

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
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ON

**STATE DEPARTMENT FOR
PARLIAMENTARY AFFAIRS**

**FOR THE YEAR ENDED
30 JUNE, 2024**

	
THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 DEC 2024	DAY: Tuesday
TABLED	Hon. Kimani Ichungwah (Leader of the Majority Party)
TABLE:	Aractada



STATE DEPARTMENT FOR PARLIAMENTARY AFFAIRS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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1. Acronyms and Glossary of Terms

AGPO	Access To Government Opportunities
AIE	Authority to Incur Expenditure
CFO	Chief Finance Officer
CPPMD	Central Planning and Project Monitoring Department
HAU	Head of Accounting Unit
HRM&D	Human Resource Management & Development
IPSAS	International Public Sector Accounting Standards
LATIS	Legislative Agenda Tracking Information System
MDA	Ministries, Departments & Agencies
MHRMAC	Ministerial Human Resource Management Advisory Committee
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PFM	Public Finance Management
SDPA	State Department for Parliamentary Affairs

2. Key Entity Information and Management

(a) Background information

The State Department for Parliamentary Affairs (SDPA) was established under the Executive Order No. 1 of 2023 on Organization of the Government of the Republic of Kenya. The State Department for Parliamentary Affairs is domiciled in the Office of the Prime Cabinet Secretary & Ministry of Foreign and Diaspora Affairs. The SDPA is committed to enhance the coordination and oversight of the national development agenda; strengthen the policy and legislative framework across MDAs; increase citizen satisfaction with public service; and advance digitization and digitalization in operations. The functions of the State Department are implemented through Legislative and Parliamentary Affairs Directorate, Policy Coordination and Strategy Directorate, and General Administration and Support Services Department.

Vision

Excellence in coordination of a transformative government legislative agenda

Mission

To effectively coordinate the formulation and implementation of national government policies and legislations to accelerate the achievement of the National Development Agenda.

Core Values

- i. **Whole- of Government:** Inculcate a synergized work ethic in the public service;
- ii. **Open Government:** Uphold and promote transparency, accountability, inclusivity and participation of the people in the national development agenda;
- iii. **Professionalism:** Uphold high level of competence, diligence, and meritocracy in work performance and apply quality standards in service delivery;
- iv. **Teamwork:** Endeavour to attain targeted results through a high level of coordination, networking and collaboration with both internal and external stakeholders;
- v. **Innovativeness:** Adopt creativity in operations and solutions in addressing emerging issues;
- vi. **Responsiveness:** Seeking to provide solutions to initiatives and adaption to changes

Mandate

The State Department's mandate is drawn from the Executive Order No.2 of 2023 on reorganization of Government with the key function being to coordinate the National Government Legislative Agenda across all Ministries and State Departments in consultation with, and for transmission to the party/coalition leaders in Parliament.

The State Department's functions are to:

- i. Co-ordinate the identification, prioritization and enactment of policies and legislation necessary to achieve the national development Agenda;
- ii. Provide timely guidance and direction on the appropriate measures to be undertaken to address challenges constraining the realization of the legal framework, necessary to achieve the national government development Agenda;
- iii. Oversight to ensure public participation and the involvement of other stakeholders in the development of policies and legislation by MDAs;
- iv. Monitor and evaluate the progress of policy and legislative initiatives for the timely realization of the government development agenda;
- v. Coordination of parliamentary liaison services across MDAs;
- vi. Facilitate seamless interaction between the Executive and Parliament to ensure effective and harmonious dispatch of Government business in Parliament;
- vii. Collaborate with MDAs and other relevant institutions to build capacity on policy and legislation making processes and parliamentary liaison; and
- viii. Collaborate with Parliament to enhance accountability of MDAs.

The State Department comprises of three (3) Directorates of: Legislative and Parliamentary Affairs; Policy Coordination and Strategy; and General Administration and Support Services.

I. Legislative and Parliamentary Affairs Directorate

The Directorate is headed by a Secretary, Legislative and Parliamentary affairs, CSG 4 and its functions are:

- i. Coordinating MDAs and liaising with Parliament to initiate, monitor and facilitate realization of the National Government Legislative Agenda;
- ii. Providing a framework for the identification and development of priority legislation in line with the National Government Development agenda;
- iii. Coordinating and tracking the legislative development process;
- iv. Facilitating seamless interaction between the Executive and Parliament to ensure effective and harmonious dispatch of Government business in Parliament;
- v. Apprising Parliament on Government affairs and oversee the Executive's response to Parliamentary enquiries;
- vi. Ensuring implementation of commitments given by the Executive to Parliament;
- vii. Coordinating parliamentary liaison services across MDAs;
- viii. Undertaking capacity development for legislative, parliamentary and policy making affairs; and
- ix. In liaison with Legal Advisors to the PCS, providing legal guidance to the Office of the Prime Cabinet Secretary.

The Directorate has two divisions i.e. Legislative and Legal Affairs, and Parliamentary Affairs.

II. Policy Coordination and Strategy Directorate

The Directorate is headed by a Secretary, Policy Coordination and Strategy, CSG 4 and its functions are:

- i. Developing and coordinating the identification, prioritization and formulation of policies necessary to achieve the national Government development agenda;
- ii. Providing timely guidance and direction on the appropriate measures to be undertaken to address the challenges constraining the development and implementation of policies necessary to achieve the national Government Development Agenda;
- iii. Overseeing public participation and the involvement of stakeholders in the formulation of public policies;
- iv. Establishing fora for Government, private sector and other key stakeholders to discuss and share information on socio-economic development trends and recommend appropriate policy interventions;
- v. Researching and analyzing emerging issues of policy concern; and
- vi. Monitoring and evaluating the progress of implementation of the National Government policies.

The Directorate has two divisions i.e.: Policy Coordination and Strategy, and Policy Analysis and Advisory.

III. General Administration and Support Services Directorate

The General Administration and Support Services Directorate facilitates and ensures smooth operations of the State Department. The Department has the following administration and support services: General Administration Division; Human Resource Management & Development; Accounts; Finance; Information and Communication Technology (ICT) Unit; Central Planning & Project Monitoring Department (CPPMD); Supply Chain Management; and Public Communication. The Administrative Services are coordinated by the Secretary Administration. There is an Internal Audit Unit that reports to the Principal Secretary. The functions of the General Administration and Support Services Directorate are:

- i. Ensuring prudent financial management and budgetary control;
- ii. Monitoring and Evaluating projects and programmes;
- iii. Resolving public complaints;
- iv. Performance contracting and reporting of the SDPA activities;
- v. Spearheading implementation of e-government programs, initiatives and coordinate application of ICT;
- vi. Acting as the backbone that serves as the link between various Directorates/Departments/Units;
- vii. Coordinating and overseeing services rendered to the office including cleaning, security, transport and maintenance of offices;

- viii. Ensuring smooth flow of information to enhance work is done professionally and efficiently;
- ix. Ensuring proper management of Human Resource Management and Development plans, strategies and programmes;
- x. Ensuring adherence to the Public Procurement and Asset Disposal Act, 2015 in the procurement and disposal of Assets;
- xi. Managing assets and liabilities; and
- xii. Providing independent assurance on risk management, governance, financial and internal control processes.

