign Affairs is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Foreign Affairs accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Ministry of Foreign Affairs financial statements give a true and fair view of the state of the Ministry's transactions during the financial year ended June 30, 2022, and of its financial position as at that date. The Accounting Officer in charge of the Ministry of Foreign Affairs further confirms the completeness of the accounting records maintained for the Ministry, which have been relied upon in the preparation of the Ministry's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Foreign Affairs confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Approval of the financial statements

The Ministry of Foreign Affairs financial statements were approved and signed by the Accounting Officer on 30th SEPTEMBER 2022.



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Principal Secretary

Amb. Macharia Kamau, CBS



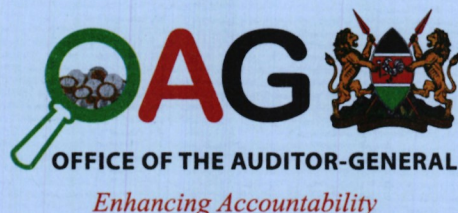
.....
Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF FOREIGN AFFAIRS FOR THE YEAR ENDED 30 JUNE, 2022

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 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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Ministry of Foreign Affairs set out on pages 1 to 29, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ministry of Foreign Affairs as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with international Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Cash and Cash Equivalents - Long Outstanding Reconciling Items

The statement of assets and liabilities as at 30 June, 2022 reflects cash and cash equivalents balance of Kshs.1,737,179,819 which includes bank balances totalling Kshs.1,736,879,371 as disclosed in Note 11A to the financial statements. Review of the Ministry's bank reconciliation statements as at 30 June, 2022 revealed long outstanding unreconciled items which have remained outstanding for more than six months and some dating back to 1994 totalling to Kshs.577,212,982 as summarised below:

Particulars	Amount (Kshs)
Payments in Cash Book not in Bank Statements	233,210,044
Receipts in Bank Statements not in Cash Book	50,815,226
Payment in Bank Statement not in Cash Book	280,157,533
Receipts in Cash Book not In Bank Statement	13,030,179
Total	577,212,982

No documentary evidence was provided for audit to confirm efforts made by Management to clear these long outstanding reconciling items.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,737,179,819 as at 30 June, 2022 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Lack of Budgetary Provisions for Foreign Exchange Losses/Gains

The statement of receipts and payments and as disclosed in Note 10 to the financial statement reflects other payments in respect of foreign exchange losses amounting to Kshs.440,174,314, approximately 2% of the total Ministry's budget. However, the Ministry did not have budgetary provisions to cater for the foreign exchange losses/gains.

In the circumstances, the Ministry may not have adequately implemented all planned activities due to inadequate budget.

2. Pending Bills

Note 19.2 to the financial statements reflects pending accounts payables totalling Kshs.701,161,995 as at 30 June, 2022. These bills were not paid during the year under review but were instead carried forward to the financial year 2022/2023.

Failure to settle bills during the year to which they relate distorts the budget implementation of the subsequent year as the outstanding bills form a first charge on resources available.

3. Contingent Liabilities

Disclosed in Note 19.4 to the financial statements are contingent liabilities totalling Kshs.112,013,123 arising from court cases and awards against the Ministry. Review of the Ministry's records indicate that the Government of Kenya through the missions abroad had been sued by local staff employed by the missions. Further, in some cases the Ministry was yet to pay the court awards and has not appealed the decision of the courts.

In the circumstances, the court cases may attract further charges which may lead to loss of public funds.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Ministry's financial reporting process, reviewing the effectiveness of how the 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Ministry to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

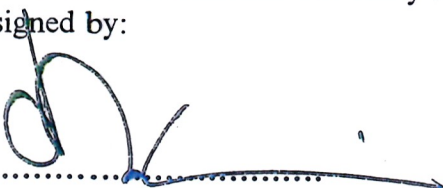
09 January, 2023

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Receipts			
Tax Receipts	1	14,983,906	22,163,393
Exchequer releases	2	19,235,769,059	14,906,169,109
Other Receipts	3	285,165,239	191,295,112
Total Receipts		19,535,918,203	15,119,627,613
Payments			
Compensation Of Employees	4	9,055,339,549	8,043,766,604
Use Of Goods and Services	5	7,867,418,864	6,058,055,005
Transfers To Other Government Entities	6	162,479,726	142,862,929
Other Grants and Transfers	7	628,131,476	616,042,042
Social Security Benefits	8	41,009,641	11,126,115
Acquisition Of Assets	9	1,000,938,865	1,064,835,738
Other Payments	10	440,174,314	-
Total Payments		19,195,492,436	15,936,688,431
Surplus/Deficit		340,425,768	(817,060,818)

