

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

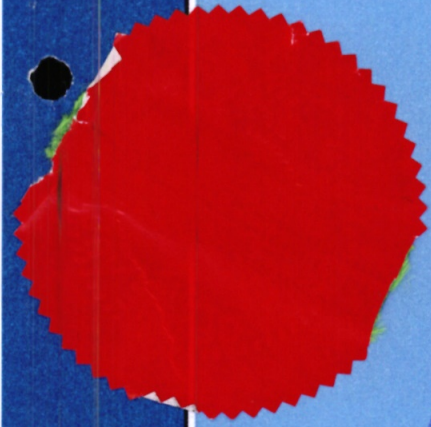
**PUBLIC DEBT MANAGEMENT SUPPORT
PROJECT (PDMS)-ADB GRANT AGREEMENT**

NO.5500155013708

FOR THE YEAR ENDED

30 JUNE, 2024

THE NATIONAL TREASURY



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THE NATIONAL ASSEMBLY PAPERS LAID	
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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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26 SEP 2024

RECEIVED

PUBLIC DEBT MANAGEMENT SUPPORT PROJECT

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

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

**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 Definition of Terms

ADB	African Development Bank
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
TNT	The National Treasury
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name

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

Objective

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

Address

The project headquarters location and contacts is as below:

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

The project does not have other offices or branches.

Contacts: The following are the Project's contacts.

Telephone: (254)020-2252299

Email: info@treasury.go.ke

Website: www.treasury.go.ke

2.2 Project Information

Project Start Date:	23 rd September, 2020
Project End Date:	31 st May, 2025
Project Manager:	Dr. Kenrick Ayot
Project Sponsor:	African Development Bank

Project Information and Overall Performance (continued)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Resource Mobilisation Department at The National Treasury.
Project number	Grant Agreement No: 550155013708 Identification No: P-KE-KFO-006
Strategic goals of the project	The strategic goals of the project are as follows: (i) Strengthen Public Debt Management functions (ii) Strengthening Institutional Capacity for Transparency, Accountable and Results based Debt Management
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Technical assistance to develop a) Fiscal commitments and contingent liabilities framework b) Training on Debt dissemination standards (ii) Technical assistance to conduct a) Portfolio review for borrowing and debt related transactions (iii) Training on loan negotiations
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Skills enhancement of PDMO staff (ii) Public Debt Management Framework
Project duration	The project started on 23rd September, 2020 and is expected to run until 31 May, 2025.

Project Information and Overall Performance (Continued)

2.4 Bankers

Central Bank of Kenya

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

2.5 Independent Auditor

The Project is audited by:

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

2.6 Roles and Responsibilities

Names	Title Designation	Key Qualification	Responsibilities
Dr. Chris Kiptoo, CBS	Principal Secretary	<ul style="list-style-type: none"> • Doctor of Philosophy (PhD)- Finance • Masters in Science (Ag Economics) • Bachelor of Science (Ag Economics) 	Accounting Officer, The National Treasury
Dr. Kenrick Ayot	Principal Economist	<ul style="list-style-type: none"> • Doctor of Philosophy (PhD)- Economics 	Project Manager
Miriam Kundu	Ass. Director, Supply Chain Management	<ul style="list-style-type: none"> • Bachelor's Degree in Mathematics and Economics 	Project Procurement Officer
Christine Chimayi	Accountant	<ul style="list-style-type: none"> • CPA, Part II 	Project Accountant

2.7 Funding summary

The Project is for duration of five years from 2020 to 2025 with an approved budget highlighted below:

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

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (June 30, 2024)		Undrawn balance to date- (June 30, 2024)	
	<i>USD</i>	<i>KShs</i>	<i>USD</i>	<i>KShs</i>	<i>USD</i>	<i>KShs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A)-(B)</i>
(i) Grant						
African Development Bank	1,120,000	122,080,000	634,734	76,672,316	485,266	61,691,867
(ii) Counterpart funds						
Government of Kenya	-	30,000,000	-	286,101,616	-	-
Total	1,120,000	152,080,000	634,734	362,773,932	485,266	61,691,867

Note:

Donor commitment of USD.1,120,000 at exchange rate of 1 USD equivalent to Kshs.109.00 during FY 2020-2021.

Amount received to date includes Direct Payment of USD. 377,734(Ksh.46,044,626)

Undrawn Balance of USD. 485,266 at Exchange rate of Kshs.127.13 as at 30th June 2024.