(b) Key Management

The SDPA’s day-to-day management is under the following key organs:

- 1) Principal Secretary
- 2) Director, Administration
- 3) Secretary, Policy Coordination & Strategy
- 4) Secretary, Legislative and Parliamentary Affairs

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs	H.E. Dr. Musalia Mudavadi, EGH
2.	Principal Secretary – Parliamentary Affairs (Accounting Officer)	Ms. CPA Aurelia Chepkirui Rono, CBS
3.	Director Administration - Parliamentary Affairs (Alternate AIE Holder)	Ms. Joan Wamboe
4.	Senior Principal Finance Officer (Alternate AIE Holder)	Ms. Chepng’eno Soi

(d) Fiduciary Oversight Arrangements

I. Budget Implementation Committee

The committee was formed in line with Treasury Circular No. 10/2024 that provides the composition of its members as follows:

- i. Principal Secretary - Chairperson
- ii. Director, Administration - Alternate Chair
- iii. Senior Principal Finance Officer - Secretary
- iv. Director, CPPMD -Member

- v. Head, HRM&D - Member
- vi. Head, Supply Chain Management - Member
- vii. Head, Accounts Division - Member
- viii. Internal Audit (Advisory capacity) - Member

Functions/Roles

- (i) To review and consider the cash flow plans – this shall involve a regular review of the Ministerial cash plan and approval of any changes to the initial cash flow plan to be communicated to the National Treasury;
- (ii) To review utilization of cash limits and consider any changes as may be required;
- (iii) To review utilization of Donor Funds voted for the MDA;
- (iv) To Advise the Accounting Officer on any challenges related to budget implementation;
- (v) To review and recommend reallocations of expenditures;
- (vi) To review and approve the submission of expenditure returns, non-financial reports, IPPD, Pending Bills and A-I-A returns for the MDAs and recommend actions to be taken;
- (vii) To participate in Sector Working Groups, and
- (viii) To prepare budgets for the Ministry in consultation with Heads of Departments.

II. Departmental Ministerial Human Resource Management Advisory Committee (MHRMAC)

This committee was formed in line with the Public Service Commission Human Resource Development Policy of June, 2015 that provides for the composition of its membership as follows:

- i. Principal Secretary – Chairperson
- ii. Director Human Resource Management and Development – Secretary
- iii. Seven other members above Job Group ‘Q’ representing technical departments
- iv. An Administrative Officer not below Job Group “R” may be appointed alternate Chairperson to MHRMAC.
- v. The Committee may co-opt such members, in writing, as necessary from time to time with the approval of the Authorized Officer.

Functions/Roles

- i. Confirmation in appointment;
- ii. Training and Development;
- iii. Training Impact Assessment;
- iv. Management of skills inventory;
- v. Establishment and Complement control;
- vi. Payroll management;
- vii. Deployment;
- viii. Promotion of values and Principles of Public Service;

- ix. Recommendation for secondments and unpaid leave;
- x. Recommendation for retirement under 50 years rule;
- xi. Recommendation for retirement on medical grounds;
- xii. Recommendation for re-designation;
- xiii. Recommendation for renewal of contract;
- xiv. Discipline;
- xv. Pension administration

III. Departmental Ministerial Performance Management Committee (MPMC)

This committee was formed as provided for by the Public Service Commission (Performance Management) Regulation 2021 with membership consisting of the following members:

- i. Principal Secretary - Chairperson
- ii. Directors of Technical Departments
- iii. Director of Administration
- iv. Director of Central Planning Department
- v. Director of Human Resource Management and Development – Secretary

The Functions of the Ministerial Performance Management Committee (MPMC) are as follows:

- i. Undertake quarterly review of implementation of Strategic Plans and Performance Contracts;
- ii. Ensure linkage between Institutional Performance Contract and Performance Appraisal System;
- iii. Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through staff Performance Appraisal System;
- iv. Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
- v. Hold quarterly performance review meetings;
- vi. Consider performance reports from various departments within the Ministry and make recommendations for improvement;
- vii. Review cases of appeals on appraisal ratings between supervisors and appraises;
- viii. Make recommendations to the Authorized Officer on the application of Rewards or Sanctions;
- ix. Develop and implement the internal monitoring and evaluation and reporting system; and
- x. Ensure that the integrity and credibility of the overall process of rewards and sanction system is safeguarded and maintained at all times.

(e) Headquarters

State Department for Parliamentary Affairs
Railways Building
Haile Selassie Avenue
P.O. Box 8448 - 00200
City Square
NAIROBI, KENYA

SDPA Contacts

Telephone: (254) (020)2214482
E-mail: ps.parliamentaryaffairs.go.ke
Website: <https://parliamentaryaffairs.go.ke>

(f) 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

3. Statement of Governance

The State Department for Parliamentary Affairs approved establishment comprises of a total of Ninety-eight (98) staff across different job groups. This includes three major divisions namely:

- Legislative and Parliamentary Affairs Division
- Policy Analysis, Coordination and Strategy Division
- Administration Division

The approved establishment has twenty-six (26) technical staff under Legislative and Parliamentary Affairs, nineteen (19) technical staff under Policy Analysis, Coordination and Strategy and Fifty (50) staff under Corporate Services (General Administration) (Annex 14)

i. Key Leadership

The key management of the State Department for Parliamentary Affairs which is under the Prime Cabinet Secretary is comprised of:



**H.E. Dr. Musalia Mudavadi,
EGH**

Prime Cabinet Secretary and
Cabinet Secretary for Foreign
and Diaspora Affairs

The Prime Cabinet Secretary of the Republic of Kenya H.E.(Dr) Wycliffe Musalia Mudavadi is a Kenyan politician and a renowned economist. He was one of the youngest Minister to hold office as the Minister of Finance where he was responsible for the establishment for Kenya Revenue Authority and initiated removal of price controls.

H.E. Musalia Mudavadi has held several significant positions, including serving as the Minister for Supplies and Marketing (1989-1993), Minister for Finance (1993-1997), Minister for Agriculture (1997-1999), and Minister for Transport, Communications, and Information (2000-2002). Additionally, he served as Vice President in 2002, as well as Deputy Prime Minister and Minister for Local Government of the Republic of Kenya (2008-2013).

Until October 2022, he was also the party leader of the Amani National Congress, one of the founding political parties of the Kenya Kwanza alliance.



CPA Aurelia Chepkirui Rono, CBS

Principal Secretary, State Department for Parliamentary Affairs - Office of Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs

CPA Aurelia Rono is the Principal Secretary, State Department for Parliamentary Affairs. She holds a Masters Degree in Business Administration-Finance Option from Jomo Kenyatta University of Agriculture and Technology, Bachelors Degree of Education from Egerton University and currently pursuing a Doctorate in Business Administration Finance option at the University of Kabianga.

