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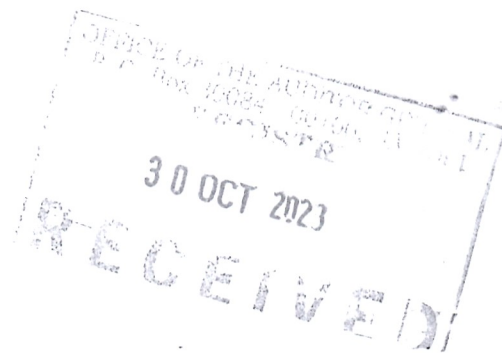
Hon. Mr. Speaker, CBS, MP
Deputy majority leader
A. J. Stinebaugh

OF

ON

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

THE NATIONAL TREASURY



PUBLIC DEBT MANAGEMENT SUPPORT PROJECT

**THE NATIONAL TREASURY
(RESOURCE MOBILISATION DEPARTMENT)**

**GRANT AGREEMENT NO. 5500155013708
IDENTIFICATION NO. P-KE-KFO-006**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

The National Treasury
Public Debt Management Support Project
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1. Acronyms and Glossary of Terms

ADB	African Development Bank
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
PDMO	Public Debt Management Office
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
TNT	The National Treasury
WB	World Bank

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **Public Debt Management Support Project**.

Objective

The key objective of the project is to strengthen public debt management office (PDMO) in public debt management to ensure transparent, accountable, and effective management of public debt and borrowing.

Address

The project headquarters' location and contacts is as listed below:

P.O. Box 30007-00100,
Treasury Building,
Harambee, Avenue
NAIROBI, KENYA

Telephone: (254)020-2252299

Email: info@treasury.go.ke

Website: www.treasury.go.ke

The project does not have other offices or branches.

2.2 Project Information

Project Start Date:	23 rd September, 2020
Project End Date:	31 st May, 2024
Project Manager:	Dr. Kenrick Ayot
Project Sponsor:	African Development Bank

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Resource Mobilisation Department at The National Treasury.
Project number	Grant Agreement No. 5500155013708 Identification No. P-KE-KFO-006
Strategic goals of the project	The strategic goals of the project are as follows: (i) Strengthen Public Debt Management functions (ii) Strengthening Institutional Capacity for Transparency, Accountable and Results based Debt Management
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Technical assistance to develop a) Fiscal commitments and contingent liabilities framework b) Training on Debt dissemination standards (ii) Technical assistance to conduct a) Portfolio review for borrowing and debt related transactions (iii) Training on loan negotiations
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Skills enhancement of PDMO staff (ii) Public Debt Management Framework
Project duration	The project started on 23 rd September, 2020 and is expected to run until 31 May, 2024.

2.4 Bankers

The following are the bankers for the project:

Central Bank of Kenya
 Haile Selassie Avenue
 P.O. Box 60000
 City Square 00200
NAIROBI, KENYA
 Tel: +254 20 2860000

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Project Information and Overall Performance (Continued)

2.5 Independent Auditor

The Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084-00100

NAIROBI, KENYA

2.6 Roles and Responsibilities

Name	Title designation	Key qualification	Responsibilities
Dr. Chris Kiptoo, CBS	Principal Secretary	Doctorate	Accounting Officer, The National Treasury
Dr. Kenrick Ayot	Principal Economist	Doctorate	Project Manager
Miriam Kundu	Ass. Director, Supply Chain Management	Bachelors	Project Procurement Officer
Christine Chimayi	Accountant	CPA, Part II	Project Accountant

2.7 Funding summary

The Project is for duration of three years six months from 2020 to 2024 with an approved budget highlighted below:

- i. AfDB: USD. 1,120,000.00 equivalent to Kshs.122,080,000.00
- ii. GOK: Kshs. 30,000,000.00

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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	USD	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
African Development Bank	1,120,000	122,080,000	354,930	42,565,190	765,070	79,514,810
(ii) Counterpart funds						
Government of Kenya	-	30,000,000	-	229,960,108	-	-
Total	1,120,000	152,080,000	354,930	272,525,298	765,070	79,514,810

Note:

Donor Commitment of USD.1,120,000.00 at exchange rate of Kshs.109.00 during FY2020-2021.

Amount received to date includes Direct Payment of USD.97,931 (Kshs.11,937,500)

Undrawn Balance of USD.860,000.00 at Exchanger rate of Kshs.140.35 as at 30th June 2023

Donor commitment of UA at an exchange rate of USD.1.4 during FY2020-2021.

