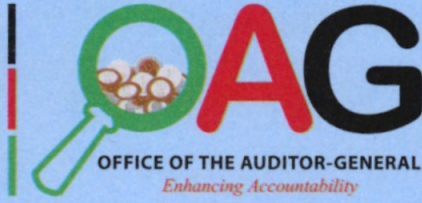


REPUBLIC OF KENYA



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ON

PUBLIC PROCUREMENT REGULATORY AUTHORITY

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2026	DAY: WEDNESDAY
TABLED BY: HON. DR. ROBERT PUKOSEMP	
CLERK AT THE TABLE: CHRISTINE NDIRITU	



PPRA
PUBLIC PROCUREMENT
REGULATORY AUTHORITY

PUBLIC PROCUREMENT REGULATORY AUTHORITY

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2025**

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

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Table of Contents

ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.....	iv
KEY ENTITY INFORMATION AND MANAGEMENT.....	v
THE PUBLIC PROCUREMENT REGULATORY BOARD.....	xi
THE PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD.....	xvi
MANAGEMENT TEAM.....	xxiii
CHAIRMAN'S STATEMENT.....	xxv
REPORT OF THE DIRECTOR GENERAL.....	xxvii
STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2024/2025.....	xxix
CORPORATE GOVERNANCE STATEMENT.....	xxxiv
MANAGEMENT DISCUSSION AND ANALYSIS.....	xlvi
ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	lxxi
STATEMENT OF DIRECTORS' RESPONSIBILITY.....	lxxiv
STATEMENT OF CHANGES IN NET ASSETS.....	3
STATEMENT OF CASH FLOWS.....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS.....	5
NOTES TO THE FINANCIAL STATEMENTS.....	6

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

DG	Director General
e-GPS	Electronic Government Procurement System
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
PE	Procuring Entity
PFM	Public Finance Management
PPADA,2015	Public Procurement and Asset Disposal Act, 2015
PPADR, 2020	Public Procurement and Asset Disposal Regulations, 2020
AHL	Affordable Housing Liability
SHIF	Social Health Insurance Fund
PPARB	Public Procurement administrative Review Board
PPIP	Public Procurement Information Portal
PPE	Property Plant & Equipment
PPRA	Public Procurement Regulatory Authority
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SRC	Salaries and Remuneration Commission

B: Glossary of Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year - Means the prior period.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015 (PPADA, 2015) and is charged with monitoring, assessing and reviewing the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the Constitution of Kenya, 2010. To ease access to its services, the Authority has four (4) regional offices situated in Mombasa, Kisumu, Eldoret and Nakuru.

Vision

A dynamic, effective and efficient public procurement and asset disposal system.

Mission

To promote fairness, equity, transparency, competition and cost effectiveness in the public procurement and asset disposal system through effective monitoring, assessment and review for sustainable development.

Strategic Goals

- a) Foster compliance with the legal and regulatory framework.
- b) Promote ethical conduct among persons participating in the public procurement and asset disposal system.
- c) Enhance efficiency in the public procurement and asset disposal system.
- d) Increase stakeholder participation in the public procurement and asset disposal system.
- e) Strengthen institutional capacity for effective service delivery.

Core values

- a) **Honesty:** We will tell the truth, be upright, candid and sincere with what we say and do.
- b) **Integrity:** We will serve our stakeholders in a professional way with high ethical standards.
- c) **Accountability:** We will exercise transparency and openness in our operations and take ownership of our actions and results.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

Guiding Principles

- a) **Innovation:** We will constantly apply creative ideas to meet the stakeholders' changing needs and support innovation in public procurement and asset disposal system.
- b) **Responsiveness:** We will respond effectively, timely and in an economical manner that meets the needs of our stakeholders.
- c) **Courage:** We will do what needs to be done regardless of the cost or risk.
- d) **Teamwork:** We will work effectively with others across the functions to accomplish the mandate.
- e) **Efficiency:** We will promote effectiveness, resource optimization, customer satisfaction, innovation and sustainability in all our processes.

b) Principal Activities

The Authority has a mandate to among other functions; monitor, assess and review the Public Procurement and Asset Disposal system in Kenya to ensure they respect the National Values and other provisions of the law including Article 227 of the Constitution of Kenya, 2010.

