

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR
FOREIGN AFFAIRS**

**FOR THE THREE (3) MONTHS
PERIOD ENDED 30 JUNE, 2023**



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STATE DEPARTMENT FOR FOREIGN AFFAIRS

REPORT AND FINANCIAL STATEMENTS

FOR THREE MONTHS PERIOD ENDED

JUNE 30, 2023

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

*State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023*

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1. Acronyms and Glossary of Terms

AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
HAU	Head of Accounting Unit
IPSAS	International Public Sector Accounting Standards
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management

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2. Key Entity Information and Management

(a) Background information

The State Department of Foreign Affairs was formed in January, 2023 vide Executive Order No.1/2023. At Cabinet level, the Ministry of Foreign and Diaspora Affairs is represented by the Cabinet Secretary, who is responsible for the general policy and strategic direction of the Ministry. The mandate of the State Department for Foreign Affairs is:

- 1) Management of Kenya's Foreign Policy
- 2) Projection, Promotion and Protection of Kenya's Interest and Image globally
- 3) Management of Kenya's Missions, Embassies and High Commissions Abroad
- 4) Co-ordinating Regional Peace Initiatives
- 5) Ratifications/Accession to, Depository and Custodian of all International Treaties, Agreements and Conventions where Kenya is a Party
- 6) Co-ordinations of Matters Relating to IGAD and Associations of Regional Cooperation (ARC)
- 7) Liaising and Co-ordinating with World Trade bodies and UN agencies
- 8) Promotion of Nairobi as a Hub for Multilateral Diplomacy
- 9) Lobbying for Kenya Candidature in the International Governance System
- 10) Negotiation and Conclusion of Headquarters and Host Country Agreements with International Organizations and Agencies
- 11) Liaison with Foreign Missions in Kenya
- 12) Administration of Diplomatic Privileges and Immunities
- 13) Co-ordination of State and Official Visits
- 14) Protocol and State Courtesy
- 15) Provision of Consular Services
- 16) Management of Joint Commissions with other Countries
- 17) Management of Bilateral and Multilateral Relations
- 18) Official Communications on Global Foreign Relations

Vision

A peaceful, prosperous and globally competitive Kenya.

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Mission

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

Core Values

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

(b) Key Management

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

- a) Principal Secretary;
- b) Director General for Bilateral and Political Affairs;
- c) Secretary Foreign Service Administration;
- d) Directors and;
- e) Heads of Departments

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

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No.	Designation	Name
1	Cabinet Secretary	Dr. Alfred N. Mutua, EGH
2	Principal Secretary	Dr. A. Korir Sing'oei, PhD, EBS
3	Director General for Bilateral and Political Affairs	Amb. George Orina, MBS
4	Director General for Multilateral, International Affairs and UNON	Amb. Susan Mwangi, MBS
5	Secretary Foreign Service Administration	Amb. Josphat Maikara, MBS
6	Chief Of Protocol	Amb. Betty Cherwon
7	Head, Finance	CPA James Aloyo
8	Head, Global Asset Management	Amb. Dr. Margaret Gachuru
9	Head, Human Resource Management & Development	Dr. Judy Njeru
10	Head, Accounts	CPA Vincent L. Kirwa
11	Head, Central Planning & Project Monitoring	Mr. Joseph Macharia
12	Head, Supply Chain Management	Mr. Kenneth Karani
13	Head of Internal Audit	Ms. Janet Nyange

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(d) Fiduciary Oversight Arrangements

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

a. Audit Committee

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

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

b. Project Management committee

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

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

c. Budget Implementation Committee

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

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

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(e) Entity Headquarters

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

Entity Contacts

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

(f) Entity Bankers

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


(g) Independent Auditors

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

(h) Principal Legal Adviser

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

(i) Key Management

 A portrait photograph of Dr. Alfred N. Mutua, E.G.H. He is a middle-aged man with short black hair, wearing a dark blue suit jacket, a light blue shirt, and a blue tie. He is looking directly at the camera with a neutral expression. The background is slightly blurred, showing a red and white flag on the left.	<p>Dr. Alfred N. Mutua, E.G.H. is the current Cabinet Secretary for Foreign & Diaspora Affairs of the Republic of Kenya.</p> <p>Prior to his appointment he served as the First Governor of Machakos County for two terms, from 2013 to 2017 and from 2018 to 2022.</p> <p>Dr. Mutua had previously served the country as the Official Government Spokesman between 2002 and 2012.</p> <p>Dr Mutua, who has a Doctorate in Communication and Media has been a journalist, author, businessman, lecturer, civil servant and a politician.</p> <p>He was a lecturer in Daystar University, Kenya, University of Western Sydney, Australia, Macquire University, Australia and Zayed University, UAE.</p> <p>He is a seasoned journalist and movie maker who has worked around the world as a foreign correspondent and a travel features writer. He is best known in Kenya for producing Kenya's first Action movie series, Cobra Squad and the TV series Beba Beba. Dr. Mutua is the author of a financial self help book, How To Be Rich in Africa and Other Secrets of Survival and was the publisher of the popular fashion magazine, Passion Magazine.</p> <p>An aviation and fitness & sports enthusiast Dr. Mutua is a martial arts expert with expertise in Shotokan Karate, Tae-Kwondo and Temple Kung-fu. In his free time, he enjoys playing Flight Simulators, watching movies, motorsports, soccer and athletics.</p>
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Dr. Abraham Korir SingOei is the Principal Secretary of Foreign Affairs in the Ministry of Foreign and Diaspora Affairs.

Previously he served as the Senior Legal Advisor to the Deputy President of Kenya where he provided counsel and guidance on Intergovernmental relations and coordination of international development partnerships with a focus on Open Governance and Rule of Law.

Dr. SingOei is an International Law expert and convener of Open Government Partnership for Kenya. Previously he served as Litigation Director, Katiba Institute, Conflict and Rule of Law Specials at the US Agency for International Development and Founding Director, Centre for Minority Rights Development (Cemiride). Dr. SingOei has also been a Research Fellow at the Centre for Justice and International Law in Washington DC.

Dr. SingOei is an Advocate of the High Court of Kenya. He studied Law and Global Public Policy at the University of Nairobi, the University of Pretoria, the University of Minnesota Law School and the University of Capetown Law School.

3. Statement of Governance

Good governance in Government Ministries, Departments and Agencies is about delivering priorities, achieving objectives, behaving with integrity and acting in the public interest, in ways that are consistent with legal and Government policy pronouncements. Effective governance is critical to the State Department's performance and ability to deliver positive outcomes for the people of Kenya. The State Department is committed to working in an open and accountable manner and to developing and implementing behaviours and structures that support this approach.

In the financial year under review, the State Department continued to achieve high levels of corporate governance by focusing on the following areas:

- Continuing to implement our strategy that is consistent with the legal framework;
- Timely and relevant disclosures and financial reporting to the public for a clear understanding of our operations and performance;
- Ensuring we implement the audit recommendations and continuously enforcing strong internationally recognised accounting principles;
- Establishment and operationalization of management committees
- Focus on clearly defined management duties and responsibilities;
- Ensuring senior management competencies through induction and on-going trainings;
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practices.

4. Statement by the Cabinet Secretary/Chairman Statement



I am pleased to present the Financial Statement for the FY2022/2023, which outlines the activities of the State Departments for Foreign and Diaspora Affairs during this particular time period. It is with great satisfaction I note that in the 2022/23 Financial Year, the Ministry continued to execute its core mandate of projecting, promoting, and protecting Kenya's national interests across the world as specified in the Executive Order No.1 of May 2020 and subsequently recorded an excellent performance.

Fiscal Year 2022/2023 was exceptional in many ways. Tangled in the worldwide post-COVID-19 economic recovery efforts, Kenya held free and fair elections in August 2022, followed by a peaceful changeover of government in November of the same year. The new administration, anchored on a Bottom-Up Economic Transformation Agenda (BeTA), took up the conduct of diplomacy and the implementation of Kenya's Foreign Policy in the context of global power dynamics shaped by Russia's invasion of Ukraine and the consequent power fallouts and alliances. The deteriorating Triple Planetary Crisis of climate change, pollution, and biodiversity loss; violence and unrest in Africa; and an increase in terrorism and violent extremism, also served as a backdrop to our diplomacy in Fiscal Year 2022/2023.

Despite the uncertain operating environment, H. E. President William Ruto attended the 77th Session of the United Nations General Assembly in New York in September 2022, where he delivered a keynote speech affirming Kenya's commitment to multilateralism and economic inclusion.

The Ministry also embarked on strengthening bilateral relations with various countries. In this regard, the Ministry facilitated H.E. President William Ruto's official visits to Ethiopia, South Korea, the United States, France, Burundi, Rwanda, Germany, Belgium, Israel, South Sudan, Tanzania, Eritrea, and Uganda, among other places for bilateral consultations for the benefit of our people and country.

On regional issues, H.E. the President participated in the 20th Extra-ordinary Summit of the EAC Heads of State held in Burundi in February 2023 to discuss ways to restore peace and security in the Eastern DRC.

H.E. the President addressed the 36th Ordinary Session of the African Union Assembly of Heads of State and Government in Addis Ababa in February 2023, where he emphasized Kenya's commitment to Africa's Agenda 2063, as well as a prosperous and peaceful Africa. As Chair of the Committee of African Heads of State and Government on Climate Change (CAHOSC), the

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President gave a report of CAHOSC to the Assembly, during which he advocated for concerted global efforts to combat climate change.

At the 14th Ordinary Session of the IGAD Assembly of Heads of State and Government in Djibouti in June 2023, H.E. the President articulated regional peace and security issues and emphasized the importance of promoting regional cooperation. The Ministry also facilitated and continues to facilitate H.E. President Ruto's leadership of the Quartet Group charged by IGAD to mediate peace in the Sudan.

H.E. the President hosted UN Secretary General, H.E. António Guterres, along with all Heads of Global UN Agencies, thereby reinforcing Nairobi as an important multilateral hub critical in the pursuit of regional peace and security interests. H.E. the President has helped advance peace in Eastern DRC and in Northern Ethiopia, as well as fortify the regional peace and security architecture through closer economic and political engagement with Eritrea.

I also attended many Ministerial-level meetings that were critical in the promotion of our national objectives, including the 22nd Commonwealth Foreign Affairs Ministers Meeting (CFAMM) in March 2023, Kenya-Djibouti JCC, and an official visit to Canada among others where I articulated Kenya's national interests.

Inbound visits from Heads of State, heads of international and regional organisations, Foreign Ministers and other foreign dignitaries such as the Prime Minister of Japan, the German Chancellor, the Prime Minister of Singapore, the Prime Minister of Spain, the President of Italy, several African Heads of States and Ministers, and the Vice-President of Colombia among others also took place in Fiscal Year 2022/2023.

The State Department for Diaspora Affairs (SDDA) was established through the Executive Order No. 1 of 2023 on the Organization of the Government of the Republic of Kenya. During the period under review, the Ministry achieved the following:

Evacuation: A total of 1,170 distressed Kenyans were evacuated from Sudan following the outbreak of a political crisis on 15th April 2023. Further, seven (7) victims of human trafficking were evacuated from Laos and one (1) from Albania on medical grounds.

Mobile Consular Services: A total of 7,000 Kenyans in USA, UK, Canada, Australia, Ireland, New Zealand, Oman, Qatar and Brazil were facilitated with provision of Identity Cards and Passports.
Baseline Survey: The Ministry conducted a baseline survey to assess the capacity of Embassies, High Commissions and Consulates to establish diaspora desks to facilitate efficient and effective consular services delivery to Kenyans. The exercise covered five regions namely; Middle East, Europe, Africa, Asia and Americas.

Diaspora Homecoming Convention: The Ministry facilitated hosting of the 9th Kenya Diaspora Homecoming convention from 7th to 9th December 2022 at Ole Sereni Hotel, Nairobi. The aim of the convention was to bring the Diaspora together for networking and sharing of available opportunities.

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Strategic Diaspora Engagements: Strategic diaspora engagements were held with Kenyans in Gaborone, Brussels, Berlin, Kigali, Seoul, Riyadh, London, Canberra, Havana, Addis Ababa, Helsinki and Washington DC, to champion and protect their rights and welfare, harness investments and remittances.

Bilateral Labour Agreements: Bilateral Labour Agreements were negotiated with the Government of the Emirate of Qatar and the Kingdom of Saudi Arabia. This is to unlock employment opportunities for Kenyans in foreign jurisdictions.

Global Labour Migration Strategy: The Global Labour Migration Strategy was developed in collaboration with the State Department for Labour and Skills Development. The strategy will ensure safe migration of Kenyans as they harness opportunities abroad.

Digitalisation of Government Services: More than 8 citizen-centered services were digitalised, in line with the presidential directive to enhance service delivery.

Investment and Remittances: The Ministry held consultations with Key stakeholders, including the Central Bank of Kenya and Local Commercial Banks. The consultations aimed to eliminate bottlenecks on remittances and facilitate development of in diaspora specific investment products. A key outcome of these consultations was the fast tracking and eventual launch of DhowCSD – An online application by the Central Bank which will facilitate Kenyans in the diaspora to invest in government securities.

Policy, Institutional and Legal Reforms: Held stakeholders' meetings to gather views on the ongoing review of the Diaspora Policy 2014 and the National Evacuation Plan.

During the reporting period, the State Department for Foreign Affairs faced a number of challenges including budgetary constraints as a result of the global recession, late disbursement of funds to the Ministry and thus to Kenya Missions abroad, losses caused by exchange rate fluctuations, inflation, an insufficient budget with negative implications for overseas travel, incompatible fiscal policies in some countries hosting our missions, and late payment of debts limiting our missions' ability to access credit facilities.

The Ministry also faced the challenge of establishing the State Department for Diaspora Affairs, which resulted in a late start of operations; a delay in approval of staff establishment and organizational structure; and late deployment and reporting of key personnel, particularly in the Procurement Unit. There were delays in release of exchequer and late funding to Kenyan Missions abroad which impacted the SDDA ability to deliver services to the Diaspora as well as challenges relating to international labour migration and the plight of the migrant workers. In other cases, the volatility of peace and security challenges affected certain Kenyans in Diaspora. In addition, there was a dearth of precise data on the Kenyan Diaspora, incidences of human trafficking and transnational crimes, and a low registration of Kenyans overseas with our diplomatic missions.

In this regard, the Ministry would benefit from a regular roll out of mobile consular services in the diaspora to bring consular services close to the Kenyans in diaspora; regular consular visits to affected countries in a bid to address plight of migrant workers; engagement with the Public

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Service Commission and State Department for Public Service to address shortage of technical skills cadre and fast track approval of the staff establishment and organisational structure; roll out of the Diaspora Integrated Information Management System and the 24-hour Diaspora call centre; and the fast tracking review and finalisation of the National Evacuation Plan; the establishment of a Diaspora Welfare Fund; and the development of a Diaspora Bill. In addition, prompt financial disbursement at the end of each fiscal year, government ownership of chanceries and residences for our missions abroad, and increased budget allocation can all assist execute its obligations more effectively and on schedule in the coming years.