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30 th June 2023)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
African Development Bank	354,930	42,565,190	-	42,085,863	-	479,327
(i) Counterpart funds						
Government of Kenya	-	229,960,108	-	229,960,108	-	-
Total	354,930	272,525,298	-	272,045,971	-	479,327

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) The budget performance against actual amounts for current year and for cumulative to-date is as tabulated below

DESCRIPTION	FY 2022/2023		CUMMULATIVE TOTAL
	BUDGET	ACTUAL	
GOK Counterpart Funding	165,023,053	141,646,992	229,960,108
Grant Revenue	45,000,000	17,579,040	30,627,690
Grant AIA	55,000,000	11,937,500	11,937,500
TOTAL	265,023,053	171,163,532	272,525,298

Overall, out of the Development Commitment of (USD.1,120,000) Kshs.122,080,000.00, a total of Kshs.42,565,190 has been disbursed at a cumulative disbursement percentage of 35%. The underperformance is attributable to delays in procurement for both ICT equipment and digitization for PDMO.

- ii) The Physical progress based on outputs, outcomes, and impacts since project commencement is as follows:

The project trained and built capacity of PDMO staff with a focus on the areas of loan analysis and negotiation, cash management, risk management, financial management of donor funded projects and supervisory skills training. It further facilitated the development of terms of reference for public debt management framework as well as the issuance of expressions of interest for development of public debt management frameworks.

- iii) The absorption rate for each year since the commencement of the project is as below:

The Project disbursed as indicted below based on the appropriated budget for each of the Financial Years

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Financial Year	Budget	Actual on Comparable Basis	Absorption Rate
2020-2021	41,000,000	28,154,463	69%
2021-2022	104,000,000	72,727,976	70%
2022-2023	265,023,053	171,163,532	65%

- iv) The implementation challenges and recommended next steps is as explained below:

The main project implementation challenge was the delays in the procurement of ICT equipment. Delays in procurement of ICT equipment has hampered effort of the project to request the African Development Bank (AfDB) for subsequent replenishments.

According to AfDB procedures, subsequent disbursements (replenishment) can only be done after fully accounting for at least 51 percent of the already disbursed funds. Whereas the Project has fully accounted for the funds used for capacity building, unfortunately, it has not been possible to request for further disbursements because the amount accounted for so far was below the 50 percent threshold occasioned by non-utilization of ICT funds. The locked funds under ICT due to procurement delays implies that the donor funds for other activities have remained underutilized in both the FY2021/22 and FY2022/23. The project activities have therefore mainly been financed through the GoK counterpart funding.

This procurement challenge has been resolved by change in policy where procurement of ICT equipment has been moved from the centralized procurement undertaken by the State Department of ICT to individual MDAs.

2.9 Summary of Project Compliance:

- i) The project has complied to all applicable laws and regulations. All relevant statutory provisions pertaining to budgeting, disbursement, financial reporting and

procurement as stipulated in the relevant Acts were followed in the acquisition of goods and services.

- ii) There have never been any consequences which the project has suffered since all the rules and regulations have been complied.
- iii) The mitigation measures taken are sensitization of the staff on the applicable laws and indicating the consequences they can face in not abiding to the regulations.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objective of the project is to strengthen public debt management capacity of the Public Debt Management Office (PDMO) for transparent, accountable, and effective management of public debt and borrowing.

The ultimate objective is to support the GoK to better manage the level and composition of national public debt, national guarantees and other financial obligations of national government within the fiscal consolidation framework and develop a framework for sustainable debt control.

The project aims at enhancing the capacity of the National Treasury (NT) to better balance the government's financing needs and its payment obligations over the medium to long run, consistent with a prudent degree of risk. Reducing vulnerabilities to risks of public debt and maintaining debt within sustainable levels of is critical for government's efforts to attain fiscal consolidation policy in order to safeguard macroeconomic stability and reduce the pace of growth of the public debt.

Progress on attainment of strategic development objectives

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

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Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Public Debt Management Support Project	To strengthen public debt management capacity of the Public Debt Management Office (PDMO)	- Trained and built capacity of PDMO staff with a focus on the following areas: Loan Analysis and Negotiation, Cash Management, Risk Management, Financial Management of Donor Funded Projects and Supervisory Skills Training. - Developed terms of reference for public debt management framework - Issued expressions of interest for development of public debt management frameworks	- Number of staff trained - Terms of Reference - Expression of interest - Public management framework developed	- Twenty-six (26) staff trained - Terms of reference for Public Debt Management Framework developed - Expression of interest for development of public debt management framework issued - Consultancy contract on development of public debt management framework is ongoing and is 50% complete

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4. Environmental and Sustainability reporting

Public Debt Management Project did not take part in Corporate Social Responsibility during the year.