She has served as a Chairperson of the Budget and appropriation Committee, member of the Rules and Procedures Committee and Education committee at Bomet Country Assembly. She has also served as a lecturer at Maasai Mara, JKUAT Universities and Bomet University College teaching Accounting and Financial Management Units.

She is a member of both Institute of Certified Public Accountants of Kenya (ICPAK) and Association of Women Accountants of Kenya (AWAK). She has also served as member of National Elections Board of the United Democratic Alliance Party.

Her work experience includes humanitarian service with the Kenya Red Cross at both National and Regional Level as the National Executive Committee Member. She is a mentor, an astute grassroots mobilizer with great passion for community-based development initiatives and agribusiness.

 <p>Lawrence Nganga Mbugua Head of Supply Chain Management Unit</p>	<p>Lawrence Nganga Mbugua is the Head of Supply Chain Management Unit at the State Department for Parliamentary Affairs. He has over 20 years of Experience in the Supply Chain Management Function having worked in various Government Agencies.</p> <p>Mr. Mbugua holds a Bachelor's Degree in Commerce (U.O.N), Diploma in Supplies Management (K.I.M) and Foundations Diploma in Purchasing and Supplies Management (KSG – Baringo). He is a registered and active member of K.I.S.M.</p>
 <p>Bernard Kiptoo Kirui Director Human Resource Management and Development</p>	<p>Bernard Kiptoo Kirui is the Director Human Resource Management and Development in the State Department of Parliamentary Affairs. He has over 25 years in Human Resource and development having risen through the ranks in the public service to the current position.</p> <p>Mr. Kirui holds a Masters of Business Administration- Strategic Management option (Moi University), Post Graduate Diploma in Human resource management (Moi University) and Bachelor of Education degree (Moi University). He is a Full Member Institute of Human resource Management in good standing.</p>
 <p>CPA, Chepng'eno Soi Head of Finance unit</p>	<p>She is the Senior Principal Finance officer at the State Department for Parliamentary Affairs and has an extensive experience in Public Service having worked for over 15 years across several Government Ministries.</p> <p>She holds a Masters Degree in Business Administration (executive) from Moi University and a Bachelors Degree of Commerce from Indira Gandhi National Open University. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and a Certified Securities and Investment Analysts (CSIA) finalist.</p>



Joan Wamboi Wamboe
Director of Administration

Joan Wamboi Wamboe is the Director of Administration at the State Department for Parliamentary Affairs. She has over 30 years of experience in Public Administration having worked in various Government Ministries.

She holds a Master's Degree in Business Administration (MBA) Finance and a Bachelor of Arts Degree (BA) from the University of Nairobi and other professional courses from the Kenya School of Government.



CPA, Zipporah Njoki Gichungu
Head of Accounts Unit

Zipporah Njoki Gichungu is the Head of Accounting Unit at the State Department for Parliamentary Affairs.

She has an extensive experience in Public Finance Management having worked across several Government Ministries with over 19 years of Public Service; of which, 12 years she worked as an Internal Auditor before been appointed as an Accountant.

Ms. Zipporah holds a Masters of Business Administration Degree in Finance from Jomo Kenyatta university of Agriculture and Technology, and holds a Bachelor's Degree in Commerce (B.COM) in Finance from KCA University.

She is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK); Ms. Zipporah is also Certified Fraud Examiner.

Over the years, Ms. Zipporah has also trained in various Professional, Leadership, Corporate Governance and Managerial courses.

ii. The audit committee (Its formation, composition, and activities/meetings).

As a newly established State Department, we are in the process of operationalizing the Audit Committee. We are committed to completing this process as soon as possible to enable the committee to fulfil its constitutional mandate.

iii. Risk management, compliance, conflict of interest etc.

During the financial year, the State Department appointed and carried out training for the Risk Champions in consultation with the Internal Audit Department of National Treasury, Internal Audit Department. The process of developing the Risk Policy is underway and the State Department being newly created is being guided by the Internal Audit office with the hope of concluding and operationalizing the policy soonest possible.

iv. Report on recent training and development in governance for those in key leadership

The State department trained six (6) officers in the financial year 23/24 as shown below:

- Three (3) officers trained for Senior Leadership Development Program (SLDP)
- Three (3) officers trained for Senior management Course (SMC)

Financial constraints did not allow more officers to be trained in that financial year.

v. Compliance with laws and regulations among others.

The State Department implemented its first budget in adherence to all applicable laws and regulations.

Going forward, we commit to continue operating within the laid down laws and regulations and uphold high standards of ethics in our operations.

4. Statement by the Prime Cabinet Secretary

To promote transparency, accountability and improved service delivery, the Government is focusing on Whole of Government (WoG) and Open Government (OG) Approaches. These approaches ensure decision-making, coordination of efforts and streamlining of systems.

The Executive order No.1 of 2022 established the State Department for Parliamentary Affairs (SDPA) under the Office of the Prime Cabinet Secretary. Following further re-organization of Government of the Republic of Kenya under the Executive Order No.2 of 2023, the State Department's functions have been elaborated and redefined. The State Department is mandated to coordinate the implementation of the National Government's legislative agenda across all Ministries and State Departments in consultation with, and for transmission to the Party/Coalition Leadership in Parliament.

To support the implementation of Kenya Vision 2030 which is implemented through the fourth Medium Term Plan and BETA priorities, the State Department coordinates the MDAs in formulation and implementation of policies and legislation to realize national development goals contained in the Vision.

The State Department for Parliamentary Affairs implemented three programmes: General Administration Planning and Support Services; Parliamentary Liaison and Legislative Affairs; and Policy Coordination and Strategy. During the FY2023/2024, the State Department has been able to achieve some of notable milestones:

- i. The preparation of Government Legislative Agenda (GLA) to facilitate implementation of policy and legislative initiatives aligned with the national development agenda across all Ministries and Departments.
- ii. Development of the Public Policy Handbook and Guidelines for the development of National Government Policy and Legislation to enhance monitoring of legislation development.
- iii. Preparation of Bill module in the Legislative Agenda Tracking Information System (LATIS).
- iv. Development of Strategic Plan 2023-2027

I call upon the State Department to collaborate with the relevant stakeholders and strengthen partnerships to enhance service delivery.



H.E. Hon. Dr Musalia Mudavadi, EGH,
Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs,
Republic of Kenya.

5. Statement by the Principal Secretary / Accounting Officer

5.1 A summary of the budget performance against actual amounts for current year based on economic classification and programmes.

The following is an overview of the financial performance for the year ended 30th June 2024 as reported in the detailed financial statements together with the commentary and comparative analysis.

Table 1. Actual Performance against Budget for the Year ended 30th June 2024.