In conclusion, I would like to thank Dr. Korir Sing'oei, Principal Secretary, State Department of Foreign Affairs, and Ms. Roseline Njogu, Principal Secretary, State Department for Diaspora Affairs, for their dedication and hard work that enabled the Ministry to reach such significant milestones in Fiscal Year 2022/2023. Likewise, I would like to extend my deepest appreciation to the whole Ministry team, including Kenya's missions abroad, for their devotion and teamwork over the last year, without which none of these accomplishments would have been possible.



H.E. President Dr. William Samoei Ruto at the 77th Session of UNGA in September 2022.

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H.E President Dr. William Ruto holds consultations with H.E. Isaac Herzog, President of Israel at his Residence in Jerusalem on May 9, 2023.



23 June, 2023 at Élysée Palace in Paris, France, Dr. Alfred Mutua joined H.E President Dr. William Samoei Ruto for a bilateral meeting with France President Emmanuel Macron during a two-day New Global Financial Pact Summit

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December 15, 2022: H.E. Dr. William Ruto accompanied by CS Dr. Alfred Mutua his Cabinet colleagues and senior government officials arriving for the day's session at the ongoing U.S.-Africa Summit in Washington, D.C., United States of America.

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**DR. ALFRED N. MUTUA, EGH
CABINET SECRETARY
MINISTRY OF FOREIGN AND DIASPORA AFFAIRS**

5. Statement by the Principal Secretary



The Ministry of Foreign and Diaspora Affairs faced complex and unique geopolitical changes in the financial year just ended, leading to challenging domestic and international financial conditions. The resilience and commitment of our staff, both at home and abroad, ensured that the State Department continued to deliver on its purpose to promote and protect Kenya's interest and image globally. During the year, the State Department of Foreign Affairs worked to support peace and prosperity internationally by championing the democratic transition of Government and advocating for peaceful and just resolution conflict mechanisms.

Kenya hosted the 39th Inter-Governmental Authority on Development (IGAD) Summit in Nairobi on July 5, 2022. The Summit was attended by Heads of State in the region who met and reaffirmed their commitment to maintaining regional peace and security and continued regional integration. The State Department for Foreign Affairs also participated at the signing ceremony of the Status of Forces Agreement (SOFA) in Kinshasa, Democratic Republic of Congo on September 9, 2022. The State Department's advancement of Kenya's Foreign Policy was actualised through strong collaboration with international partners through bilateral and multilateral engagements. Kenya's interests were advanced through the signing of Memorandum of Understanding (MOU) on Bilateral Trade and Commercial Relations with Sweden and Belgium.

The State Department led a bilateral meeting between representatives of various Ministries, Departments and Agencies and a visiting Saudi delegation on humanitarian and development cooperation on January 11, 2023. During the meeting the officials from both countries deliberated on ways of further deepening and supporting cooperation in field of development and humanitarian affairs.

The State Department engaged actively at the 2022 United Nations (UN) Climate Change Conference of the Parties (COP27) in Egypt, contributing to positive results for global climate action and bolstering Kenya's position as Chair of the Committee of African Heads of State and Government on Climate Change (CAHOSCC). Kenya in her capacity as Chair of CAHOSCC committed to hosting the Inaugural Africa Climate Summit to be held in September, 2023.

In supporting trade within the region, His Excellency President William Ruto led Kenya's delegation to the 36th Ordinary Session of the Assembly of Heads of State and Government of the African Union in Addis Ababa, Ethiopia in February, 2023. The theme of the summit was "Accelerating the African Continent Free Trade Area."

The relocation of the United Nations Office for Project Services Headquarters to Nairobi confirms the successful campaign by the State Department to position Kenya as the Multilateral Capital of the Global South.

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The State Department successfully installed and operationalised the Diplomatic Service Center located in the United Nations Office at Nairobi (UNON) in August, 2022. The Government of Kenya – United Nations Service Center has been successful in providing dedicated government services to members of the Diplomatic Corps stationed in Kenya easing access to diplomatic privileges and immunities.

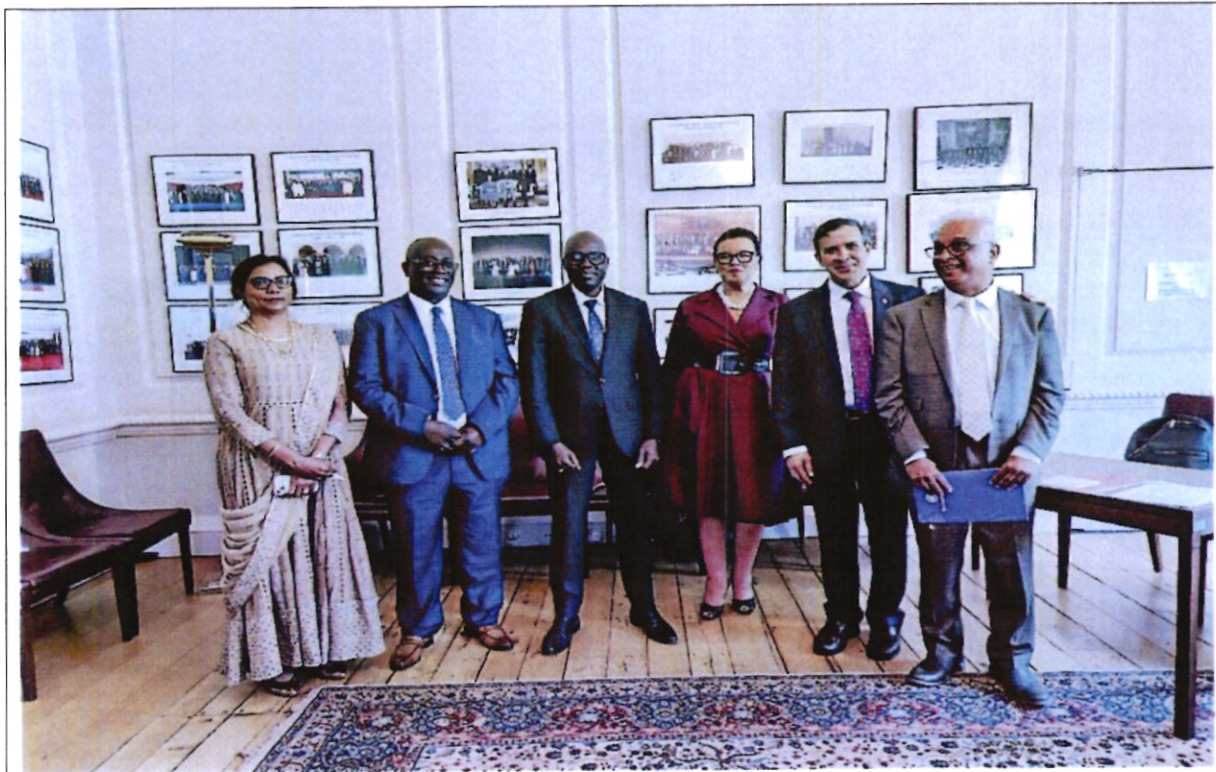
This report sets out the State Department's performance for financial year 2022/2023 against the Strategic Intentions, highlighting the need for sufficient and timely disbursements of funds for successful implementation of the Ministry's mandate.



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**DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY / ACCOUNTING OFFICER
STATE DEPARTMENT FOR FOREIGN AFFAIRS**

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The Principal Secretary – Dr. A. Korir Sing'Oei with Secretary General of the Commonwealth - Rt. Hon Patricia Scotland KC at the Commonwealth during a visit to the Commonwealth



Kenya and Colombia signed an MOU focusing on economic cooperation, culture and education.



Principal Secretary – Dr. A. Korir SingOei joining Kenyans of Indian Origin in celebrating 75 years of Independence for India.



Principal Secretary – Dr. A. Korir SingOei with Mo-Ibrahim on the sidelines of the Mo-Ibrahim Governance Week held in Nairobi in May, 2023.

6. Statement of Performance Against Predetermined Objectives for the FY2022/2023

1.0 Introduction

This Statement of Performance against Predetermined Objectives for the FY2022/23 is based on the implementation of the Ministry of Foreign Affairs Strategic Plan for the Period 2018/19-2022/23.

The State Department for Foreign Affairs under the umbrella of the Ministry of Foreign and Diaspora Affairs is mandated to pursue Kenya's Foreign Policy goals, with the overarching objective of projecting, promoting and protecting the nation's interests abroad, with a view to achieving the goals and objectives of the Kenya Vision 2030.

During the Plan implementation period 2018/19-2022/23, the State Department endeavoured to expand Kenya's geo-political footprint as well as build and strengthen strategic partnerships globally through diplomatic engagements. To achieve this, the State Department's strategies over the plan period were aimed at promoting Kenya's economic transformation, sustained peace and stability in the region and safeguarding and protecting our national interests. However, Kenya's diplomacy is largely oriented to trade and economic diplomacy.

2.0 Key Achievements

Within the implementation period of the 2018/19-2022/23 Strategic Plan, the State Department recorded the following achievements against its Key Result Areas (KRAs):

KRA 1: Promote Kenya's Interests globally

The Ministry has continued to enhance Kenya's global presence, profile and influence through placement of Kenyans in key international organizations as well as successfully lobbied for membership in critical decision-making organs and bodies of various intergovernmental organizations. During the review period, the Ministry spearheaded the lobbying for twenty-five (25) elections of Kenya into international policy-making organs including UNSC, UNESCO; UNWTO; IMO; ECOSOC; UNHABITAT, and CND and seventeen (17) elections of Kenyans into international policy-making organs including Exe. Sec-ICGLR; Member ICH; Fisheries Expert ACP; Political Expert ACP; Exe. Sec-EAKC; VP-UNWTO; and Member CRPD, Secretary-General to the Africa Telecommunication Union (ATU) and Board member of the AU - Advisory Board.

The Ministry has enhanced Kenya's bilateral engagements through conclusion of pending agreements, initiation of new ones and monitoring implementation of the existing ones. During the review period, the Ministry facilitated the signing of various frameworks of Cooperation

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including Joint Commissions on Cooperation (JCCs), Joint Economic Commission (JEC), Political, Labour and Consular Consultations, Joint Permanent Commission for Corporation, Joint Ministerial Framework, Bilateral Strategic Dialogue (BSD), Bi-national Commission, Agreements and Memoranda of Understanding (MoUs) among others. These frameworks are at various stages of implementation and are expected to contribute to Kenya's development agenda and rapid realization of goals and objectives of the Kenya Vision 2030 and other Government priority programmes.

The Ministry continued to coordinate/facilitate Kenya's participation in various meetings at a regional, continental and global level to ensure that Kenya's positions are well articulated, and its interests protected in the respective meetings. Under the reviewed period, the Ministry facilitated Kenya's participation in the United Nations General Assembly, African Union Summits, IGAD summits, EAC summits, CoP, UNFCCC, Common Wealth Heads of Government Meeting (CHOGM), ICGLR, EU-AU Ministers of Foreign Affairs meeting, CGPCS Ministerial Meeting, Women Deliver Conference, Africa Caribbean and Pacific (ACP-EU Conference), ICGLR Regional Inter-Ministerial Meeting, Nile Basin Council of Ministers Meeting, Forum on China Africa Corporation, TICAD, among others. The Ministry prepared 102 Country position papers that informed articulation of Kenya's interests in international forums.

The Ministry has been at the forefront in promoting multilateralism, a rule based international system and ensuring that the United Nations has a central role in addressing global challenges. During the period under review, the Ministry, through the multilateral Missions in New York, Geneva, Vienna, Nairobi, Rome, London, Paris, Brussels and Addis Ababa worked both bilaterally and multilaterally with other UN and AU member States to advance this important agenda and project Kenya's interests within the established frameworks, affiliated organizations and specialized agencies. The objective of these frameworks is to deepen partnership, strengthen international solidarity and expand development cooperation. They also address cross cutting issues such as drug trafficking, diseases and pandemics, cybercrime, terrorism, maritime security, climate change, human rights, women and youth, sustainable development, global conflicts, among others.

The global international, political and economic system has evolved into a multiplicity of fora, conferences, summits and meetings, both in multilateral and bilateral levels. Kenya has continued to compete with other countries in promoting herself as a preferred destination for major international conferences/events, putting all efforts to surmount the stiff competition. By leveraging on the important role of conferencing, the Ministry consolidated and strengthened Kenya's foreign relations and diplomatic engagements with other countries as well as international and multilateral organizations at the regional, continental and international level; enhanced conference diplomacy; and built on Kenya's pre-eminent position as a hub for regional and international convergences. In the period under review, the Ministry successfully lobbied and

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hosted twelve (12) key international conferences among other regional conferences that have delivered concrete outcomes.

During the period under review, the Ministry expanded Kenya's Diplomatic footprint through the opening of new Diplomatic Missions, Consulates and Liaison Offices. This included the establishment of six (6) fully-fledged diplomatic Missions in Accra (Ghana), Bern (Switzerland), Dakar (Senegal), Djibouti (Djibouti), Jakarta (Indonesia) and Maputo (Mozambique), and two (2) Consulates General in Goma (DRC) and Arusha (Tanzania) as well as one (1) liaison office in Hargeisa (Somalia). The Ministry also facilitated the appointment of Honorary Consuls in various cities including in Jerusalem (Israel), Monaco (France), Toronto (Canada), Kolkata (India), Lahore (Pakistan) and Istanbul (Turkey).

During the period under review, the Ministry facilitated 64 high level exchange visits that not only provided fora for articulating and strengthening Kenya's bilateral and multilateral relations but also afforded an opportunity for the country to articulate her position, thus influencing the prevailing issues on the international stage. The provision of protocol services created a conducive setting for various discussions on political, economic, social, security and cultural matters as defined by Kenya's foreign policy priorities.

The Ministry also organized quarterly presentations of the credentials ceremonies for the newly appointed Heads of Mission to take up their posts. Additionally, the Ministry facilitated the presentation of credentials by the Heads of International Organizations, namely; UNAIDS, FAO, UN Women, World Bank, IFAD, League of Arab States, Shelter-Afrique, UN Resident Coordinator and International Federation of Red Cross and Red Crescent Societies (IFRC). Other achievements include extension of protocol services to the Diplomatic Corps; facilitation of appointments for the new envoys with government officials; coordination of the participation of the Diplomatic Corps in major national functions, briefing with members of diplomatic corps and facilitation of MDAs to attend regional and international official meetings, workshops, seminars and forums to articulate Kenya's national interests.

