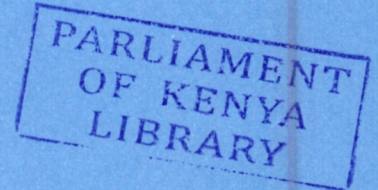


REPUBLIC OF KENYA

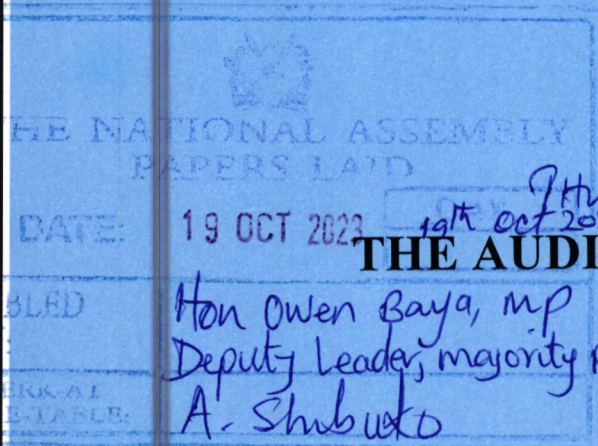


*Enhancing Accountability*

**REPORT**



**OF**



**THE AUDITOR-GENERAL**

**ON**

**PUBLIC FINANCIAL MANAGEMENT REFORMS  
PROGRAM (CREDIT NOS. DANIDA FY06, SIDA  
51110081, IDA GESDEK-6133-KE, AFD/CKE 1130 &  
PASEDE CRIS NO:041-658)**

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

**THE NATIONAL TREASURY**



**PROJECT NAME: Public Financial Management Reforms Program**

**IMPLEMENTING ENTITY: Public Financial Management Reforms Secretariat**

**PROJECT GRANT/CREDIT NUMBER: DANIDA/FY06/SIDA/51110081/GESDeK-6133**  
**AFD/CKE 1130 PASEDE CRIS NO:041-658**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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

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## **1. Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
DANIDA	Danish International Development Assistance
GESDeK	Governance for enabling Service Delivery and Public Investment in Kenya
AFD	Agence Francaise Development
PASEDE	Public Accountability and Service Delivery
PIM	Public Investment Management
CRA	Commission on Revenue Allocation
DPSRM	Debt Policy, Strategy & Risk Management
GDP	Government Digital Payments
GIPE	Government Investment and Public Enterprise
IAD	Internal Audit Department
IFMIS	Integrated Financial management information system
IGFRD	Inter-governmental fiscal relations Department
ISC	Inspectorate of State Corporations
SCAC	State Corporations Advisory Committee
KISM	Kenya Institute of Supplies management
KRA	Kenya Revenue Authority
KHHRAC	Kenya Health Human Resource Advisory Council
MoPSYG	Ministry of Public Service, Youth & Gender
NALM	National Asset and Liabilities Management
OCOB	Office of Controller of Budget
PPD	Public Procurement Department
PPP	Public –Private Partnership
PPRA	Public Procurement Regulatory Authority
PSC	Public Service Commission
PSPMU	Public Service Performance monitoring unit
SDP	State Department of Planning
SRC	Salaries and Remuneration Commission
TSC	Teacher's Service Commission

## **2. Project Information and Overall Performance**

### **2.1 Name and registered office**

#### **Name**

The project's official name is **Public Financial Management Reforms Programme.**

#### **Objective**

The key objective of the project is to strengthen public financial management systems to enhance transparency, accountability and responsiveness of expenditure to policy priorities and improved service delivery

#### **Address**

The project headquarters offices are in Bima House Harambee Avenue 8th Floor Nairobi county Kenya

#### **The address of its registered office is:**

Public Financial Management Reforms Secretariat,  
The National Treasury,  
P.O Box 30007-00100  
Nairobi  
Kenya.

#### **Contacts:** The following are the project contacts

Telephone: (+254) 020 252299

E-mail: [pfmsecretariat@pfmt.go.ke](mailto:pfmsecretariat@pfmt.go.ke)

Website: [www.pfmt.go.ke](http://www.pfmt.go.ke)

**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	The project start date is GESDeK/AFD 01/06/2017/ 23/01/2019 /SIDA1/7/2014 PASEDE 30/01/2019
Project End Date:	The project end date is 31/12/2023
Project Manager:	The project coordinator is Mr. Julius Mutua
Project Sponsor:	The project sponsors are Government of Kenya (GoK), The Government of Sweden, GESDeK(IDA) AFD and PASEDE Programs Under GoK

**2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of The National Treasury.
Project number	Contribution ID NO: DANIDA/FY06/SIDA /51110081/GESDEK-6133 AFD/CKE 1130 PASEDE CRIS NO:041-658
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>❖ To provide a public financial system that promotes transparency, accountability, equity, fiscal discipline and efficiency in management and use of public resources for improved service delivery and economic development.</li> <li>❖ To provide a political system that is issue based, people centred, result oriented and accountable to the public.</li> </ul>
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Prioritized Public Investments Formation of PIM unit and its guidelines</li> <li>(ii) Reliability of funding for service delivery UAT of cash management and exchequer systems</li> <li>(iii) Procurement Review of E-procurement strategy and road map with support from KADP, Amendment of the PPAD Act 2015, agreement stand alone</li> <li>(iv) Consolidating HR data Payroll and HR data consolidation Payroll interface with IFMIS in progress</li> <li>(v) Financial statements and external audit Consolidation of financial statements and review of quality FS done</li> </ul>

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

	(vi) New Audit methodology and checklist for compliance and manuals agreed and applied to MDAs (vii) Timely submission of reports to Parliament
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: <ul style="list-style-type: none"><li>❖ Strengthen Public Financial Management systems to enhance transparency and accountability</li><li>❖ Responsiveness of expenditure to policy priorities</li></ul>
Project duration	The project started on 1st August 2006 and is expected to run until December 2023

**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the current year:

**(i) Special Deposit Accounts**

Barclays Bank of Kenya

Account Name: CBK/GoK PUFFINMTRFM FY06-06

P.O. Box 3247-00100

Nairobi.

**(ii) Local Project Accounts**

Kenya Commercial Bank

Account Name: Public Financial Management Reforms Secretariat

KICC Branch

P.O. Box 46950-00100




Nairobi, Kenya

**2.5 Independent Auditor**



The project is audited by the  
Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O Box 30084 Nairobi, Kenya



**2.6 Roles and Responsibilities**

Below are the top management officers their role, their positions, and their contact information.

Names and contact details	Title designation	Key qualification	Responsibilities
 Julius Mutua Jkmutua@pfmt.go.ke	Programme Coordinator	B.A Economics MA (Economics)	Coordination of the day to day activities of the programme.
 Stephen Maluku stephenmmaluku@pfmt.go.ke	Programme Manager	B.Sc.(Statistics) Masters of Arts in Economics	Management of the technical functions of the Programme.
 Joel Bett jkbett@pfmt.go.ke	M&E Specialist	BED (Economics ) MA (Economics)	Overall monitoring of the physical progress and advising when the actual progress deviates from the planned.

**Public Financial Management Reforms Secretariat**  
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Names and contact details	Title designation	Key qualification	Responsibilities
 <p>Patricia Mambo  Patricia.mambo@pfmt.go.ke</p>	<p>Procurement Specialist</p>	<p>B.Com.  MSc (Procurement and logistics)  CIPS</p>	<p>Responsible for the procurement process of goods and services, and safety of the assets.</p>
 <p>CPA Linah Mwau  linahmwau@pfmt.go.ke</p>	<p>Assistant Financial Specialist I</p>	<p>B.COM, MSc. Finance &amp; Investments  CPA (K)</p>	<p>Management of the Finance &amp; Accounts Department of the Programme</p>

<b>Names and contact details</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
 Jacob Muimi Jacob.muimi@pfmt.go.ke	Assistant ICT Specialist I	BBIT, MSc. Computer Systems, CISA, CISM ,PMP	Responsible for the management of the Programme information management system.
 CPA Rael C Limolel rael.cherotich@pfmt.go.ke	Principal Accountant	BBM,MBA(Finance), CPA (K)	Responsible for the accounts section

## 2.7 Funding summary

The Project is for duration of 5 years from 2018 to 2023 with an approved budget of US\$65 Million equivalent to KShs7 Billion.