5. Statement of Project Management responsibilities

The Principal Secretary for The National Treasury and the **Project Coordinator** for **Public Debt Management Support project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for The National Treasury and the Project Coordinator for **Public Debt Management Support project** accept responsibility for the Project'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.

The Principal Secretary for The National Treasury and the Project Coordinator for **Public Debt Management Support project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary for The National Treasury and the Project Coordinator for **Public Debt Management Support project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

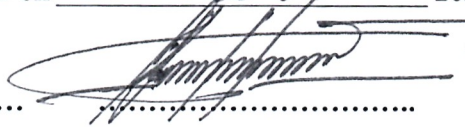
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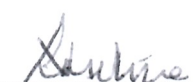
The Principal Secretary for The National Treasury and the Project Coordinator for **Public Debt Management Support** project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary for The National Treasury, the Project Coordinator for **Public Debt Management Support Project** and the Head of Disbursement Unit-RMD on 23rd October 2023 and signed by:


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


.....
Dr. Kenrick Ayot
Project Coordinator


.....
CPA Linnet M. Vitisia, ndc (K)
Head: Disbursement Unit
ICPAK Member No: 5831

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PUBLIC DEBT MANAGEMENT SUPPORT PROJECT (PDMS) - ADB GRANT AGREEMENT NO.5500155013708 FOR THE YEAR ENDED 30 JUNE, 2023 - THE NATIONAL TREASURY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in 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 the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Public Debt Management Support Project set out on pages 1 to 17, which comprise of the statement of financial assets as at 30 June, 2023 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, the financial statements present fairly, in all material respects, the financial position of the Public Debt Management Support Project as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Grant Agreement No.5500155013708 dated 23 September, 2020 between the African Development Bank (ADB) and African Development Fund and the Republic of Kenya.

In addition, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Debt Management Support Project 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 opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts on comparable basis Kshs.265,023,053 and Kshs.167,769,482 respectively resulting to an under collection of kshs.97,253,571 or 37% of the budget. Similarly, the Project expended Kshs.171,163,532 against a budget of Kshs.265,023,053 resulting to an under-expenditure of Kshs.93,859,521 or 35% of the budget. Further, Donor receipts as at 30 June, 2023 amounted to Kshs.54,502,690 or USD 354,930 against a pledged amount of Kshs.122,080,000 or USD 1,120,000 thereby resulting to an undrawn amount of Kshs.67,577,310 or USD 765,070. With the project coming to an end in May, 2024 after an extension which was granted, there is a risk that the program will come to an end without all the donor funding received, planned activities undertaken and the project objectives met.

In addition, the statement of comparison of budget and actual amounts reflects original budget figure of Kshs.270,023,053 and a final figure of Kshs.265,023,053 after adjustments. An approved original and revised departmental work plan in support of the budget figure in the printed estimates which was given as a one-line budget under

“Capital grants to Government Agencies and Other levels of Government” and not programme based was not provided to support the budget figures and the relating planned activities.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Delay in Development of Public Debt Management Frameworks

The statement of receipts and payments reflects purchase of goods and services amount of Kshs.171,163,532 which include direct payment-payment to consultant from foreign Grant amount of Kshs.11,937,500 as disclosed in Note 3 to the financial statements. This related to consultancy services for the development of public debt management frameworks under tender number TNT/RFP/004/2021-2022. The contract period was to be eight weeks from 17 May, 2023 to 17 July, 2023. However, two extensions of 6 weeks from 18 July, 2022 to 29 August, 2023 and 4 weeks from 30 August, 2023 to 26 September, 2023 were approved with no additional cost.

The first phase of the consultancy which was for the development of public debt risk management frameworks which was to take a week had been delivered and a direct payment of Kshs.11,937,500 made. However, four of the deliverables which included review and development of external resource mobilization procedure/operations manual, review and development of operational guidelines to support secondary market trading, development of monitoring and evaluation frameworks for donor funded projects, capacity building for Public Debt Management Office (PDMO) staff on the developed frameworks had not been fully rendered as at the time of audit on October, 2023.