KRA 2: Promote regional and global peace, security and stability

During the period under review, conflict resolution and mediation remained an integral part of the Ministry's initiatives towards peace building, promoting development and consolidating the regional cooperation and integration process. This involved engaging in conflict mediation and monitoring peace processes in the region and continent. These engagements were conducted within the structures of the East Africa Community (EAC), the African Union (AU), the Intergovernmental Authority on Development (IGAD) and the International Conference on the Great Lakes Region (ICGLR).

The Ministry has coordinated Kenya's participation in various peace and security frameworks. For instance, the Ministry successfully lobbied for Kenya to become a Member of Non-permanent

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member of UNSC 2021-22, thereby, making the country Africa's voice in the promotion of the maintenance of international peace and security. During the same period, Kenya was a member of the African Union Peace and Security Council (AUPSC). The Ministry was also at the forefront in ensuring that Kenya's conduct and accomplishments at both the UNSC and AUPSC were consistent with its strategic security goals in its articulation of the country position in addressing global security challenges.

The Ministry supported peacebuilding in the Democratic Republic of Congo (DRC) where Kenya, as Chair of the EAC Summit, convened the Nairobi Peace Process for the stabilization of the Eastern DRC in May 2022. The EAC Summit adopted Political and military as the two (2) tracks for the Peace Process; adopted and mainstreamed the Nairobi Peace Process under the EAC Protocol on Peace and Security; and established a special fund to support the implementation process and to deploy the joint regional force in the Eastern DRC. The Ministry is keen on sustaining Kenya's leadership in the peace process because DRC is a significant trading partner state for Kenya. The Ministry's also facilitated the holding of the EAC- Led Inter-Congolese Dialogue that culminated in the signing of a Memorandum of Understanding (MOU) between the Government of the DRC and the M23 rebel group on December 12th, 2013 in Nairobi.

The Ministry also prepared situational briefs and talking points for H.E. the President, Cabinet Secretary (CS), Principal Secretary (PS), and Director General (DG) Bilateral and Political Affairs high-level meetings including AU and IGAD. It also provided necessary briefs in preparation for Kenya's position at the UNSC on regional matters and other matters arising globally such as the Ukraine-Russia war and Climate Security in the Horn of Africa.

KRA 3: Safeguard Kenya's Sovereignty and Territorial Integrity

Kenya believes that its prosperity is intricately linked to peace and stability in the region, hence, the need to protect her sovereignty and territorial integrity. The Ministry continued to articulate the country's position in its engagements on both bilateral and multilateral Peace and Security platforms.

The Ministry played a key role in coordinating the delimitation, demarcation, affirmation and ratification of Kenya's borders with our neighbouring countries in a bid to enhance protection of Kenya's sovereignty and territorial integrity. During the period under review, the border demarcation, delimitation and reaffirmation process begun at the Kenya- Tanzania border in 2022. A section of the Kenya- Ethiopia was also demarcated and ratified in 2022 through a bilateral arrangement. In April 2023 the Ministry participated in a Joint Technical Committee meeting on the reaffirmation and demarcation of the International Boundary between Kenya and Uganda. There also exist tripartite arrangements Kenya- Uganda – South Sudan, as well as Kenya- Ethiopia-Somalia which are underway. The Ministry has also coordinated regional maritime security conferences such as the Association of African Maritime Administration (AAMA) Conference held in 2018 and 2023.

KRA 4: Promote Economic Cooperation and Commercial Diplomacy

Promotion of Economic and Trade Cooperation: The Ministry endeavoured to deepen market access within EAC, COMESA and to the rest of Africa through the AfCFTA Agreement that entered into force in January 2021. Some of the key initiatives include tackling Trade inhibitions and non-tariff trade barriers affecting market access of Kenya products as well as using regional initiatives under the EAC/COMESA framework to address such challenges. Through such initiatives Kenya has been able to consolidate markets and increase market access for Kenyan goods within the region.

Further, the Ministry facilitated conclusion of various trade and investments agreements and MoUs with the following countries; South Africa, Portugal, Singapore, Japan, China, Cuba, Egypt, UAE, Saudi Arabia, Mozambique, Ethiopia, Sudan, Ghana, Nigeria, Israel and Tanzania. It also facilitated initiation of negotiations of bilateral trade agreements with Botswana, Zambia, Senegal, Iran, Mozambique, Russia, Belgium, India and the Kenya- United Kingdom (UK) Economic Partnership Agreement among others.

The Ministry enhanced implementation of various bilateral trade/investment agreements through convening Joint Trade Committee (JTC) sessions. These include: Kenya - Jordan Joint Trade Committee; Kenya-Israel Joint Trade Committee; Kenya-Egypt Joint Trade Committee; Kenya-Tanzania bilateral meeting; Kenya – Mauritius JCC; Kenya-Sri Lanka JTC; the Kenya-South Africa JTC; Kenya – Uganda JCC; Kenya- Israel Joint Bilateral Political Consultations in July 2021; Kenya- Pakistan JTC in April, 2021; Kenya- India Joint Commission Meeting (JCM); Kenya – Botswana JPCC in July 2019; Joint technical experts meeting of the Kenya–Ethiopia Special Status Agreement (SSA); Kenya-India JTC and monitored agreements through the Joint Technical Committee Meetings in South Africa, Ethiopia and Sudan among others.

Investments promotion: The Ministry coordinated bilateral Business forums/Investment missions in both traditional and emerging markets. This was through coordinating business forums, inbound and outbound trade and investments forums, trade fairs as well as other forms of engagements. Some of the key forums organized include: Kenya – Botswana Business Forum which took place on the side-lines of the State visit to Kenya in July 2019; United Kingdom (January 2020) in London, Russia Economic Forum (October 2019); Tunisia in 2019; Japan TICAD 7 (August 2019); Barbados State visit (December 2019 in Nairobi); China (2019 in China); Botswana in July 2019; the Kenya -Tanzania business forum during the state visit in February 2021 and May 2021; Kenya – Burundi Business Forum which took place on the side-lines of the State visit to Kenya in June, 2021; Kenya- Burundi Roundtable (May 2021), and the Sustainable Blue Economy and Investment Forum (SBEIF) on the side lines of the 2nd United Nation Oceans Conference in June, 2022 in Lisbon Portugal among others. All these activities helped to link

potential investors as well as buyers in international markets with investors and Kenyan exporters respectively.

Cooperation Frameworks: In order to promote bilateral cooperation, the Ministry coordinated and participated in several cooperation fora. These are: Russia – Africa in 2019, Afro-Asia Fintech Festival held in Nairobi in July 2019; TICAD 7 held in August 2019 in Japan; the 1st Saudi – African Summit and the 3rd Session of the Global Forum for Public Investment Fund in Saudi Arabia in October 2019; Singapore Summit in September 2019; Pakistan-Africa Trade Development Conference in January 2020 in Nairobi; Zambia National Economic Summit on the future of Economic Diplomacy in July 2019 among others. The cooperation deepened economic engagement between Kenya and Africa with the involved foreign parties. The frameworks provided mechanisms for addressing key development issues like the digital transformation, investment, trade, implementation of Economic Partnership Agreements among others.

Private Sector Engagement: The Ministry has continued to support the business community in their quest to secure Kenya's market share in the African region by including them in various bilateral and regional activities through various private sector engagements. It is with this in mind that the Ministry held various consultative engagements with the private sector and business organizations. At national level, the Ministry held consultative engagements with Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Industry (KNCC&I), Kenya Private Sector alliance (KEPSA) among others where a strategy was developed on galvanizing the synergy with the private sector in promoting economic and commercial diplomacy. Internationally, the Ministry facilitated OACPS private sector engagement with the European Union and other development partners held in December 2019 in Nairobi; visit to Kenya by the Vice Chancellor of University of West Indies and other University officials in January 2020; visit to Kenya by Austrian business executives in February 2020; visit to Kenya by the US Business Council for International Understanding (BCIU) in August 2019; visit by Canadian business executives in January 2020, visit by Germany business executives lead by the President of Germany in February 2020 and Norway Business Executives in January 2020 among others.

The Ministry participated in coordination and participation of other economic cooperation meetings, conferences and forums. Such meetings included; in the collaboration with the State Department for Planning, the Ministry coordinated the Annual ECOSOC High Level Political Forum (HLPF) for follow up and review of the implementation of the 2030 Agenda (note: Kenya is a member of the national task team on the implementation of the 2030 Agenda for sustainable Development). The Ministry also participated in the national stakeholder engagement forum in production of Voluntary National Review (VNR) report for the global HLPF and Lamu Port and Lamu-Southern Sudan-Ethiopia Transport (LAPSSET) Corridor implementation meetings in 2019.

KRA 5: Enhance Provision of Consular Services and Diaspora Engagement

The Ministry recognizes the significant role the Diaspora play in national development and deliberate efforts have been made to fully integrate them into the national development agenda. In the period under review, the Ministry engaged the Kenyan Diaspora through conferences and side events during major international meetings such as during TICAD 7 – Diaspora Forum in Japan 29th August 2019. These events also provided an avenue of private sector engagement to promote socio – economic development partnerships.

The Ministry also facilitated the registration of Kenyans abroad under National Integrated Information Management System (NIIMS) as well as registration and strengthening of Kenyan Diaspora Umbrella Associations in all countries and regions where Kenya has diplomatic presence. It also worked closely with the Independent Electoral and Boundaries Commission (IEBC) in ensuring Kenyan Diaspora participation in the 2022 Presidential Elections.

It also carried out awareness creation campaigns against irregular labor migration/human trafficking in collaboration with Ministry of Interior and Coordination of National Government and the National Employment Authority in Kilifi and Muranga Counties in November 2019. To expand Kenya's Diplomatic presence and enhance provision of Consular services, the Ministry facilitated the appointment of two Honorary Consuls in Lahore (Pakistan) and Istanbul (Turkey) in 2019. Other key achievements included facilitation of: The Central Bank of Kenya to conduct the first ever Diaspora Remittances Survey in March – May 2021; repatriation of over 5000 distressed Kenyans from various countries; repatriation of mortal remains of over 250 Kenyans; as well as undertook consular visits to Kenyan Diaspora in various countries.

KRA 6: Strengthen Public Diplomacy and Stakeholders Engagement

To increase its visibility, enhance Kenya's profile and dissemination of information, the Ministry has consistently developed and published monthly diplomacy e-newsletters as well as hosted national days' celebrations in Kenya Missions abroad. It also enhanced engagement and collaboration with members of Diplomatic Corps and media by holding quarterly briefings. Further, the Ministry has capacity built MDCAs and Parliamentary staff on protocol etiquette and Foreign Policy related issues where 249 staff were trained. It also enhanced collaboration with Parliament by organizing annual briefings/retreats for Parliamentary Committee on Defence, Intelligence and Foreign Relations. Deliberate effort was also made to publicize Ministry's programmes and activities through the media both at the Ministry Headquarters and Kenya

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Missions abroad. In addition, Regular updates on the Ministry's and Missions' websites and all social media sites were undertaken.

The Ministry has also lobbied for the adoption of Kiswahili as a UN language. To this end, Kiswahili day was established and the state parties are in the process of adopting Kiswahili as the 7th official language of the UN and several cultural and sports exchanges programmes were performed.

KRA 7: Strengthen Policy, Legal and Institutional Capacity

In order to enhance Foreign Service management, the Ministry spearheaded the development of the Foreign Service Act which was enacted in 2021 and its implementation is ongoing. The Ministry also maintained and updated a database of treaties to improve access to information on treaties.

Management of International Treaties, Agreements and Conventions: The Ministry managed the ratification for eleven (11) landmark Multilateral Treaties namely; African Continental Free Trade Area Agreement (AfCFTA), Tripartite Free Trade Area Agreement (TFTA), Beijing Treaty on Audio Visual Performances, Protocol to eliminate illicit Trade in Tobacco Products, Revised Constitution of the African Civil Aviation Commission, East African Community Protocol on Information, Communications and Technology Networks, East African Community Protocol on Cooperation in Meteorological Services, Convention on the International Hydrographic Organization, Economic Partnership Agreement between the Republic of Kenya and the United Kingdom, African Charter on Elections, Governance and Democracy and the Convention on Mutual Administrative Assistance in Tax Matters. These treaties are significant and beneficial in the achievement of the Kenya Vision 2030 and other government priorities. Further, the Ministry, sensitized stakeholders including MDAs on Kenya's Treaty Making and Ratification process and ensured that Stakeholders complied with the statutory procedures outlined in the Treaty Making and Ratification Act 2012 (Rev. 2018).

The Ministry also fulfilled its constitutional mandate by publishing Presidential Annual Reports on progress made in implementing the international obligations of the Republic of Kenya as well as the Cabinet Secretary's Annual report to the National Assembly on treaties ratified by Kenya. Further, it provided the technical capacity in the negotiation process in terms of training and drafting of the WHO Convention instrument in line with the Treaty Making and Ratification Act, 2012 (Rev. 2018). Other Key achievements include: training of MDAs focal points on the Law of Treaties; and establishment of a cooperation framework with representatives/focal point persons from all MDAs to ensure continuous, efficient and effective monitoring and reporting of the implementation of Kenya's Multilateral and Bilateral Agreements and International Commitments. The Ministry also commenced the process of upgrading the treaty website with a

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view of ensuring Kenya has a comprehensive digital record of bilateral and multilateral treaties that have been concluded.

Foreign Policy Research and Capacity Development: The Ministry continues to advance the human resource capacities of officers through continuous training in order to equip them with requisite skills, aptitude and knowledge for effective diplomatic engagement. In this regard, it organized and facilitated induction programme for the newly recruited cadets, and pre-departure trainings for newly posted officers, Ambassadors and High Commissioners.

In the area of collaboration, the Ministry continued to cooperate and operationalize the existing MoUs with local universities and international universities. Additionally, the Ministry organized and facilitated Foreign Language training for officers in Spanish, French, Chinese and Portuguese.

The Ministry also utilized the technical fund to organize the first Moot Court Africa Regional Rounds at Africa Nazarene University; supported the revival of the Amani Peace Forum in Counties. To strengthen diplomatic relations in the region, the Ministry conducted training of regional diplomats on policy research and capacity development programmes.

Infrastructure development and Maintenance in Kenya Missions: The physical presentation of a country in foreign countries is through diplomatic properties which serve to support service delivery. Effective representation requires that the workforce is supported by modern, secure, and cost-effective infrastructure. To achieve this, the Ministry continued to acquire more diplomatic properties mainly through purchase, construction and leasing and at the same time ensured that these properties are physically, functionally, and aesthetically kept to promote Kenya's image and prestige.

In addition, the Ministry endeavored to enhance security of staff and all government owned properties in Kenya Missions abroad through installation of security infrastructure such as biometric control access systems, installation of CCTV cameras, Luggage scanners and metal detectors. To further enhance management of Ministry's asset, the Ministry developed and finalized Ministerial Asset Acquisition Management Plan.