Below is the funding summary for the year 2022/2023

**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 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
SIDA		630,000,000		352,953,360		113,225,317
DANIDA		701,031,643		701,031,643		-
<b>(ii) Counterpart funds</b>						
GoK-Recurrent		4,170,994,410		4,170,994,410		-
Miscellaneous Receipts		-		163,821,324		-
<b>Total</b>		<b><u>5,502,026,053</u></b>		<b><u>5,388,800,737</u></b>		<b><u>113,225,317</u></b>

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30 <sup>th</sup> June 2023)	
	Donor currency (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')- (B')
(i) Grant						
SIDA, GESDeK and GoK counterpart funds		5,388,800,737		4,873,010,051		515,790,686
<b>Total</b>		<b>5,388,800,737</b>		<b>4,873,010,051</b>		<b>515,790,686</b>

Note: See explanation on cumulative balances on annex 7 :Other support documents

**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Budget Utilization Difference</b>	<b>% of Utilization</b>
	<b>a</b>	<b>b</b>	<b>c=a-b</b>	<b>d=b/a %</b>
<b>Receipts</b>				
Transfer from Government entities	802,438,412	802,438,412	0	100%
Proceeds from domestic and foreign grants	54,731,000	0	54,731,000	0%
Proceeds from borrowings	-	-	-	-
Miscellaneous receipts(Bank interest)	-	14,803,438.	(14,803,438)	0%
<b>Total Receipts</b>	<b>857,169,412</b>	<b>817,241,850</b>	<b>39,927,562</b>	<b>95%</b>
<b>Payments</b>				
Compensation of employees	55,310,000	39,578,838	15,731,162	72%
Purchase of goods and services	801,859,412	726,899,000	74,960,412	91%
Social security benefits	-	-	-	-
Acquisition of non-financial assets	-	-	-	-
Transfers to other government entities	-	-	-	-
Other grants and transfers-Charges & taxes	-	-	-	-
<b>Total payments</b>	<b>857,169,412</b>	<b>766,477,838</b>	<b>90,691,574</b>	<b>89%</b>

**2.9 Summary of Project Compliance:**

The Program has ensured that all its activities carried out are within the laws of the Republic of Kenya and that all regulations and procedures have been followed. In cases of inconsistency between the GOK Regulations and those of the donors, the country systems have to be fully applied. In conclusion, the planned activities were implemented within the stipulated time period as in the specified in the agreements.

### **3. Statement of Performance against Project's Predetermined Objectives**

#### **Introduction**

The Public Financial Management Reforms (PFMR) Programme guides implementation of Public Financial Reforms in Kenya. Under the Programme the PFMR Secretariat is coordinating the implementing the PFMR Strategy 2018-2023. The Programmes implementing the Strategy are the Governance for Enabling Service Delivery and Public Investments in Kenya (GESDeK) and Public Accountability and Service Delivery programme (PASEDE). The GESDeK programme is jointly funded by the World Bank (WB) and French Development Agency (AFD) while PASEDE is funded by the European Union (EU). Both the GESDeK and PASEDE are Programmes for Results where Government budgets a portion of the variable cost as provided for in the GESDeK agreement to fund the implementation of agreed Disbursement Linked Results (DLRs). Upon achievement of the DLRs, WB, AFD and EU disburses an agreed amount pegged on the achieved DLIs to the exchequer as budgetary support. The DLRs under the programmes are in the areas of Public investment management, Procurement, Audit, Cash management, Financial reporting, Transparency and oversight of State Owned Enterprises and Consolidation of staff data in the public service.

#### **PROGRAMME MANAGEMENT**

The PFMR Strategy 2018-2023 puts emphasis on involvement of stakeholders including National and County Government departments and Development Partners in its implementation. The institutions that play a key role in implementation of the Strategy include Results Teams, Reform Authorizers', Ministries, Departments and Agencies MDAs, Counties, Legislature and Broader Coalitions.

To coordinate these stakeholders effectively, the PFMR Strategy 2018-2023 puts in place a high level PFM Steering Committee supported by a Technical Committee. Both the PFM Steering Committee and the Technical Committee receive technical and administrative support from the PFM Reforms Secretariat. Development partner engagement is strengthened and facilitated through interaction between the PFM Steering Committee and PFM Development Partners Forum under the PFM Sector Working Group. The Strategy has a results framework which guide monitoring and evaluation of the Strategy. Monitoring and evaluation of the Strategy is coordinated by the PFMR Secretariat.

The summary of key achievements of the PFMR Strategy 2018-2023 per result area in 2021/22 financial year are:-

- i. Sustainable and predictable fiscal space to deliver priority programs:** The achieved reforms are: -

- a) Upgraded procedures and capacity in place in KRA to enable tax administration transformation
  - b) Comprehensive set of guidelines and training curriculum in place for county revenue relating to a) policy and legislation b) institutional arrangements and c) administration in place
  - c) Dissemination and implementation of Own Source Revenue Policy done
  - d) A framework and forecasting model in place which ensures realistic revenue and other macro fiscal projections agreed following a multi-agency review of forecasting including State Corporations.
  - c) Legislative changes in place which ensure that finance bill is approved before or alongside the appropriation bill.
  - f) A framework for measuring national and county fiscal responsibility in place
  - g) Debt and Borrowing Policy in place which formalizes the framework for debt management.
  - h) Package of tools and work plan developed for rationalizing mandates, functions, structures, establishments and staffing and cleaning payrolls.
- ii. Strategic and Transparent Spending on Public Investment and Service Delivery in Line with National and County Policy Commitments:** The reforms achieved under the result area are: -
- a) Update of SCOA finalized, including standard program structure and approach to classifying service delivery facilities and projects.
  - b) Budget manuals updated in advance of the 2020/21 budget process to include a) early agreement of changes to budget priorities and major Programmes b) costing of service delivery programs, c) identification of cost savings and d) timing and form of information needed from external funders
  - c) Information available to MDAs, SCs and Counties on past expenditure data and transfers to service facilities via the Hyperion Budget module of IFMIS
  - d) Development of user requirements done for an integrated, automated management information system which enables state corporations and semi-autonomous agencies to provide budgets, quarterly and annual reports with financial and non-financial performance information (including debt levels and contingent liabilities).

- iii. **Reliable Cash for Service Delivery and Public Investment:** The achieved reforms are:
- a) Standards for transferring funds from KRA and revenue collection accounts to the consolidated fund and CRF respectively developed.
  - b) Debt issuance calendar, in year borrowing program for 2019/20 consistent with an aggregate cash plan and in-year revenue projections approved by July 2019
  - c) Fully automated exchequer release system operational, with transfers authorized by ASD and made by CBK on the system for MDAs and Counties
  - d) Process and guidance adopted for 2019/20 by which NT sets aggregate MDA and County cash limits and MDAs and Counties make exchequer requests based on clear expenditure categories.
  - e) Conditional grant transfers published online and in national newspapers
- iv. **Value for money in procurement and contract management:** The reforms achieved under the result area are: -
- a) Public Procurement Policy approved and published
  - b) PPDA regulations approved
  - c) Operationalized KISEB assessment of procurement professionals in public sector
- v. **Value for money, performance & accountability in staffing for service delivery:** The achieved reforms are: -
- a) GHRIS module enhanced
  - b) Procurement of hard ware to expand data warehouse use initiated
- vi. **Education Institutions, Health and other Service Facilities Effectively Manage Public Resources:** The reforms achieved under the result area are: -
- a) Methodology for strengthened expenditure tracking in place
  - b) Methodology for strengthened facility audit and value for money analysis in place
  - c) Health workforce data collected and updated in iHRIS

- vii. **Disciplined Financial Management and Accurate Reporting:** The achieved reforms are: -
- a) IFMIS finalised automated IPSAS compliant MDAs and County financial reporting templates to enable timely financial reporting
  - b) Minimum compliance standards developed for MDAs and Counties for the provision of quarterly and annual financial statements
  - c) Policy framework and guidelines for asset and liability management adopted
- viii. **Accountability Delivered through Audit, Oversight and Follow up:** The reforms achieved under the result area are: -
- a) Audit management software which includes new quality assurance framework deployed and is operational in all counties, SCs and MDAs.
  - b) Enhanced external audit methodology and quality assurance framework and associated tools and plan for their implementation approved
  - c) Development of tools to monitor the implementation of the SDGs across the sectors done
  - d) Automated system for tracking audit follow-up actions operational

## **A. GOVERNANCE FOR ENHANCING SERVICE DELIVERY AND PUBLIC INVESTMENTS IN KENYA**

### **a) Project Description**

The Program for Results (PforR) to strengthen Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK) is a GoK/World Bank/AFD funded programme. The GESDeK program is funded by the World Bank (WB) and the French Development Agency (AFD). The Bank is financing the program through a credit of USD 150million while the AFD co-finances through a credit facility amounting to EUR 30 million and a grant amount of EUR 1.5million. The Programme focuses on the following result areas: -

- i. Prioritized Public Investments
- ii. Reliable Funding for Service Delivery and Public Investments
- iii. Efficient and Transparent Procurement
- iv. Consolidated Staff Data
- v. Timely and Quality Financial Statements and Audits

vi. Strengthened Fiduciary Assurance and Transparency

**b) The key development objective of the Programme**

The objective of the Programme is to improve utilization and transparency of resource management in selected service delivery Ministries, Departments and Agencies (MDAs). The objective is in line with the main strategic reforms objective of ensuring a public finance system that promotes transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development.