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

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (June 30, 2024)		Cumulative amount paid to date – (June 30, 2024)		Unutilised balance to date (June 30, 2024)	
	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
African Development Bank	634,734	76,672,316	-	76,192,989	-	479,327
(i) Counterpart funds						
Government of Kenya	-	286,101,616	-	286,101,616	-	-
Total	634,734	362,773,932	-	362,294,605	-	479,327

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

DESCRIPTION	FY 2023/2024		CUMMULATIVE TOTAL
	BUDGET	ACTUAL	
GOK Counterpart Funding	52,000,000	56,141,508	286,101,616
Grant Revenue	25,000,000	-	30,627,690
Grant AIA	65,000,000	34,107,126	46,044,626
TOTAL	142,000,000	90,248,634	362,773,932

Overall, out of the Development Commitment of (USD.1,120,000) Kshs.122,080,000.00, a total of Kshs. 76,672,316 has been disbursed at a cumulative disbursement percentage of 63%. The underperformance is attributable to ongoing procurement of a consultant that was not concluded as at 30th June, 2014

- ii) **Physical progress based on outputs and outcomes since project commencement is as below:**

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

Project information and overall performance (continued)

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

The project disbursed as indicated below based on the appropriated budget for each of the financial years;

Financial Year	Budget	Actual on Comparative Basis	Absorption Rate
2020-2021	41,000,000	28,154,463	69%
2021-2022	104,000,000	72,727,976	70%
2022-2023	265,023,053	171,163,532	65%
2023-2024	142,000,000	90,248,634	64%

- i) **Implementation challenges and recommended steps are as follows:**

The main project implementation challenge was the delay in the procurement of consultancy. Delay in procurement of consultancy has hampered the project absorption. However, the procurement of the same is underway but was not concluded as at 30th June, 2024.

2.9 Summary of Project Compliance:

- i) The project has complied to all applicable laws and regulations. All relevant statutory provisions pertaining to budgeting, disbursement, financial reporting and procurement as stipulated in the relevant Acts were followed in the acquisition of goods and services.
- ii) There have never been any consequences which the project has suffered since all the rules and regulations have been complied.
- iii) The mitigation measures taken are sensitization of the staff on the applicable laws and indicating the consequences they can face in not abiding to the regulations.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

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

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

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

Progress on attainment of strategic development objectives

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

Public Debt Management Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Public Debt Management Support Project	To Strengthen public debt management capacity of the Public Debt Management Office (PDMO)	<ul style="list-style-type: none"> • Trained and built capacity of PDMO staff with a focus on the following areas: Loan Analysis and Negotiation, Cash Management, Risk Management Financial Management of Donor Funded Projects and Supervisory Skills Training. • Enhanced debt management capacity of PDMO 	<ul style="list-style-type: none"> • Number PDMO staff trained • Public management framework developed 	<ul style="list-style-type: none"> • Seventy (70) staff trained • Public Debt Management Frameworks developed

4. Environmental and Sustainability reporting

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

5. Statement of Project Management responsibilities

The *Principal Secretary* for The National Treasury and the *Project Coordinator* for **Public Debt Management Support Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for The National Treasury and the *Project Coordinator* for **Public Debt Management Support Project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for The National Treasury and the *Project Coordinator* for **Public Debt Management Support Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The *Principal Secretary* for The National Treasury and the *Project Coordinator* for **Public Debt Management Support Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

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

*The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

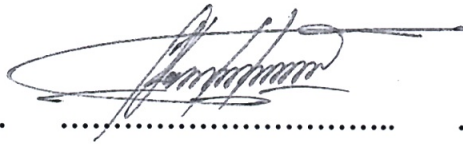
received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for The National Treasury and the *Project Coordinator* for **Public Debt Management Support Project** on 16th September 2024 and signed by:



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



.....
Dr. Kenrick Ayot
Project Coordinator



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

REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL ON PUBLIC DEBT MANAGEMENT SUPPORT PROJECT(PDMS)-ADB GRANT AGREEMENT NO.5500155013708 FOR THE YEAR ENDED 30 JUNE, 2024 - THE NATIONAL TREASURY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A qualified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Public Debt Management Support Project set out on pages 1 to 22, which comprise the statement of financial assets

Report of the Auditor-General on Public Debt Management Support Project ADB Grant Agreement No.5500155013708 for the year ended 30 June, 2024 - The National Treasury

and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Public Debt Management Support Projectas at 30 June, 2024 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 Financing Agreement No. 5500155013708 dated 23 September, 2020 between the African Development Bank, African Development Fund and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Presentation and Disclosure of Financial Statements