Improvement of work environment in the Ministry Headquarters: To improve work environment, the Ministry leased one new office block where half of the Ministry's staff, Directorates/divisions/Units were relocated to ease congestion at the Ministry headquarters and to bring the previously scattered offices outside MFA headquarters under one roof. Alongside the lease of the new office block, the Ministry also procured new assorted furniture including assorted ICT equipment for staff to enhance efficiency and performance. On transport and mobility, the Ministry acquired new vehicles including two modern buses donated by a partner state. These new

offices, furniture, ICT equipment and the new vehicles motivated staff resulting into improved efficiency in service delivery.

3.0 Challenges

The following challenges were faced during the implementation of 2018/19-2022/23 Strategic Plan:

The COVID-19 Pandemic: The COVID-19 pandemic affected the operations and hence performance of the entire Ministry. The containment measures resulted in lockdowns which included the closure of the airspaces for a period of time hence stoppage of international travel, postponement and in some cases cancelation of international meetings; rapid shift to virtual/online digital formats which exposed the gaps in technology; and working in shifts which interfered with the work flow.

Non-release and Late Receipt of Exchequer: Delayed exchequer releases limited the Ministry's ability to implement its programs within the planned timelines. Most Ministry's programmes and activities are to a large extent dictated by external calendars and schedules while projects contracts are implemented under foreign laws and regulation some of which are very strict. Therefore, payment delays had far reaching implications. In addition, late receipt of exchequer led to low budget absorption and huge pending bills in the Ministry.

Reduction in Appropriation-In-Aid Collected by Missions: Introduction of e-Citizen as a platform applied in collection of immigration and other consular fees in Missions and direct remittance of the collections to the National Treasury Account at the Central Bank coupled with the COVID -19 Pandemic resulted to a decrease in the amount of AIA collected in Missions. Missions therefore were not able to meet their obligations as they did not receive an equivalent exchequer amount to supplement Exchequer Provision.

Foreign Exchange Losses/Gains: The Ministry's Budget is formulated/prepared in Kenya Shillings while the spending units utilize currencies in the host Countries. In transferring the funds to the Missions, multiple transactions are done that lead to huge foreign exchange losses which reduce the actual amounts available for spending.

High rental/leasing costs in Kenyan Missions: Most missions do not own properties hence end up leasing. Rents and leases account for approximately 20 per cent of the total budget in Kenya Missions abroad. In addition, inadequate funding for maintenance and repairs of government owned properties abroad resulted in gradual dilapidation of these properties and the need for redevelopment.

Incompatibility of the Public Procurement and Assets Disposal Act, 2015 with procurement procedures and practices in foreign countries: This affected implementation of capital projects in Kenya's foreign missions. Areas of incompatibility include different procurement practices in host countries, varied financial years, high advertisement costs, non-recognition of Kenya's contractual documents in other countries as well as requirement for advance payments for construction and maintenance. In some countries quotations/tenders are submitted in a foreign language, and inconsistencies in the translation causes delays in the procurement. This led to slow absorption of allocated funds

Delayed Feedback from other MDAs: The Ministry experienced delay or lack of feedback from the relevant MDAs regarding Kenya's position on major matters of national importance, which in some occasions resulted in inability for the Ministry to articulate Kenya's position in international fora.

Bureaucracy in Provision of Consular Service: Most Missions do not have the infrastructure to render all consular services especially National ID cards, Passports, and Birth Certificates. Processing of these documents is done in Kenya leading to delayed provision of consular services, promotion and protection of the interests of Kenyans abroad.

Lack of Diaspora Welfare Fund: The Ministry does not have a Diaspora fund for use to assist Kenyans in distress as provided for in the Kenya Diaspora Policy of 2014.

4.0 Emerging Issues

In the period under review, the following unforeseen issues arose during implementation of the previous plan and hence affected achievements of planned targets:

Cross-border conflicts and regional instabilities: Ongoing conflicts in the Middle East, North Korea, Ukraine, the Great Lakes and Horn of Africa region pose challenges to international and economic stability. Resolving these conflicts, promoting peace and stability, strengthening territorial integrity, minimizing the number of refugees and immigrants, and preventing the proliferation of weapons of mass destruction remain pressing issues to the Country.

Climate Change and Environmental Issues: Climate change has gained prominence in recent years as a global challenge. For sustainable growth and stability, international collaboration is now essential to tackle issues like lowering greenhouse gas emissions, developing renewable energy, and adjusting to the effects of climate change.

Cybersecurity and Espionage: Cyber threats and espionage have grown to be serious problems for nations due to an increase in reliance on technology and the internet. Issues such as cyber-attacks and disinformation campaigns can have profound impacts on international relations.

Global Health Crises: The COVID-19 pandemic highlighted the interconnectedness of the world and the need for international collaboration in addressing health crises. The response to global health challenges has become an important aspect of international relations. Key concerns include equitable distribution of vaccines, preparedness for future crises, and cooperation in healthcare infrastructure among others.

Economic Inequality and Trade Disputes: The foreign policy environment that Kenya operates in is dynamic, to the extent that global interests are constantly shifting and influencing decisions being made at bilateral, regional and multilateral levels. International relations may become strained as a result of trade conflicts and economic imbalances between nations. Tensions and conflicts between nations can result from problems with fair trade, protectionism, intellectual property rights, and economic development.

Technological Advancements: Rapid technological advancements like artificial intelligence (AI), automation and use of lethal autonomous weapons raise concerns about their ethical implications, accountability, and potential impacts on international security. Developing a framework to govern their use is an important issue that needs attention at the international arena.

5.0 Lessons Learnt

In the period under review, the following key lessons were learnt:

- i. Information communication and technology plays a key role in enhancing service delivery. The outbreak of COVID 19 pandemic in 2020 illustrated that work can be done and objectives realized through virtual meetings;
- ii. Both financial and human resources are central in the realization of the objectives and targets of the Ministry. In this regard, continuous capacity building of all staff and fostering partnerships with development partners is crucial in implementing Ministry's mandate;
- iii. To enhance bilateral cooperation between Kenya and other countries, there is need for continuous High-Level engagements to unlock the full potential benefits of the cooperation; and
- iv. Automation of some functions such as administration and assistance on matters of diplomatic privileges has ensured effective execution of the Ministry's mandate.

Progress on the attainment of Strategic Objectives through Performance Contracting

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

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Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
Sub-Programme 1: Administration services	Network infrastructure for IFMIS installation in Kenya Missions deployed	Level (%) of Network infrastructure	30	10	MFA Identified a Committee. The Network infrastructure done at 50%. But, the role of installation will be done by The National Treasury.
	Utility/representational vehicles procured for Headquarters and Missions abroad	Number of Utility/representational vehicles procured	20	9	2 vehicles procured in the second quarter. 7 vehicles procured in the third quarter
	Ministerial Health and Safety Policy, Risk Mitigation Plan, Records Procedure Manual and Records Retention Schedule developed and implemented	No. of Policies, Manuals and Schedules developed	4	0	Not achieved due to financial constraints
	Transport and Safety Policy, ICT Policy, Gift Policy, Records Management Policy reviewed and finalized	No. of policies reviewed and finalized	4	3	Transport and Safety Policy reviewed and finalized. Records Management Policy reviewed and finalized. Draft of ICT policy incorporated. Gift Policy is still a draft report not finalized
	Guidelines for review and harmonization of Host Country Agreements developed	% Level of completion	70	65	Achieved. Guidelines have been developed, discussed and agreed upon by parliament, now awaiting approval by cabinet.
	IPMIS operationalized and upgraded	% Level of operationalization	100	68	IPMIS Integration levels are NTSA - 100%; KRA - 50%; KAA - 15%; Immigration -100%; and Kenya Trade Network - 25%.
	Integrated records management system Developed and operationalized	% Level of developed & operationalization	20	0	Insufficient funds inhibiting operationalization of Integrated records management system.
	Records appraised, destructed and repatriated in Missions Abroad	Number of Missions records appraised and destroyed	11	0	Insufficient funds. Records have been appraised, destructed at headquarter only.
	Record management units established in Missions Abroad	Number of Records Management Units Established	11	0	Insufficient funds hence target not achieved.
	Seamless correspondence between headquarters and Missions abroad	Number of Diplomatic bags	5,000	3500	Volume of physical correspondence decreasing on account of up-scaled

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Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
	through the use of Diplomatic bags created				digitalization of government services.
	Missions connected to IP telephony	No. of Missions connected	3	0	Not achieved yet due to financial constraints
	ICT Infrastructure Needs Assessment for Missions/ Departments conducted	No. of Missions/ Departments Needs Assessment conducted	35	35	Achieved
	Staff sensitized on Information Security Management System	No. of Trained officers on ISMS	120	0	Training not undertaken not due financial constraints.
	Ministry's Network Infrastructure upgraded	Level (%) of Network infrastructure upgraded	100	100	Achieved. Required maintenance is being undertaken regularly.
	Data Centre Upgraded	Level (%) of Data Centre upgraded	100	100	Procure one more server, upgraded core switches, upgraded router, upgraded switches and acquired two links
	Video Conferencing Facility upgraded	% Level of Video Conferencing Facility upgraded	100	100	Achieved. Require maintenance is being undertaken regularly.
	Staff welfare activities conducted	No. of wellness activities conducted	2	1	The Ministry organized a lifestyle diseases' screening day on 12th September, 2022 to 15th September, 2022 conducted by Equity Afia at the Ministry Headquarters.
	Integrated monitoring and evaluation undertaken in Kenya Missions	No. Missions evaluated	30	0	Not achieved. Activity duly planned for but not commissioned.
		(%) Level of implementation of Monitoring and Evaluation Recommendations	100	70	Not fully achieved due to insufficient funding. Most Missions implemented the IM&E recommendations that did not require high levels of funding.
	Career progression training and Capacity building of Ministry staff conducted	No. of officers trained	70	36	Not achieved due to insufficient funds.
	Implementation of the newly reviewed staff Establishment for Missions	% Level of implementation	60	100	Implementation of the newly reviewed staff establishment for Missions is at 100%.
	Officers posted to and from Kenya Missions	% Level of implementation of the posting orders	100	100	Implementation of the posting orders is at 100%.
	Succession Management implemented through recruitment and promotions	% Level of implementation	20	7	Seven (7) officers were promoted through HRMAC, 100 Third Secretary Cadets were interviewed but the process is still on going

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Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
	Internships/ industrial attachments opportunities offered	No. of youths engaged	170	189	19 more youths engaged on industrial attachment
Sub-Programme 2.1: International relations and cooperation	New Missions/Consulates General operationalized	No. of Missions & Consulates	3	0	Not achieved owing to dynamics of transitioning to a new government.
	Contemporary issues affecting Kenya & Africa made at the UN intervened	No. of Briefs & Statements prepared	160	125	Briefs and statements on climate change, human rights and security issues prepared.
	Kenya's Country and individual candidatures in the international governance system lobbied	No. of country and individual candidatures lobbied	9	7	Lobbied for Kenya's re-election to African Telecommunication Union (ATU) and International Telecommunication Union (ITU). Kenya was re-elected to sit in the ATU and ITU council for a four-year term. Lobbied for the re-election of Mr. John Omo who was running for the position of the Secretary General ATU. He was successfully re-elected. (Dr. David Gikungu) Executive Council World Meteorological Organization (WMO). IMO Council, category C - re-election-International Maritime Organization (IMO). External Auditor -World Intellectual Property Organization (WIPO). Member-Human Rights Council (HRC) Executive Board- UN-Habitat. Mr. Timothy P.T. Ekesa Committee on the Rights of the Child (CRC). Justice Wanjiru Karanja-Judge, ICC Awaiting name - Commission on Narcotic Drugs (CND)
	Joint Commissions for Cooperation (JCC) /Joint Permanent Commission for Cooperation (JPCC)held	No. of JCCs/JPCCs held	23	1	The Kenya-South Africa JCC held on 6 th -7 th November, 2022.the Kenya -South Sudan JCC
Major international conferences and events lobbied and hosted/co-hosted	No. of Conferences held	12	9	The 77th session of the UN General Assembly (UNGA 77) from 13th -27th September 2022'; the 39th	

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Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					<p>IGAD Extraordinary Summit of the Assembly of Heads of State & Government: July 5, 2022. Nairobi, Kenya; the High-level Political Forum on Sustainable Development (HLPF) 202: 5-15 JULY 2022 New York City, US; the 22nd Ordinary Summit of the East African Community Heads Of State: 22nd July 2022, General Assembly of the ICGLR Regional Youth Forum 1st-4th November, 2022, Kenya Innovation Week 6th-8th December, 2022 and Re-imagining the Silicon Savannah 14th December, 2022.</p> <p>Events lobbied successfully are International Association of Science Parks and Areas of Innovation 2024 and World Scout Parliamentary Union 11th General Assembly 2023.</p> <p>Lobbying to host the 22nd International Conference on AIDS and STI's in Africa (ICASA) in 2023</p> <p>Biding to host the 27th International Union of Forest Research Organizations (IUFRO) World Congress in 2029.</p>
		No. of agreements/declarations	12	7	Not fully achieved.
	Enhanced public diplomacy and stakeholders' engagement	No. of quarterly briefings with the diplomatic Corps organized	4	2	Achieved. CS held a diplomatic briefing with Asia Region Diplomatic Corps. Cs held diplomatic briefing with envoys from the European region on December 5, 2022.
		No. of Ministerial bulletins published	8	5	
		No. of local/international events branded	3	0	No events to be branded
		No. of statements prepared for media publicity	6	60	Over achieved.
		Kiswahili promoted and recognized as a	No. of Kiswahili Centres established	2	1

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Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
	continental and global language				Washington DC not established due to lack of funds
	Cultural diversity and heritage recognized	No. of missions branded to promote Kenya's cultural diversity	3	1	Los Angeles branded London and Jakarta not branded due to lack of funds.
	Global intercultural dialogues promoted	No. of natural and cultural heritage sites listed to UNESCO	2	2	Achieved.
	Sports and art diplomacy promoted	No. of cultural and sports events organized	3	3	Achieved.
	Country Position Papers for use at international forums (UN, AU, ICGLR, EAC, IGAD, CHOGM, FOCAC, etc) prepared	No. of Country position papers prepared	48	12	Prepared Country position papers for the 77th session of the UN General Assembly (UNGA 77) from 13th -27th September 2022'; the 39th IGAD Extraordinary Summit of the Assembly of Heads of State & Government: July 5, 2022. Nairobi, Kenya; the High-level Political Forum on Sustainable Development (HLPF) 202: 5-15 JULY 2022 New York City, US; the 22nd Ordinary Summit of the East African Community Heads Of State: 22nd July 2022; and 10th OACPS Summit-6th - 10th December 2022; 41st Executive Council of the AU and Heads of State & Government Lusaka, Zambia in July, 2022; Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI)-Arusha on 28th Nov - 2nd Dec 2022; EAC Sectoral Committee on Trade Meeting 16th-18th November, 2022, Arusha Tanzania; EAC- 35th Sectoral Council Meeting on Cooperation in Defence Affairs-29th Nov to 3rd Dec; 2022 United Nations Climate Change Conference 6 Nov 2022 – 18 Nov 2022; 8th Ordinary Session of the Intergovernmental Authority on Development (IGAD) Council of Ministers, in Khartoum, Sudan on November 30,

State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					2022; IORA Council of Ministers and the IORA Committee of Senior Officials meeting held in Dhaka, Bangladesh from 22nd to 25th November 2022.
	Kenya's environmental interests promoted, projected and protected	No. of environmental meetings coordinated and attended	6	4	UN Oceans Conference, 18 th Ordinary Session of AMCEN, G77 China consultation meetings of countries accredited to UNEP, OEWG on Science policy resolution.
	Engagement with regional, continental and global partners such ICGLR, UN, AU, IGAD, EAC to influence decisions on peace and security strengthened	No. of reports of meetings/forums participated/facilitated	17	5	Facilitated Kenya's effective participation on Peace and Security Meetings of ICGLR, AU, IGAD, EAC Hosted the 3 rd Congo Peace Process (Nairobi III) Session on 6 th December 2022. Facilitated Kenya's effective participation on Peace and Security Meetings of ICGLR, AU, IGAD, EAC Hosted the 3 rd Congo Peace Process (Nairobi III) Session on 6 th December 2022. Participated at Regional Inter-Ministerial forum of Criminal Justice sector and the Police on transnational security threats on 30-31 January 2023 in Mombasa
	Border/boundary meetings between Kenya and Neighbouring countries conducted	Number of agreed minutes	5	3	AU Commission border assessment mission to Moyale border 26 th -28 th October 2022 Mini-summit on peace and security in eastern region of DRC on 17 th February 2023 Kenya-Tanzania reaffirmation and demarcation joint technical committee meeting held on 5-11 December 2022.
	Inbound/outbound parliamentary delegations/meetings facilitated	No. of parliamentary meetings facilitated	3	0	Not achieved.