**c) Progress on attainment of strategic development objectives**

Project	Objective	Outcome	Indicator	Performance
Governance for Enabling Service Delivery and Public Investment in Kenya (GESDeK)	The objective of the programme is to improve utilization and transparency of resource management in selected service delivery Ministries, Departments and Agencies (MDAs)	A public finance system that promotes transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development	Prioritized Public Investments	Ministries, Departments and Agencies implementing the programme achieved most of the Disbursement Linked Indicators(DLIs) during the period under review
			Reliable Funding for Service Delivery and Public Investments	
			Efficient and Transparent Procurement	
			Consolidated Staff Data	
			Timely and Quality Financial Statements and Audits	
Strengthened Fiduciary Assurance and Transparency				

**d) Challenges**

The main challenge has been slow awareness on the urgency in implementation for achievement of the needed reforms. To this end, a communication Strategy for PFMR has been developed to increase awareness

**B. PUBLIC ACCOUNTABILITY AND SERVICE DELIVERY PROGRAMME (PASEDE)**

**a) Project Description**

The National Treasury and the European Union is implementing the Public Accountability and Service Delivery (PASEDE) Programme. PASEDE is funded by the European Union (EU) to the tune of €26 million grant. The objective of the Programme is to improve financial transfers to counties; (ii) enhance revenue mobilization; (iii) improve business environment; and (iv) better public investment management practices. The Programme is supporting implementation of interventions in the PFMR Strategy 2018-2023 under the Accounting Services Department (ASD), Public Procurement Department (PPD), Public Investment Management Unit (PIM) and the Kenya Revenue Authority (KRA).

**b) Strategic development objectives**

- i. Indicator 1: Discrepancy between legal provisions and actual disbursement of the equitable share to Counties-*Target June 2021-65%*
- ii. Indicator 2: average actual domestic revenue Collection as a Percentage of Printed Estimates-*Neutralized*
- iii. Indicator 3: Time taken by KRA Customs for Imports Clearance and Inspections-*Target June 2021, 65 hrs. The target was achieved; clearance hours is 54.6 hours.*
- iv. Indicator 4: Implementation of new procurement legislation -*The Public policy framework has been approved by the CS NT and published at the NT website*
- v. Indicator 5: Improved Public Investment Management -*Manual for economic project appraisal has been developed and instructions (i.e. circular note or similar uploaded on the NT website) have been sent by NT to MDAs for its utilization in support to the PIM guidelines*

## c. Progress on attainment of strategic development objectives

Project	Objective	Indicator	Performance
Public Accountability and Service Delivery (PASEDE) Programme	The objective of the Programme is to improve financial transfers to counties; (ii) enhance revenue mobilization; (iii) improve business environment; and (iv) better public investment management practices	Discrepancy between legal provisions and actual disbursement of the equitable share to Counties- <i>Target June 2021-65%</i>	Ministries, Departments and Agencies implementing the programme achieved most of the Disbursement Linked Indicators (DLIs) during the period under review
		Indicator 2: average actual domestic revenue Collection as a Percentage of Printed Estimates- <i>Neutralized</i>	
		Time taken by KRA Customs for Imports Clearance and Inspections- <i>Target June 2021, 65 hrs. The target was achieved, clearance hours is 54.6 hours</i>	
		Implementation of new procurement legislation - <i>The Public policy framework has been approved by the CS NT and published at the NT website</i>	
		Improved Public Investment Management - <i>Manual for economic project appraisal has been developed and instructions have been sent by NT to MDAs for its utilization in support to the PIM guidelines</i>	

#### **4.Environmental and Sustainability reporting**

##### **i. Environmental performance**

The implementation of various Programme activities may entail procurement of electronic equipment including computers, tablets and related accessories. At end-of-life of the devices they are likely to lead to adverse impacts associated with e-waste generation. The Programme has put in place measures to ensure that all electronic devices are procured from suppliers that are credible, and all e-waste generated during the life of the operation is disposed of effectively. All the e-wastes generated by the program will be recaptured via a “Take Back Scheme” for *recycling where these end-of-life devices will be delivered to facilities that recycle e-waste at minimal or no cost.* The Programme will use and follow the existing regulations and protocol provided for by the Environmental Management and Coordination Act 1999, (as amended in 2015), Waste Management regulations as well as draft e-waste management regulations including following an Environmental Code of Practice.

##### **ii.Employee welfare**

The Programme in the period under review has trained staff on public finance management reforms. To build adequate capacity of staff to better coordinate and implement PFM reforms the *trainings need to be sustained.*

### **5.Statement of Project Management responsibilities**

The **Principal Secretary** to the National Treasury and the **Project Coordinator** for **Public Financial Management Reforms Secretariat** 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** to the National Treasury and the **Project Coordinator** for **Public Financial Management Reforms Secretariat** 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.

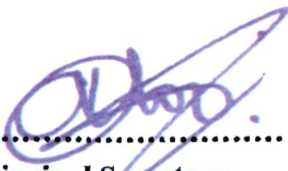
**The Principal Secretary** to the National Treasury and the **Project Coordinator** for **Public Financial Management Reforms Secretariat** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. **The Principal Secretary** to the National Treasury and the **Project Coordinator** for **Public Financial Management Reforms Secretariat** 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.

**The Principal Secretary** to the National Treasury and the **Project Coordinator** for **Public Financial Management Reforms Secretariat** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and

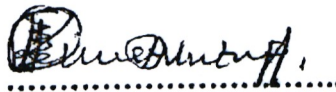
that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the *Principal Secretary* to the National Treasury and the *Project Coordinator* for *Public Financial Management Reforms Secretariat* on 28<sup>th</sup> September 2023 and signed by:



Principal Secretary  
Dr. Chris K. Kiptoo, CBS



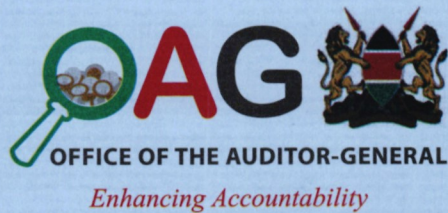
Project Coordinator  
Julius K Mutua



Rael C Limolel  
ICPAK No.10374

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON PUBLIC FINANCIAL MANAGEMENT REFORMS PROGRAM (CREDIT NOS. DANIDA FY06, SIDA 51110081, IDA GESDEK-6133-KE, AFD/CKE 1130 & PASEDE CRIS NO:041-658) FOR THE YEAR ENDED 30 JUNE, 2023 – THE NATIONAL TREASURY**

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### 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 Financial Management Reforms Program set out on pages 1 to 34, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the 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 Financial Management Reforms Program 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 Financing Agreements Nos. DANIDA FY06, SIDA 51110081, IDA GESDEK-6133-KE, AFD/CKE 1130 & PASEDE CRISNO:041-658, between the Danish International Development Agency (DANIDA) dated 16 September, 2016 (extended on 04 March, 2021), Swedish International Development Cooperation Agency (SIDA) dated 22 July, 2014 (extended on 05 August, 2021), International Development Association (IDA) dated 28 September, 2017, Agence Française de Développement (AFD) dated 23 January, 2019, European Commission dated 28 April, 2020 and the Government of Kenya and Public Finance Management Act, 2012.

In addition, the special account statements present fairly, transactions for the year and the closing balance has been reconciled with the records of account.

### Basis for Opinion

The audit was conducted in accordance with International the Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Financial Management Reforms Program 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report during the year under review.

## **Other Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects expenditure budget and actual payments on a comparable basis of Kshs.857,169,412 and Kshs.766,477,838 respectively, resulting in under-absorption of Kshs.90,691,574 or 11% of the approved budget.

### **2. Pending Bills**

The financial statements disclose bills of Kshs.38,510,295 due to staff. Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year.

The under-performance affected the planned activities and impacted adversely on service delivery to the public.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with the Law on Ethnic Diversity**

Review of the staff records indicated that the Program had a total of thirty-one (31) employees out of which ten (10) were seconded from the Public Service and twenty-one (21) were hired directly by the project on three-year contract basis. Of the twenty-one (21) employees hired directly, eight (8) or 38% were from one ethnic community against the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 which prescribes that no public establishment shall have more than one-third (1/3) of its employees being from the same ethnic community.

In the circumstances, Management was in breach of the law.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### Failure to Fill Vacant Positions

As previously reported, review of the staff establishment revealed that the Program had in place thirty-one (31) members of staff against the authorized establishment of forty-eight (48), resulting in a deficit of seventeen (17) employees. The staff shortage, if not addressed, could adversely affect the operations of the Program and service delivery to the public.