The functions of the Authority as spelt out under section 9 of the PPADA, 2015, include:

- (a) Monitor, assess and review the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the Constitution, including Article 227 and make recommendations for improvements;
- (b) Monitor the public procurement system and report on the overall functioning of it and present to the Cabinet Secretary and the county executive member for finance in each county, such other reports and recommendations for improvements;
- (c) Enforce any standards developed under the Act;
- (d) Monitor classified procurement information, including that of specific items of security organs and make recommendations to the Cabinet Secretary;
- (e) Monitor the implementation of the preference and reservation schemes by procuring entities;
- (f) Prepare, issue and publish standard public procurement and asset disposal documents and formats to be used by public entities and other stakeholders;

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

- (g) Provide advice and technical support upon request;
- (h) Investigate and act on complaints received on procurement and asset disposal proceedings from procuring entities, tenderers, contractors or the general public that are not subject of administrative review;
- (i) Research on the public procurement and asset disposal system and any developments arising from the same;
- (j) Advise the Cabinet Secretary on the setting of standards including international public procurement and asset disposal standards;
- (k) Develop and manage the State portal on procurement and asset disposal and ensure that it is available and easily accessible;
- (l) Monitor and evaluate the preference and reservations provided for under the Act and provide quarterly reports;
- (m) Create a central repository or database that includes-
 - i. Complaints made on procuring entities;
 - ii. Record of those prohibited from participating in tenders or those debarred;
 - iii. Market prices of goods, services and works;
 - iv. Benchmarked prices;
 - v. State organs and public entities that are non-compliant with procurement laws;
 - vi. Statistics related to public procurement and asset disposal;
 - vii. Price comparisons for goods, services and works; and
 - viii. Any information related to procurement that may be necessary for the public
- (n) Inform as applicable, the Cabinet Secretary, Parliament, the relevant County Executive member for finance, the relevant County Assembly or Auditor-General on issues of non-compliance with procurement laws once the relevant State organ or public entity ignores the written directives of the Authority, including material breaches of the measures established under the Act;
- (o) Generally, report to Parliament and the relevant County Assembly;
- (p) Develop a code of ethics to guide procuring entities and winning bidders when undertaking public procurement and asset disposal with State organs and public entities;
- (q) In undertaking its functions, co-operate with state and non-state actors with a view to obtaining recommendations on how public procurement and disposal can be improved;

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

- (r) Ensure the procurement entities implement the preference and reservations and provide data to the Authority disaggregated to indicate the number of disadvantaged groups that have benefitted;
- (ra) develop, promote and support the training and capacity development of persons involved in procurement and asset disposal;
- (s) Perform such other functions and duties as are provided for under the Act and any other relevant law.

c) Key Management

The Authority's day-to-day management is under the following:

S/No	Designation	Name
1.	Board of Directors	Public Procurement Regulatory Board
2.	Director General	Patrick K. Wanjuki
3.	Director, Strategy & Planning	Rose Nyamweya (Mrs.)
4.	Director, Licensing & Standards	Henock K. Kirungu
5.	Ag. Director Legal & Corporation Secretary	Lucy J. Barno
6.	Ag. Director, Corporate Services	Chris Sakwa
7.	Ag. Director, Internal Audit	Julius G. Mungai
8.	Director – Research, Innovation & Business Systems	Ms. Pauline O. Opiyo
9.	Director, Compliance	Thomas O. Otieno
10.	Director, Complaints & Investigation	Peter K. Ndungu
11.	Deputy Director, Human Resource & Administration	Gitonga K. Mwangi
12.	Ag. Deputy Director, Finance & Accounting	Lawrence Yuta

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

d) Fiduciary Management

The key management personnel who held office during the period ended 30th June, 2025 and who had direct fiduciary responsibility were:

S/No.	Designation	Name
1.	Director General	Patrick K. Wanjuki
2.	Director, Strategy & Planning	Rose Nyamweya (Mrs.)
3.	Ag. Director Legal & Corporation Secretary	Lucy J. Barno
4.	Director, Licensing & Standards	Henock K. Kirungu
5.	Ag. Director, Corporate Services	Chris Sakwa
6.	Ag. Deputy Director, Finance & Accounting	Lawrence Yuta
7.	Head of Procurement	Charles Chege Waithaka

e) Fiduciary Oversight Arrangements

The operations of the Authority are guided by the Public Procurement and Asset Disposal Act 2015, Public Finance Management Act 2012, relevant Acts of Parliament and Regulations and the Mwongozo Code of Governance for State Corporations.