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
Sub-Programme 2.2: Management of international treaties, agreements & conventions	Annual President's report on fulfilment of Kenya's international obligations prepared	Annual President's report	1	0	A Zero draft is ready. The Workshop to compile the Report is currently being organized. Delays have occurred due to budgetary constraints.
	Cabinet Secretary's report on treaties ratified by Kenya in each financial year prepared	Annual CS report	1	0	A Zero draft is ready. The Workshop to compile the Report is currently being organized. Delays have occurred due to budgetary constraints
	Sensitization and Public Awareness sessions on treaty making process conducted	No. of sessions	1	0	We have not been able to organise one due to budgetary constraints.
	Host country agreements that Government of Kenya has signed with international organizations reviewed	No. of Host Country Agreements reviewed and/or signed.	6	7	African Audiovisual and Cinema Commission, African Medicines Agency (AMA), Ongoing Treaty IGAD PROTOCOL ON TRANSHUMANCE, WHO Pandemic Treaty, GGGI, Population Council Bill & Melinda Gates Foundation Being considered by Parliament
Sub-Programme 2.3: Coordination of state protocol	State and official visits facilitated	No. of inbound state/official visits	22	27	Q1: Coordinated the following visits: 18 inbound (Heads of State), 1 former Head of State, 7 ministers for Foreign Affairs and 7 special envoys Q2: Coordinated 7 inbound Visits from Liberia, Spain, United Kingdom, South Africa, Norway, Sweden and Burundi. Q3: Coordinated 2 inbound visits from Eritrea and Italy
		No. of outbound state/official visits	23	18	Q1: Coordinated 4 Outbound Visits to Seychelles, Tanzania(Arusha), USA(for UNGA) and the UK Q2: Coordinated 9 Outbound Visits to Ethiopia, Uganda Tanzania, Egypt, Democratic of Congo (DRC), South Korea, Eritrea, United

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					States of America and Qatar. Q3: Coordinated 5 outbound visits to Senegal, Rwanda, Germany, Belgium and Ethiopia
	Quarterly Presentation of credentials by Ambassadors/ High Commissioners designate accredited to Kenya facilitated.	No. of presentation ceremonies organised	4	3	On August 5, 2022 the Ministry facilitated the following envoys to present credentials to His Excellency, President Uhuru Kenyatta: Meg Whitman (USA), Sebastian Groth (Germany), Kamal Gubara Mohamed (Sudan) and Bacha Debele Buta (Ethiopia). On 13th October 2022 the Ministry facilitated the following envoys to present credentials to His Excellency the President: Mr Subutay (Turkey), Dr. Roberto Natali (Italy), Ms. Namgya Khampa (India) and Mr. Arnaud Suquet (French Republic). On 1 st March 2023 the Ministry facilitated the following envoys to present credentials to His Excellency the President: Mr. Wael Attiya, Egypt; Mr. Ali Ami, Sahrawi; Mr. Savvas Vladimirov, Cyprus; and Mr. Ruzaimi Mohamad, Malaysia.
	Diplomatic Corps facilitated to participate in National Day celebrations and other state functions	No. of National Functions	5	3	Diplomatic Corps facilitated to participate in the inauguration ceremony of the 5th President of the Republic of Kenya, Jamhuri day and Mashujaa day celebrations
	High Level Visits by First lady facilitated	No. of outbound visits	2	2	Facilitated outbound visit to Qatar and Ethiopia
		No. of inbound visits	4	3	Facilitated inbound visit from Spain, Italy and USA
	Bilateral agreements/ MOUs on various areas of cooperation concluded	No. of agreements/MoUs concluded	28	31	Agreements/MoUs conclude and signed between Kenya-Bangladesh, Kenya-Seychelles, Kenya-Guinea Bissau, Kenya- Spain, Kenya- South Africa,

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					Kenya- United States of America and Kenya- South Korea. Kenya -Eritria,kenya - Philippines,Kenya- Italy(5) and Kenya – Somali.
	Diplomatic privileges and immunities to the diplomatic corps UNON, regional and international organizations administered	% Level of request facilitated	100	100	Achieved.
Sub-programme 2.4: Management of Diaspora & Consular Affairs	Kenya's diaspora integrated into the national development agenda	No. of diaspora conferences and investment expos held	4	6	Achieved. Diaspora leadership fora 31 st January, diaspora Saccos -25 March, Rwanda-17 th February, health investment for a-16 th march ,Germany-28 th March, and Brussels-29 th March.
	Consular services provided	(%) of Kenyans assisted	100	100	Kenyans were assisted at various Kenya missions.
	Negotiation and conclusion of bilateral labour agreements facilitated	No. of bilateral agreements signed	4	0	Bilateral Labour Agreements still under review.
	Finalized and implemented Draft National Evacuation Plan	Finalize draft National Evacuation Plan	1	0	Not achieved due to financial constraints.
	NADICOCK established and operationalized	% Level of operationalization	100	100	Achieved. Through creation of State Department of Diaspora Affairs which took the mandate of NADICOCK.
Sub-Programme2.5: Infrastructure development for Missions	Chanceries, Residences and Staff houses purchased/constructed	No. of G.o.K properties acquired	1	0	Not achieved due to financial constraints.
	Asset Acquisition and management plan (AAMP) finalized & implemented	Finalized Asset Acquisition and management plan (AAMP)	1	0	Not achieved due to financial constraints.
Sub-Programme3.1 Economic Cooperation and Commercial Diplomacy	Investment promotion activities and business forums coordinated	No. of Events coordinated	60	19	Coordinated and participated in the Kenya - UK Trade and Investment Mission 12-16 July, 2022; the Africa- Caribbean Trade and Investment Forum (Barbados September, 2022);TICAD-8 Business Forum Tunisia 26th to 28th August 2022; and the visit to Kenya by the Jeddah Islamic Port Management to meet officials from KNCCI and a tour of the Mombasa Port

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					<p>September 2022. •Kenya-Uganda Business Forum / Bilateral meeting, Kampala, October, 2022</p> <p>•Media and Industry Event of the Barbados- Kenya Business engagement Nairobi, November, 2022</p> <p>•Barbados-Kenya Business Engagement, Nairobi, November, 2022</p> <p>U.S- Africa Leadership Summit and Business Forum, Washington DC December,2022</p> <p>•Kenya-Germany Business Forum on the side-lines of a State Visit to Berlin, March, 2023</p> <p>Working Visit to Kenya by Ghanaian delegation, March, 2023</p> <p>•AmCHAM (American Chamber of Commerce) Business Summit, Nairobi, 29th – 30th March, 2023.</p> <p>Kenya- Colombia Business forum held on the margins of the official visit by the vice president of the republic of Colombia on 16/05/2023 held at Serena hotel, Nairobi.</p> <p>Sustainable Blue Economy Investment Forum on the sidelines of 2nd UN Ocean Conference in Portugal 28th June, 2023.</p> <p>SWEACC 2023</p> <p>The inaugural Kenya – UK – EPA council meeting held in UK, England 21st to 23rd March, 2023</p> <p>Austria – Africa Day 2023 Trade and Investment forum held in Vienna Austria from 31st to 3rd February, 2023.</p> <p>12th WTO Ministerial conference held in Geneva, Switzerland from 12th – 15th, 2022.</p> <p>Swedish East African Chamber of Commerce Business and Investment Forum 2023 (SWEACC 2023): Sweden from 9th to 11th May, 2023.</p> <p>105th session of the WTO Committee on Regional</p>

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					Trade Agreements (CRTAs) in Geneva, Switzerland from 14 th to 15 th November, 2022.
	Economic Partnership Agreements (EPAs) signed	No. of Agreements signed	5	0	Participated in the launch of the Kenya-UAE Comprehensive Economic Partnership Agreement (CEPA) the negotiations are yet to commence
	Joint bilateral frameworks and meetings (JTCs, JECs, etc.), coordinated/ participated	No. of Country position papers adopted	5	1	•Kenya- Tanzania Mid-Term Review of the 4th JCC, January, 2023
	Economic and Trade negotiations at the OACPS, AfCFTA, EAC, IORA, COMESA, Kenya-US FTA, Kenya-UK Trade arrangements, AGOA, Post 2020 ACP-EU Negotiations, and WTO level coordinated/attended	No. of Country position papers prepared/ reports	30	16	Participated in the AfCFTA Committee on Intellectual Property Rights (IPR), meeting on the Committee on Investment Policy, and meeting on the Senior Trade officials and the Council of Ministers meeting. (September 2022); the Session of the High-Level Political Forum (HLPF) on sustainable Development (5th to 18th July 2022); UNCTAD multi-year expert meeting on transport, trade logistics and trade facilitation (Geneva 12th -14th July 2022); the COMESA Trade in Services meeting held in Lusaka Zambia September 26th, 2022 Participated in the meeting of the COMESA non-tariff barriers regional forum in Malawi, Lilongwe on 12th – 15th September, 2022; and the 104th Session of the Committee on Regional Trade Agreements (Geneva, 22nd to 23rd September, 2022). • Meeting on AfCFTA Protocol on Competition Policy, Accra Ghana, September, 2022 • Kenya – South Korea Business Forum and Exhibition on the sidelines of a State Visit to South Korea, November, 2022. •22nd Meeting of the IORA Council of Ministers and 24th Council of Senior

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
					<p>Officials in Dhaka, Bangladesh, November, 2022. The Launch of the First Kenyan Value-Added tea in Ghanaian market under the AfCFTA Guided Trade Initiative (GTI), Accra, Ghana, December, 2022.</p> <p>• Strategic Trade and Investment Partnership (STIP) negotiations, Washington DC, February, 2023 (replaced the Kenya-US FTA)</p> <p>• Consultative meeting of the AfCFTA Implementation review mechanism, Arusha, March, 2023.</p> <p>• Meetings by the Kenya Special Envoy (Hon. Moses Kuria, CBS) on (TFTA) Tripartite Free Trade Area to selected signatories of the Agreement. (10 countries visited)</p> <p>12th WTO Ministerial conference held in Geneva, Switzerland from 12th – 15th, 2022.</p> <p>Swedish East African Chamber of Commerce Business and Investment Forum 2023 (SWEACC 2023): Sweden from 9th to 11th May, 2023.</p> <p>105th session of the WTO Committee on Regional Trade Agreements (CRTAs) in Geneva, Switzerland from 14th to 15th November, 2022.</p> <p>3rd AfCFTA Committee on Women and Youth in Trade held from 3rd – 6th April, 2023 in Arusha, Tanzania.</p>
Sub-Programme 4.1 Foreign Policy Research & Analysis, and Capacity Development	State & Public officers inducted on Protocol, Etiquette matters & Kenya's international obligations	No. of State and Public Officers inducted	75	0	Not achieved due to financial constraints.
	Newly appointed Ambassadors/High Commissioners and	No. of Ambassadors/High Commissioners and Officers inducted	100	0	Not achieved.

State Department for Foreign Affairs

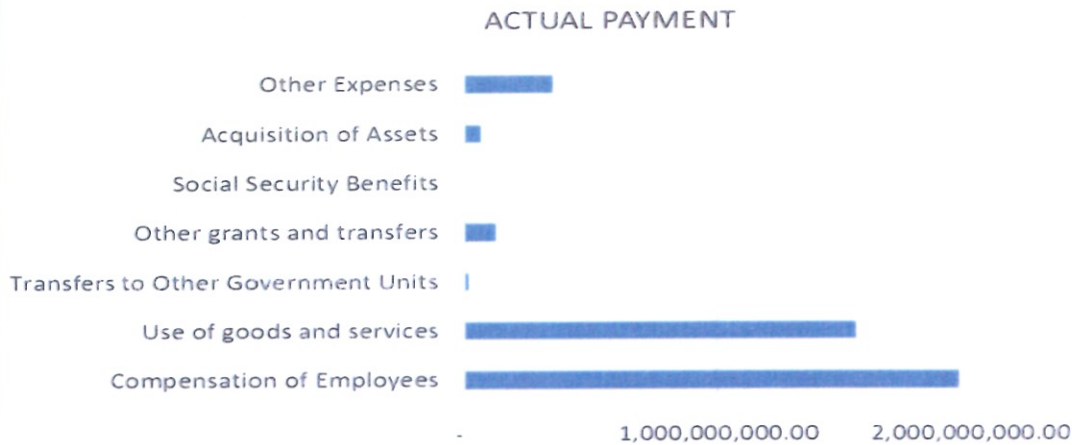
Report and Financial Statements for three months' period ended 30th June 2023

Programme	Key output	Key Performance Indicators	Annual Target 2022/23	Achievement 2022/23	Remarks
	newly posted Officers inducted				
	Officers trained on UN and other Foreign Languages	No. of officers trained	100	75	Spanish and French language facilitated
	Scholarships from Foreign friendly Government processed	% Level of scholarships processed	100	100	All scholarships from friendly Government processed
Sub-Programme 4.2: Regional Technical Cooperation	Presidential Commitments Actualized	No. of Presidential Commitments	2	1	Facilitated scholarships for 5 Angola citizens
	Increased partnerships with think-tanks, research institutions and diplomatic	No. of MoUs signed and reviewed	5	1	Facilitated signing of MoU with Diplomatic Academy-Bangladesh. MoU between Kenya and Ukraine reviewed
		Implementation level of existing MoUs (%)	100	100	Achieved
	Strategic engagements between National Assembly, County Governments and Foreign Governments facilitated	No. of strategic engagements facilitated	1	1	Strategic engagements between National Assembly, diplomatic corps and Foreign Governments facilitated.
	Capacity building for diplomats from the Region and beyond conducted	No. of Diplomats trained	20	20	Achieved.