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 30th SEPTEMBER 2022 and signed by:



Principal Secretary
 Amb. Macharia Kamau, CBS



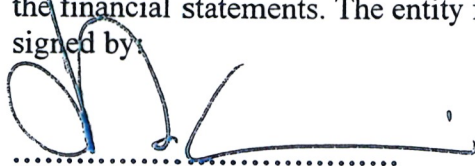
Senior Deputy Accountant General
 Mr. Vincent L. Kirwa
 ICPAK Member No.10999

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	11A	1,736,879,371	1,345,484,690
Cash balances	11B	300,448	24,686
Total cash and cash equivalent		1,737,179,819	1,345,509,376
Imprests and advances	12	416,746	1,024,448
Total financial assets		1,737,596,566	1,346,533,824
Financial liabilities			
Third party deposits and retention	13	(282,026,800)	(222,507,822)
Net financial assets		1,455,569,766	1,124,026,002
Represented by			
Fund balance b/fwd.	14	1,124,026,002	1,948,845,163
Prior year adjustment	15	(8,882,004)	(7,758,343)
Surplus/Deficit for the year		340,425,768	(817,060,818)
Net financial position		1,455,569,766	1,124,026,002

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 30th SEPTEMBER 2022 and signed by:



Principal Secretary
 Amb. Macharia Kamau, CBS



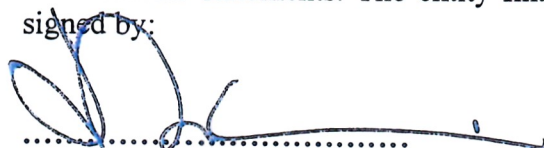
Senior Deputy Accountant General
 Mr. Vincent L. Kirwa
 ICPAK Member No.10999

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Notes	2021-2022	2020 -2021
		Kshs	Kshs
Receipts for Operating Income			
Tax Revenues	1	14,983,906	22,163,393
Exchequer releases	2	19,235,769,059	14,906,169,109
Other receipts	3	285,165,239	191,295,112
Total receipts		19,535,918,203	15,119,627,613
Payments For Operating Expenses			
Compensation of employees	4	9,055,339,549	8,043,766,604
Use of goods and services	5	7,867,418,864	6,058,055,005
Transfers to other government units	6	162,479,726	142,862,929
Other grants and transfers	7	628,131,476	616,042,042
Social security benefits	8	41,009,641	11,126,115
Other payments	10	440,174,314	-
Total payments		18,194,553,571	14,871,852,694
Adjusted For:			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	16	607,702	7,085,709
Increase/(Decrease) in deposits and retention	17	59,518,978	(14,555,843)
Prior year adjustments	15	(8,882,004)	(7,758,343)
Net Cash Flow from Operating Activities		1,392,609,308	232,546,443
Cash flow From Investing Activities			
Acquisition of assets	9	(1,000,938,865)	(1,064,835,738)
Net Cash Flows from Investing Activities		(1,000,938,865)	(1,064,835,738)
Net increase in cash and cash equivalent		391,670,443	(832,289,295)
Cash & Cash Equivalent at Start of The Year	11	1,345,509,376	2,177,798,671
Cash & Cash Equivalent at End of The Year	11	1,737,179,819	1,345,509,376

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 30th September 2022 and signed by:



Principal Secretary
Amb. Macharia Kamau, CBS



Senior Deputy Accountant General
Mr. Vincent L. Kirwa
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Tax receipts	45,204,000	(9,768,124)	35,435,876	14,983,906	20,451,970	42%
Exchequer releases	18,249,519,449	1,407,711,640	19,657,231,089	19,235,769,059	421,462,030	98%
Other receipts	525,273,729	(226,463,037)	298,810,692	285,165,239	13,645,453	95%
Total Receipts	18,819,997,178	1,171,480,479	19,991,477,657	19,535,918,203	455,559,454	98%
Payments						
Compensation of employees	8,646,390,000	461,132,260	9,107,522,260	9,055,339,549	52,182,711	99%
Use of goods and services	7,120,975,789	1,108,425,270	8,229,401,059	7,867,418,864	361,982,195	96%
Transfers to other government entities	227,131,977	(40,000,000)	187,131,977	162,479,726	24,652,251	87%
Other grants and transfers	719,763,748	(23,476,566)	696,287,182	628,131,476	68,155,706	90%
Social security benefits	10,437,083	31,597,057	42,034,140	41,009,641	1,024,499	98%
Acquisition of assets	2,095,298,581	(366,197,542)	1,729,101,039	1,000,938,865	728,162,174	58%
Other payment	-	-	-	440,174,314	(440,174,314)	
Total Payments	18,819,997,178	1,171,480,479	19,991,477,657	19,195,492,436	795,985,222	96%
Surplus/ Deficit	-	-	-	340,425,768		

(a) Variance analysis: below are commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

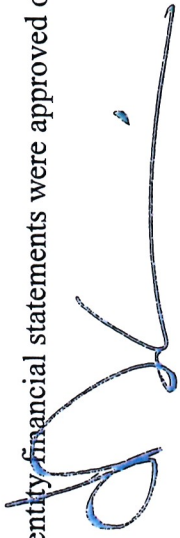
1. Tax Receipts - The Ministry was unable to meet the projected tax receipts due to under collections at the missions.
2. Other receipts - The Ministry was unable to meet the projected receipts due to digitalization of VISA fees at the missions.
3. Transfer to other Government Units - The Ministry was unable to utilize its budget due to late release of exchequer by the National Treasury.

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

4. *Other grants and transfers – The budget relates to scholarship and education benefits for children to officers serving in the missions.*
5. *Acquisition of assets - Ministry was unable to utilize its budget due to slowed general procurement of assets*
 - (b) *Reallocations within the year: There were no reallocations within the year.*

The entity financial statements were approved on 30th September 2022 and signed by:



.....
Principal Secretary
Amb. Macharia Kamau, CBS



.....
Senior Deputy Accountant General
Mr. Vincent L. Kirwa
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

11 (a) SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Tax Receipts	45,204,000	(9,768,124)	35,435,876	14,983,906	20,451,970	42%
Exchequer releases	16,453,396,651	1,907,711,640	18,361,108,291	17,984,325,232	376,783,059	98%
Other receipts	525,273,729	(226,463,037)	298,810,692	285,165,239	13,645,453	95%
Total Receipts	17,023,874,380	1,671,480,479	18,695,354,859	18,284,474,376	410,880,483	98%
Payments						
Compensation of employees	8,646,390,000	461,132,260	9,107,522,260	9,055,339,549	52,182,711	99%
Use of goods and services	7,120,975,789	1,108,425,270	8,229,401,059	7,867,418,864	361,982,195	96%
Transfers to other Government entities	107,131,977	-	107,131,977	103,795,980	3,335,997	97%
Other grants and transfers	719,763,748	(23,476,566)	696,287,182	628,131,476	68,155,706	90%
Social security benefits	10,437,083	31,597,057	42,034,140	41,009,641	1,024,499	98%
Acquisition of assets	419,175,783	93,802,458	512,978,241	423,883,357	89,094,884	83%
Other Payments	-	-	-	440,174,315	(440,174,315)	
Total Payments	17,023,874,380	1,671,480,479	18,695,354,859	18,559,753,182	135,601,677	99%
Surplus/Deficit				(275,278,806)		

Notes

(a) Variance analysis:

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

1. *Other grants and transfer - The budget relates to scholarship and education benefits for children to officers serving in the missions.*
2. *Acquisition of assets - The Ministry was unable to utilize its budget due to slowed general procurement of assets.*

The entity financial statements were approved on 30TH SEPTEMBER 2022 and signed by:



.....
Principal Secretary
Amb. Macharia Kamau, CBS



.....
Senior Deputy Accountant General
Mr. Vincent L. Kirwa
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

11 (B) SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Exchequer releases	1,796,122,798	(500,000,000)	1,296,122,798	1,251,443,827	44,678,971	97%
Total Receipts	1,796,122,798	(500,000,000)	1,296,122,798	1,251,443,827	44,678,971	97%
Payments						
Transfers to other Government entity	120,000,000	(40,000,000)	80,000,000	58,683,745	21,316,255	73%
Acquisition of assets	1,676,122,798	(460,000,000)	1,216,122,798	577,055,508	639,067,290	47%
Total Payments	1,796,122,798	(500,000,000)	1,296,122,798	635,739,253	660,383,545	49%
Surplus/Deficit				615,704,574		

(a) Variance analysis:

1. Other grants and transfer - The budget relates to scholarship and education benefits for children to officers serving in the missions.

2. Acquisition of assets - The Ministry was unable to utilize its budget due to slowed general procurement of assets.

(b) Reallocations within the year:

The entity financial statements were approved on 20th SEPTEMBER 2022 and signed by:



Principal Secretary
Amb. Macharia Kamau, CBS



Senior Deputy Accountant General
Mr. Vincent L. Kirwa
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

11 (C) BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR FY2021/2022

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0		Default - Non Programmatic	0	3,811,624.75	-3,811,624.75
		Default - Non Programmatic	0	3,811,624.75	-3,811,624.75
101000000		Land Policy and Planning	0	0	0
	101010000	Development Planning and Land Reforms	0	0	0
711000000		Gender & Youth Empowerment	0	264,243.75	-264,243.75
	711010000	National Youth Service	0	264,243.75	-264,243.75
714000000		General Administration Planning and Support	2,444,691,232.00	2,431,408,609.20	13,282,622.80
	714010000	Administration services	2,444,691,232.00	2,431,408,609.20	13,282,622.80
715000000		Foreign Relation and Diplomacy	17,274,547,865.00	15,341,954,916.80	1,932,592,948.20
	715000000	Foreign Relation and Diplomacy	0	14,232,192.00	-14,232,192.00
	715010000	Management of Kenya missions abroad	14,144,815,502.00	12,881,822,830.00	1,262,992,672.00
	715020000		1,149,640,000.00	476,792,340.50	672,847,659.50
	715030000		22,810,049.00	22,075,115.25	734,933.75
	715040000		1,771,622,073.00	1,759,602,954.80	12,019,118.20
	715050000		14,476,474.00	23,417,396.40	-8,940,922.40
	715060000		171,183,767.00	164,012,087.85	7,171,679.15
741000000		Economic and Commercial Diplomacy	51,823,239.00	67,604,052.30	-15,780,813.30
	741010000		51,823,239.00	67,604,052.30	-15,780,813.30
742000000		Foreign Policy Research, Capacity Dev and	220,415,321.00	193,640,066.20	26,775,254.80
	742010000		140,415,321.00	134,956,320.90	5,459,000.10
	742020000		80,000,000.00	58,683,745.30	21,316,254.70
2021000000			0	0	0
	2021100000		0	0	0
		Grand Total	19,991,477,657.00	18,038,683,513.00	1,952,794,144.00

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Ministry of Foreign budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

12. NOTES TO THE FINANCIAL STATEMENT

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Ministry of Foreign Affairs

The financial statements are for the Ministry of Foreign Affairs. The financial statements encompass the reporting Ministry of Foreign Affairs as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

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

Significant Accounting Policies (Continued)

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by Ministry of Foreign Affairs for all the years presented.

a) Recognition of Receipts

The *Entity* recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Ministry of Foreign Affairs.

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Significant Accounting Policies (Continued)

(iii) Other receipts

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

b) Recognition of payments

The Ministry of Foreign Affairs recognises all payments when the event occurs, and the related cash has been paid out by the Ministry.