Although Management explained that the contract was completed within the stipulated time, a status report for the remaining phases of the consultancy project and the implementation team report for the same was not provided for audit review.

In the circumstance, the delivery of the consultancy services is uncertain.

2. Foreign Training Expenses

The statement of receipts and payments reflects purchase of goods and services amount of Kshs.171,163,532 which include payments to training institutions and domestic travel and subsistence amounts of Kshs.46,000,836 and Kshs.113,225,195 respectively as disclosed in Note 3 to the financial statements. Review of records relating to these expenses revealed that payments to training institutions were made mainly to foreign training institutions, whereas Kshs.105,270,195 of the domestic travel and subsistence payments related to foreign travelling and subsistence

allowances paid to officers attending the trainings and were charged on GOK counterpart funds. No plausible reason was provided why the courses could not be held locally neither were approvals from the Public Service Commission for the trainings provided as required by Public Service Commission February, 2017 publication on guidelines on training in the public service.

In the circumstance, it was not possible to ascertain whether the trainings were indeed warranted and that the right members of staff attended.

3. Unexplained Amount Withdrawn and not Claimed

The statement of special (designated) account reconciliation reflects amount withdrawn and not claimed of Kshs.4,172,714 as at 30 June, 2023. However, the details of this amount and reasons for failure to submit expenditure returns have not been provided. In this circumstance, Project Management may be in breach of section 4.4.3 of the AfDB guidelines for financial reporting and auditing of projects which states that borrowers must satisfactorily justify the use of all funds disbursed prior to the bank disbursing any new tranche of the loan.

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 overall governance were not effective.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by African Development Bank (ADB) and African Development Fund, I report based on my audit that:

- i. 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;

- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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 overall governance.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control 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 Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project'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 Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 October, 2023

7. Statement of Receipts and Payments for the year ended 30 June 2023.

Note	Receipts and payments controlled by the entity	2022/2023		Payment s made by third parties	Total	2021/2022		Receipts and payment controlled by the entity	Payme nts made by third parties	Total	Cumulative to-date (From inception)
		Kshs.	Kshs.			Kshs.	Kshs.				
Receipts											Kshs.
Gok Counterpart Funding	1	141,646,992		-	141,646,992			72,727,976	-	72,727,976	229,960,108
Proceeds from foreign Grants	2	14,184,990		11,937,500	26,122,490			-	-		42,565,190
Total receipts		155,831,982		11,937,500	167,769,482			72,727,976	-	72,727,976	272,525,298
Payments											
Purchase of goods and services	3	159,226,032		11,937,500	171,163,532			72,727,976	-	72,727,976	272,045,971
Total payments		159,226,032		11,937,500	171,163,532			72,727,976	-	72,727,976	272,045,971
Surplus/ (deficit)		(3,394,050)		-	(3,394,050)			-	-	-	479,327

The accounting policies and explanatory notes to these Financial Statements are an integral part of the Financial Statements.


.....

Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury


.....

Dr. Kenrick Ayot
Project Coordinator


.....

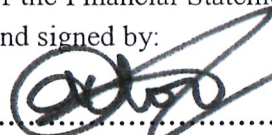
CPA Linnet M. Vitisia, ndc (K)
Head: Disbursement Unit
ICPAK Member No: 5831

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2023

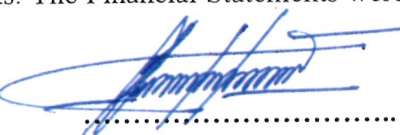
8. Statement of Financial Assets for the year ended 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	4 A	479,327	3,873,377
Cash Balances		-	-
Cash equivalents (Short-term deposits)		-	-
Total Cash and Cash equivalents		479,327	3,873,377
Imprests and Advances		-	-
Total Financial Assets		479,327	3,873,377
Financial Liabilities			
Third party Deposits and Retention		-	-
Net Assets		479,327	3,873,377
Represented By			
Fund Balance B/fwd.	7	3,873,377	-
Prior Year adjustments		-	-
Surplus/(Deficit) for the Year		(3,394,050)	3,873,377
Net Financial Position		479,327	3,873,377

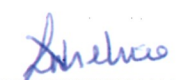
The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Financial Statements were approved on 23rd October 2023 and signed by:



 Dr. Chris Kiptoo, CBS
 Principal Secretary
 The National Treasury



 Dr. Kenrick, Ayot
 Project Coordinator



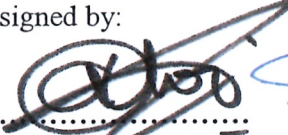
 CPA Linnet M. Vitisia, ndc (K)
 Head: Disbursement Unit
 ICPAK Member No: 5831

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023

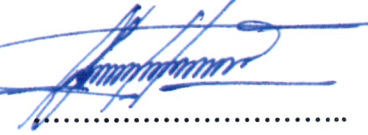
9. Statement of Cashflow for the year ended 30 June 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
GOK Counterpart Funding	1	141,646,992	72,727,976
Proceeds from Foreign Grants	2	26,122,490	-
Total receipts		167,769,482	72,727,976
Payments			
Purchase of goods and services	3	171,163,532	72,727,976
Total Payments		171,163,532	72,727,976
Net receipts/(payments)		(3,394,050)	-
Adjustments during the year			
Prior year adjustments		-	-
Net cash flow from operating activities		(3,394,050)	-
Cashflow from investing activities		-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities		-	-
Cash and cash equivalent at beginning of the year		3,873,377	3,873,377
Cash and cash equivalent at end of the year		479,327	3,873,377

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 23rd October 2023 and signed by:



Dr. Chris Kiptoo, CBS
 Principal Secretary
The National Treasury



Dr. Kenrick, Ayot
 Project Coordinator



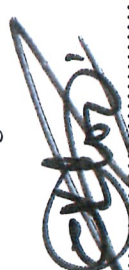
CPA Linnet M. Vitisia, ndc (K)
 Head: Disbursement Unit
 ICPAK Member No: 5831

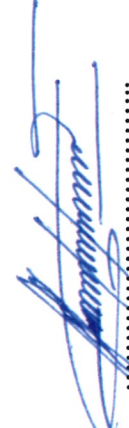
*The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

10. Statement of Comparison of Budget and Actual amounts for year ended 30 June 2023

Receipts/Payments Item	Original Budget a	Adjustment s b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
GOK Counterpart Funding	150,023,053	15,000,000	165,023,053	141,646,992	23,376,061	86%
Proceeds from Foreign Grants	40,000,000	5,000,000	45,000,000	14,184,990	30,815,010	32%
Direct payment from Foreign Grant	80,000,000	(25,000,000)	55,000,000	11,937,500	43,062,500	22%
Total Receipts	270,023,053	5,000,000	265,023,053	167,769,482	97,253,571	63%
Payments						
Purchase of goods and services	190,023,053	20,000,000	210,023,053	159,226,032	50,797,021	76%
Direct payment from Foreign Grant	80,000,000	(25,000,000)	55,000,000	11,937,500	43,062,500	22%
Total Payments	270,023,053	5,000,000	265,023,053	171,163,532	93,859,521	65%
Surplus or Deficit				(3,394,050)		

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these Financial Statements.


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


.....
Dr. Kenrick Ayot
Project Coordinator


.....
CPA Linnet M. Vitisia, ndc (K)
Head: Disbursement Unit
ICPAK Member No: 5831

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the 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.

b) Reporting entity

The financial statements are for Public Debt Management Support Project under The National Treasury. The financial statements are for the reporting entity (Public Debt Management Support Project) as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

Public Debt Management Support Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

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 recognized in the financial statements at the time associated cash is received.

iv) Donations and grants

Grants and donations 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/donation 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.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

Significant Accounting Policies (continued)

i) Compensation to 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 consumed and paid for. If not paid for during the period where goods/services are consumed, they 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 incur and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

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 by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (continued)

f) In-kind donations

In-kind contributions are donations that are made to the Project 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 Project 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.

g) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) 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 part deposits.

i) 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

Significant Accounting Policies (continued)

j) 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 Entity 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.

k) Contingent Assets

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

Significant Accounting Policies (continued)

l) 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' 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.