Key fiduciary arrangements covering the Authority include:

- The Public Procurement Regulatory Board;
- The Audit, Risk and Governance Committee of the Board;
- The Finance and Administration Committee of the Board;
- The Compliance, Strategy & Communication Committee of the Board;
- Parliamentary Oversight Committees;
- Internal Audit and Risk Assurance function.

f) Entity Headquarters

P.O. Box 58535-00200,
KISM Towers, 6th Floor,
Ngong Road,
Nairobi, Kenya.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

KEY ENTITY INFORMATION AND MANAGEMENT CONTINUED

g) Entity Contacts

Tel: +254 20 3244000

Email: info@ppra.go.ke,

Website: www.ppra.go.ke

h) Entity Bankers

1. National Bank of Kenya
Harambee Avenue Branch
P.O. Box 41862-00200
Nairobi, Kenya

2. National Bank of Kenya
Ngong Road Branch
P.O. Box 41862-00200
Nairobi, Kenya

3. Kenya Commercial Bank (KCB)
KICC Branch
Harambee Avenue
Nairobi, Kenya

i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University way

P.O. Box 30084 - 00100

Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

THE PUBLIC PROCUREMENT REGULATORY BOARD

The Public Procurement Regulatory Board (PPRB) is the management Board of the Public Procurement Regulatory Authority. The Regulatory Board is established under section 10(1) of the PPADA 2015. Its main responsibility being oversight of management, operations and activities of the Authority.



Hon. Mwangi Wa Iria – Chairperson: Appointed on 20.12.2024

Hon. Mwangi Wa Iria is an accomplished leader with extensive experience in both public and private sectors, having worked for multinational private companies at senior management levels, a parastatal at chief executive level and at public service as a County Governor for two terms.

A visionary leader, he is widely recognized for pioneering initiatives that have revitalized key economic sectors, including agriculture, cooperative development, and enterprise growth.

Hon Wa Iria served two terms as the Governor of Murang'a County, where he spearheaded transformative policies that enhanced farmer earnings, modernized agribusiness, and strengthened cooperative movements. Under his leadership, Murang'a County emerged as a model for agricultural modernization, economic self-sufficiency, and grassroots empowerment.

As the Chief Executive Officer, he was instrumental in the re-opening and revival of the previously collapsed Kenya Cooperative Creameries (KCC), a crucial milestone that strengthened the dairy industry in Kenya. He also served as the Commercial General Manager at The Aga Khan Fund for Economic Development (AKFED) where he led strategic investment initiatives, supporting industrial growth and economic development across key sectors.

Among other key roles, he has also served as the Vice Chairman, Council of Governors and Chairman, Cooperative & Enterprise Development Committee where he championed governance and economic empowerment respectively.

Hon. Wa Iria holds a Bachelor of Education, Economics & Geography Degree from Moi University and a Diploma and member of Chartered Institute of Purchasing and Supply Management- CIPS- UK. He is a firm believer in people-centered governance and sustainable economic policies that prioritize empowerment over dependency.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

**Amos Simiyu Makokha – Independent:
Appointed 18.08.2023**

Amos Simiyu is an accomplished legal professional with a diverse and extensive background in law and legal consultancy. He is an Associate Arbitrator with the Charter Institute of Arbitrators Kenya and a Professional Mediator with the Mediation Training Institute. Currently, he serves as the Managing Partner at the Law Firm of Wattanga & Luyali Associates in Bungoma, specializing in Commercial, Human Rights, and Constitutional issues.



His legal career has seen him hold various roles, including positions at Wetangula & Co. Advocates in Nairobi, Khan & Saisi Advocates, Kibichiy & Co. Advocates, and Jim Choge & Co. Advocates all based in Eldoret. Amos earned his Post Graduate Diploma in Law at the Kenya School of Law and holds a Bachelor of Law Degree from the University of Nairobi.