In the circumstances, the Program may not achieve its goals due to inadequate human capacity and capabilities.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by DANIDA FY06, SIDA 51110081, IDA GESDEK-6133-KE, AFD/CKE 1130 & PASEDE CRIS NO:041-658 Agreements, 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 Program, so far as appears from the examination of those records; and,
- iii. The Program 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

### **Auditor-General's Responsibilities for the Audit**

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 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 Program'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 Program 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 Program to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide 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

13 October, 2023

**Public Financial Management Reforms Secretariat  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**7. Statement of Receipts and Payments for the year ended 30<sup>th</sup> June 2023.**

	Note	2022-2023		2021-2022		Cumulative to-date (From inception)	
		Receipts and payments controlled by the entity Kshs.	Payments made by third parties Kshs.	Receipts and payment controlled by the entity Kshs.	Payments made by third parties Kshs.		Total Kshs.
<b>Receipts</b>							
Transfer from Government entities	1	802,438,412	-	259,907,871	-	4,170,994,410	
Proceeds from domestic and foreign grants	2	-	-	37,942,712	-	1,053,985,003	
Loan from external development partners	3	-	-	-	-	-	
Miscellaneous receipts(Bank Interest)	4	14,803,438	-	41,315,697	-	163,821,323	
<b>Total receipts</b>		<b>817,241,850</b>	<b>-</b>	<b>339,166,280</b>	<b>-</b>	<b>5,388,800,737</b>	
<b>Payments</b>							
Compensation to employees	5	39,578,838	-	35,364,723	-	243,198,012	
Purchase of goods and services	6	311,322,910	-	400,460,665	-	2,957,615,077	
Social security benefits	7	15,087,997	-	-	-	15,087,997	
Acquisition of non-financial assets	8	397,199,997	-	117,293,532	-	1,630,868,523	
Transfers to other government entities	9	-	-	-	-	-	

**Table 1: Financial Management Reporting Secretariat  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to date (From inception)
Other grants and transfers /payments	10	3,288,096	-	3,288,096	3,684,261	-	3,684,261	26,240,442
Total payments		766,477,838	-	766,477,838	556,803,181	-	556,803,181	4,873,010,051
Surplus/ (deficit)		50,764,012	-	50,764,012	(217,636,901)	-	(217,636,901)	515,790,686

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

.....  
Principal Secretary

Dr. Chris K. Kiptoo, CBS

.....  
Project Coordinator

Julius K Mutua

.....  
Rael C.Limolele

ICPAK NO.10374

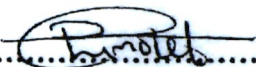
**8.Statement of Financial Assets as at 30<sup>th</sup> June 2023**

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	778,771,710	728,007,698
Cash Balances	11. B		-
Cash equivalents (Short-term deposits)	11.C		-
<b>Total Cash and Cash equivalents</b>		<b>778,771,710</b>	<b>728,007,698</b>
Imprests and Advances	12	-	-
<b>Total Financial Assets</b>		<b>778,771,710</b>	<b>728,007,698</b>
<b>Financial Liabilities</b>			
Third party Deposits and Retention	13	-	-
<b>Net Assets</b>		<b>778,771,710</b>	<b>728,007,698</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	728,007,698	1,002,125,192
Prior Year adjustments	15	-	(56,480,593)
Surplus/(Deficit) for the Year		50,764,012	(217,636,901)
<b>Net Financial Position</b>		<b>778,771,710</b>	<b>728,007,698</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28<sup>th</sup> September 2023 and signed by:

.....  
**Principal Secretary**  
**Dr. Chris K. Kiptoo, CBS**

  
 .....  
**Project Coordinator**  
**Julius K Mutua**


  
 .....  
**Rael C Limolel**  
**ICPAK No.10374**

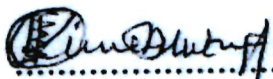
**9. Statement of Cash-flow for the year ended 30<sup>th</sup> June 2023**


Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Cash flow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	802,438,412	259,907,871
Proceeds from domestic and foreign grants	2	-	37,942,712
Miscellaneous receipts	4	14,803,438	41,315,697
<b>Total receipts</b>		<b>817,241,850</b>	<b>339,166,280</b>
<b>Payments</b>			
Compensation of employees	5	( 39,578,838)	(35,364,723)
Purchase of goods and services	6	(311,322,910)	(400,460,665)
Social security benefits	7	(15,087,997)	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	( 3,288,096)	(3,684,261)
<b>Total Payments</b>		<b>(370,125,000)</b>	<b>(439,509,649)</b>
<b>Net receipts/(payments)</b>		<b>447,116,850</b>	<b>(100,343,369)</b>
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	(56,480,593)
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>447,116,850</b>	<b>(156,823,961)</b>
<b>Cash flow from investing activities</b>			
Acquisition of non-financial assets	8	(397,199,997)	(117,293,532)
<b>Net cash flows from investing activities</b>		<b>(397,199,997)</b>	<b>(117,293,532)</b>
<b>Cash flow from financing activities</b>			

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Proceeds from foreign borrowings	3	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		50,764,012	(274,117,494)
Cash and cash equivalent at beginning of the year	11	728,007,698	1,002,125,192
Cash and cash equivalent at end of the year	11	778,771,710	728,007,698

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 28<sup>th</sup> September 2023 and signed by:

  
 .....  
**Principal Secretary**  
**Dr. Chris K. Kiptoo, CBS**

  
 .....  
**Project Coordinator**  
**Julius K Mutua**

  
 .....  
**Rael C. Limolel**  
**ICPAK No.10374**

**Public Financial Management Reforms Secretariat  
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<sup>th</sup> June 2023**

Receipts/Payments 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 %
<b>Receipts</b>						
Transfer from Government entities- GESDeK	1,027,000,000	(300,000,000)	727,000,000	727,000,000	0	100%
Transfer from Government entities-GoK	75,438,412	-	75,438,412	75,438,412	0	100%
Proceeds from domestic and foreign grants	277,731,000	(223,000,000)	54,731,000.00	-	54,731,000.00	0%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts(Bank Interest)	-	-	-	14,803,438	-	-
<b>Total Receipts</b>	<b>1,380,169,412</b>	<b>( 523,000,000 )</b>	<b>857,169,412</b>	<b>817,241,850</b>	<b>54,731,000.00</b>	<b>95%</b>
<b>Payments</b>						
Compensation to employees	55,310,000	-	55,310,000	39,578,838	15,731,162	72%
Purchase of goods and services	1,308,859,412	(523,000,000)	785,859,412	711,811,003	74,048,409	91%
Social security benefits	16,000,000	-	16,000,000	15,087,997	912,003	94%
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
<b>Total Payments</b>	<b>1,380,169,412</b>	<b>(523,000,000)</b>	<b>857,169,412</b>	<b>766,477,838</b>	<b>90,691,574</b>	<b>95%</b>
<b>Surplus or Deficit</b>				<b>50,764,012</b>		

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements

.....  
Principal Secretary

.....  
Project Coordinator

.....  
Rael C.Limolele  
ICPAK No.10374

## **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 Financial Management Reforms Secretariat under the National Treasury. The financial statements are for the Public Financial Management Reforms Secretariat 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 Financial Management Reforms Secretariat 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.

**Significant Accounting Policies (continued)**

**e) Recognition of payments**

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

**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.

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

**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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Significant Accounting Policies (Continued)**

**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 authorized 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 A/E holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**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. of this finThere were no contingent liabilities in the year.

**Significant Accounting Policies (Continued)**

**k) Contingent Assets**

*Public Financial Management Reforms Secretariat* does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of (*the Entity*) 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.

**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 are 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.*

**Significant Accounting Policies (Continued)**

**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 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 recognized 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). The Secretariat did not have any prior year adjustments.