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The 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 and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by 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' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates

Significant Accounting Policies (continued)

prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

12. Notes to the Financial Statements

1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2022/2023	2021/2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>GOK Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	81,088,920	-	81,088,920
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	4,284,000	4,284,000
Counterpart funds Quarter 4	60,558,072	68,443,976	144,587,188
Total (See Annex 3)	<u>141,646,992</u>	<u>72,727,976</u>	<u>229,960,108</u>
<i>Other transfers from government entities</i>	-	-	
Total	<u>141,646,992</u>	<u>72,727,976</u>	<u>229,960,108</u>

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from African Development Bank as detailed in the table below:

Name of Donor	Date received	2022/2023					2021/2022		Cumulative to date
		Amount received in donor currency	Grants received in USD	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount		
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	Kshs	Kshs
Proceeds from Foreign Grants - Revenue	-	-	107,000	14,184,990	-	14,184,990	-	Kshs	30,627,690
Direct Payments from Foreign Grants	-	-	-	11,937,500	-	11,937,500	-	Kshs	11,937,500
Total	-	-	107,000	26,122,490	-	26,122,490	-	Kshs	42,565,190

3. Purchase of Goods and Services

Description	2022/2023				2021/2022		Cumulative to-date
	Payments made in Cash	Payments by third parties	Total payments		Total payments		
	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs
Domestic travel and subsistence	10,997,727	-	10,997,727		47,686,976	83,258,843	
Foreign Travel	102,227,468	-	102,227,468		-	102,227,468	
Payments to training Institutions	46,000,836	-	46,000,836		25,041,000	74,622,159	
Direct Payment – Payment to Consultant	-	11,937,500	11,937,500		-	11,937,500	
Total	159,226,031	11,937,500	171,163,531		72,727,976	272,045,970	

Notes to the Financial Statements (Continued)

4. Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts (Note 4A)	479,327	3,873,377
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Total	<u>479,327</u>	<u>3,873,377</u>

Public Debt Management Support Project has one project accounts spread within the project implementation area and one foreign currency designated account managed by the National Treasury as listed below:

4. A Bank Accounts

Project Bank Accounts

Details	2022/2023	2021/2022
		Kshs
<u>Foreign Currency Accounts</u>	USD	USD
Central Bank of Kenya [A/c No. 1000470167]	0	0
Total Foreign Currency balances		
<u>Local Currency Accounts</u>	Kshs	Kshs
Central Bank of Kenya [A/c No. 1000473851]	479,327	3,873,377
Total local currency balances	<u>479,327</u>	<u>3,873,377</u>
Total bank account balances	<u>479,327</u>	<u>3,873,377</u>

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	Period ended 30 th June, 2023	Prior period audited
	USD	USD
(i) A/c Name [A/c No. 1000470167]		
Opening balance	107,650	107,650
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	107,000	-
Closing balance (as per SDA bank account reconciliation attached)	650	107,650
(ii) A/c Name [A/c No. 1000470167]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
Closing balance (as per SDA bank account reconciliation attached)	650	107,650

Note:

The bank account is denominated in USD and as at 30.06.2023 had a closing balance of USD.650 (Kshs.91, 227.50). The prevailing exchange rate was Kshs 140.35 to 1 USD.

Notes to the Financial Statements (Continued)

5. Imprests and Advances

<i>Description</i>	2022/2023	2021/2022
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

There were no outstanding imprests or salary advances

6. Fund Balance Brought Forward

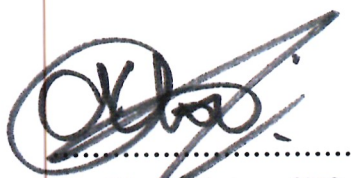
Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts	3,873,377	3,873,377
Total	<u>3,873,377</u>	<u>3,873,377</u>

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023

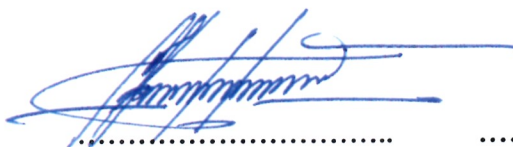
13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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)
N/A	None	N/A	N/A	N/A



Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury



Dr. Kenrick, Ayot
Project Coordinator



CPA Linnet M. Vitisia, ndc (K)
Head: Disbursement Unit
ICPAK Member No: 5831

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023

Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
GOK Counterpart Funding	165,023,053	141,646,992	23,376,061	86%	Procurement process for Equipment is in the process and not yet concluded
Proceeds from domestic and foreign grants	100,000,000	26,122,490	73,877,510	26%	
Total Receipts	265,023,053	167,797,482	97,253,571	63%	
Payments					
Purchase of goods and services	265,023,053	171,163,532	93,859,521	65%	Procurement process for Equipment is in the process and not yet concluded
Total payments	265,023,053	171,163,532	93,859,521	65%	

The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023

Annex 3: Reconciliation of inter-entity transfers

Project Name:				
Breakdown of transfers from Public Debt Management Support Project				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	
			141,646,992	2022-2023
		Total	141,646,992	
B.	Direct payments			
		Bank Statement Date	Amount (K.shs)	
			-	
		Total	-	
C.	Others			
		Bank Statement Date	Amount (K.shs)	
		Total	-	
		Total (A+B+C)	141,646,992	

.....