In addition to his legal expertise, Amos actively participates in various professional and community roles. In 2022, he was appointed as the Chairman of the Human Resource Task Force by the Governor of Bungoma County and serves as the Vice Chairperson of Cardinal Otunga Girls' High School's Board of Management. He holds leadership positions in multiple school associations, including Maranda High School and Lugulu Girls, and is actively engaged in church leadership and media organizations in Bungoma. Furthermore, Amos is a committed member of the Federation of Kenya Women Lawyers and serves on the Board of Trustees for the Canadian Missionary Fellowship Trust.

Amos' extensive legal experience and commitment to community engagement make him a valuable asset in both legal and community-oriented contexts.



**Lucy Chepkemai – Independent: Appointed
18.08.2023**

Ms. Lucy Chepkemai holds a degree from Moi University and is currently a trainer at Kericho Diocese. She has also trained at Tealand Achievers and Nyamira colleges.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

Ali Mohamed Haji – Independent: Appointed 18.08.2023



Mr. Ali Mohamed is an accomplished leader renowned for driving operational excellence, fostering innovation and aligning talent with ideal roles. With a Bachelor of Business Administration from the University of Houston, he brings a solid educational foundation to a distinguished career. His skills in strategic planning and operations, business development, team leadership, financial management, and quality control have been instrumental in his professional journey.

Ali currently serves as the CEO of Nairobi Calibration Services Limited. In his seven-year tenure, he has steered the company to remarkable heights. Under his leadership, the company achieved a 20% reduction in errors and customer complaints, implemented quality controls, and expanded the client base, resulting in a 30% revenue increase.

In his previous role as Project Manager at Clean Water Industries, Ali managed intricate projects, notably including the successful solar hybrid installation for KPLC in Laisamis Marsabit County. This highlighted his proficiency in both stakeholder communication and effective project management. With 14 years as a Finance Manager at Nairobi Calibration Services Limited, Ali expertly managed budgets, forecasted financial trends, and led finance professionals, contributing significantly to the organization's success through financial automation and process enhancements.

Patrick Kimemia Ndirangu – Independent: Appointed 18.08.2023

Patrick Kimemia is an accomplished and visionary Procurement Professional with extensive experience and a proven track record in supply chain management strategy, vendor management, projects management, contract negotiations, and organizational leadership. Among many other achievements, Mr. Kimemia contributed as a member of taskforce in the drafting of the Public Procurement and Disposal Act (2005 and 2015) and the Public Procurement regulations (2000-2001 and 2016).



**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

He was the member of task force appointed by Ministry of Public Works to review the functions of Supplies Branch. He is notably a supply chain management consultant and trainer. Mr. Kimemia also serves as the Chairman of the Board to Makomboki Tea Factory.

Mr. Kimemia holds a Master of Science (MSC), in Procurement and Logistics from Jomo Kenyatta University of Agriculture & Technology and a Bachelor of Arts (Economics) from University of Nairobi. He is a member of Chartered Institute of Purchasing and Supply, Kenya Institute of Supplies Management, International Federation of Purchasing and Supply Management and Scottish Qualification Authority. He served as a Head of Supply Chain Management at Kenya Electricity Generating Company PLC (KenGen).



Mr Eric Korir: Alternate to CS, The National Treasury and Planning - Appointed 24.05.2023

Mr Korir is a results-orientated Procurement and Supply Chain Management Leader with over 25 years' experience in public and private sector procurement and supply chain management with a strategic overview and an analytical knowledge of local and global context.

He is currently the Director of Public Procurement at The National Treasury handling policy, research, legal and technical matters in the public-sector procurement for both national and county governments.

Eric holds a Bachelor of Arts degree from the University of Nairobi, a Master of Business Administration in Strategic Management from Moi University and a Diploma in Supply Chain Management from the Chartered Institute of

Purchasing and Supply (UK). He is a Member of the Chartered Institute of Purchasing and Supply, Kenya Institute of Supply Management and the Institute of Transport and Logistics.

He sits in the Boards of Kenya Reinsurance Corporation Ltd, Export Processing Zones Authority and Jomo Kenyatta University of Agriculture and Technology as Alternate Member to Cabinet Secretary, The National Treasury & Economic Planning. Previously sat in the Boards of Kenya Pipeline Company and Tana-Athi Water Company.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

**Mr Allan Kamau: Alternate to Attorney General - Appointed
29.08.2023**



Allan Kamau is a first-class reader with excellent communication and interpersonal skills. He possesses a highly motivated and energetic character, known for his creativity and visionary approach to challenges.