Financial Performance	Approved Budget	Actual	Variance	Utilization
	KShs	KShs	KShs	%
Total Receipts	388,078,583.00	361,425,718.60	26,652,864.40	93%
Total Payments	388,078,583.00	360,260,670.45	27,817,912.55	93%
Surplus for the Year	-	1,165,048.15		

Actual receipts by the SDPA was 7% below the approved budget while payments were 7% below the approved budget. Expenditure during the FY was incurred under the economic classification categories as shown in Table 2 below:

Table 2: Budget Utilization per Programme/Sub-programme

Programme	Sub Programme	Description	Approved Budget	Actual Payments	Variance
0759000			105,290,101.00	98,867,484.00	6,422,617.00
	0759010		79,448,790.00	77,355,896	2,092,894
	0759020		25,841,311.00	21,511,588	4,329,723
0760000			58,281,746.00	54,105,383	4,176,363
	0760010		45,158,826 .00	41,401,993	3,756,833
	0760020		13,122,920.00	12,703,390	419,530
0761000			224,506,736.00	207,287,803.00	17,218,933.00
	0761050		224,506,736.00	207,287,803.00	17,218,933.00
		Grand Total	388,078,583.00	360,260,670.00	27,817,913.00

The budget underutilization was majorly on Personnel Emoluments as the State Department had gotten approval for recruitment of new staff which is currently underway. Included in our 2023/2024 budget was the expected salaries and allowances for the anticipated new recruits.

Figure 1: Budget Allocation by programmes for FY 2023/24.

BUDGET ALLOCATION BY PROGRAMMES

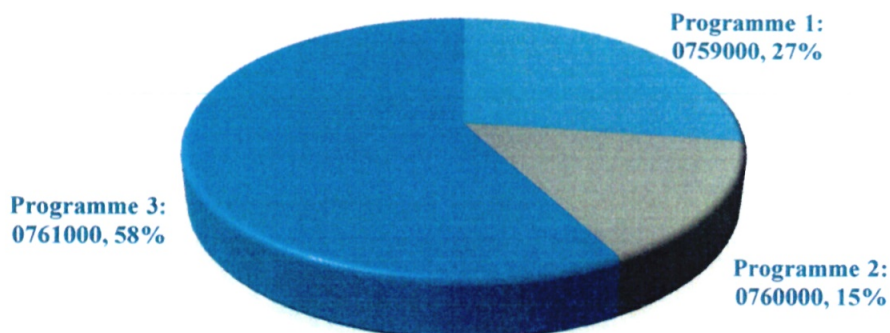
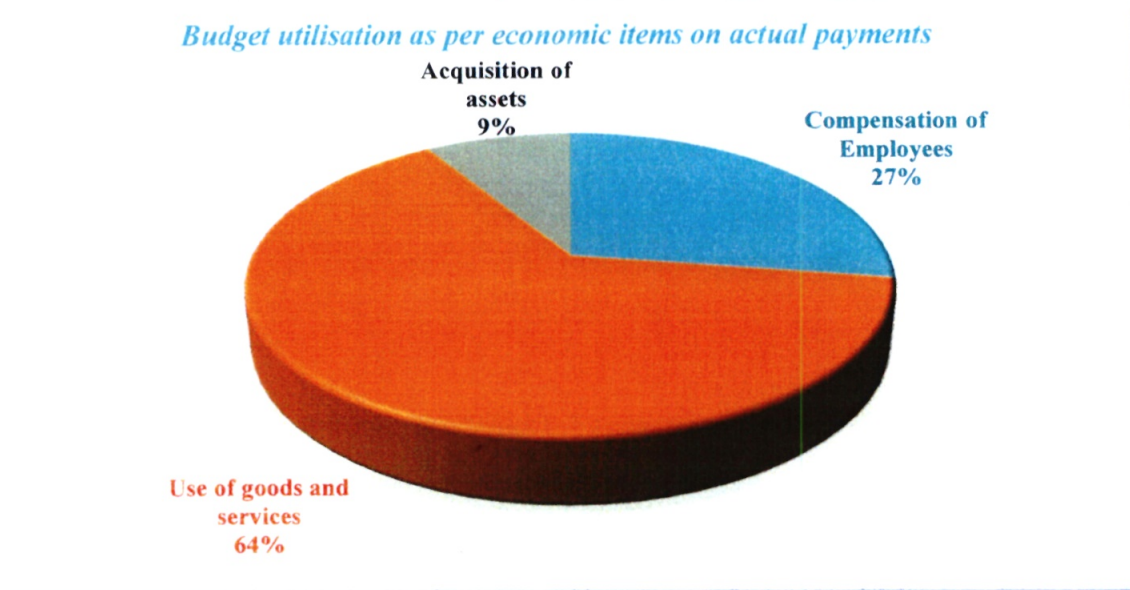


Table 3: Budget Utilization per Economic Classification

Economic Expenditure Item	Approved Budget	Actual Payments	Variance	Utilization
	KShs	KShs	KShs	%
Compensation of Employees	123,002,338.00	98,871,632.00	24,130,707.00	80%
Use of goods and services	233,356,221.00	230,208,448.00	3,147,773.00	99%
Acquisition of assets	31,720,024.00	31,180,591.00	539,433.00	98%
Total Payments	388,078,583.00	360,260,670.00	27,817,913.00	93%

Figure 2: Utilization of Resources in the SDPA by Economic Items for FY 2023/24.



Key Achievements

The State Department for Parliamentary Affairs implemented three programmes: General Administration Planning and Support Services; Parliamentary Liaison and Legislative Affairs; and Policy Coordination and Strategy. In the last one (1) year, the Department has realized the following key achievements;

- i. Operationalized the Steering Committee on the GLA and Parliamentary Liaison to ensure effective GLA implementation.
- ii. Developed the GLA Schedule which has been approved by Cabinet as the official repository of Government policy and legislative initiatives.
- iii. Developed the Guidelines for the Development of National Government Policy and Legislation.
- iv. Developed the Public Policy Handbook for Kenya.
- v. Developed the prototype of the LATIS' Bills module.
- vi. Finalized the Transition of Executive Authority Bill and submitted to Cabinet.
- vii. Finalized the Public Participation Bill and submitted to the AG's office.
- viii. Finalized the Nairobi International Commercial Arbitration Centre Bill and submitted to the AG's office.
- ix. Developed the State Department's Strategic Plan 2023-2027.
- x. Trained and Sensitized Staff on the Citizen's Service Delivery Charter and Cyber Security, and promotional courses.
- xi. Developed and implemented Annual road safety implementation plan including defensive driving for drivers and motor vehicles maintenance.

- xii. Planted 3,500 trees at the Institute of Primate Research, and 2500 trees in Tharaka Nithi County.

5.2 Emerging issues related to SDPA

- i. **Technological advancement in ICT:** It presents opportunities to leverage ICT innovations in the conduct of business as well as governance and data security risks. Emphasis on automation and well mapped and prioritized digitization and digitalization of business processes is essential.
- ii. **Whole- of Government and Open Government Approaches.** Embracing these approaches enhances and fast-tracks the implementation of planned programmes and projects and promote transparency, accountability, inclusivity and participation of the people in the national development agenda;

Highlight key risk management strategies.