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

MINISTRY OF FOREIGN AFFAIRS

Annual Report and Financial Statements for the year ended 30th June 2022

Significant Accounting Policies (Continued)

v) Acquisition of Fixed Assets

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

A fixed asset register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure 3 to the financial statements.*

vi) In-kind contributions

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

vii) Third Party Payments

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

Significant Accounting Policies (Continued)

c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure 5 to the financial statements.*

Restriction on Cash

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

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to Kshs 282,026,800 compared to Kshs 222,507,822 in prior period as indicated on note 13. There were no other restrictions on cash during the year.

d) Imprests and advances

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

Significant Accounting Policies (Continued)

e) Third party deposits and retention

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

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in *June 2021 for the period 1st July 2021 to 30th June 2022* as required by Law and there were 3 number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

Significant Accounting Policies (Continued)

h) Comparative Figures

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

i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

Significant Accounting Policies (Continued)

l) Contingent Liabilities

A contingent liability is:

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

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

m) Foreign Currency transactions

Transactions in foreign currencies are initially accounted for at the official rate of exchange on the date of the transaction. Transactions denominated in foreign currency are reported at the statement of receipts and payment at the 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.

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements

1 Tax receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Taxes on Goods and Services	14,983,906	22,163,393
Total	14,983,906	22,163,393

The amount relates to VAT refunds for the period. The changes are as a result of decline in the number of transactions in the missions during the year.

2 Exchequer releases

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	4,124,418,776	3,980,874,990
Total Exchequer releases for quarter 2	5,015,871,918	2,333,070,443
Total Exchequer releases for quarter 3	4,463,776,480	3,334,595,239
Total Exchequer releases for quarter 4	5,631,701,884	5,257,628,437
Total	19,235,769,059	14,906,169,109

The Ministry received Ksh. 19,235,769,058.60 from The National Treasury against a budget of Ksh. 19,657,231,089. The difference of Ksh. 421,462,030 was never received as at the end of the financial year. In FY2021/2022 there was an increment in the budget numbers which explain the significant change in comparatives.

3 Other Receipts

Description	2021-2022	2020-2021
	Kshs	Kshs
Rents on land, houses and buildings	35,637,708	73,249,772
Other Property Income collected as AIA	1,743,827	1,302,000
Sales of Market Establishment	4,760,300	-
Administrative Fees and Charges	1,408,324	2,721,743
Administrative Fees and Charges collected as AIA	208,656,262	113,876,463
Receipts Not Classified Elsewhere	32,958,819	145,134
Total	285,165,239	191,295,112

The decrease in rents on land, houses and building is as a result of moving mission offices to own premises. There was an increase in AIA collections during the year.

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

4 Compensation to Employees

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	1,204,344,333	961,833,343
Basic wages of temporary employees	2,022,148,247	1,861,256,355
Personal allowances paid as part of salary	5,007,057,730	4,538,990,611
Personal allowances paid as reimbursements	373,011,496	311,954,606
Personal allowances provided in kind	10,471,827	10,544,542
Pension and other social security contributions	81,865,549	74,924,821
Employer contributions to compulsory national social security schemes	328,408,088	265,378,718
Employer contributions to compulsory national health insurance schemes	28,032,280	18,883,607
Total	9,055,339,549	8,043,766,604

Changes in Compensation of employees' numbers relates to employment of additional staff at the Ministry during the year.

5 Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	425,656,775	406,626,613
Communication, supplies and services	217,572,340	211,432,228
Domestic travel and subsistence	198,084,328	169,647,411
Foreign travel and subsistence	2,222,184,214	1,169,228,757
Printing, advertising and information supplies & services	27,368,269	21,192,271
Rentals of produced assets	2,868,080,452	2,441,520,217
Training expenses	10,060,938	9,198,217
Hospitality supplies and services	374,291,432	303,052,515
Insurance costs	88,286,852	79,598,459
Specialized materials and services	33,536,137	24,783,320
Office and general supplies and services	98,907,646	79,116,993
Fuel Oil and Lubricants	101,246,651	79,073,775

MINISTRY OF FOREIGN AFFAIRS**Annual Report and Financial Statements for the year ended 30th June 2022**

Description	2021-2022	2020-2021
	Kshs	Kshs
Other operating expenses	1,019,516,271	901,921,066
Routine maintenance – vehicles and other transport equipment	50,744,486	49,406,907
Routine maintenance – other assets	131,882,075	112,256,255
Total	7,867,418,864	6,058,055,005

The increase in total expenditure under use of goods is attributed to increase in foreign diplomacy visits during the period.