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>Cumulative to-date (from inception)</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b><i>Counterpart funding through National Treasury</i></b>			
Counterpart funds Quarter 1	18,859,603.00	20,776,646	133,309,269.75
Counterpart funds Quarter 2	18,859,603.00	-	103,378,622.05
Counterpart funds Quarter 3	18,859,603.00	-	291,192,992.25
Counterpart funds Quarter 4	18,859,603.00	19,131,225	118,113,526.00
<b>Total</b>	<b>75,438,412</b>	<b>39,907,871</b>	<b>645,994,410</b>
<b><i>GESDeK</i></b>			
Counterpart funds Quarter 1	256,750,000	-	826,750,000
Counterpart funds Quarter 2	256,750,000	220,000,000	1,576,750,000
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	213,500,000	-	1,121,500,000
<b>Total</b>	<b>727,000,000</b>	<b>220,000,000</b>	<b>3,525,000,000</b>
<b>Total</b>	<b>802,438,412</b>	<b>259,907,871</b>	<b>4,170,994,410</b>

**Cumulative amount includes Ksh 210,000,000 being a co-funding in support of SIDA DWBI)**

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**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 donors as detailed in the table below:

Name of Donor	Date received	2022-2023						2021-2022		Cumulative to date Name of Donor Kshs
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	Kshs		
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs			
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-	-	
DANIDA	28/12/2021	-	-	-	-	-	-	37,942,712	701,031,643	
SIDA								-	352,953,360	
Insert name of international organization	-	-	-	-	-	-	-	-	-	
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-	-	
Insert name of individual or local organization	-	-	-	-	-	-	-	-	-	
<b>Total</b>								<b>37,942,712</b>	<b>1,053,985,003</b>	

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**3. Loan from External Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	2022-2023		2021-2022		Cumulative to date		
	Date received	Amount in loan currency	Loans received in actual amount	Name of Donor		Date received	Amount in loan currency
Name of Donor							
			Kshs				Kshs
Loans received from bilateral Donors (Foreign Governments)							
Insert name of foreign Government	-	-	-	-	-	-	-
Insert name of foreign Government	-	-	-	-	-	-	-
Loans received from Multilateral Donors (International Organizations)							
Insert name of international organization	-	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-	-
<b>Total</b>	=	=	=	=	=	=	=

**Public Financial Management Reforms Secretariat  
Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**4. Miscellaneous receipts**

Description	2022-2023		2021-2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs		
Other receipts not classified elsewhere	14,803,438	-	41,315,697	163,821,323
<b>Total</b>	<b><u>14,803,438</u></b>	<b><u>=</u></b>	<b><u>41,315,697</u></b>	<b><u>163,821,323</u></b>

*[Other receipts represent interest earned during the year under review from Kenya Commercial Bank]*

5. Compensation to Employees

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2022-2023		2021-2022		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	- Kshs
Basic salaries of permanent employees	39,578,838	-	39,578,838	35,037,092	243,198,012
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	327,631	-
<b>Total</b>	<b>39,578,838</b>	<b>=</b>	<b>39,578,838</b>	<b>35,364,723</b>	<b>243,198,012</b>

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022-2023			2021-2022	Cumulative to-date Payments made in Cash
	Payments made in Cash	Payments made by third parties	Total payments		
	Kshs	Kshs	Kshs		Kshs
Utilities, supplies and services	198,307	-	198,307	240,980	22,064,927
Communication, supplies and services	3,000	-	3,000	-	3,552,223
Domestic travel and subsistence	-	-	-	960,000	259,947,954
Foreign travel and subsistence	-	-	-	-	89,458,689
Printing, advertising, and information supplies	-	-	-	-	9,230,697
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	-	644,844,289
Hospitality supplies and services	473,580	-	473,580	553,028	13,403,215
Consultancy	-	-	-	-	453,380,363
Insurance costs	-	-	-	-	-
Other operating payments	1,670,400	-	1,670,400	-	13,482,403
Routine maintenance – Other Assets	143,066	-	143,066	-	2,752,036
Purchase of Furniture	-	-	-	-	65,000
Goods & Services –Straight Line	308,834,557	-	308,834,557	398,706,657	1,445,433,281
<b>Total</b>	<b>311,322,910</b>	<b>=</b>	<b>311,322,910</b>	<b>400,460,665</b>	<b>2,957,615,077</b>

*[NB; The line item goods and services of **KSH. 311,322,910** represents the funds provided for in the budget as a one-line account under the development budget as other capital grants and transfers item 2640503]*

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2022-2023			2021-2022	Cumulative to-date Payments made by the Entity in Cash
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs		
Government pension and retirement benefits	15,087,997	-	15,087,997	-	15,087,997
Social security benefits in cash and in kind	-	-		-	
Employer social benefits in cash and in kind	-	-		-	
<b>Total</b>	<b><u>15,087,997</u></b>	<b>=</b>	<b><u>15,087,997</u></b>	<b>=</b>	<b><u>15,087,997</u></b>

[Government Pension and retirement benefit amount of Kshs. 15,087,997 represents payment of Gratuity]

**Notes to the Financial Statements (Continued)**

**8. Acquisition of Non-Financial Assets**

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of ICT, other IT Equipment's ,Servers ,furniture and Printers	328,287,283	-	328,287,283	93,947,226	1,450,648,686
Purchase of Software and computers	68,912,714	-	68,912,714	23,346,306	180,219,837
<b>Total</b>	<b><u>397,199,997</u></b>	<b>=</b>	<b><u>397,199,997</u></b>	<b><u>117,293,532</u></b>	<b><u>1,630,868,523</u></b>

*[The amount of KSHS. 328,287,283 includes DWBI payment of Kshs. 54,523,675 funded by SIDA and is implemented by KRA]*

**Public Financial Management Reforms Secretariat**

**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**9. Transfers to other Government Entities**

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	2022-2023		Total payments	2021-2022	Cumulative to-date Payments made in Cash
	Payments made in Cash	Payments made by third parties			
	Kshs	Kshs	Kshs		Kshs
Transfers to National Government entities	-	-	-	-	-
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	-	-	-	-	-
Transfers to County Governments	-	-	-	-	-
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
Total	=	=	=	=	=

**Notes to the Financial Statements (Continued)**

**10. Other Grants, Transfers and Payments**

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Miscellaneous payments – Bank Taxes & Charges	3,288,096	-	3,288,096	3,684,261	26,240,442
<b>Total</b>	<b><u>3,288,096</u></b>	<b><u>=</u></b>	<b><u>3,288,096</u></b>	<b><u>3,684,261</u></b>	<b><u>26,240,442</u></b>

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**11. Cash And Cash equivalents**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts (Note 11A)	778,771,710	728,007,698
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<b><u>778,771,710</u></b>	<b><u>728,007,698</u></b>

The project has one project basket account In Kenya Commercial Bank transacted by various Development partners and GoK ,implementing the PFM strategy and a foreign currency designated account managed by the National Treasury as listed below:

**11. A Bank Accounts**

**Project Bank Accounts**

<b>Details</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]		-
Kenya Commercial Bank [A/c No.....]		-
Co-operative Bank of Kenya [A/c No.....]		-
Others ( <i>specify</i> )		-
Total Foreign Currency balances		=
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]		-
Kenya Commercial Bank [A/c No.....]	778,771,710	728,007,698
Co-operative Bank of Kenya [A/c No.....]		-
Others ( <i>specify</i> )		-
Total local currency balances	778,771,710	728,007,698
Total bank account balances	<b><u>778,771,710</u></b>	<b><u>728,007,698</u></b>

**Notes to the Financial Statements (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> 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**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(i) A/c Name [A/c No.....]</b>		
Opening balance	32,818	32,818
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
<b>Closing balance (as per SDA bank account reconciliation attached)</b>		
<b>(ii) A/c Name [A/c No.....]</b>		
Opening balance (as per the SDA reconciliation)		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<u><b>32,818</b></u>	<u><b>32,818</b></u>

*(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix iii support these closing balance.*

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Notes to the Financial Statements (Continued)**

**11 B Cash in hand**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations ( <i>specify</i> )	-	-
<b>Total cash in hand balances</b>	<b>=</b>	<b>=</b>

**11 C Cash equivalents (short-term deposits)**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

**12. Imprests and Advances**

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

**Notes to the Financial Statements (Continued)**

**12A: Breakdown of Imprests and Advances**

<b>Name of Officer or Institution</b>	<b>Amount Taken</b>	<b>Due Date of Surrender</b>	<b>Amount Surrendered</b>	<b>Balance Current FY</b>	<b>Balance Comparative FY</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Officer 1</i>	-	-	-	-	-
<i>Officer 2</i>	-	-	-	-	-
<i>Officer 3</i>	-	-	-	-	-
<i>Officer 4</i>	-	-	-	-	-
<i>Officer 5</i>	-	-	-	-	-
<i>Programme 1</i>	-	-	-	-	-
<b>Total</b>	=	=	=	=	=

**13. Deposits and Retention Monies**

<b>Description</b>	<b>2022-2023</b>		<b>2021-2022</b>	
	<b>Kshs</b>		<b>Kshs</b>	
Retention	-		-	
Deposits	-		-	
<b>Total</b>	=		=	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	=	=	=	=

***Public Financial Management Reforms Secretariat  
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**14. Fund Balance Brought Forward**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	728,007,698	1,002,125,192
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b><u>728,007,698</u></b>	<b><u>1,002,125,192</u></b>

**Notes to the Financial Statements (Continued)**

**15. Prior Year adjustment**

	<b>Balance b/f Previous FY (audited financial statements)</b>	<b>Adjustments</b>	<b>Adjusted balance b/f Previous FY</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>

**16. Changes in Imprests and Advances**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Receivables as at 1 <sup>st</sup> July 2022	-	-
Closing account receivables as at 30 <sup>th</sup> June 2023	-	-
<b>Change in Imprests and advances</b>	<b>=</b>	<b>=</b>