Allan holds a Bachelor of Laws (LL.B) from Makerere University and a Postgraduate Diploma in Legal Practice from the Kenya School of Law. Additionally, he has completed Strategic Leadership Development Program (SLDP) and Senior Management Course (SMC) at the Kenya School of Government, equipping him with leadership and managerial skills.

He has taught various law subjects, including the law of contract, law of torts, and commercial law at Lord Diplock's Learning Centre. He has also offered training on Determination of the Value of Evidence through Scientific Quantitative Methods at Strathmore University. Allan is currently serving as the Deputy Chief State Counsel at the Office of the Attorney General and the Department of Justice.

Driven by a passion for legal excellence, Allan is committed to becoming one of Kenya's top-tier law practitioners. His ambition is to build a career that is polished, articulate, principled, and dedicated to the rule of law and constitutionalism. Allan envisions leaving a legacy defined by an illustrious legal career and a lifelong campaign for human rights.

**Linda Susan Ingari: Representing KISM - Appointed
22.11.2024**



Linda is a Supply Chain management specialist with over 18 years' experience in the Manufacturing, Education, Telecommunication and Banking Sectors. She is a resource person in supply chain management at Kenya Institute of Supplies Management (KISM) and a part-time facilitator.

Linda has served as: Team leader, Procurement and logistics, Equity Bank Ltd; Procurement manager,

KCB Bank Kenya Ltd; Category Manager, Technology Solutions, Safaricom; Head of College Procurement Section, University of Nairobi (College of Agriculture and Veterinary services); Part-time Lecturer in Masters of Supply Chain Management at The University of Nairobi and Jomo Kenyatta University of Agriculture and Technology among other positions.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT REGULATORY BOARD CONTINUED

Linda holds master of Business Administration (Kenyatta University), Bachelor of Education (Arts) – First class honours (Kenyatta University), Graduate Diploma in Procurement and Supply (CIPS, UK), International Diploma in Supply Management (International Trade Centre), Postgraduate Diploma in Business Management among other qualifications. She serves as a Board Member at Kenya Institute of Supplies Examination Board.

THE PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD

The Public Procurement Administrative Review Board (PPARB) is established under section 27 (1) of the Act as a central independent procurement appeals Review Board. The Board's main function is to adjudicate over public procurement and asset disposal disputes.



**Mr George Murugu Muthui – Chairperson: appointed
16.06.2023**

Mr. George Murugu Muthui is an advocate of the High Court of Kenya. He has extensive litigation experience and has effectively dealt with and successfully represented, in conjunction with his partner & associates, the Independent Electoral and Boundaries Commission in the firm of Murugu, Rigoro & Company Advocates in matters concerning the electoral process.

He is a polished and experienced Constitutional, Commercial and Litigation advocate. He was appointed by the Independent Electoral and Boundaries Commission as a Presiding Committee Chairperson in one of Dispute Resolution Committee Panels to hear and determine party nomination cases.

Mr. Murugu holds a Bachelor of Laws degree (LL.B) (Hons) from the University of Nairobi and a Postgraduate Diploma in Law from Kenya School of Law. He is Fellow Chartered Institute of Arbitrators (FCI.Arb)

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED

Qs Hussein Were – Member: Appointed 23.02.2024

Hussein Were has over 27 years' experience in quantity surveying and project management. He also has 8 years experience in the field of governance and forensic investigation. Mr. Were is the Honorary Treasurer and member of Governing Council of the Architectural Association of Kenya; as well as Principal Partner and founder of Fanisi Consultants, a quantity surveying and project management firm.



He holds an MA (Building Management) and a BA (Building Economics) from the University of Nairobi.

Mr. Jackson Awele Onyango – Member: Appointed 23.02.2024

Mr. Awele is a partner at Awele Jackson Advocates LLP and a Board Member at the LSK SACCO Board of Management. He was instructed as a pupil and began practice as an Advocate at Kaplan & Stratton and later joined Oraro & Co, Clifford chance LLP and One Essex Court Chambers (London) before founding his current private practice – Awele Jackson Advocates LLP.