George K. Gichuru
Head of Accounting Unit
The National Treasury

.....


Dr. Kenrick, Ayot
Project Coordinator

*The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for The Period Ended 30 June, 2023*

Annex 4: Reporting of Climate Relevant Expenditures

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

There was no expenditure on this item.

Annex 5: Reporting Disaster Management Expenditure

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

Annex 3: Other Support Documents

- i. Certificate of Balance
- ii. Bank Reconciliations statement as at 30th June 2023
- iii. Special Deposit Account Reconciliation Statement
- iv. Trial Balance

Noted
18/7/23

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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

July 18, 2023.

CERTIFICATE OF BALANCES

Customer : 100094

MINISTRY OF FINANCE

Balance

Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000000977	TREASURY BILLS ACCOUNT	KES	0.00
1000000988	TREASURY BONDS ACCOUNT	KES	1,829,198,744.80
1000000996	REVENUE DEPOSIT ACCOUNT	KES	8,669,542,680.36
1000004053	TREASURY BONDS REDEMPTION	KES	138,700,000.00
1000004061	TREASURY BONDS INTEREST	KES	30.68
1000181467	REC-THE NATIONAL TREASURY	KES	1,141,462,368.67
1000181664	DEV-THE NATIONAL TREASURY	KES	17,321,113.65
1000182137	DEP-THE NATIONAL TREASURY	KES	205,577,249.15
1000004088	TREASURY BILLS REDEMPTION SUSP.	KES	0.00
1000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	KES	90,491,999.30
1000201924	VOLUNTARY PAY CUT	KES	2,019,245.00
1000237872	FINANCIAL SEC.SUPP.PRJ-IDA 56270-KE	KES	0.00

ACCOUNTANT GENERAL -
TREASURY

Customer : 100133

Balance

Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000122501	GOVERNMENT OVERDRAFT ACCOUNT.	KES	-76,456,927,038.09

NATIONAL TREASURY

Balance

Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000204378	REC-PUBLIC DEBT	KES	1,484,306,326.95
1000204419	REC-SALARIES ALLOWA MISC AND NSSSFC	KES	4,718,125.15
1000205024	PETROLEUM DEVELOPMENT LEVY FUND	KES	3,389,751,874.85
1000268743	AFRICAN INSTITUTE FOR REMITTANCES	KES	17,127,569.60
1000323876	A U OTHER INTERNAT. ORG SUBSC FUND	KES	5,395,394,231.61
1000331747	GREEN GROWTH AND EMPLOY CREATION PR	KES	5,000,000.00
1000349538	PPP PROJECT FACILITATION FUND ACC.	KES	402,138,675.00
1000368632	INFRASTRUCTURE FIN AND PUB PART PRJ	KES	279,616,439.95
1000221518	KENYA PETROLEUM TECHNICAL ASS PROJ	KES	0.00
1000409018	INFRAST FINANCE AND PPP-CAT. 2EEP	KES	617,330,847.80
1000447575	KEN. FINANCING LOCALLY LED CLIMATE	KES	56,415,173.20
1000473851	PUBLIC DEBT MANAGEMENT SUPPORT PROJ	KES	1,621,344.20
1000476858	CREDIT GUARANTEE SCHEME ACCOUNT	KES	3,000,000,000.00
1000484675	FINANCIN LOCAL-LED CLIMATE ACTION B	KES	2,251,259.20
1000516534	GREEN CLIMATE FUND READINESS PROJ	KES	17,713,836.00
1000528885	AFFORDABLE HOUSING FINANCE PROJ	KES	35,036,135.55
1000528893	ADB NATIONAL TREASURY CAPACITY STRE	KES	2,501,502.00
1000693096	SUPPORTING ACCESS TO FIN & ENT RECO	KES	126,191,833.25
1000709596	SUPP ACESS TO FIN ENTERP RECOV A	KES	0.00
1000539135	EU KENYA COOPERATION AND PARTNERSHI	KES	0.00
1000709607	SUPP ACESS TO FIN ENTERP RECOV B	KES	0.00