**17. Changes in Accounts Deposits and Retention**

<b>Description n</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2022	-	-
Closing accounts payables as at 30 <sup>th</sup> June 2023	-	-
<b>Changes in deposit and retention</b>	<b>=</b>	<b>=</b>

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Other Important Disclosures (Continued)**

**1. External Assistance**

	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as grants-National Treasury	-	23,419,675.20
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	<b>=</b>	<b>23,419,675.20</b>

*a). External assistance relating loans and grants*

	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	-
External assistance received as grants	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

**Other Important Disclosures (Continued)**

*e....Purpose and use of external assistance*

<b>Payments made by third parties</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	-	6,397,467.80
Use of goods and services	-	.
Subsidies	-	.
Transfers to other Government entities	-	.
Other grants and transfers	-	.
Social Security benefits	-	.
Acquisition of assets	-	.
Finance Costs including loan interest	-	.
Repayment of principal on domestic and foreign borrowing	-	.
Other payments	-	17,022,207.40
<b>Total</b>	<b>=</b>	<b>23,419,675.20</b>

*(FY 2021-2022 Other payments included payment of staff medical cover and refund to the national Treasury)*

**Public Financial Management Reforms Secretariat**

**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**GESDEK FINANCIALS**

<b>GESDEK - EXPENDITURE VS ACTUAL BUDGET PER AGENCY FOR 22/23 AS AT 30/06/2023</b>							
<b>STATE AGENCIES</b>	<b>INITIAL ALLOCATION</b>	<b>BUDGET CUT</b>	<b>FINAL ALLOCATION</b>	<b>ACTUAL EXPENDITURE</b>	<b>COMMITMENTS</b>	<b>BAL TO JUNE</b>	<b>UTILIZATION %</b>
Reform	163,669,838.00	(94,341,318.90)	69,328,519.10	54,296,271.65		15,032,247.45	78.32
PIM	179,489,762.00	(1,018,871.00)	178,470,891.00	173,890,209.67		4,580,681.33	97.43
Accounting Services	20,120,000.00	(63,300.00)	20,056,700.00	4,409,440.00		15,647,260.00	21.98
<b>DEPARTMENT</b>	<b>20,136,000.00</b>	<b>3,938,800.00</b>	<b>24,074,800.00</b>	<b>24,074,800.00</b>		<b>-</b>	<b>100.00</b>
CRA	10,215,000.00	(4,953,160.00)	5,261,840.00	5,254,140.00		7,700.00	99.85
DPSRM	10,200,000.00	(5,200,000.00)	5,000,000.00	4,019,595.00		980,405.00	80.39
DRSD	10,250,000.00	(4,333,955.00)	5,916,045.00	4,025,965.00		1,890,080.00	68.05
GDP	57,000,000.00	(54,000,000.00)	3,000,000.00	2,233,600.00		766,400.00	74.45
GIPE	15,020,200.00	-	15,020,200.00	7,425,800.00		7,594,400.00	49.44
IAD	22,020,200.00	(11,005,200.00)	11,015,000.00	10,774,000.00		241,000.00	97.81
ICT	10,540,000.00	(6,089,173.00)	4,450,827.00	3,090,356.00		1,360,471.00	69.43
IFMIS	13,060,000.00	(8,060,000.00)	5,000,000.00	3,414,350.00		1,585,650.00	68.29
IGFRM	15,020,200.00	(11,687,600.00)	3,332,600.00	3,152,100.00		180,500.00	94.58
ISC/SCAC	12,060,600.00	(4,421,900.00)	7,638,700.00	7,404,800.00		233,900.00	96.94
KISM	12,020,200.00	-	12,020,200.00	10,666,050.00		1,354,150.00	88.73
KRA	15,355,000.00	(10,220,212.00)	5,134,788.00	5,134,788.00		-	100.00
KHHRAC	12,020,200.00	(638,498.00)	11,381,702.00	10,009,302.00		1,372,400.00	87.94
Directorate of Schools Audit	13,020,200.00	155,080.00	13,175,280.00	13,175,280.00		-	100.00
Macro	12,020,200.00	(7,259,400.00)	4,760,800.00	3,988,200.00		772,600.00	83.77
MoPSYG	192,000,000.00	-	192,000,000.00	190,999,060.69		1,000,939.31	99.48
NALM	20,020,200.00	(13,019,000.00)	7,001,200.00	6,901,800.00		99,400.00	98.58
OAG	30,000,000.00	(11,689,035.00)	18,310,965.00	17,328,625.00		982,340.00	94.64
OCOB	12,020,200.00	(6,712,350.00)	5,307,850.00	5,072,650.00		235,200.00	95.57
PENSIONS Dept	15,020,200.00	(13,520,200.00)	1,500,000.00	-		1,500,000.00	0.00
PPD	23,500,000.00	(11,487,500.00)	12,012,500.00	9,612,848.00		2,399,652.00	80.02
PPP	12,020,200.00	-	12,020,200.00	11,236,450.00		783,750.00	93.48
PPRA	12,020,200.00	(6,820,200.00)	5,200,000.00	3,502,150.00		1,697,850.00	67.35
PSASB	12,020,200.00	-	12,020,200.00	11,796,135.00		224,065.00	98.14
PSC	15,020,200.00	3,912,400.00	18,932,600.00	15,612,909.60		3,319,690.40	82.47
PSPMU	10,020,200.00	-	10,020,200.00	10,018,931.00		1,269.00	99.99
Resource Mobilization Dept	10,020,200.00	(7,020,200.00)	3,000,000.00	2,728,685.00		271,315.00	90.96
SDP	10,040,200.00	(5,927,148.00)	4,113,052.00	2,613,052.00		1,500,000.00	63.53
SRC	15,020,200.00	(5,947,100.00)	9,073,100.00	8,955,100.00		118,000.00	98.70
TSC	15,020,200.00	(2,570,959.10)	12,449,240.90	7,981,531.65		4,467,709.25	64.11
<b>TOTAL GESDEK</b>	<b>1,027,000,000.00</b>	<b>(300,000,000.00)</b>	<b>727,000,000.00</b>	<b>654,793,975.26</b>		<b>72,201,024.74</b>	<b>90.07</b>

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**13. Annexes**

**Annex 1: Prior Year Auditor-General's Recommendations**

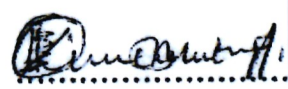
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when expect the issue to resolved)</b>
1.0	Lack of a Risk Management Policy and internal Audits	The Programme developed a draft Risk management policy & internal audit was conducted & a report submitted	Resolved	-
2.0	Failure to fill vacant positions	Due to inadequate funds the management was unable to fill the vacant posts. However, management is in the process of initiating recruitment process.	Not Resolved	30/06/2024

**Guidance Notes:**

1. Use the same reference numbers as contained in the external audit report;
2. Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
3. Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
4. Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Principal Secretary  
 Dr. Chris K. Kiptoo, CBS



Project Coordinator  
 Julius K Mutua

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

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

Receipts/Payments Item	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %	Comments on Variance (below 90% and over 100%)
<b>Receipts</b>					
Transfer from Government entities- GESDeK	727,000,000	727,000,000	0	100%	
Transfer from Government entities-GoK	75,438,412	75,438,412	0	100%	
Proceeds from domestic and foreign grants	54,731,000.00	-	54,731,000.00	0%	The project requested for the budget to utilise the balances rolled over from previous financial year
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts(Bank Interest)	-	14,803,438	-	-	Interest Accrued on PFMR Account in Kenya Commercial Bank as AIA
<b>Total Receipts</b>	<b>857,169,412</b>	<b>817,241,850</b>	<b>54,731,000.00</b>	<b>95%</b>	
<b>Payments</b>					
Compensation to employees	55,310,000	39,578,838	15,731,162	72%	The Secretariat has vacant positions
Purchase of goods and services	785,859,412	711,811,003	74,048,409	91%	
Social security benefits	16,000,000	15,087,997	912,003	94%	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
<b>Total Payments</b>	<b>857,169,412</b>	<b>766,477,838</b>	<b>90,691,574</b>	<b>89%</b>	
<b>Surplus or Deficit</b>		<b>50,764,012</b>			

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 3: Analysis of Pending: Staff Bills**