Review of the financial statements revealed the following inaccuracies:

- (i) The statement of financial assets and liabilities has not been signed by the head of Disbursement Unit (Project Accountant) as required by the reporting template.
- (ii) Note 5 A to the financial statements reflects a prior year special deposit account opening balance of USD 650 and Nil withdrawals during the period. However, audited financial statements for the financial year 2022/2023 and special deposit account reconciliation reflects an opening balance of USD.107,650 and withdrawals of USD.107,000, leaving unreconciled variance of USD.107,000.
- (iii) The Note under Special Deposit Accounts Movement Schedule indicates an exchange rate of Kshs.127.13.24 instead of Kshs.127.1324.
- (iv) Note 13 (e) on Other Important Disclosures reflects comparative amounts paid to third parties of Kshs.34,107,126 instead of Kshs.11,937,500 reported in the previous year's audited financial statements.
- (v) Note15 to the financial statements reflects total transfers from related parties balance of Kshs.56,141,508. However, the description provided indicates that the project did not have related party transactions.
- (vi) The header for the financial statements indicated in pages 13 to 27 is inconsistent with the project name.

2. Amount Withdrawn and not Claimed

The statement of special (designated) account reconciliation reflects amount withdrawn and not claimed of USD.31,518.40 equivalent to Kshs.4,006,934 as at 30 June, 2024. Details of this amount and reasons for failure to submit the expenditure returns have not been provided for audit review.

In the circumstances, the occurrence, completeness and regularity of the expenditure incurred from the withdrawals could not be ascertained.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under report on Lawfulness and Effectiveness in Use of Public Resources. The issues remained unresolved as at 30 June, 2024.

Other Information

Conclusion

The Management is responsible for the other information set out on pages (ii) to (xv) which comprise of Acronyms and Definition of Terms, Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Public Debt Management Support Project financial statements, my responsibility is to read the other information and in doing so, consider

whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion, 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

1. Low Absorption of Project Funds

In 2020, the Republic of Kenya entered into a tripartite agreement between the African Development Bank and African Development Fund, an agreement in which the Republic of Kenya was to receive a grant totalling to USD.1,120,000 with the Government of Kenya committing Kshs.30,000,000 to strengthen the capacity of the Public Debt Management Office (PDMO) in public debt management to ensure transparent, accountable and effective management of public debt and borrowing. The initial closing date for the project was 31 May, 2022, after which an extension was granted by the bank to 31 May, 2025. As at 30 June, 2024, the project had drawn a total of USD. 634,734, representing an absorption rate of 57% of the total grant. Further, the statement of comparison of budget and actual amounts reflects final receipts and payments budget of Kshs.142,000,000. Although the project was able to spend all the receipts for the year totaling to Kshs.90,248,634 the absorption for the year was 64% of the budget.

With about 78% of the project duration having elapsed and absorption of the grant at 57%, the project objectives may not be achieved within the set project end date of 31 May, 2025.

2. Non-Compliance with the Law of Public Finance Management

The statement of receipts and payments reflects purchase of goods and services expenditure of Kshs.90,248,634 as further analysed in Note 3 to the financial statements. Included in the is an amount of Kshs.6,278,228 in relation to foreign travel and subsistence allowances. Review of expenditure records provided for audit indicated that the expenditure was in respect of foreign travel allowance claims by officers after they had completed their assignments. This is contrary to provisions of Regulation 93(3) of the Public Finance Management (National Government) Regulations 2015 which states that that temporary imprests shall be issued mainly in respect of official journeys and are

intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses.

In the circumstance, management was in breach of the law.

3. Delay in Procurement of the Supply, Configuration, Integration and Implementation of Electronic Document Management System

Review of procurement documents for tender No. TNT/RFP/059/2023-2024 for the supply, configuration, integration and implementation of an Electronic Document Management System revealed that the Project was granted No Objection by the Donor for the Terms of Reference for Expression of Interest (EOI) on 8 November, 2023 with an advertisement placed in the local dailies on 28 November, 2023. The budget for the tender in the year under review was Kshs.25,000,000 and according to the approved terms of reference, the implementation was to be carried out in two (2) phases with each phase having its own distinct deliverables. However, the Management procured the tender for phase one (1) only, with the tender evaluation committee recommending the tender be awarded to a local Company at a negotiated sum of Kshs.20,416,000 inclusive of all taxes and levies. However, the Bank declined to grant No Objection to the award due to the omission of phase 2 of the terms of reference. At the time of audit, the technical and financial evaluation of the tender was ongoing. The Management did not provide an explanation for non-compliance with the guidelines of the Terms of Reference.