**State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023**

7. Management Discussion and Analysis

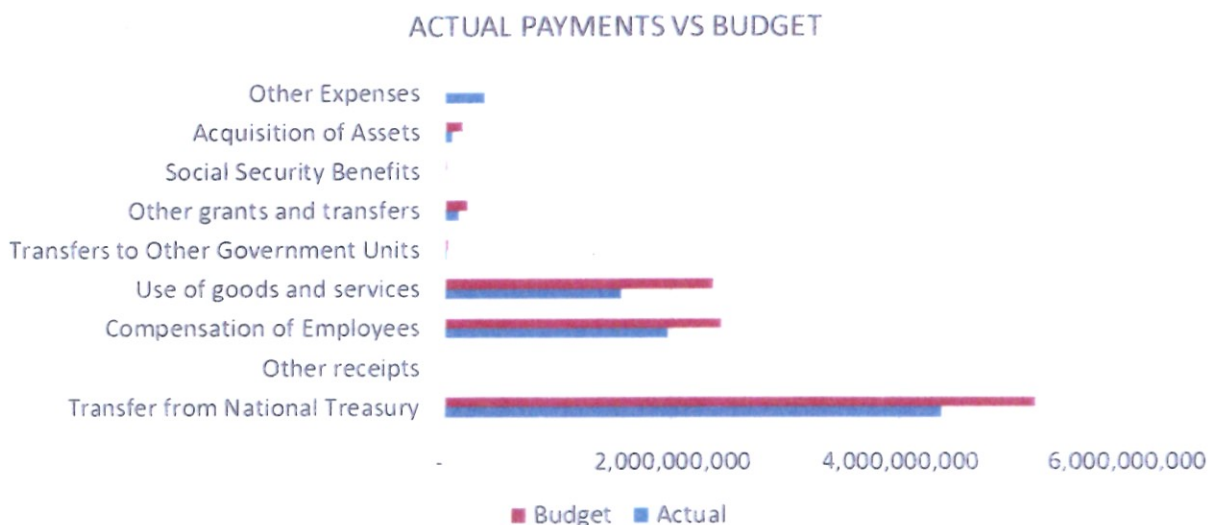
The State Department entirely depends on the National Exchequer for funding, the chart below provides an analysis of actual expenditure per expenditure category for the year under review:



From the chart, the State Department had anticipated more funding comparative to actual revenue collected but due to the prevailing economic situation was not able to actualize the receipts. The department was able to realise 84% of the budgeted exchequer receipts recording 16% shortfall.

The department utilised 94% of the received funds resulting in an under absorption of 6%. Largely this under absorption was as a result of late release of exchequer to the missions.

The department incurred expenses on various line items whose analysis is outlined in the chart below:



The actual receipts of Ksh. 4,370,442,430 include Kshs 4,370,391,130 as transfer from the National Treasury (exchequer releases) and Kshs 51,300 being amount collected as AIA.

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

The chart above shows that the total expenditures for the FY2022/2023 was constituted mainly by compensation of employees, use of goods, transfer to other Government Units, other grants and transfers, social security benefits and acquisition of assets. The absorption rate per expenditure line was as follows: Compensation of employees (80%), use of goods (66%), transfer to other Government Units (72%), other grants and transfers (65%), social security benefits (26%) and acquisition of assets (46%).

Surplus for the period; the surplus for the year ended 30th June 2023 amounted to Kshs 282,649,011. The reported surplus is as a result of delayed exchequer releases to the missions and therefore incidence of unspent balances.

The department plans to implement IFMIS system in FY2023/2024 in the missions to eliminate delays in reporting to headquarters by the missions. This will further improve efficiency, compliance and reduce errors in data processing.

8. Environmental and Sustainability Reporting

Implementation of this Strategic Plan is influenced by both internal and external factors. In this regard undertaking an environmental scan is crucial when preparing a strategic plan because it provides valuable information and insights about the environment in which an organization operates. This section provides a review of the SWOT, PESTELE, and stakeholders' analysis under which the State Department operates in.

a) Sustainability strategy and profile

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

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

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

At the heart of all the State Department's operations is the desire to deliver on the expectations of the Kenya Citizens and its customers.

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

The State Department sought to enhance the protection of the environment by planting trees in contribution to improving the national forest cover and other measures to facilitate sustainable development. In its pursuit to minimize its resource consumption footprint, the Ministry has sought to install energy efficient devices such as bulbs, motion sensors in the ministry's premise; install water use efficient devices such as sensor taps to minimize water wastage in the ministry's premise, and create awareness to staff and customers on efficient energy and water conservation measures.

c) Employee welfare

Employees are the most important asset of the department. The department endeavors to create a conducive work environment where each of the employees feels valued as a member of the team. In FY 2022/2023 the department undertook a wellness exercise for all its employees which also doubled up as a team building exercise. The exercise was to synergize and promote team spirit towards achievement of a common goals. The department trained its staff on the approved Occupational Health and safety policy aimed at providing and maintaining a safe and healthy working environment. The office was also cleaned regularly in line with the Ministry of Health guidelines. Counselling support was also provided for the staff.

d) Operational practices/ Market place practices

Explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

Gender mainstreaming and youth empowerment

The State Department developed and launched a Ministerial Youth Action Plan, participated in the International Youth Week, participated in training for Sexual and Gender Based Violence (SGBV) for Multi-Sectoral Professional International Conference on Great Lakes Region, and submitted data on two third representation on appointments, employment and promotion in the Ministry

Youth Internships/ Industrial Attachments/ Apprenticeships

The Department offered internship/attachment opportunities to youths by providing industrial attachment to students and deploying interns recruited by the Public Service Commission

Disability Mainstreaming

The Department implemented affirmative actions for persons with disabilities by:

- Developing and submitting disability mainstreaming annual work plan to NCPWD
- Reconstituting and operationalizing the disability mainstreaming committee.
- Training disability mainstreaming committee and senior management; and sensitizing staff on disability.
- Ensuring that at least 5% of new employees/interns/attaches are persons with disabilities
- Carrying out accessibility and usability audit and submitting the report to NCPWD
- Increasing equal and easy access of products and services/programmes to PWDs

Safety and Security Measures

The Ministry put in place the following mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters:

- Conducted staff training on fire fighting and safety measures
- Carried out one fire drill.
- Replenished of first aid kits and fire extinguishers in the Ministry headquarters.

e) Community Engagements-

Give details of CSR engagements carried out and the impact to the society.

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

The State Department through the Kenya Missions abroad:

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

***State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023***

9. Statement of Management Responsibilities

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

The Accounting Officer in charge of the State Department for Foreign Affairs is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

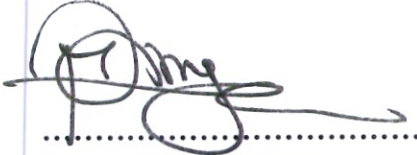
The Accounting Officer in charge of the State Department for Foreign Affairs accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for Foreign Affairs's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department for Foreign Affairs further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023**

Approval of the financial statements

The State Department for Foreign Affairs financial statements were approved and signed by the Accounting Officer on 25th SEPTEMBER 2023.



.....
**DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY**



.....
**CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO. 10999**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR FOREIGN AFFAIRS FOR THE THREE (3) MONTHS PERIOD ENDED 30 JUNE, 2023

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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department for Foreign Affairs set out on pages 1 to 33, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments,

Report of the Auditor-General on State Department for Foreign Affairs for the Three (3) Months period ended 30 June, 2023

statement of cash flows and statement of comparison of budget and actual amounts for the period 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of State Department for Foreign Affairs as at 30 June, 2023 and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Cash and Cash Equivalents

1.1. Long Outstanding Unreconciled Items

The statement of financial assets and financial liabilities as at 30 June, 2023, reflects cash and cash equivalents balance of Kshs.2,722,650,553 as disclosed in Note 10A to the financial statements. The balance includes bank balances totalling to Kshs.2,721,052,223. However, as previously reported, the State Department's bank reconciliation statements reflected long outstanding unreconciled items totalling to Kshs.1,026,556,732 which have remained outstanding for more than six (6) months with some dating back to 1994 as summarised below:

Particulars	Amount (Kshs)
Payments in cash book not in bank statements	383,195,128
Receipts in bank statements not in cash book	86,282,685
Payment in bank statement not in cash book	508,632,121
Receipts in cash book not in bank statement	48,446,798
Total	1,026,556,732

Although Management made efforts to reconcile the balances, the outstanding items remained unreconciled as at 30 June, 2023. Further, all the outstanding items relates to reconciliation from the Missions abroad an indication of inadequate internal controls on cash management in the Missions.

1.2. Discrepancies in Bank Balances

The cash and cash equivalents balance of Kshs.2,722,650,553 includes bank balances totalling to Kshs.2,721,052,223 as disclosed in Note 10A to the financial statements. However, review of the State Department's bank reconciliation statements and cash book balances as at 30 June, 2023 revealed the following matters:

- i. The bank reconciliation statement for the month of June, 2023 for Kenya Mission in Brussels included long outstanding unexplained entries totalling to Kshs.2,234,890 which were not reconciling items as indicated below:

Item	Amount (Kshs)
Error as per opening reconciliation - 30 June, 2001	1,330,062
Bank balance deviation as at 30 June, 2001	14,615
Bank balance deviation as at 30 June, 2001	2,025
Imprest contra omitted as at 30 June, 2001	888,184
Total	2,234,890

- ii. The bank reconciliation statements for New York Agency Deposit bank statements reflected balance as per cash book of USD 5,380,199 equivalent to Kshs.677,905,074 as at 30 June, 2023. The cash book balances included amounts for various agencies. However, actual cashbooks for the various agencies reflected USD 5,301,551 resulting to an unexplained variance of USD 78,648. Further, a breakdown of the balances for each agency amounted to USD 5,514,220 resulting to an unexplained and unreconciled variance of USD 134,021. The details are as indicated in the table below:

Agency	Reconciliation Balance as per Cash Book (USD)	Amount (Kshs.)	Balance as per the Physical Cashbook (USD)	Amount (Kshs.)
Foreign Relation Officer 4	29,215	3,681,091	24,338	3,066,641
Foreign Relation Officer 1	0	0	1,016	128,030
Miscellaneous Deposits	208,808	26,309,759	0	0

In addition, the Mission's miscellaneous deposit cash book was not provided for audit.

- iii. The cashbook for the Kenya Mission in Los Angeles reflected a bank balance of USD 2,327 equivalent to Kshs.293,222 as at 30 June, 2023. However, the balance included an amount of USD 229 (Kshs.28,863) being miscellaneous deposit for the State Department for Diaspora Affairs which was erroneously reported under the State Department for Foreign Affairs.

In addition, the bank reconciliation statement for the month of June, 2023 reflected an amount of USD 116,623 equivalent to Kshs.14,694,514 being receipts in cash book for the month of June, 2023 not reflected in bank statement. However, the amounts could not be traced to the cash book for the month of June, 2023 provided for audit.

- iv. Review of records for Kenya High Commission in Kampala revealed that the Mission maintained two deposits accounts (USD foreign currency and UGX local currency) for the Agencies and State Department's deposits. The bank reconciliation for June, 2023 indicated that the Mission had a balance of USD 107,607 and UGX 38,501,167 in the two accounts. However, the recasting performed on the Agency's balances resulted to a total of USD 75,768 and UGX 11,700,145 respectively. The resultant variances of USD 31,839 and UGX 26,861,022 have not been explained. Further, the cash book for the deposit account was not provided for audit review.
- v. Review of the State Department's cash and cash equivalents reflected that Kenya Mission in Mogadishu had a cashbook balance of USD 26,932. However, the bank reconciliation statement reflected cash book balance of USD 26,932 which comprised respectively of USD 20,457, USD 1,306, USD 3,390 and USD 1,779 in respect of deposit account, development account, Foreign Relations Officer agency account and State Department's recurrent account respectively. However, the deposit balance of USD 20,457 and Foreign Relations Officer balance of USD 3,390 was recognized as cash and cash equivalents resulting in an overstatement of cash and cash equivalents by USD 23,847 (KShs.3,004,722).

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.2,722,650,553 as at 30 June, 2023 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Foreign affairs 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.

Emphasis of Matter

I draw attention to the following matters in the financial statements:

1. Unutilized Development Funds

The statement of financial assets and financial liabilities reflects cash and cash equivalents balance of Kshs.2,722,650,553 and as reflected under Note 10A to the financial statements. Included in this balance, is an amount of Kshs.1,885,098,283 in respect to development cash book balances for the Missions. The balances have been built up over the years as a result of failure to surrender the unutilized development funds at the end of the financial year as indicated below:

Mission	Account	Amount (Kshs)
Washington	Development	48,630,314
London	Development	1,758,950,031
Addis Ababa	Development	66,596,506
London	Revenue Account	43,587,405
Total		1,917,764,256

It was not explained how the State Department would utilize the development funds in subsequent years without factoring them in the budget process.

2. Unbudgeted Exchange Losses

The statement of receipts and payments reflects other payments of Kshs.353,010,380 as disclosed in Note 9 to the financial statements. The amount was in respect of foreign exchange losses due to differences between the official exchange rate and the Central Bank rate and transactions made in the host country currencies. The exchange losses negatively affected the liquidity of the Missions resulting in pending bills amounting to Kshs.332,062,297 in the Missions.

3. Pending Bills

Note 18.2 to the financial statements reflects pending accounts payables totalling to Kshs.1,688,976,030 as at 30 June, 2023. The balance relates to bills that were not paid during the period under review but were instead carried forward to the financial year 2023/2024.