Name of Staff	Job Title	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
<b>Permanent Employees</b>							
1. Peter Njoroge	Prog Manager					2,863,800.00	Gratuity
2. Judith Nyakawa	Prog Manager					1,635,250.00	Gratuity
3. Andrew Welime	M&E Specialist					1,599,600.00	Gratuity
4. Argwings Owili	Communication Specialist					3,414,960.00	Gratuity
5. Kenneth Karani	Procurement Specialist					1,517,760.00	Gratuity
6. Susan Musakala	Admin. Assistant I					1,547,520.00	Gratuity
7. Geoffrey Bett	Ass. Specialist ICT					2,678,400.00	Gratuity
8. Ann Njoki	Ass. Specialist (Finance)					397,800.00	Gratuity
9. Eliud Koome	Prog Officer I					870,480.00	Gratuity
10. Mary Odongo	Prog Officer II					2,343,600.00	Gratuity
11. Felista Kisilu	Admin Assistant					2,008,800.00	Gratuity
12. Phoebe Gor	Assistant Specialist II					922,680.00	Gratuity
13. Jeremiah Kagwe	Assistant Specialist III					602,640.00	Gratuity
14. Daniel Waithaka	Assistant Specialist II					1,390,242.00	Gratuity
15. Warui Maina	Ass Specialist I					2,337,300.00	Gratuity
16. Lydia Tsuma	Financial Specialist					860,582.14	Gratuity

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

Name of Staff	Job Title	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
17. Samwel Makoriwa	Prog Officer II					912,781.30	Gratuity
18. Constatine Mghenyi	Prog Officer I					1,004,400.00	Gratuity
19. Moses Mwangi	M & E Specialist					1,339,200.00	Gratuity
20. Magdaline Koech	Prog Officer II					1,339,200.00	Gratuity
21. Daniel Karani	Assistant Specialist II					736,560.00	Gratuity
22. Evans Ngibuini	Financial Specialist					731,600.00	Gratuity
23. Francis Odera	Prog Officer II					177,540.00	Gratuity
24. Abigail Maboko	Admin Assistant					758,880.00	Gratuity
25. Isaac Murimi	Financial Specialist					1,785,600.00	Gratuity
26. Pauline Opiyo	Procurement Specialist					2,733,120.00	Gratuity
<b>Grand Total</b>						<b>38,510,295.44</b>	Gratuity

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 4 – Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2022/2023	Donations in form of assets (KShs) 2022/2023	*Purchases/ Additions in the Year (KShs) 2022/2023	**Disposals in the Year (KShs) 2022/2023	Transfers in/(out) Kshs 2022/2023	Closing Cost (KShs) 2023
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Office Equipment, Furniture and fittings	3,292,000	-	-	-	-	3,292,000
ICT Equipment, Computers	632,749,046	-	328,287,283	-	-	961,036,329
Purchase of Software	111,307,124	-	68,912,714	-	-	180,219,838
<b>Total</b>	<b>747,348,170</b>	<b>=</b>	<b>397,199,997</b>	<b>=</b>	<b>=</b>	<b>1,144,548,167</b>

**Annex 5: Reporting of Climate Relevant Expenditures**

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

(No expenditure was incurred in FY 22/23 under this annex)

**Annex 6: Reporting Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Program me	Sub-program me	Disast er Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness).	Expenditu re item	Amount (Kshs.)	Comm en ts

(No expenditure was incurred in FY 22/23 under this annex)

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

**Annex 7: Other Support Documents**

i. Bank reconciliation statement as at 30<sup>th</sup> June 2023

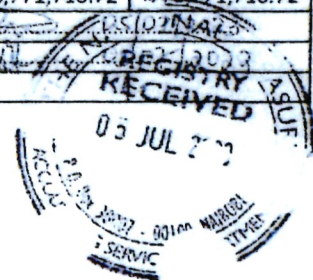
BANK RECONCILIATION AS AT 30TH JUNE 2023					
				KSHS.	
BALANCE AS PER BANK STATEMENT:				816,780,952.22	
CASH IN HAND					
				816,780,952.22	
ADD:					
1. Payments in bank statement not in cashbook:					
TOTAL					
2. Receipts in cashbook not in bank statement					
30-06-23	Masuud Maalim		133,200.00		
30-06-23	James Maingi		4,880.00		
30-06-23	Sabina Nduva		2,485.00		
TOTAL				140,565.00	
TOTALS 1 & 2				140,565.00	816,921,517.22
LESS					
3. Payment in cashbook not in bank statement					
30-06-23	PS/NT-PAYE	10632	803,874.00		
30-06-23	PS/NT-PAYE-maluku	10633	231,887.00		
30-06-23	PS/NT PAYE-Maluku	10634	293,704.00		
30-06-23	PS/NT PAYE-Kakiro	10635	153,088.00		
30-06-23	PS/NT PAYE-Lydia	10636	394,144.00		
30-06-23	PS/NT PAYE-Lydia	10637	394,144.00		
30-06-23	PS/NT PAYE-Julius	10638	595,024.00		
30-06-23	PS/NT PAYE-Lydia	10639	394,144.00		
30-06-23	PS/NT PAYE-Julius	10640	595,024.00		
30-06-23	PS/NT PAYE-Kakiro	10641	153,088.00		
30-06-23	PS/NT PAYE-Kakiro	10642	153,088.00		
30-06-23	PS/NT PAYE-Kakiro	10644	153,088.00		
30-06-23	PS/NT PAYE-Kakiro	10645	141,035.00		
30-06-23	PS/NT PAYE-Joel	10646	293,704.00		
30-06-23	PS/NT PAYE-Joel	10647	231,887.00		
30-06-23	PS/NT PAYE-Patricia	10648	235,107.00		
30-06-23	Salute I World- Net	11024	159,943.00		
30-06-23	Salute I World- VAT	11025	2,807.00		
30-06-23	Sawan solutions-Net	11026	393,103.00		
30-06-23	Sawan solutions-VAT	11027	6,897.00		
30-06-23	Jane Wanjiku-Macro	11028	29,400.00		
30-06-23	Nacece Resource-Net	11029	417,672.00		
30-06-23	Nacece Resource-VAT	11030	7,328.00		
30-06-23	Pyrethrum Regulatory-Net	11031	235,862.00		
30-06-23	Pyrethrum Regulatory-Vat	11032	4,138.00		
30-06-23	KSLH-Net	11033	402,439.00		
30-06-23	KSLH-VAT	11034	7,061.00		
30-06-23	KSLH-Net	11035	832,396.00		
30-06-23	KSLH-VAT	11036	14,604.00		
30-06-23	Christine Dambya	11038	6,000.00		

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

30-06-23	Lesan Caterers- Net	11071	9,827.00		
30-06-23	Lesan Caterers- VAT	11072	173.00		
30-06-23	KICC-Net	11073	339,657.37		
30-06-23	Maurice Wambua	11074	16,000.00		
30-06-23	Mohamed Samow	11074	4,640.00		
30-06-23	Catherine Mulumba	11074	3,780.00		
30-06-23	SANDRA Muyoka	11074	3,770.00		
30-06-23	Jackson Mbwiri	11074	16,000.00		
30-06-23	Jackson Mbwiri	11074	16,000.00		
30-06-23	Ian Macharia	11074	14,580.00		
30-06-23	Ian Macharia	11074	16,000.00		
30-06-23	Maurice Wambua	11074	16,000.00		
30-06-23	Stephen Maluku	11074	25,360.00		
30-06-23	Joel Bett	11074	8,700.00		
30-06-23	Julius Mutua	11074	33,670.00		
30-06-23	Lesan Caterers- Net	11075	7,862.00		
30-06-23	Lesan Caterers- VAT	11076	138.00		
30-06-23	Lesan Caterers- Net	11077	13,267.00		
30-06-23	Lesan Caterers- VAT	11078	233.00		
30-06-23	Lesan Caterers- Net	11079	9,827.00		
30-06-23	Lesan Caterers- VAT	11080	173.00		
30-06-23	Netasam Enterprise-Net	11081	9,827.00		
30-06-23	Netasam Enterprise-VAT	11082	173.00		
30-06-23	Kenatco -Net	11083	28,008.01		
30-06-23	Kenatco -VAT	11085	492.00		
30-06-23	KSLH-Net	11086	661,396.00		
30-06-23	KSLH- VAT	11087	11,604.00		
30-06-23	KSLH-Net	11088	292,370.00		
30-06-23	KSLH- VAT	11089	5,130.00		
30-06-23	Lesan Caterers- Net	11090	7,370.00		
30-06-23	Lesan Caterers- VAT	11091	130.00		
30-06-23	Lesan Caterers- Net	11092	14,741.00		
30-06-23	Lesan Caterers- VAT	11093	259.00		
30-06-23	Eagle Palace-Net	10896	1,117,887.00		
30-06-23	Eagle Palace-VAT	10897	19,613.00		
30-06-23	KSLH-Net	10898	240,775.00		
30-06-23	KSLH- VAT	10899	4,225.00		
30-06-23	Isaac Njiru	10900	16,800.00		
30-06-23	Timothy Munyole	10901	16,000.00		
30-06-23	L. Naivasha Resort-Net	10902	754,589.00		
30-06-23	L. Naivasha Resort-VAT	10903	13,011.00		
30-06-23	L. Naivasha Resort-Net	10904	440,406.00		
30-06-23	L. Naivasha Resort-VAT	10905	7,594.00		
30-06-23	Buraha Zenoni-Net	10906	1,015,779.00		
30-06-23	Buraha Zenoni-VAT	10907	17,821.00		
30-06-23	Empolos Hotel-Net	10908	290,896.00		
30-06-23	Empolos Hotel-VAT	10909	5,104.00		