Mr. Awele advises and represents local and international clients in criminal, civil, public law and commercial legal disputes including property disputes, private client, insolvencies, labor, shareholder disputes, debt recoveries, redemption actions among others before the High Court, Court of Appeal, the Supreme Court and Chartered Arbitrators.

He holds a holds a Bachelor of Laws degree (Moi University), Postgraduate Diploma in Law (Kenya School of Law) and a Master's in Business Administration (Finance) (University of Nairobi) and various advanced certifications in Intellectual Property and other fields.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED

Joshua Kiptoo – Member: Appointed 16.06.2023



Joshua is an advocate of the High Court of Kenya and served as the second Speaker of the Nandi County Assembly. He has immense work experience on the intersection of devolution, public policy, international law, sustainable development, trade, investment, finance, politics and human rights.

He has served as the Chairperson of the Intergovernmental Relations Committee and Legal Committee of the County Assembly Forum (CAF).

Political leadership positions have provided him with competitive edge in building partnerships with the public.

Langat Kipng'eno Daniel – Member: Appointed 16.06.2023



Mr. Langat has wide experience in the Energy sector. He has worked with Deeli Investments as a transport & logistics Manager (2007-2008). He worked with Nixomb Limited as station Manager. He is currently a retailer/dealer with Vivo Energy Kenya.

He holds a Bachelor of Business Management (Hons) (Supplies & Procurement Option) from Mount Kenya University.

Eng Lilian Atieno Ogombo – Member: Appointed 16.06.2023

Eng. Lilian Ogombo is a dynamic and result oriented Corporate leader possessing over 15 years strong track record of performance in spearheading vision, strategy and streamlining operations and technology development within the private and public sectors. She has vast experience in identification, development and successful implementation of energy projects. She is currently a Director, Energy and Business Development Lead, Edcons Kenva limited.



In addition, she served as Chief Executive Officer, Association of Consulting Engineers of Kenya between 2021 and 2022, was head of facility (Engineering), Agha Khan Hospital from 2018-2020, was the Chief Officer for Energy and Mining, County Government of Kisumu between 2014 and 2018.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED

She is currently a Post Graduate student at the University of Nairobi pursuing a Doctor of Philosophy in Business Administration. She holds a Master of Science degree in Energy studies from the University of Dundee, United Kingdom and a Bachelor of Science in (Hon.) Civil Engineering from the University of Nairobi. She is a member of the Engineers Board of Kenya.



**Alice Nyomenda Oeri – Member: Appointed
16.06.2023**

Ms. Alice Nyomenda Oeri has wide experience in Labour Law especially on labour litigation, drafting agreements and contracts on employments, advise on retrenchment and rationalization including alternative means of strategies in respect of strikes, locking out and other forms of industrial action. She has vast experience in Family Law which involve a wide spectrum of family disputes in the nature of Children matters, succession, divorce petitions and division of Matrimonial property after divorce.

Ms. Oeri holds Master of Arts in Public Administration and Bachelor of Laws (LLB) (Hons) Degree, from Marathwada University (India) and a Post-Graduate Diploma in Law, Kenya School of Law. She is the Managing Partner A.N Oeri & Company advocates.

Dr. Mambo Susan – Member: Appointed 16.06.2023

Dr Mambo is mid-career health scientist, strategic, innovative and results oriented public health professional with over 10 years of experience working with various public and private research and academic institutions; Ministry of Health- Kenya; CDC-EU funded projects, in grant writing, proposal development, program design, implementation of projects, monitoring and evaluation of projects.



Susan has competence and expertise in designing and implementing health policies, guidelines and high-level documents, and demonstratable resilience working with strict deadlines in extremely difficult environments within Africa. She has expertise and experience in addressing leadership dilemmas that impact academia, research projects and programs, excellent negotiator and team lead to create fertile grounds for program delivery while ensuring efficiency and effectiveness.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED

Dr. Mambo holds a Doctor of Philosophy in Health from Kenya Methodist University, Systems Management, Master of Public Health in Monitoring and Evaluation from Kenyatta University and Bachelor of Science from Kenyatta University.