6 Grants and Transfers to other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to National Government entities		
Current grants to government agencies and other level of govt	103,795,980	115,627,907
Capital grants to government agencies and other level of govt	58,683,745	27,235,022
Total	162,479,726	142,862,929

7 Other Grants and Transfers

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Scholarships and other educational benefits	628,131,476	616,042,042
Total	628,131,476	616,042,042

The amount relates to scholarship and educational benefits to children of officers in the missions.

8 Social Security Benefits

	2021-2022	2020-2021
	Kshs	Kshs
Government pension and retirement benefits	41,009,641	11,126,115
Total	41,009,641	11,126,115

The amount relates to gratuity and other benefits to officers whose term have expired during the period. The number of retired officers were more in the current year as compared to previous period.

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

9 Acquisition of Assets

Non -Financial Assets	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	319,329,598.10
Refurbishment of Buildings	577,055,508	642,652,644
Purchase of Vehicles and other Transport Equipment	285,314,499	12,999,999
Overhaul of Vehicles and other Transport Equipment	3,798,037	2,851,124
Purchase of Household Furniture and Institutional Equipment	67,671,872	55,162,238
Purchase of Office Furniture and General Equipment	43,360,506	31,574,760
Purchase of Specialized Plant, Equipment and Machinery	23,738,443	265,375
Total	1,000,938,865	1,064,835,738

The reduction in the actual expenditure on acquisition of assets is as a result of slowed procurement during the year.

10 Other Expenses

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Foreign Exchange gains and losses (Net)	440,174,314	-
Total	440,174,314	-

A foreign exchange gain/loss occurs when a mission settles transactions in a foreign currency, and that currency fluctuates relative to the home currency (official rate). It can create differences in value in the monetary assets and liabilities, which must be recognized in the books.

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

11 Cash and Bank Accounts
11A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	2021-2022	2020-2021
			Kshs	Kshs
Central Bank of Kenya -REC 10001302337	KES	REC	151,778,502	26,900
Central Bank of Kenya -DEV 10001302356	KES	DEV	2,989,019	8,855,104
Central Bank of Kenya -DEP 10001302372	KES	DEP	282,026,800	222,507,822
Kenya Missions Abroad - REC 6530103	KES	REC	559,827,588	965,883,704
Kenya Missions Abroad - DEV 6540102	KES	DEV	740,257,463	148,211,160
Total			1,736,879,371	1,345,484,690

11B: Cash on hand

Description	2021-2022	2020-2021
	Kshs	Kshs
Cash in hand – Held in domestic currency	300,448	24,686
Total	300,448	24,686

Detailed Cash is as follows:

Description	2021-2022	2020-2021
	Kshs	Kshs
Location 1 -Cash Office	300,448	24,686
Total	300,448	24,686

[Attached board of survey certificates]

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

12 : Imprests and Advances

<i>Description</i>	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	152,809	990,150
Salary advances	263,937	34,298
Total	416,746	1,024,448

Below is a breakdown of the outstanding imprest:

<i>Name of Officer</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
<i>Galma Mukhe Boru</i>	-	100,409	-	100,409
<i>Ngome Kombo Chibamba</i>	-	30,000	-	30,000
<i>Zablon Ondieki Mireru</i>	-	22,400	-	22,400
Total				152,809

13 Third party deposits and retention

<i>Description</i>	2021-2022	2020-2021
	Kshs	Kshs
Retention	5,905,898	4,519,889
Deposits	276,120,902	217,987,933
Total	282,026,800	222,507,822

The amount relates to retentions and deposits held on behalf of third party

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

Notes to the Financial Statements (Continued)

14 . Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	1,345,484,690	2,177,403,862
Cash in hand	24,686	394,809
Accounts Receivables	1,024,448	8,110,157
Accounts Payables	(222,507,822)	(237,063,665)
Total	1,124,026,002	1,948,845,163