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

30-06-23	Dignity Traders-Net	10910	1,426,965.00		
30-06-23	Dignity Traders-VAT	10911	25,035.00		
30-06-23	Merika Hotel-Net	10912	114,540.00		
30-06-23	Merika Hotel-VAT	10913	2,010.00		
30-06-23	Longrock Tours	10914	719,250.00		
30-06-23	Elabel Agencies	10915	1,107,100.00		
30-06-23	Khadija Secondary-Net	10916	480,372.00		
30-06-23	Khadija Secondary-VAT	10917	8,428.00		
30-06-23	Nakuru High- Net	10918	665,917.00		
30-06-23	Nakuru High- VAT	10919	11,683.00		
30-06-23	Naivasha Country-Net	10920	747,387.00		
30-06-23	Naivasha Country-VAT	10921	13,113.00		
30-06-23	E&Y- Net	10922	2,802,093.02		
30-06-23	E&Y- VAT	10923	49,160.00		
30-06-23	E&Y- Net	10924	1,868,061.35		
30-06-23	E&Y- VAT	10925	32,774.00		
30-06-23	Elizabeth Njoroge	10926	5,950.00		
30-06-23	Rufus Chege	10926	13,790.00		
30-06-23	Rael Limolel	10926	2,170.00		
30-06-23	Gilbert Kagongo	10927	6,000.00		
30-06-23	Anthony Muema	10928	3,980.00		
30-06-23	Comfort Hotel-Net	10929	116,751.00		
30-06-23	Comfort Hotel-VAT	10930	2,049.00		
30-06-23	Grace Wandera	10931	100,800.00		
30-06-23	Dickson Mutune-MOE	10932	5,000.00		
30-06-23	Pride inn plaza-Net	10933	181,056.00		
30-06-23	Pride inn plaza-VAT	10934	2,944.00		
30-06-23	ISACA	10935	97,085.75		
30-06-23	PS/NT	10939	1,263,150.00		
30-06-23	Stephen Maluku	10937	11,000.00		
30-06-23	Kelvin Onchwari	10938	33,600.00		
30-06-23	Maxson Wechuli	10938	33,600.00		
30-06-23	Lynne Nyongesa	10940	41,965.00		
30-06-23	Mary Kerema	10940	53,140.00		
30-06-23	Stephen Mwaura	10940	11,840.00		
30-06-23	Kenneth Magua	10940	3,570.00		
30-06-23	Anthony Muraguri	10940	4,450.00		
30-06-23	Jascinta Mulwa	10936	177,510.00		
<b>TOTAL</b>			<b>38,149,806.50</b>		
<b>4. Receipts in bank statement not in cashbook</b>					
	<b>TOTAL</b>				
Totals for items 3 & 4 above			<b>38,149,806.50</b>		
BALANCE AS PER CASHBOOK				778,771,710.72	778,771,710.72
PREPARED BY: SHADRACK MUTUKU (ASST. FINANCIAL SPECIALIST II).....					
REVIEWED BY: LINAH MWAU (ASST. FINANCIAL SPECIALIST I).....					
Control					



**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

ii. Board of Survey Report

REPUBLIC OF KENYA

F.0.51

Date: 30/6/2023

Report of the Board of Survey on the Cash and Bank Balances of PFMR as at the close of business on 30/6/2023

The Board consisting of: (Names and official titles)

**CHAIRMAN** .....KENNETH MURAGURI

**MEMBER:** .....SYLVIA NALIMAE

**MEMBER** .....JANET MULI

Assembled at the office of CASH OF PFMR

At (Time) on the 11 A.M (time) on the 27/7/2023

And the following cash was produced

Notes	Sh	Ni	
Silver	Sh	Ni	N/A
Copper	Sh	Ni	
Cheques (as per details on reverse)	Sh	Ni	

It was observed that cheques amounting to Sh Nil Cts Nil

Had been on hand for more than 14 days prior to the date of the survey

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

The Cash Book reflected the following balances as at the close of business on the 30/6/2023

Cash on hand Sh ...NIL.....

Bank Balance Sh ...778,771,710.72

**TOTAL** 778,771,710.72.....

The bank certificate of balance showed a sum of Kshs. 816,780,952 Cts 22 (Sh )

Standing to the credit of the account on 24/7/2023

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

Date 24/7/2023

KENNETH MURAGURI

SYLVIA NALIMAE

JANET MULI

Chairman

Members of the Board  
GPK (L)

iii. Certificate of Bank Balance

1218 CA 41 BRANCHES  
CERTIFICATE OF BALANCE

KCB Bank Limited  
(Incorporated in

Kenya)

CERT2320500232

KCB KICC 24 JUL 2023  
.....

Certified that the balance at the CREDIT OF PUBLIC  
FINANCIAL MNGT REFORM SECRET .....

A/C 1102295264  
.....

at the close of business on 30 JUN 2023 Was KES  
.....

EIGHT HUNDRED AND SIXTEEN MILLION SEVEN HUNDRED AND EIGHTY THOUSAND  
NINE HUNDRED AND FIFTY TWO CENTS TWENTY TWO

KES 816,780,952.22  
.....

Examined by BANK KENYA LTD.  
.....

Manager Service Quality & Compliance Branch Manager

BANK KENYA LTD.  
.....  
Branch Manager

iv. Special Deposit Account Reconciliation

**SPECIAL ACCOUNT STATEMENT**

For period ending	<b>30th JUNE, 2023</b>
Account No.	<b>KENX0227219475</b>
Depository Bank	<b>BARCLAYS BANK-NAIROBI</b>
Address	<b>NAIROBI FOREIGN EXCHANGE CENTRE.</b>
Related Loan	<b>PUFFINMTRFM FY06-10</b>
Credit Agreement	<b>FY06-10</b>
Currency	<b>USD</b>

**Account Activity**

Beginning balance of 1ST July, 2022 as per C.B.K. Ledger Account	<b>32,817.92</b>
<b>Add:</b>	
Total Amount deposited by World Bank	-
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
<b>Deduct:</b>	
Total amount withdrawn	-
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2023	<b>32,817.92</b>

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE: 24-07-2023

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE: 24-08-2023

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.

**Public Financial Management Reforms Secretariat**  
**Annual Report and Financial Statements for the financial year ended June 30, 2023**

v. Cumulative totals on source and application of funds

<b>Sources and application of funds cumulative total from 2015/16 to date</b>		
<b>YEAR</b>	<b>COMPONENT</b>	<b>RECEIPTS</b>
2015/2016	DANIDA	209,881,589.50
	GOK	296,621,490.50
	INTEREST	9,080,666.20
	SIDA	234,187,650.00
		<b>749,771,396.20</b>
2016/2017	DANIDA	206,278,116.00
	GOK	92,058,126.00
	INTEREST	9,206,585.00
	SIDA	124,131,500.00
		<b>431,674,327.00</b>
2017/2018	DANIDA	191,871,938.00
	GOK	946,044,930.00
	INTEREST	12,081,005.80
	SIDA	-
		<b>1,149,997,873.80</b>
2018/2019	SIDA	-
	GOK	32,427,450.55
	INTEREST	21,396,796.80
	DANIDA	204,634,210.60
		<b>258,458,457.95</b>
2019/2020	DANIDA	-
	GOK	1,170,382,545.00
	INTEREST	25,602,563.25
	SIDA	-
		<b>1,195,985,108.25</b>
2020/2021	DANIDA	55,057,288.00
	GOK	361,113,585.00
	INTEREST	30,334,571.00
	SIDA	-
		<b>446,505,444.00</b>
2021/2022	DANIDA	37,942,712.00
	GOK	259,907,871.00
	INTEREST	41,315,696.90
	SIDA	-
		<b>339,166,279.90</b>
2022/2023	GoK	802,438,412.00
	INTEREST	14,803,438.30
	SIDA	-
		<b>817,241,850.30</b>
		<b>5,388,800,737.40</b>
<b>CUMULATIVE RECEIPTS</b>		
<b>APPLICATION OF FUNDS</b>		
<b>YEAR</b>	<b>Kshs</b>	
2015/2016	473,812,815.09	
2016/2017	514,219,095.75	
2017/2018	226,949,388.65	
2018/2019	951,062,733.15	
2019/2020	502,322,314.81	
2020/2021	881,362,684.00	
2021/2022	556,803,181.23	
2022/2023	766,477,837.93	
	<b>4,873,010,050.61</b>	