Risk	Risk Likelihood	Severity	Overall Risk Level	Mitigation measure/strategy
Inadequate & uncoordinated policy and regulatory frameworks.	Medium	Medium	Medium	<ul style="list-style-type: none"> Coordinating existing policies. Tracking/Monitoring system to manage implementation of policies.
High turnover of skilled and well-trained technical staff.	Medium	Medium	Medium	<ul style="list-style-type: none"> Identify and recruit the right talent/ skills Create healthy work-life balance Clear career paths/guidelines Create learning & development programs
Court decisions on legislation	High	High	High	Adequate Public participation/ stakeholders' engagement

Risk	Risk Likelihood	Severity	Overall Risk Level	Mitigation measure/strategy
Changes in political leadership	Medium	Medium	Medium	Strengthen existing institutional and legal framework
Budgetary cuts /Inadequate budgetary provision for the planned programmes/activities	High	Medium	Medium	<ul style="list-style-type: none"> • Develop a prioritization criterion • Develop a phased-out approach • Partnering with development partners
Slow uptake of modern technology in service delivery	High	Medium	Medium	<ul style="list-style-type: none"> • Sensitization/training, • Invest in research, innovations and adoption of appropriate technology
Threats associated with Cyber Security	High	High	High	<ul style="list-style-type: none"> • Complying with regulatory framework for use of ICT services and data. • Improved compliance with ICT regulatory controls. • Develop a classification platform with regulated user rights.

Implementation challenges

During the implementation period of the programmes, the SDPA encountered the following challenges:

- i. Budgetary cuts/ Inadequate budgetary provision for the planned programmes/activities,
- ii. Inadequate human resources,
- iii. Lack of sufficient working office space leading to sub-optimum service delivery, and

- iv. Inadequate capacity on policy and law making processes across MDAs hence the need for regular capacity building in support and collaboration with various specialized agencies in the policy and law making.

Recommendations

- i. Engage development partners
- ii. Recommend the Public Service Commission to fast track and prioritize recruitment of staff to the new the State Departments
- iii. Strengthen Inter-agency and inter-ministerial coordination and networking for SDPA mandate delivery.



CPA Aurelia Chepkirui Rono, CBS
Principal Secretary / Accounting Officer
State Department for Parliamentary Affairs,
Office of the Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs

6. Statement of Performance Against Predetermined Objectives for the FY2023/24

Introduction

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

Progress on the attainment of Strategic Objectives through Performance Contracting

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

Programme Performance Report for the FY 2022/23 (as at 30th, June 2023)								
Programme 1: Parliamentary Liaison and Legislative Affairs								
Strategic Objective: To promote effective coordination of parliamentary and legislative affairs in MDAs and dispatch of Government business in Parliament								
Outcome: Expeditious and seamless execution of Government business								
Programme	Sub-Programme	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual	Variance	Remarks
Parliamentary Liaison and Legislative Affairs	Parliamentary Liaison Services	Parliamentary Liaison Services Division	Prepare quarterly Parliamentary reports	No. of parliamentary reports tabled	4	4	0	Quarterly reports submitted
	Legislative Coordination Services	Legislative Affairs Division	Prepare and submit to the President Annual report on implementation of GLA for the FY 2023/24	% of report on implementation of GLA for the FY 2023/24	100	0	100	The GLA was approved by cabinet in July 2024
			Develop guidelines on policy and legislation development	% of the guidelines on policy and legislation development developed	100	100	0	Guidelines finalized and approved by Cabinet
Programme 2: Policy Coordination and Strategy								
Strategic Objective: To harmonize the development and implementation of Government policies								
Outcome: Effective implementation of GLA								
Policy Coordination and Strategy	Policy Coordination Services	Policy Coordination & Strategy Division	Develop a Public Policy Handbook	% of public Policy Handbook developed	100	100	0	Handbook finalized and approved by Cabinet

			Policies harmonized	% Policy Information developed operationalized	Tracking System &	35	25	10	Due to budget cuts, only the prototype of the Bills module was completed while policy and repository module, design was undertaken.
				% of Existing policies analyzed		15	9.75	5.25	Analysis not undertaken due to budget cuts
				No. of policy guidelines developed		1	1	0	Guidelines finalized and approved by cabinet
	Policy Advisory Services	Policy Analysis and Advisory services Division	Policy Advisories prepared	No. of Policy research conducted		4	4	0	Target dropped during Supplementary
				No. of Advisory Reports		2	2	0	Target achieved
Programme 3: General Administration, Planning and Support Services									
Strategic Objective: To enhance efficient and effective service delivery.									
Outcome: Increased citizen satisfaction and support of government initiatives business									

General Administrative Services on Planning and Support Services	Administrative Services	Administrative Services	Performance Contracts Signed	No. of Performance Contracts Signed	1	1	0	Performance Contract Signed
			Pc Quarterly Reports	No of PC Quarterly reports Prepared	4	4	0	Progress reports prepared
			Strategic Plan	No. of Strategic Plan Prepared	1	1	0	Strategic plan Finalized
			Monitoring framework developed	% of monitoring frameworks	60	5	55	Target not achieved due to budget cuts
			Road Safety Mainstreaming Policy	No. of Road Safety Mainstreaming Policy	1	1	0	Road Safety Mainstreaming Policy finalized
			Service Charter	No. of Service Charter	1	1	0	Service Charter finalized
			Complaints Management Procedure	No. of Complaints Management Procedure	1	1	0	Complaints Management Procedure finalized
			Access to information Procedures	No. of Access to information Procedures	1	1	0	Access to information Procedures developed
		Knowledge management repository establishment	% Knowledge management repository established	40	0	40	Target dropped during Supplementary Budget	

7. Management Discussion and Analysis

The State Department for Parliamentary Affairs implemented three programmes: General Administration Planning and Support Services; Parliamentary Liaison and Legislative Affairs; and Policy coordination and strategy. Key achievement during the period under review include: The preparation of Government Legislative Agenda (GLA) which has been approved by the Cabinet. The GLA will facilitate implementation of policy and legislative initiatives aligned with the national development agenda across all Ministries and Departments. The Steering Committee on the GLA and Parliamentary Liaison has been operationalized to ensure effective GLA implementation.

In addition, the Public Policy Handbook and Guidelines for the development of National Government Policy and Legislation were finalized and approved by the Cabinet to foster harmony in formulation and implementation of Government policies and legislation. Moreover, the State Department developed the Bills module, one of the modules in the Legislative Agenda Tracking Information System (LATIS). The module will enhance monitoring of legislation development and ensure the developed legislation adhere to the applicable procedures.

Further, the State Department in consultation with the Attorney General's Office developed proposals for Public Participation Bill, the Transition of Executive Authority Bill, the Nairobi Centre for International Commercial Arbitration Bill. The Bills are at finalized. The draft Parliamentary Liaison framework was also developed and is awaiting stakeholder's consultation. Once complete, the framework will guide effective dispatch of Government Business in Parliament.