Failure to settle bills during the year to which they relate adversely affects implementation of the subsequent year's budgeted programs as the outstanding bills form a first charge to that year's budget provision.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

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 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. Management of the Government Owned Properties in the Missions

1.1. Chancery Building and High Commissioner's Residence - Islamabad, Pakistan

The State Department entered into a contract for the proposed construction of Chancery Building and High Commissioner's Residence at a revised contract price of PKRs 440,640,240 approximately Kshs.418,865,923 in 2008. The contractor abandoned the site in 2014 and PKRs 437,524,929 approximately Kshs.415,904,556 had already been

paid. The State Department terminated the contract and entered into another contract for completion of pending works at a revised price of PKRs 108,269,034.34. The final payment was made in June, 2020. As at the time of audit in August, 2023, the Chancery and High Commissioner's residence were in extremely poor condition due to the following defects; inadequate drainage, incomplete works on lifts, cracked walls and poor workmanship. In addition, the contractors did not address the items in the snags list. The State Department was in the process of procuring another contractor for remedial works in the Chancery and the High Commissioner's residence which had not been concluded as at the November, 2023.

In the circumstances, it was not possible to confirm whether the public obtained value for money of Kshs.415,904,556 already spent on the contracts.

1.2. Lack of Ownership Documents for Kinshasa Chancery

The Government of the Republic of Kenya has four (4) plots in Kinshasa. However, one of the plots which hosts the Chancery did not have ownership documents. Efforts by the Mission to obtain the ownership documents from the lands office in Kinshasa were not successful since the Office insisted on documents to prove the ownership before the allotment letter and title deed could be processed.

In the circumstances, the ownership of the State Department's land in Kinshasa could not be confirmed.

1.3. Delayed Purchase of Chancery for Kenya Mission in London

The lease for the Chancery for Kenya Mission in London expired on 10 October, 2021, and subsequently the State Department transferred an amount of Kshs.1,669,999,550 in the financial year 2021/2022 and 2022/2023 for the purchase of chancery building. However, the process of acquisition had been halted. As at the time of the audit in August, 2023, the Mission was leasing the Chancery at GBP 350,000 (Kshs.53,550,000) per annum which was expected to rise to market price of GBP 568,250 (Kshs.86,942,250) starting August, 2023, representing an increase of 62% rise.

In the circumstances, the delay in purchase of the Chancery building may have led to unnecessary expectation on lease expenses.

1.4. Renovation Works of High Commissioner and Deputy High Commissioner Residence in London

During the year under review the Mission undertook minor renovations of the High Commissioner's residence in London. On completion of the works, the inspection team, vide minutes dated 24 January, 2023 recommended and approved additional works in order to make the house habitable. On 24 April, 2023 a contract was signed for the renovation of the Deputy High Commissioner's residence. Site visit carried out in August, 2023 revealed that additional works had commenced despite non-existence of a contract and Bills of Quantities for the same. The Mission Management indicated that the additional works for the renovation of the High Commissioner's residence was being undertaken by savings made from the renovation of Deputy High Commissioner's

residence. However, the Management did not provide evidence of the amount saved and how it was realized. As a result, it was not possible to determine the cost of renovation of each house.

In addition, the Mission continued to pay rent for leased house for the High Commissioner since October, 2022 when the renovations commenced at a monthly rate of GBP13,250 (Kshs.2,027,250). Similarly, the Deputy High Commissioner ended his tour of duty on 30 August, 2023 having stayed in a leased house at quarterly rent of GBP 11,400 (Kshs.1,744,200).

In the circumstances, the State Department has continued to incur rental expenses which could have been avoided had the houses been renovated in a timely manner.

1.5. Non-Utilization of Ambassador's Residence in Kenyan Mission in Pretoria at 261 Crown Avenue

The State Department entered into a contract with a contractor on 1 July, 2015 for the proposed construction of the Ambassador's residence and staff houses for Kenya High Commission in Pretoria at a cost of ZAR 102,000,000 (Kshs.765,000,000). Audit inspection carried out in August, 2023 revealed that the Ambassador's residence remained vacant since it had not been furnished.

In the circumstances, the State Department continued to incur unnecessary rental expenses for the Deputy Head of Mission.

2. Delayed Disbursements to Missions

During the year under review, the State Department disbursed to Missions abroad a total of Kshs.12,257,183,258 which were done on a quarterly basis. However, review of records provided for audit indicated that the disbursements were done on the last week of the respective quarters. This resulted to delays in payment of foreign service allowance and salaries to home based and local staff respectively. In addition, the Missions delayed in payments of office expenses and procurement process

In the circumstances, the delayed disbursement negatively affected the staff morale and low supplier's confidence to the Missions.

3. Lack of Procurement Guidelines for Missions

Review of the procurement processes and sampled procurements for twelve (12) Kenya Missions carried out in August, 2023 revealed the Missions did not have a list of registered suppliers and lacked standardized procurement documents. In addition, the Missions did not adhere to the Public Procurement and Assets Disposal Regulations, 2020 on issuing of quotations. Management explained that the use of standard tender and prequalification's documents in the Host Countries was challenging due to the different and unique legal, regulatory, and business environments that impede the application of Kenya's legal and regulatory procedures in procurement of goods, works and services. The Missions therefore lacked guidelines to effectively undertake procurements in the Host Countries.

In the circumstances, the lack of Missions specific guidelines may have affected the efficiency of procurement processes hence impacting negatively on service delivery by the Missions.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department'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 State Department to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

29 January, 2024

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

11. Statement of Receipts and Payments for the Year ended 30th June 2023

Description	Note	2022/2023 Current FY	2021/2022 Comparative FY*
		Kshs	Kshs
Receipts			
Exchequer Releases	1	4,370,391,130	-
Miscellaneous Receipts	2	51,300	-
Total Receipts		4,370,442,430	-
Payments			
Compensation of Employees	3	1,960,641,810	-
Use of Goods and Services	4	1,548,880,010	-
Grants and Transfers to Other Government Entities	5	19,123,443	-
Other Grants and Transfers	6	129,589,246	-
Social Security Benefits	7	5,536,386	-
Acquisition of Assets	8	71,012,144	-
Other Payments	9	353,010,380	-
Total Payments		4,087,793,418	-
Surplus/(Deficit)		282,649,011	-

Note: Comparative FY* - This being a new State Department that was established in FY2022/2023, there was no comparative financial information.

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 30.06.2023 2023 and signed by:


DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY


CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO.10999

State Department for Foreign Affairs

Report and Financial Statements for three months' period ended 30th June 2023

12. Statement Of Financial Assets And Financial Liabilities As At 30th June 2023

Description	Note	FY2022/2023	FY2021/2022
		Current FY	Comparative FY
		Kshs	Kshs
Financial assets			
Cash and cash equivalents			
Bank balances	10A	2,721,052,223	-
Cash balances	10B	1,598,330	-
Total cash and cash equivalents		2,722,650,553	-
Imprests and advances	11	798,343	-
Total financial assets		2,723,448,896	-
Financial liabilities			
Third party deposits and retention	12	(555,687,514)	(-)
Net financial assets		2,167,761,381	-
Represented by			
Fund balance b/fwd.	13	1,885,112,370	-
Prior year adjustment	14	-	-
Surplus/(Deficit) for the year		282,649,011	-
Net financial position		2,167,761,381	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th SEPTEMBER 2023 and signed by:


.....
DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY


.....
CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO. 10999

13. Statement of Cash Flows For The Year Ended 30th June 2023

Description	Notes	FY2022/2023	FY2021/2022
		Current FY	Comparative FY
		Kshs	Kshs
Operating Activities			
Receipts			
Exchequer releases	1	4,370,391,130	-
Miscellaneous receipts	2	51,300	-
Total Receipts		4,370,442,430	-
Payments			
Compensation of employees	3	1,960,641,810	-
Use of goods and services	4	1,548,880,010	-
Transfers to other government units	5	19,123,443	-
Other grants and transfers	6	129,589,246	-
Social security benefits	7	5,536,386	-
Other payments	9	353,010,380	-
Total Payment		4,016,781,275	-
Net receipts/(payments)		353,661,155	-
Adjusted For:			
Adjustments during the year			
Prior year adjustments	14	-	-
Decrease/(Increase) in accounts receivable	15	(798,343)	-
Increase/(Decrease) in deposits and retention	16	117,579,843	-
Net Cash Flow from Operating Activities		470,442,655	-
Cash flow From Investing Activities			
Proceeds from sale of assets		-	-
Acquisition of assets	8	(71,012,144)	-
Net Cash Flows from Investing Activities		(71,012,144)	-

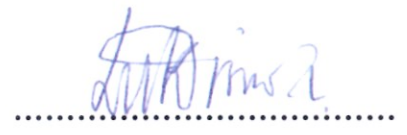
State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023

Description	Notes	FY2022/2023 Current FY	FY2021/2022 Comparative FY
		Kshs	Kshs
Net increase in cash and cash equivalents		399,430,511	-
Cash & Cash Equivalent at Start of The Year	10	2,323,220,041	-
Cash & Cash Equivalent at End of The Year	10	2,722,650,552	-

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 30 SEPTEMBER 2023 and signed by:



.....
DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY



.....
CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO. 10999

*State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023*

14. Statement of Comparison of Budget and Actual Amounts for FY2022/2023

Receipt/Expense 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 %
Exchequer releases	-	5,196,322,860	5,196,322,860	4,370,391,130	825,931,730	84%
Other receipts	-	-	-	51,300	(51,300)	
Total Receipts	-	5,196,322,860	5,196,322,860	4,370,442,430	825,880,430	84%
Payments						
Compensation of employees	-	2,435,978,047	2,435,978,047	1,960,641,810	475,336,237	80%
Use of goods and services	-	2,356,861,454	2,356,861,454	1,548,880,010	807,981,444	66%
Transfers to other government entities	-	26,621,649	26,621,649	19,123,443	7,498,206	72%
Other grants and transfers	-	200,580,931	200,580,931	129,589,246	70,991,685	65%
Social security benefits	-	21,017,070	21,017,070	5,536,386	15,480,684	26%
Acquisition of assets	-	155,263,709	155,263,709	71,012,144	84,251,566	46%
Other payments	-	-	-	353,010,380	(353,010,380)	-
Total Payments	-	5,196,322,860	5,196,322,860	4,087,793,418	1,108,529,442	79%
Surplus/ Deficit				282,649,011	(282,649,011)	

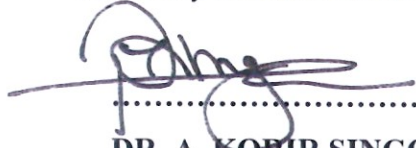
(a) Variance analysis:

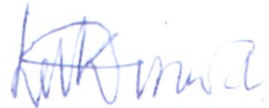
- 1. The State department received 84% of the projected receipt from the National Treasury.*
- 2. The budget performance of 79% on total payment was as a result of delayed exchequer releases to the missions.*

State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023

(b) **Reallocations within the year:** The changes between the original and final budget are as a result of supplementary budget. The supplementary budget was to separate vote 1052 and 1053 during the financial year.

The entity financial statements were approved on 30TH SEPTEMBER 2023 and signed by:


.....
DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY


.....
CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO. 10999

*State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023*

14 (a) Statement Of Comparison of Budget and Actual Amounts: Recurrent for FY2022/2023

Receipt/Expense 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 %
Exchequer releases	-	5,196,322,860	5,196,322,860	4,370,391,130	825,931,730	84%
Other receipts	-	-	-	51,300.00	(51,300)	
Total Receipts	-	5,196,322,860	5,196,322,860	4,370,442,430	825,880,430	84%
Payments						
Compensation of employees	-	2,435,978,047	2,435,978,047	1,960,641,810	475,336,237	80%
Use of goods and services	-	2,356,861,454	2,356,861,454	1,548,880,010	807,981,444	66%
Transfers to other government entities	-	26,621,649	26,621,649	19,123,443	7,498,206	72%
Other grants and transfers	-	200,580,931	200,580,931	129,589,246	70,991,685	65%
Social security benefits	-	21,017,070	21,017,070	5,536,386	15,480,684	26%
Acquisition of assets	-	155,263,709	155,263,709	71,012,144	84,251,566	46%
Other payments	-	-	-	353,010,380	(353,010,380)	-
Total Payments	-	5,196,322,860	5,196,322,860	4,087,793,418	1,108,529,442	79%
Surplus/ Deficit				282,649,011	(282,649,011)	

Notes

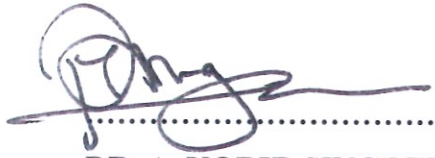
(a) Variance analysis:

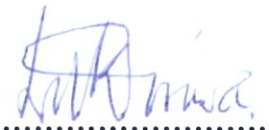
- 1. The State department received 84% of the projected receipt from the National Treasury.*

2. *The budget variance on use of goods (66%), transfers to other government entities (72%), other grants & transfers (65%), Social security benefits (26%) and acquisition of assets (46%) was as a result of lack of exchequer.*

(b) Reallocations within the year: The changes between the original and final budget are as a result of supplementary budget. The supplementary budget was to separate vote 1052 and 1053 during the financial year.

The entity financial statements were approved on 30TH SEPTEMBER 2023 and signed by:


.....
DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY


.....
CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO.10999

*State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023*

14 (b) Statement Of Comparison of Budget and Actual Amounts: Development for FY2022/23

Receipt/Expense 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						
Exchequer releases	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-
	-	-	-	-	-	-
Payments	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Transfers to other Government entity	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
Total Payments	-	-	-	-	-	-
Surplus/Deficit	-	-	-	-	-	-

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

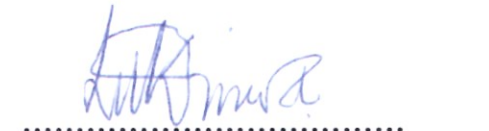
State Department for Foreign Affairs
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(b) **Reallocations within the year:** (Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.7.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Please note that the State Department did not have a development budget during the period under review.

The entity financial statements were approved on 30TH SEPTEMBER 2023 and signed by:


.....
DR. A. KORIR SINGOEI
PRINCIPAL SECRETARY


.....
CPA VINCENT L. KIRWA
HEAD OF ACCOUNTING UNIT
ICPAK M/NO.10999

14 (c) Budget Execution by Programmes and Sub-Programmes for FY2022/2023

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2022			2022	
	Kshs			Kshs	Kshs
0000000000	-			353,010,380	(353,010,380)
0714000000	1,009,225,947			613,499,349	395,726,598
0715000000	4,141,758,617			3,135,106,125	1,006,652,492
0741000000	10,775,811			6,367,369	4,408,442
0742000000	34,562,485			24,083,487	10,478,998
Total	5,196,322,860			4,132,066,710	1,064,256,150

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based. It should tie with the combined Statement of Budgeted Vs Actual Amounts. Ensure that this document is completed to enable consolidation by the National Treasury)

15. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

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

2. Reporting Entity

The financial statements are for the State Department for Foreign Affairs. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012.

3. Reporting Currency

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

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Significant Accounting Policies

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

a) Recognition of Receipts

The *State Department* recognises all receipts from the various sources when the event occurs, and the related cash has been received.