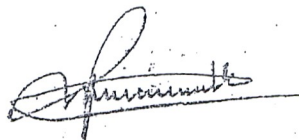
Customer : 152575

Balance

Date: 30-Jun-23

STATE OFF AND PUB OFF
CAR LOAN SCH

Account No	Account Name	Currency	Balance
1000537876	STATE OFF AND PUB OFF CAR LOAN SCH	KES	5,752,800.00



Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division



Joyce Nasieku
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA
BANK RECONCILIATION STATEMENT
FOR THE PERIOD AS AT 30TH JUNE,2023

Balance as per Bank Certificate

Less:

1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)
2. Receipts in Bank Statement not yet recorded in Cash Book

Add:

3. Payments I Bank Statement not yet recorded in Cash Book
4. Receipts in Cash Book not yet recorded in Bank Statement

Balance as per Cash Book

KSHS	KSHS
	1,621,344.20
1,157,840.00	
	(1,157,840.00)
15,822.80	
	15,822.80
	479,327.00

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

Gatua

SIGNATURE & DATE

Acct /

DESIGNATION

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

IMPREST/ VOUCHER NO.	IMPREST/ VOUCHER DATE	PAYEE	AMOUNT KSHS
18088	30.06.23	MICHAEL KAHITI	1,157,840.00
			1,157,840.00

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

[illegible]

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

CHEQUE NO.	CHEQUE DATE	PAYEE	AMOUNT KSHS
		KRA	15,822.80
			15,822.80

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

CHEQUE NO.	CHEQUE DATE	PAYEE	AMOUNT KSHS
			-

35

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**PUBLIC DEBT MANAGEMENT SUPPORT PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2023
PART B: ACCOUNT RECONCILIATION STATEMENT**

PROJECT No. 5500155013708

Bank Account No.1000470167 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by ADB		257,690.00
	Less		
2	Total amount justified to ADB		225,564.45
3	Outstanding amount advanced to Designated Account		32,125.55
	Represented by:		
4	Ending Designated Account Balance at 30.06.2023		650.00
5	Amount claimed but not credited at 30.06.2023		-
6	Amount withdrawn and not claimed as at 30.06.2023		31,475.55
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	Total advance to Designated Account year ended 30.06.2023		32,125.55

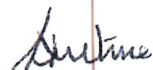
Discrepancy between total appearing on lines 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs



AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 24-08-2023

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2023
Account No.	1000470167
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	PUBLIC DEBT MANAGEMENT SUPPORT
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	107,650.00
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Add:

Total Amount deposited by World Bank	0.00
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Total Interest earnings if deposited in account	
---	--

Total amount refunded to cover ineligible expenditure	
--	--

Deduct:

Total amount withdrawn	107,000.00
------------------------	------------

Total service charges if not included above in amount withdrawn	
--	--

Ending balance on 30th June, 2023	650.00
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**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: Run Time:
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI
STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT PAGE NO. 1
ACCOUNT NUMBER :
ACCOUNT TITLE : PUBLIC DEBT MANAGEMENT SUPPORT
30/06/2023

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE

OPENING BAL :					
			107,650.00		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	04/04/2023	FT2309467VDN	PA129633	-107,000.00	0.00
					Balance
					650
CLOSING BALANCE : 650					

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

More Options

Clear Selection

Find

Account equals ▼ 1000470167

Statement From equals ▼ 20220701

Statement To equals ▼ 20230630

TAM.E.STMT.OF.ACCT.EPRM

Loan Number : 5500155013708

Project ID : P-KE-KE0-006

Project Title : PUBLIC DEBT MANAGEMENT SUPPORT PROJECT

Borrower : MINISTRY OF FINANCE

Loan Contract Currency : UAC

Closing Date : 31.05.2024

Commitment Capital : 800,000.00

Available Balance : 0.00

LDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed UAC	Amount Justified UAC	Balance to Justify UAC	% Justified	Disburs. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)	F = D / C	(G)	(H)
5500155013708											
1 All activities	RF NO0001	USD	257,690.00	225,564.45	32,125.55	179,321.24	156,965.72	22,355.52	87.53	14.12.2020	20.06.2023
1/KE/2020/81951	RF NO0003	USD	146,000.00	0.00	146,000.00	109,207.05	0.00	109,207.05	0.00	10.08.2023	00.00.0000
1/KE/2023/29449											
Total 5500155013708 All activities											
	5500155013708					288,528.29	156,965.72	131,562.57	54.40		