To enhance efficient and effective service delivery, the State Department developed the first Strategic Plan 2023-2027 which provides a roadmap for implementing its activities and programmes. Training and sensitization were done on the staff on Citizen's Service Delivery Charter, Cyber Security, and Promotional Courses. An Annual road safety implementation plan including defensive driving for drivers and motor vehicles maintenance was also developed and implemented during the review period. To implement the Presidential directive of increasing and enhancing tree cover the State Department planted 3,500 trees at the Institute of Primate Research and 2500 trees in Tharaka Nithi County.

8. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The SDPA coordinates the creation and use of legislative and policy frameworks that take into account the dynamic character of the economy and the requirement that the public and other stakeholders be included in important decisions made by the government. This will guarantee the MDAs continue to implement strategies that are pertinent, adaptable, and offer the best value to the public. To ensure decision-making, coordination of efforts and streamlining of systems by the MDAs, the SDPA applies the Whole-of-Government and Open Government Approach.

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

The SDPA ensures that its responsive to current and projected impacts of Climate Change by coordinating with national environmental policy framework and by working closely with MDAs. During the period under review the State Department has engaged in Climate Change adaptive and mitigation measures by undertaking tree planting across the country. The Department planted 3,500 trees at the Institute of Primate Research , and 2500 trees in Tharaka Nithi County.

c) Employee welfare

Recruitment and staff development in the State Department for Parliamentary Affairs has been undertaken in line with the guidance and in strict adherence to processes prescribed by the Public Service Commission. The Office is still reviewing and implementing its staffing requirements and requirements for gender ratio balance, stakeholder engagement and other staffing policies and guidelines. The State Department is in the process of recruiting technical officers. The Process is at the Public Service Commission awaiting shortlisting.

Training needs assessment and skills Gap analysis is projected to be undertaken in the financial year 2024/2025. The Office cascaded its annual performance targets and will implement performance appraisals and the reward system for departments and individual officers as per the existing guidelines by the Public Service Commission. The Office has a functional Human Resource Management Department that ensures that employees' welfare is well catered for as per the existing laws and regulations including the implementation of the Occupational Safety and Health Act of 2007 (OSHA).

d) Operational practices/ Market place practices

Having being newly created, the State Department for Parliamentary Affairs utilized AGPO registered firms for FY 2023/24 procurements which were done through request for quotations. The State Department is however committed to honor all its contracts and payments for supplies as guided by the existing laws and regulations which will be adhered to by the procurement Unit.

It is also worthy to note that the State Department has fulfilled its contractual obligations for the Financial Year 2023/2024.

The State Department will follow best practices and stick to the annual procurement Plans as provided for in budgetary allocations.

e) Community Engagements-

The State Department joined the MDAs in implementing the national tree-planting initiative that targets to plant and nurture tree seedlings at public places, institutions and national forests and conservations across the country.

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 **SDPA** is responsible for the preparation and presentation of the financial statements, which give a true and fair view of the state of affairs of SDPA for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the SDPA, (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 SDPA; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of *SDPA* accepts responsibility for the 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 *SDPA*'s financial statements give a true and fair view of the state of *SDPA*'s transactions during the financial year ended June 30, 2024, and of the *SDPA*'s financial position as at that date. The Accounting Officer in charge of *SDPA* further confirms the completeness of the accounting records maintained for the *SDPA*, which have been relied upon in the preparation of the *SDPA*'s financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of *SDPA* confirms that the *SDPA* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the *SDPA*'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 *SDPA*'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 Parliamentary Affairs
Annual Report and Financial Statements for the year ended 30th June 2024

Approval of the financial statements

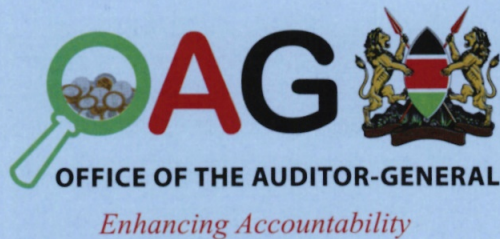
The *SDPA's* financial statements were approved and signed by the Accounting Officer on 20/08/ 2024.

.....
**Name: CPA AURELIA
CHEPKIRUI RONO, CBS
Accounting Officer**

.....
**Name: ZIPPORAH NJOKI
GICHUNGU
Head of Accounting Unit
ICPAK M/No 8007**

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 PARLIAMENTARY AFFAIRS FOR THE YEAR ENDED 30 JUNE, 2024

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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on the Lawfulness and Effectiveness in the Use of Public Resources, and the Report on the Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Parliamentary Affairs set out on pages 1 to 23, financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the State Department for Parliamentary Affairs as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iii to xxx which comprise of Key Information and Management, Statement of Governance, the Statement by the Prime Cabinet Secretary, Statement by the Accounting Officer, Statement of Performance Against Predetermined Objectives, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department for Parliamentary Affairs financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Law on Ethnic Diversity

Review of Integrated Personnel Payroll and Database (IPPD) revealed that thirty (30) employees or 37% of the total of seventy-nine (79) employees were from the same ethnic community. This was contrary to Section 7(2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one third (1/3) of its employees from the same ethnic community.

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

2. Non-Compliance with One-Third (1/3) Basic Salary Rule

During the year under review, eight (8) employees received a net salary less than one-third ($\frac{1}{3}$) of their basic salary. This was contrary to Section 19(3) of the Employment Act, 2007 which states that all deductions made by an employer from the wages or salaries of his employees at any one time shall not exceed two thirds of such wages or salaries.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Non-Establishment of an Audit Committee

During the year under review, the State Department did not have an Audit Committee. This was contrary to the provisions of Section 7(5) of the Public Finance Management Act, 2012 which requires that every National Government public entity shall establish an Audit Committee whose composition and functions shall be as prescribed by the Regulations. The Department, therefore, did not benefit from the oversight of an Audit Committee.

In the circumstances, the existence of an effective oversight mechanism to ensure efficient system of internal controls could not be confirmed.

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

18 November, 2024

State Department for Parliamentary Affairs
Annual Report and Financial Statements for the year ended 30th June 2024

11. Statement of Receipts and Payments for the Year ended 30th June 2024

	Note	2023-2024 Kshs
RECEIPTS		
Transfers from National Treasury	1	361,425,719
TOTAL REVENUES		361,425,719
PAYMENTS		
Compensation of Employees	2	98,871,632
Use of goods and services	3	230,208,448
Acquisition of Assets	4	31,180,591
TOTAL PAYMENTS		360,260,670
SURPLUS/DEFICIT		1,165,048

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SDPA financial statements were approved on 20/06/2024 and signed by:

ARE.