(i) Transfers from the Exchequer

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

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment. During the year ended 30th June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(iii) miscellaneous receipts

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

Significant Accounting Policies (Continued)

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the *State Department*.

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure 6 to the financial statements.*

Significant Accounting Policies (Continued)

iv) In-kind contributions

In-kind contributions are donations that are made to the Entity 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 *department* 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.

v) Third Party Payments

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

c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. A bank account register is maintained, and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure 5 to the financial statements.*

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions. As of 30th June 2023, this amounted to **Kshs 555,687,514** compared to **NIL** in prior period as indicated on **note 12**. There were no other restrictions on cash during the year.

Significant Accounting Policies (Continued)

d) Imprests and advances

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

e) Third party deposits and retention

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

f) Pending Bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget

was approved by Parliament in *June 2022 for the period 1st July 2022 to 30th June 2023* as required by Law and there was one supplementary adjustment to the original budget during the year.

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

h) Comparative Figures

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

i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended *30th June 2023*.

j) Prior Period Adjustment

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

k) Related Party Transactions

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

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

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

Significant Accounting Policies (Continued)

1) 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 *department* 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. **Note 18.4** and *Annex 7* of this financial statement is a register of the contingent liabilities in the year.

State Department for Foreign Affairs

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Notes to the Financial Statements

1 Exchequer releases

Description	FY2022/2023	FY2021/2022
	Current FY	Comparative FY
	Kshs	Kshs
Transfers From Exchequer	4,370,391,130	-
Total	4,370,391,130	-

(Ksh. 4,370,391,130 relates to recurrent exchequer received during the period when the Ministry was split into two State departments)

2 Miscellaneous Receipts

Description	FY2022/2023	FY2021/2022
	Current FY	Comparative FY
	Kshs	Kshs
Rents	-	-
Receipts from Administrative Fees and Charges	-	-
Receipts from Administrative Fees and Charges - AIA	51,300	-
Others (specify)	-	-
Total	51,300	-

(The Ksh. 51,300 relates to receipts from administrative fees collected as AIA)

3 Compensation to Employees

Description	FY2022/2023	FY2021/2022
	Current FY	Comparative FY
	Kshs	Kshs
Basic salaries of permanent employees	181,854,829	-
Basic wages of temporary employees	501,122,097	-
Personal allowances paid as part of salary	1,134,217,474	-
Personal allowances paid as reimbursements	64,687,090	-
Personal allowances provided in kind	2,605,100	-
Employer contributions to compulsory national social security schemes	15,561,069	-

State Department for Foreign Affairs
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Employer contributions to compulsory national health insurance schemes	53,951,385	-
Social Benefit Schemes Outside Government	6,642,765	-
Total	1,960,641,810	-

4 Use of Goods and Services

Description	<i>Insert</i> <i>Current FY</i>	<i>Insert</i> <i>Comparative</i> <i>FY</i>
	Kshs	Kshs
Utilities, supplies and services	88,764,211	-
Communication, supplies and services	37,117,346	-
Domestic travel and subsistence	39,028,497	-
Foreign travel and subsistence	354,724,531	-
Printing, advertising and information supplies & services	3,516,660	-
Rentals of produced assets	624,520,957	-
Training expenses	1,864,377	-
Hospitality supplies and services	50,313,737	-
Insurance costs	11,665,417	-
Specialized materials and services	3,798,446	-
Office and general supplies and services	11,021,424	-
Fuel Oil and Lubricants	15,616,234	-
Other operating expenses	280,578,228	-
Routine maintenance – vehicles and other transport equipment	8,986,439	-
Routine maintenance – other assets	17,363,506	-
Exchange rate losses	-	-
Total	1,548,880,010	-

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Report and Financial Statements for three months' period ended 30th June 2023*

Notes to the Financial Statements (Continued)

5 Grants and Transfers to other Government Entities

Description	FY2022/2023 Current FY	FY2021/2022 Comparative FY
	Kshs	Kshs
Transfers to National Government entities		
Current grants to government agencies and other level of govt	19,123,443	-
Capital grants to government agencies and other level of govt	-	-
Total	19,123,443	-

(The amount relates to funds transferred to Foreign Service Academy for its operation during the period under review)

5 a: Transfers to self – reporting entities in the year

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	Total for the year	FY2021/2022 comparative Year
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGA				
Foreign Service Academy	19,123,443	-	19,123,443	-
Total	19,123,443	-	19,123,443	-

The transfer was only made to the entity listed on note 5a above.

Notes to the Financial Statements (Continued)

6 Other Grants and Transfers

Explanation	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Membership dues and subscriptions to international organizations	-	-
Scholarships and other educational benefits	129,589,246	-
Emergency relief and refugee assistance	-	-
Grants to small businesses, cooperatives, and self employed	-	-
Grants to foreign government	-	-
Total	129,589,246	-

(The amount relates to education supplement for dependants of officers posted in the missions abroad during the year under review)

7 Social Security Benefits

	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Government pension and retirement benefits	5,536,386	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Social Benefits to the aged (above 70 years)	-	-
Total	5,536,386	-

(The amount relates to pension and retirement benefits to retired members of staff)

*State Department for Foreign Affairs
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Notes to the Financial Statements (Continued)

8 Acquisition of Assets

Non -Financial Assets	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Refurbishment of Buildings	1,173,021	-
Purchase of Vehicles and other Transport Equipment	51,606,463	-
Overhaul of Vehicles and other Transport Equipment	686,550	-
Purchase of Household Furniture and Institutional Equipment	9,298,990	-
Purchase of Office Furniture and General Equipment	8,017,120	-
Purchase of Specialized Plant, Equipment and Machinery	230,000	-
Acquisition of Intangible Assets	-	-
Sub-total	71,012,144	-
Total	71,012,144	-

9 Other Payments

Explanation	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Foreign Exchange loss	353,010,380	-
Total	353,010,380	-

(The amount relates to the foreign exchange loss incurred by missions due to fluctuation in currency)

10 Cash and Bank Accounts

Description	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Bank Accounts (Note 11 A)	2,721,052,223	-
Cash on hand (Note 11 B)	1,598,330	-
Total	2,722,650,553	-

State Department for Foreign Affairs

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Notes to the Financial Statements (Continued)

10A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	FY2022/2023	FY2021/2022
			Current FY	Comparative FY
			Kshs	Kshs
Central Bank, No.1000699574	Kes	Recurrent	3,324,031	-
Central Bank, No.1000302356	Kes	Development	5,100	-
Central Bank, No.1000699598	Kes	Deposit	117,579,843	-
Central Bank, No.1000302372	Kes	Deposit (Old Vote)	438,107,671	-
Kenya Missions Abroad – REC 6530103	Kes	Recurrent	276,937,295	-
Kenya Missions Abroad – Dev 6530103	Kes	Development	1,885,098,283	-
Total			2,721,052,223	-

10B: Cash on hand

Description	FY2022/2023	FY2021/2022
	Current FY	Comparative FY
		Kshs
Cash in hand – Held in domestic currency	1,598,330	-
Cash in hand – Held in foreign currency	-	-
Total	1,598,330	-

Detailed Cash is as follows:

Description	FY 2022/2023	FY2021/2022
	Current FY	Comparative FY
		Kshs
Location 1-Cash office	1,598,330	-
Total	1,598,330	-

[The balance is supported by copy of the board of survey certificates as attached]

State Department for Foreign Affairs
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Notes to the Financial Statements (Continued)

10C: Deposits held in Missions

Description	FY 2022/2023	FY2021/2022
	Current FY	Comparative FY
	Kshs	Kshs
Location 1-Cash office	302,239,508	-
Total	302,239,508	-

The balance is supported by the amounts held by the various missions as attached

11 : Imprests and Advances

Description	FY2022/2023	FY2021/2023
	Current FY	Comparative FY
	Kshs	Kshs
Government Imprests	798,343	-
Salary advances	-	-
District suspense	-	-
Clearance accounts	-	-
Total	798,343	-

Imprests and advances Aging analysis.

	FY2022/2023	% of the total	FY2021/2022	% of the total
	Current FY		Comparative FY	
Under one year	798,343	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	798,343	100%	-	

[Include a breakdown of the outstanding imprest below or as an annex to the notes if the list is longer than 1 page.]

State Department for Foreign Affairs

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Notes to the Financial Statements (Continued)

12 Third party deposits and retention

Description	FY2022/2023 Current FY		FY2021/2022 Comparative FY	
	Kshs		Kshs	
Deposits	117,579,843		-	
Deposits (old vote)	438,107,671		-	
Total	555,687,514		-	
Ageing analysis:	Current FY	% of the Total	Prior FY	% of the Total
Under one year	303,334,735	55%	-	%
1-2 years	252,352,779	45%	-	%
2-3 years	-	-	-	%
Over 3 years	-	-	-	%
Total	555,687,514		-	

(The balances are supported as per attached schedule)

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Notes to the Financial Statements (Continued)

13 Fund Balance Brought Forward

Description	FY2022/2023 Current FY	FY2021/2022 Comparative FY
	Kshs	Kshs
Bank Accounts	2,323,220,041	-
Cash in hand	-	-
Imprests and advances	-	-
Third party deposits and retention	(438,107,671)	-
Total	1,885,112,370	-

14 Prior Year Adjustments

	Balance b/f from previous year as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f Current Year
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	-	-	-
Cash In Hand	-	-	-
Imprests and advances	-	-	-
Third party deposits and retention	-	-	-
Others (<i>Specify</i>)	-	-	-
	-	-	-

** (No adjustment were noted during the period).

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Notes to the Financial Statements (Continued)

15 (Increase)/ Decrease in Advances and Imprests

Description	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Receivables As At 1 st July (A)	-	-
Receivables As At 30 th June (B)	798,343	-
(Increase)/ Decrease in Receivables (C=(B-A))	(798,343)	-

(This being a new state department, there was no opening balance for receivables)

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

Description	<i>FY2022/2023 Current FY</i>	<i>FY2021/2022 Comparative FY</i>
	Kshs	Kshs
Payables As At 1 st July	-	-
Payables As At 30 th June	117,579,843	-
Increase/ (Decrease) In Payables	117,579,843	-

17 Related Party Disclosures

The following comprise of related parties to the *State Department for Foreign Affairs*

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.

*State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023*

18 Other Important Disclosures

18.1 Related party transactions:

Description	2022/2023 Current FY	2021/22 Comparative FY
	Kshs	Kshs
Key Management Compensation	-	-
Transfers to Related Parties		
Transfers to other MDAs	19,123,443	-
Total Transfers to Related Parties	19,123,443	-
Transfers from Related Parties		
Transfers from the Exchequer	4,370,391,130	-
Total Transfers from Related Parties	4,389,514,573	-

Other important disclosures (continued)

18.2 Pending Accounts Payable (See Annex 1)

Description	Balance b/f Previous FY	Additions for the period	Paid during the year	Balance c/f Current FY
	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	4,959,374	12,040,727	(4,959,374)	12,040,727
Supply of Goods	168,060,727	284,075,831	(71,024,383)	381,112,176
Supply of Services	528,141,895	1,217,817,897	(450,136,664)	1,295,823,128
Total	701,161,996	1,513,934,455	(526,120,421)	1,688,976,030

(The figure above relates to the pending accounts payable for the period. The balances were not settled due to lack of exchequer funding.)

State Department for Foreign Affairs

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18.3: Pending Staff Payables (See Annex 2)

	Balance b/f Previous FY	Additions for the period	Paid during the year	Balance c/f Current FY
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	(-)	-
Middle Management	-	-	(-)	-
Union Employees	-	-	(-)	-
Others	-	-	(-)	-
Total	-	-	(-)	-

18.4 Contingent Liabilities

Contingent liabilities	2022/2023	2021/2022
	Current FY	Comparative FY
	Kshs	Kshs
Court case xxx against <i>(the entity)</i>	112,013,123	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from PPPs	-	-
Total	112,013,123	-

(Give details- Update ANNEX 7 Contingent liabilities register)

**State Department for Foreign Affairs
Report and Financial Statements for three months' period ended 30th June 2023**

Notes to the Financial Statements (Continued)

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


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A	N/A	N/A

Guidance Notes:

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


Accounting Officer


Head of Accounting Unit

19. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced/ Contracted	Particulars	Original Amount	Balance at the beginning of the year	Addition During the year	Amount paid During the year	Outstanding Balance	Comments
				a	b	c	d=a+b-c	
Construction of buildings								
1.								
Sub-Total								
Construction of civil works								
2.								
Sub-Total								
Supply of goods								
3.								
Sub-Total								
Supply of services								
4.								
Sub-Total								
Grand Total								

As per attached schedule

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Job Group	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current Year	Outstanding Balance Previous Year	Comments
			a	b	c=a-b		
Senior Management							
1.							
2.							
Sub-Total							
Middle Management							
3.							
Sub-Total							
Union Employees							
4.							
Sub-Total							
Others (specify)							
5.							
Sub-Total							
Grand Total							

Annex 3 - Analysis of Other Pending Payables

Name	Brief Transaction Description	Date Payable Contracted	Original amount	Amount Paid To-Date	Outstanding Balance Current Year	Outstanding Balance Previous Year	Comments
			a	b	c=a-b		
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
Sub-Total							
Others (specify)							
6.							
Sub-Total							
Grand Total							

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Annex 4 – Summary of Fixed Asset Register

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

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete and covers all the entity's assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

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Annex 5 – List of Projects implemented by the State Department for Foreign Affairs

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	-	-	-	no
2	-	-	-	no

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Annex 6 – List of SCs, Sagas and Public Funds Under (*Insert Entity's Name*)

Ref	SC, SAGA or Public Fund's name	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	-	-	Yes
2	-	-	Yes
3	-	-	Yes

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Annex 7 – Contingent Liabilities Register

	Nature of contingent liability	Remarks
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

As per attached schedule

Annex 8: Reporting of Climate Relevant Expenditures

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

Annex 9: Disaster Expenditure Reporting Template

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

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Annex 10- Reports Generated from IFMIS

IFMIS financial reports to be presented on request.

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DEPOSITS HELD IN MISSIONS

MISSION	Deposit Cashbook Balance
Beijing	1,970,002.98
Dubai Consulate	857,355.18
Geneva	19,099,963.76
Hague	3,302,579.25
Lusaka	4,583.88
Mogadishu	2,577,582.00
Moscow	82,514.45
Moscow	20,586,542.76
Ottawa	1,838,862.03
Pretoria	54,621,691.95
Pretoria	1,073,016.00
Riyadh	16,627.65
Rome	12,724,506.00
Windhoek	1,849,006.81
Havana	25,162,315.20
London	57,461,718.87
Canberra	4,322,512.22
New Delhi	25,634,684.25
Paris	5,747,800.50
Washington	9,893,008.44
Vienna	22,179,911.40
New York	26,309,758.86
Kampala	4,922,963.87
TOTAL	302,239,508.31