In the circumstances, the noncompliance with the Terms of Reference guidelines may negatively impact on delivery of the project objectives.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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

Conclusion

As required by the African Development Bank and African Development Fund, I report based on my audit that I have obtained all information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit. In my opinion, Information given in the managements report pages (iii) to (xv) is consistent with the financial statements.

Basis for Conclusion

African Development Bank and African Development Fund requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Public Debt Management Support Project compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, the Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

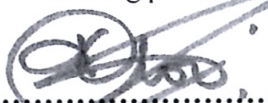
Nairobi

04 November, 2024


7. Statement of Receipts and Payments for the year ended 30th June 2024.

	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)
		2023/2024			2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government Entities	1	56,141,508	-	56,141,508	141,646,992	-	141,646,992	286,101,616
Proceeds from Domestic and Foreign Grants	2	-	34,107,126	34,107,126	14,184,990	11,937,500	26,122,490	76,672,316
Total receipts		56,141,508	34,107,126	90,248,634	155,831,982	11,937,500	167,769,482	362,773,932
Payments								
Purchase of goods and services	3	56,141,508	34,107,126	90,248,634	159,226,032	11,937,500	171,163,532	362,294,605
Acquisition of non-financial assets	4	-	-	-	-	-	-	-
Total payments		56,141,508	34,107,126	90,248,634	159,226,032	11,937,500	171,163,532	362,294,605
Surplus/ (deficit)		-	-	-	(3,394,050)	-	(3,394,050)	479,327

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


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


.....
Dr. Kenrick Ayot
Project Coordinator



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

*The National Treasury
Public Debt Management Support Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*


8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents	5	479,327	479,327
Imprests and Advances	6	-	-
Total Financial Assets (A)		479,327	479,327
Financial Liabilities			
Third party Deposits and Retention	7	-	-
Total Financial Liabilities (B)		-	-
Net Financial Assets (A-B)		479,327	479,327
Represented By			
Fund Balance B/fwd.	8	479,327	3,873,377
Prior Year adjustments	9	-	-
Surplus/(Deficit) for the Year		-	(3,394,050)
Net Financial Position		479,327	479,327

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 16th September 2024 and signed by:


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

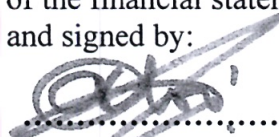

.....
Dr. Kenrick Ayot
Project Coordinator


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

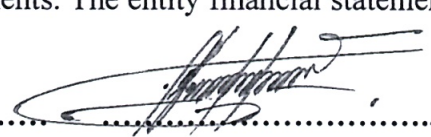
9. Statement of Cashflow for the year ended 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from Government Entities	1	56,141,508	141,646,992
Proceeds from Domestic and Foreign Grants	2	34,107,126	26,122,490
Total receipts		90,248,634	167,769,482
Payments			
Purchase of goods and services	3	(90,248,634)	(171,163,532)
Total Payments		(90,248,634)	(171,163,532)
Net receipts/(payments)		-	(3,394,050)
Adjustments during the year			
Prior year adjustments	9	-	-
Net cash flow from operating activities		-	(3,394,050)
Cashflow from investing activities			
Acquisition of non-financial assets	4	-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	(3,394,050)
Cash and cash equivalent at beginning of the year	5	479,327	3,873,377
Cash and cash equivalent at end of the year	5	479,327	479,327

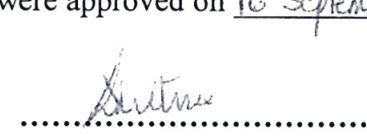
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 16th September 2024 and signed by:



Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury



Dr. Kenrick Ayot
Project Coordinator



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

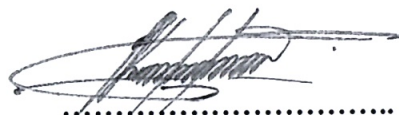
10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from GOK Counterpart Funding	212,000,000	(160,000,000)	52,000,000	56,141,508	-4,141,508	108%
Proceeds from Foreign Grants	40,000,000	(15,000,000)	25,000,000	-	25,000,000	0%
Direct Payment from Foreign Grant	80,000,000	(15,000,000)	65,000,000	34,107,126	30,892,874	52%
Total Receipts	332,000,000	(190,000,000)	142,000,000	90,248,634	51,751,366	64%
Payments						
Purchase of goods and services	252,000,000	(175,000,000)	77,000,000	56,141,508	20,858,492	73%
Direct Payment from Foreign Grant	80,000,000	(15,000,000)	65,000,000	34,107,126	30,892,874	52%
Total Payments	332,000,000	(190,000,000)	142,000,000	90,248,634	51,751,366	64%
Surplus or Deficit				-		

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



Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury



Dr. Kenrick Ayot
Project Coordinator



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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

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

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (continued)

iii) Other receipts

This includes Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and the sale of tender documents. These are recognized in the financial statements when 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 the reporting date 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. The funding summary analyzes the Project's undrawn external assistance.

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, Wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments when the goods/services are consumed and paid for. If not paid for when goods/services are consumed, they shall be disclosed as pending bills.

Significant Accounting Policies (continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on the 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 a receipt and as a payment. A fixed asset register is maintained by each public entity, and a summary is provided for consolidation purposes. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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

j) Contingent Liabilities

A contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) A present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

k) Contingent Assets

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

and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Pending bills

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

m) Budget

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

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

Significant Accounting Policies (continued)

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, 2024.

r) Prior period adjustments

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

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>1. GOK Counterpart Funding through The national Treasury</i>			
Counterpart funds Quarter 1	6,278,228	81,088,920	87,367,148
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	252,000	-	4,536,000
Counterpart funds Quarter 4	49,611,280	60,558,072	194,198,468
Total (See Annex 3)	56,141,508	141,646,992	286,101,616
<i>Other transfers from government entities</i>			
Total	<u>56,141,508</u>	<u>141,646,992</u>	<u>286,101,616</u>

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from African Development Bank as detailed in the table below:

Name of Donor	2023/2024						2022/2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in Cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Ksh	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	-
Grants Received from ADB	-	-	-	-	-	-	14,184,990	30,627,690
Direct Payment from ADB	-	-	-	34,107,126	-	34,107,126	11,937,500	46,044,626
Total		-	-	34,107,126	-	34,107,126	26,122,490	76,672,316

3. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Domestic travel and subsistence	10,791,200	-	10,791,200	10,997,727	94,050,043
Foreign travel and subsistence	6,278,228	-	6,278,228	102,227,468	108,505,696
Payment to Training Institutions	39,072,080	-	39,072,080	46,000,836	113,694,239
Direct payment-payment to consultant	-	34,107,126	34,107,126	11,937,500	46,044,626
Total	<u>56,141,508</u>	<u>34,107,126</u>	<u>90,248,634.00</u>	<u>171,163,531</u>	<u>362,294,604</u>

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

4. Acquisition of Non-Financial Assets

Description	2023-2024			2022-2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of office furniture & general equipment	-	-	-	-	-
Total	-	-	-	-	-

5. Cash And Cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts (Note 5A)	479,327	479,327
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Total	<u>479,327</u>	<u>479,327</u>

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

5. A Bank Accounts

Project Bank Accounts

Details	2023/2024	2022/2023
<u>Foreign Currency Accounts</u>	USD	USD
Central Bank of Kenya [A/c No. 1000470167]	146,607	0
Total Foreign Currency balances		
<u>Local Currency Accounts</u>	Kshs	Kshs
Central Bank of Kenya [A/c No. 1000473851]	479,327	479,327
Total local currency balances	479,327	<u>479,327</u>
Total bank account balances	479,327	<u>479,327</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project’s Special Deposit Account(s) as at 30th June 2024 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

	2023/2024	2022/2023
	USD	USD
(i) A/C Name [A/c No. 1000492098]		
Opening balance	650	650
Total amount deposited in the account	145,957	-
Total amount withdrawn (as per Statement of Receipts & Payments)	=	=
Closing balance (as per SDA bank account reconciliation attached)	<u>146,607</u>	<u>650</u>

The bank account is denominated in USD and as at 30.06.2024 had a closing balance of USD.146,607 (Kshs. 18,638,148.00). The prevailing exchange rate was Kshs.127.13.24 to 1 USD

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

5 B Cash in hand

Description	2023/2024	2022/2023
	KShs	KShs
Location	-	-
Total cash in hand balances	-	-

There was Cash at hand

Notes to the Financial Statements (Continued)

5 C Cash equivalents (short-term deposits)

Description	2023/2024	2022/2023
	Kshs	Kshs
Others (<i>Specify</i>)	-	-
Total	-	-

There were no Short-term deposits

6. Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

There were no outstanding imprest or advances.