.....
 Name: CPA AURELIA
 CHEPKIRUI RONO, CBS
 Accounting Officer

[Signature]

.....
 Name: ZIPPORAH NJOKI
 GICHUNGU
 Head of Accounting Unit
 ICPAK M/No 8007

12. Statement Of Financial Assets And Financial Liabilities As At 30th June 2024

Description	Note	2023-2024
		Kshs
FINANCIAL ASSETS		
Cash and Cash Equivalents		
Bank Balances	5A	2,316
Cash Balances	5B	1,118,600
Total Cash And Cash Equivalents		1,120,916
Accounts Receivables - Outstanding Imprest and Clearance Accounts	6	44,132
TOTAL FINANCIAL ASSETS		1,165,048
NET FINANCIAL ASSETS		1,165,048
REPRESENTED BY		
Surplus/Deficit for the year		1,165,048
NET FINANCIAL POSITION		1,165,048

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SDPA financial statements were approved on 20/06/2024 2024 and signed by:



.....
**Name: CPA AURELIA
 CHEPKIRUI RONO, CBS
 Accounting Officer**



.....
**Name: ZIPPORAH NJOKI
 GICHUNGU
 Head of Accounting Unit
 ICPAK M/No 8007**

13. Statement of Cash Flows For The Year Ended 30th June 2024

Description	Note	2023-2024 Kshs
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts for operating income		
Transfers from National Treasury	1	361,425,719
Other Revenues		-
		361,425,719
Payments for operating expenses		
Compensation of Employees	2	98,871,632
Use of goods and services	3	230,208,448
		329,080,080
Adjusted for:		
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	7	(44,132)
		32,301,507
CASHFLOW FROM INVESTING ACTIVITIES		
Acquisition of Assets	4	(31,180,591)
Net cash flows from Investing Activities		(31,180,591)
CASHFLOW FROM BORROWING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENT		
		1,120,916
Cash and cash equivalent at BEGINNING of the year		-
Cash and cash equivalent at END of the year	5A+B	1,120,916

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The SDPA financial statements were approved on 20/08/2024 and signed by:

.....
**Name: CPA AURELIA
 CHEPKIRUI RONO, CBS
 Accounting Officer**

.....
**Name: ZIPPORAH NJOKI
 GICHUNGU
 Head of Accounting Unit
 ICPAK M/No 8007**

14. Statement of Comparison of Budget and Actual Amounts for FY2023/24

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Exchequer releases	669,544,858	(281,466,275)	388,078,583	361,425,719	26,652,864	93%
Total Receipts	669,544,858	(281,466,275)	388,078,583	361,425,719	26,652,864	93%
PAYMENTS						
Compensation of Employees	206,002,338	(83,000,000)	123,002,338	98,871,632	24,130,706	80%
Use of goods and services	423,082,520	(189,726,299)	233,356,221	230,208,448	3,147,773	99%
Acquisition of Assets	40,460,000	(8,739,976)	31,720,024	31,180,591	539,433	98%
Grand Total	669,544,858	(281,466,275)	388,078,583	360,260,670	27,817,913	93%
Surplus/Deficit	-	-	-	1,165,048	(1,165,048)	

The SDPA financial statements were approved on 20/06/2024 2024 and signed by:

..........

Name: CPA AURELIA CHEPKIRUI RONO,
CBS
Accounting Officer

..........

Name: ZIPPORAH NJOKI GICHUNGU
Head of Accounting Unit
ICPAK M/No 8007

15. (a) Statement Of Comparison of Budget and Actual Amounts: Recurrent for FY2023/24

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	669,544,858	(281,466,275)	388,078,583	361,425,719	26,652,864	93%
Total Receipts	669,544,858	(281,466,275)	388,078,583	361,425,719	26,652,864	93%
PAYMENTS						
Compensation of Employees	206,002,338	(83,000,000)	123,002,338	98,871,632	24,130,706	80%
Use of goods and services	423,082,520	(189,726,299)	233,356,221	230,208,448	3,147,773	99%
Acquisition of Assets	40,460,000	(8,739,976)	31,720,024	31,180,591	539,433	98%
Grand Total	669,544,858	(281,466,275)	388,078,583	360,260,670	27,817,913	93%
Surplus/Deficit	-	-	-	1,165,048	(1,165,048)	

The SDPA financial statements were approved on 20/08/ 2024 and signed by:



Name: CPA AURELIA CHEPKIRUI RONO,
CBS
Accounting Officer



Name: ZIPPORAH NJOKI GICHUNGU
Head of Accounting Unit
ICPAK M/No 8007

15. (b) Statement Of Comparison of Budget and Actual Amounts: Development for FY2023/24

The SDPA does not have development budget.

The SDPA financial statements were approved on 20/08/ 2024 and signed by:


.....

Name: CPA AURELIA CHEPKIRUI RONO,
CBS
Accounting Officer


.....

Name: ZIPPORAH NJOKI GICHUNGU
Head of Accounting Unit
ICPAK M/No 8007

15. (c) Budget Execution by Programmes and Sub-Programmes for FY2024

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2023			2024	
	Kshs			Kshs	Kshs
759000000	105,290,101		105,290,101	98,867,484	93%
759010000	79,448,790		79,448,790	77,355,896	97%
759020000	25,841,311		25,841,311	21,511,588	83%
760000000	58,281,746		58,281,746	54,105,383	93%
760010000	45,158,826		45,158,826	41,401,992	92%
760020000	13,122,920		13,122,920	12,703,391	97%
761000000	224,506,736		224,506,736	207,287,804	92%
761050000	224,506,736		224,506,736	207,287,804	92%
Grand Total	388,078,583		388,078,583	360,260,671	93%

17. 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 Parliamentary Affairs*. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act .

3. Reporting Currency

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

Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by SDPA for all the years presented.

a) Recognition of Receipts

The SDPA 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 2024, 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 State Department for Parliamentary Affairs recognises all payments when the event occurs, and the related cash has been paid out by the *SDPA*.

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

There were no borrowing costs that include interest as payment in the financial period.

iv) Principal on borrowing

There was no repayment of principal amount of borrowing during the recognized.

v) Acquisition of Fixed Assets

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

Significant Accounting Policies (Continued)

vi) 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 *SDPA* includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

vii) Third Party Payments

Included in the receipts and payments, are payments made on the *SDPA*'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.

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. There were no 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 2023 for the period 1st July 2023 to 30th June 2024* as required by Law and there were one number of supplementary adjustments to the original budget during the year.

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

Significant Accounting Policies (Continued)

h) Comparative Figures

This is the first reporting for the State Department and therefore there are no comparative figures for last financial year.

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 2024*.

j) Prior Period Adjustment

During the year, there were no errors that have been corrected.

k) Related Party Transactions

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

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

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

Significant Accounting Policies (Continued)

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the SDPA; 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, SDPA 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. There were no contingent liabilities in the year.