15 Prior Year Adjustments

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	1,345,484,690	8,882,004	1,336,602,686
Cash In Hand	24,686	-	24,686
Accounts Payables	-222,507,822	-	1,024,448
Receivables	1,024,448	-	-222,507,822
	1,124,026,002	8,882,004	1,115,143,998

** The prior year amount relates to amount swept back to the National Treasury at the beginning of the financial year.

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Notes to the Financial Statements (Continued)

16 (Increase)/ Decrease in Advances and Imprests

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables As At 1 st July, 2021 (A)	1,024,448	8,110,157
Receivables As At 30 th June, 2022 (B)	416,746	1,024,448
(Increase)/ Decrease in Receivables (C=(B-A))	607,702	7,085,709

17 Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2021-2022	2020-2021
	Kshs	Kshs
Payables As At 1 st July, 2021	222,507,822	237,063,665
Payables As At 30 th June, 2022	282,026,800	222,507,822
Increase/ (Decrease) In Payables	59,518,978	-14,555,843

18 Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

Notes to the Financial Statements (Continued)

19 Other Important Disclosures

19.1 Related party transactions:

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to Related Parties		
Transfer to other Non -Reporting Government Entities	162,479,7256	142,862,929
Total Transfers to Related Parties	162,479,726	142,862,929
Transfers from Related Parties		
Transfers from the Exchequer	19,235,769,059	14,906,169,109
Total Transfers from Related Parties	19,398,248,785	15,049,032,038

19.2: Pending Accounts Payable (See Annex 1)

Description	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	-	-	-
Construction of Civil Works	-	-	-	-
Supply of Goods	-	-	-	-
Supply of Services	-	-	-	-
Total	-	-	-	-

As per attached schedule.

Notes to the Financial Statements (Continued)

19.3: Other Pending Payables (See Annex 2)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	-	-	-	-
Amounts due to County Government Entities	-	-	-	-
Amounts due to Third Parties	-	-	-	-
Total	-	-	-	-

19.4: Contingent Liabilities

Contingent liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court cases against the Ministry of Foreign Affairs	-	112,013,123
Total	-	112,013,123

Notes to the Financial Statements (Continued)

19.5 Progress on follow up of Prior Years Auditor-General's recommendations

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Cash and Cash Equivalents	The statement of assets and liabilities as at 30 June, 2021 reflects cash and cash equivalents of Kshs. 1,345,509,377. However, the amount varies with cash book balances for the headquarters recurrent vote and some missions.	The Ministry has reconciled these variances and the correct cashbook balances established	Resolved	
Pending Bills	The financial statements reflects pending accounts payable of Kshs 264,979,240 as at 30 June 2021. The bills were not paid during the year under review but were instead carried forward to the 2021/2022 financial	The Ministry at the commencement of 2021/2022 Financial Year, verified the bills and has been settling the same as a 1st charge on the 2021/2022 Financial Year's budget in accordance with the financial regulations as and when the exchequer is availed from the National Treasury.	Resolved	

MINISTRY OF FOREIGN AFFAIRS

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	year. In the financial year 2019/2020, an amount of Kshs. 319,661,265 was spent towards the SBEC activities thereby overdrawn the deposits cash book by Kshs. 60,746,467.			
Overdrawing of Deposit Cash Book and irregular charge of Expenditure Query	The amount was refunded back into the deposit cashbook.	Resolved		

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed focal persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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Principal Secretary
Amb. Macharia Kamau, CBS

.....
Senior Deputy Accountant General
Mr. Vincent L. Kirwa
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements for the year ended 30th June 2022

13. ANNEXES

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
	A	B	C	d=a-c		
Construction of buildings						
1.						
Sub-Total						
Construction of civil works						
2.						
Sub-Total						
Supply of goods						
3.						
Sub-Total						
Supply of services						
4.						
5.						
Sub-Total						
Grand Total						

As per attached schedule.

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Annual Report and Financial Statements for the year ended 30th June 2022

Annex 2 - Analysis of Other Pending Payables

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (<i>specify</i>)							
7.							
8.							
Sub-Total							
Grand Total							

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Annex 3 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total					

As per attached schedule

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Annex 4 – Contingent Liabilities Register

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Annex 5- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

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