7. Third-Party Deposits and Retention

Description	2023/2024	2022/2023
	Kshs	Kshs
Retention	-	-
Deposits	-	-
Total	-	-

There were no Third-Party Deposits and Retention

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

8. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts	479,327	3,873,377
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	479,327	3,873,377

9. Prior Year adjustment

	Balance b/f 2022/2023	Adjustments	Adjusted balance b/f 2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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Annual Report and Financial Statements for the financial year ended June 30, 2024*

Other Important Disclosures

10. Pending Accounts Payable

	Balance b/f from 2022/2023	Additions for the year	Paid during the year	Balance c/f for 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The project did not have Pending Account Payables

11. Pending Staff Payables

	Balance b/f from 2022/2023	Additions for the year	Paid during the year	Balance c/f for 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The project did not have Pending Staff Payables

12. Other Pending Payables

	Balance b/f from 2022/2023	Additions for the year	Paid during the year	Balance c/f for 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The project did not have Other Pending Payables

13. External Assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
Proceeds from Foreign Grants-Revenue	-	14,184,990
Direct Payment from Foreign Grants	34,107,126	11,937,500
Total	34,107,126	26,122,490

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Other Important Disclosures (Continued)

a). External assistance relating loans and grants

	2023/2024	2022/2023
Description	Kshs	Kshs
Proceeds from Foreign Grants-Revenue	-	14,184,990
Direct Payment from Foreign Grants	34,107,126	11,937,500
Total	34,107,126	26,122,490

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023/2024	2022/2023
Description		Kshs	Kshs
Undrawn external assistance - grants		61,691,867	79,514,810
Total		61,691,867	79,514,810

Note:

Undrawn Balance is USD.765,070 for FY 2022/2023 and USD. 485,266 for 2023/2024 translating as follows:

– As a 30th June 2024 @Ksh.127.13 equivalent to Kshs. 61,691,867

c) Classes of providers of external assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
Multilateral donors	34,107,126	26,122,490
Total	34,107,126	26,122,490

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Other Important Disclosures (Continued)

d) Non-monetary external assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

The Project did not receive any Non-Monetary Assistance.

e) Purpose and use of external assistance

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Use of goods and services	34,107,126	34,107,126
Total	34,107,126	34,107,126

f. External Assistance paid by third parties on behalf of Public Debt Management Support Project by Source

	2023/2024	2022/2023
Description	Kshs	Kshs
Multilateral donors	34,107,126	11,937,500
Total	34,107,126	11,937,500

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Other Important Disclosures (Continued)

14. Payments By Third Party on Behalf of The Project

14.1 Classification by Source

	2023/2024	2022/2023
Description	Kshs	Kshs
African Development Bank	34,107,126	11,937,500
Total	34,107,126	11,937,500

14.2 Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Use of goods and services	34,107,126	11,937,500
Total	34,107,126	11,937,500

Other Important Disclosures (Continued)

15. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

Related party transactions:

	2023/2024	2022/2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Total Compensation to Key Management	-	--
Transfers to related parties		-
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties		-
Transfers from the The National Treasury	-	-
Payments made on behalf of the project by other govt. entities	56,141,508	141,646,992
Total Transfers from related parties	56,141,508	141,646,992

The Project did not have Related party transactions

16. Contingent Liabilities


Contingent liabilities	2023/2024	2022/2023
	Kshs	Kshs
Total	-	-

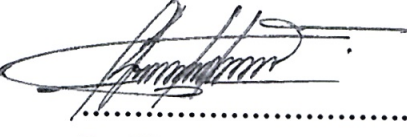
The Project did not have Contingent Liabilities


13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	None	N/A	N/A	N/A


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


.....
Dr. Kenrick Ayot
Project Coordinator


.....
CPA Linnet Vitisia
Ag. Head: Disbursement Unit
ICPAK Member No: 5831

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
GOK Counterpart Funding	52,000,000	56,141,508	(4,141,508)	108%	There was budget cut after expenditure
Proceeds from domestic and foreign grants	90,000,000	34,107,126	55,892,874	38%	Procurement of consultancy still ongoing, was not concluded as at 30th June, 2024
Total Receipts	142,000,000	90,248,634	51,751,366	64%	
Payments					
Purchase of goods and services	142,000,000	90,248,634	51,751,366	64%	
Acquisition of non-financial assets		-	-		
Total payments	142,000,000	90,248,634	51,751,366	64%	