Notes to the Financial Statements

1 Exchequer releases

Description	2023-2024
	Kshs
Total Exchequer Releases for quarter 1	76,704,228
Total Exchequer Releases for quarter 2	85,528,103
Total Exchequer Releases for quarter 3	81,620,076
Total Exchequer Releases for quarter 4	117,573,311
TOTAL	361,425,719

2 Compensation to Employees

Description	2023-2024
	Kshs
Basic salaries of permanent employees	64,437,682
Personal allowances paid as part of salary	34,433,949
TOTAL	98,871,632

3 Use of Goods and Services

Description	2023-2024
	Kshs
Communication, Supplies and Services	9,273,828
Domestic Travel and Subsistence, and Other Transportation Costs	78,097,362
Foreign Travel and Subsistence, and other transportation costs	16,036,552
Printing, Advertising and Information Supplies and Services	8,252,884
Training Expenses	27,029,016
Hospitality Supplies and Services	28,822,613
Specialised Materials and Supp	1,674,014
Office and General Supplies and Services	15,750,978
Fuel Oil and Lubricants	7,300,000
Other Operating Expenses	28,824,355
Routine Maintenance - Vehicles	5,601,411
Routine Maintenance - Other Assets	3,545,435
TOTAL	230,208,448

Notes to the Financial Statements (Continued)

4 Acquisition of Assets

	2023-2024
	Kshs
Non Financial Assets	
Purchase of Office Furniture and General Equipment	24,292,919
Purchase of Specialised Plant, Equipment and Machinery	3,490,073
Research, Feasibility Studies, Project Preparation and Design, Project Supervision	3,397,599
TOTAL	31,180,591

Notes to the Financial Statements (Continued)

5 Cash and Bank Accounts

Description	Year Ended 30 th June 2024
	Kshs
Bank Accounts (Note 5 A)	2,316
Cash on hand (Note 5B)	1,118,600
Total	1,120,916

5A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exc rate (if in foreign currency)	Year Ended 30 th June 2024
				Kshs
Central Bank of Kenya, 1000733567, Recurrent Kes	Kshs	Recurrent	-	2,316
Total				2,316

5B: Cash on hand

Description	FY 23/24
	Kshs
Cash in hand – Held in domestic currency	1,118,600
Total	1,118,600

Notes to the Financial Statements (Continued)

Detailed Cash is as follows:

Description	Year Ended 30 th June 2024
	Kshs
Location 1 (Head office)	1,118,600
Total	1,118,600

Notes to the Financial Statements (Continued)

6 : Imprests and Advances

<i>Description</i>	Year Ended 30 th June 2024
	Kshs
Salary advances	44,132
Total	44,132

Imprests and advances Aging analysis.

	Insert Current FY 23/24	% of the total
Under one year	44,132	100%
Total	44,132	

DETAILS OF SALARY ADVANCE

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>		<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs		Kshs	Kshs
<i>Tabitha Gatwiri Mwiti</i>	25-Apr-24	52,960		8,828	44,132
Total		52,960		8,828	44,132

7 (Increase)/ Decrease in Advances and Imprests

<i>Description</i>	Year Ended 30 th June 2024
	Kshs
Receivables As At 1 st July (A)	-
Receivables As At 30 th June (B)	(44,132)
(Increase)/ Decrease in Receivables (C=(B-A))	(44,132)

8 Other Important Disclosures

8.1 Related party transactions:

Description	Year Ended 30 th June 2024
	Kshs
Key Management Compensation	0.00
Transfers to Related Parties	
Total Transfers to Related Parties	0.00
Purchase of Goods and Services	
Total Goods and Services paid to Govt. Agencies	0.00
Transfers from Related Parties	
Total Transfers from Related Parties	0.00

The State Department did not have any Related Party Transaction for the year ended 30th June, 2024.

8.2 Pending Accounts Payables

Description	Balance b/f Year Ended 30 th June 2023	Additions for the period 2024	Paid during the year 2024	Balance c/f Year Ended 30 th June 2024
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	0.00	0.00	(0.00)	0.00
Construction of Civil Works	0.00	0.00	(0.00)	0.00
Supply of Goods	0.00	0.00	(0.00)	0.00
Supply of Services	0.00	0.00	(0.00)	0.00
Total	0.00	0.00	(0.00)	0.00

The State Department did not have any Pending Accounts Payables as at 30th June, 2024.

Other Important Disclosures (Continued)

8.3 Pending Staff Payables

	Balance b/f Year Ended 30 th June 2023	Additions for the period 2024	Paid during the year 2024	Balance c/f Year Ended 30 th June 2024
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	0.00	0.00	(0.00)	0.00
Middle Management	0.00	0.00	(0.00)	0.00
Union Employees	0.00	0.00	(0.00)	0.00
Others	0.00	0.00	(0.00)	0.00
Total	0.00	0.00	(0.00)	0.00

The State Department did not have any Pending Staff Payables as at 30th June, 2024.

8.4 Other Pending Payables

	Balance b/f Year Ended 30 th June 2023	Additions for the period 2024	Paid during the year 2024	Balance c/f Year Ended 30 th June 2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	0.00	0.00	(0.00)	0.00
Amounts due to County Government Entities	0.00	0.00	(0.00)	0.00
Amounts due to Third Parties	0.00	0.00	(0.00)	0.00
Total	0.00	0.00	(0.00)	0.00

The State Department did not have any Other Pending Payables as at 30th June, 2024.

Other Important Disclosures (Continued)

8.5 External Assistance

	Year Ended 30 th June 2024
Description	Kshs
External Assistance received in Cash	0.00
External Assistance received as Loans and Grants	0.00
External Assistance received In Kind- as payment by Third Parties	0.00
Total	0.00

The State Department did not receive any External Assistance for the year ended 30th June, 2024.

8.6 a) Non-Monetary External Assistance

	Year Ended 30 th June 2024
Description	Kshs
Goods	0.00
Services	0.00
Total	0.00

The State Department did not receive any Non-Monetary External Assistance for the year ended 30th June, 2024.

Other Important Disclosures (Continued)

8.7 a) Payments by third party on behalf of SDPA

	Year Ended 30 th June 2024
Description	Kshs
National government	0.00
Multilateral donors	0.00
Bilateral donors	0.00
International assistance organization	0.00
NGOs	0.00
National Assistance Organization	0.00
Total	0.00

There were no payments made by third party on behalf of the State Department for the year ended 30th June, 2024.

8.7 b) Contingent Liabilities

Contingent liabilities	Year Ended 30 th June 2024
	Kshs
Court case against SDPA	0.00
Bank guarantees in favour of subsidiary	0.00
Contingent liabilities arising from PPPs	0.00
Total	0.00

SDPA did not have any Contingent Liability for the year ended 30th June, 2024.

Notes to the Financial Statements (Continued)

8.8 Progress on follow-up of Prior Years Auditor-General’s recommendations.

The State Department of Parliamentary Affairs did not have any issue raised by the Auditor-General during the prior year because it had not been previously audited since it was established in 2023.

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



Name: CPA AURELIA CHEPKIRUI RONO,
 CBS
 Accounting Officer



Name: ZIPPORAH NJOKI GICHUNGU
 Head of Accounting Unit
 ICPAK M/No 8007

15. Annexes

Annex 1 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year 22/23	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year 23/24
Purchase of Office Furniture and General Equipment	-	27,690,518	-	-	27,690,518
Purchase of Specialised Plant, Equipment and Machinery	-	3,490,073	-	-	3,490,073
Total	-	31,180,591	-	-	31,180,591

Annex 2: F.O. 51-Board of Survey Report

Annex 3: Certificate of Bank Balances

Annex 4: Exchequer Releases

Annex 5: Staff Establishment

Annex 6- Reports Generated from IFMIS –

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