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

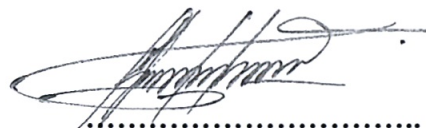
Annex 3: Reconciliation of inter-entity transfers

Project Name:				
Breakdown of transfers from Public Debt Management Support Project				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	2023-2024
			56,141,508	
		Total	56,141,508	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	2023-2024
			-	
		Total	-	
C.	Others			
		Bank Statement Date	Amount (Kshs)	2023-2024
			-	
		Total	-	
		Total (A+B+C)	56,141,508	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department



.....
George K. Gichuru 9262
Head of Accounting Unit
The National Treasury



.....
Dr. Kenrick Ayot
Project Coordinator

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Annex 4: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2022/23	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) Kshs 2023/24	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Total						

The project has not procured any Fixed Assets.

Annex 5: Reporting of Climate Relevant Expenditures

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

There was no expenditure on this item.

Annex 6: Reporting Disaster Management Expenditure

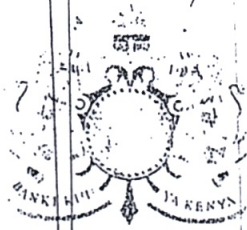
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

The project did not incur expenditure on Disaster Management.

Annex 7: Other Support Documents

- i. Certificate of Balances
- ii. Cash Book
- iii. Bank Reconciliations statement as at 30th June 2024
- iv. Special Deposit Account reconciliation statement

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

July 24, 2024

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

CERTIFICATE OF BALANCES


Customer : 100094
Balance Date: 30-Jun-24

MINISTRY OF FINANCE

Account No	Account Name	Currency	Balance
1000000977	TREASURY BILLS ACCOUNT	KES	0
1000000988	TREASURY BONDS ACCOUNT	KES	1,806,019.65
1000000996	REVENUE DEPOSIT ACCOUNT	KES	15,690,520,642.34
1000004053	TREASURY BONDS REDEMPTION	KES	90,500,000.00
1000004061	TREASURY BONDS INTEREST	KES	30.78
1000004077	GOVERNMENT TREASURY BILLS SUSP.	KES	0.00
1000004088	TREASURY BILLS REDEMPTION SUSP.	KES	0.00
1000182528	CBK165-THE NATIONAL TREASURY	KES	0.00
1000181467	REC-THE NATIONAL TREASURY	KES	351,559,730.22
1000181664	DEV-THE NATIONAL TREASURY	KES	1,417,718,072.20
1000182137	DEP-THE NATIONAL TREASURY	KES	422,207,297.15
1000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	KES	90,491,999.30
1000201924	VOLUNTARY PAY CUT	KES	0.00
1000268743	AFRICAN INSTITUTE FOR REMITTANCES	KES	17,127,569.60
1000204378	REC-PUBLIC DEBT	KES	35,133,625.26
1000204419	REC-SALARIES ALLOWA MISC AND NSSSFC	KES	196,218,625.60
1000205024	PETROLEUM DEVELOPMENT LEVY FUND	KES	2,857,767,799.80
1000209518	NATIONAL TREASURY REVENUE COLL.	KES	0.00
1000409018	INFRAST FINANCE AND PPP-CAT. 2EEP	KES	1,135,082,040.15
1000368632	INFRASTRUCTURE FIN AND PUB PART PRJ	KES	2,743.95
1000447575	KEN. FINANCING LOCALLY LED CLIMATE	KES	166,050,874.40
1000484675	FINANCIN LOCAL-LED CLIMATE ACTION B	KES	2,328,846.30
1000331747	GREEN GROWTH AND EMPLOY CREATION PR	KES	5,000,000.00
1000516534	GREEN CLIMATE FUND READINESS PROJ	KES	7,400,396.00
1000693096	SUPPORTING ACCESS TO FIN & ENT RECO	KES	50,648,542.70
1000709596	SUPP ACESS TO FIN ENTERP RECOV A	KES	21,093,167.95
1000709607	SUPP ACESS TO FIN ENTERP RECOV B	KES	0.00
1000476858	CREDIT GUARANTEE SCHEME ACCOUNT	KES	261,296,920.00

1000473851	PUBLIC DEBT MANAGEMENT SUPPORT PROJ	KES	463,504.20
1000741236	ADB - AFRICA CLIMATE SUMMIT	KES	4,917,765.00
1000662794	KFW FINANCING LOCAL LED CLIMATE ACT	KES	21,045,683.50
1000528885	AFFORDABLE HOUSING FINANCE PROJ	KES	13,027,739.25
1000528893	ADB:NATIONAL TREASURY CAPACITY STRE	KES	678,286.00
1000539135	EU KENYA COOPERATION AND PARTNERSHI	KES	0.00
1000122501	GOVERNMENT OVERDRAFT ACCOUNT.	KES	61,020,669,176.79-
1000537876	STATE OFF AND PUB OFF CAR LOAN SCH	KES	67,784,106.00
1000323876	A U OTHER INTERNAT. ORG SUBSC FUND	KES	2,651,455,086.66
1000349538	PPP PROJECT FACILITATION FUND ACC.	KES	3,373,152,666.75


 Priscilla Keitany (Mrs)
 Authorised Signatory
 Banking Services Division


 Micah Nabori
 Authorised Signatory
 Banking Services Division

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

CHEQUE NO.	CHEQUE DATE	PAYEE	AMOUNT KSHS
FT21166VXPPM	15.06.2021	KRA	15,822.80
			15,822.80

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

CHEQUE NO.	CHEQUE DATE	PAYEE	AMOUNT KSHS
			-

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2024
Account No.	1000470167
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	PUBLIC DEBT MANAGEMENT SUPPORT
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	650.00
Add:	
Total Amount deposited by ^{ADB} World Bank	145,957.15
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2024	146,607.15

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

01-08-2024

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

02-08-2024

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: Run Time:
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2023 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER :

ACCOUNT TITLE : PUBLIC DEBT MANAGEMENT SUPPORT
 30/06/2024

NO.	DATE	REFERENCE NO	DETAILS
	OPENING BAL :		650.00
NO.	Value Date	Reference.No	Details Debit Credit
1	14/08/2023	FT23226D132V	FUNDING 0.00 145,957.15

DEBIT CREDIT BALANCE

Balance
 146607.15

CLOSING BALANCE : 146607.15

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

More Options
 Clear Selection Find

- Account equals ✓ 1000470167
- Statement From equals ✓ 20230701
- Statement To equals ✓ 20240630

TAM.E.STMT.OF.ACCT.EPRM

Summary of Revolving Funds By Loan (In Paid Currency)
 Public sector As at 03.07.2024
 Loan Number : 5500155013708
 Project ID : P-KE-KFO-006
 Project Title : PUBLIC DEBT MANAGEMENT SUPPORT PROJECT
 Borrower : MINISTRY OF FINANCE

Printing Date : 03.07.2024
 Page :
 System : PRD 0
 Loan Contract Currency : UAC
 Closing Date : 31.05.2025
 Commitment Capital : 800,000.00
 Available Balance : 0.00

LDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed UAC	Amount Justified UAC	Balance to Justify UAC	%Justified	Disburs. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)	F = D / C	(G)	(H)
5500155013708											
1 All activitie 1/KE/2020/81951	RF N00001	USD	257,690.00	225,564.45	32,125.55	179,321.24	156,965.72	22,355.52	87.53	14.12.2020	20.06.2023
1/KE/2023/29449	RF N00003	USD	146,000.00	0.00	146,000.00	109,207.05	0.00	109,207.05	0.00	10.08.2023	00.00.0000
Total 5500155013708 All activities						288,528.29	156,965.72	131,562.57	54.40		
5500155013708						288,528.29	156,965.72	131,562.57	54.40		

403 690.00

178,125.55

CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
TRIAL BALANCE AS AT END OF JUL 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
PUBLIC DEBT MANAGEMENT SUPPORT PROJECT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					
TRIAL BALANCE AS AT END OF AUG 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					
TRIAL BALANCE AS AT END OF SEP 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					

TRIAL BALANCE AS AT END OF OCT 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					
TRIAL BALANCE AS AT END OF NOV 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					
TRIAL BALANCE AS AT END OF DEC 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised	Estimated	Balance
			Exp/Rev	Exp/Rev	
1071	Headquarters				
	2630203-11510087-0717019999-00000001	Grant fro Development Partner	479,327.00	0.00	(479,327.00)
	2630203-11510087-0717019999-00000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		479,327.00	0.00	(479,327.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					