Jessica Njeri M'mbetsa – Member: Appointed 23.02.2024

Ms. Jessica M'Mbetsa holds Master of Laws in International Trade and Bachelor of Laws Degrees from the University of Nairobi, and a Post-Graduate Diploma in Law. She is an associate Advocate, Commercial and Conveyance at Kipkenda and Company. She was a presiding Member of Nairobi Bench of the Political Parties Dispute Tribunal between 2022- 2023. She has substantial skills in managerial, operations and strategic leadership.

She has membership in Law Society of Kenya, Chartered Institute of Arbitrators and Commercial Practice Committee, Law Society of Kenya, Nairobi Branch.

Stanslaus Kimani – Member: Appointed 23.02.2024

Mr. Stanslaus Kimani holds a Bachelor of Commerce , Marketing and Finance Option from the University of Nairobi and a Diploma in Insurance and Risk Management. Mr Kimani has extensive knowledge in Capital markets and Insurance. He has worked for NIC Securities, a Subsidiary of N.I.C Bank, African Alliance Investment Bank and Old Mutual Investment Bank.



Alexander Curtis Nthiwa Musau – Member: Appointed 16.06.2023

Alexander Curtis Nthiwa Musau is a seasoned accounting and audit professional with over two decades of experience in financial management, taxation, and consultancy services. He currently serves as the CEO and Managing Partner of Alexander & Company, a firm specializing in audit, tax, and management consultancy.

In this role, he provides strategic leadership and oversees the firm's operations, client engagements, and compliance with international auditing standards.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED

He began his professional career at Muema & Associates, Certified Public Accountants, where he rose to the position of Audit Senior. His extensive expertise spans across auditing donor-funded projects, tax advisory, financial reporting, quality assurance, and staff development. He is also highly experienced in audit planning, report writing, and systems review for diverse clients, including NGOs, pension schemes, and cooperative societies.

Mr. Musau holds a Bachelor of Commerce degree (Accounting option) from the University of Nairobi and is a Certified Public Accountant (CPA-K). He has undergone numerous professional trainings in strategic management, customer relations, taxation, and internal audit, and is well-versed in several accounting software packages including QuickBooks, Sage, Pastel, and ACCPAC.

His strong leadership, attention to detail, and commitment to excellence have positioned him as a trusted advisor in the financial sector and a valuable contributor to board-level decision-making.

**Robert Kiprop Chelagat – Member: Appointed
22.11.2024**

Robert Kiprop Chelagat is a seasoned procurement & Supply chain professional with over 30 years of experience in procurement and supply chain management. He served in various Positions and Capacity such as Director-Supply Chain Management – County Government of Elgeyo Market, General Manager – Sote Flowers Ltd, Investment Bank and Old Mutual Investment Bank.



Mr. Chelagat holds a Masters Degree in Supplies Management (Procurement and Logistic) JKUAT, MBA (Strategic Management), Kabarak University, Bachelors Degree in Business Management (Hons), Moi University, and a Diploma in Business Administration Eldoret Polytechnic - Diploma in Supplies Management, KNEC and a Diploma- Chartered Inst. of Purch. & Supplies (CIPS) –UK.

His strong leadership, attention to detail, and commitment to excellence have positioned him as a trusted advisor in the financial sector and a valuable contributor to board-level decision-making.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD CONTINUED



**Mrs. Jane Njeri Onyango, FCIARB – Member:
Appointed 4.4.2025**

Mrs. Njeri Onyango holds an LLB Degree from the University of Nairobi and a Diploma in Law from the Kenya School of Law. She is an Advocate of the High Court of Kenya, and proprietor of Njeri Onyango & Co. Advocates. She is a fellow of the Chartered Institute of Arbitrators London and a member of the Chartered Institute of Arbitrators-Kenya chapter.

She previously served as a board member of the Independent Policing Oversight Authority (IPOA). She also serves as a member of the Sports Disputes Tribunal, FIVB Legal Tribunal, FINA Disciplinary Panel and the Africa Continental Result Management Hearing Panel (Anti-Doping).

Mrs. Onyango has also undertaken legal consultancies with various organizations nationally and internationally.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT TEAM



Patrick K. Wanjuki
Director General
LLM (Nottingham), LLM (Nairobi) LLB (Nairobi) Hons, B.COM (Nairobi)
Hons, PGD (KSL) CIPS (UK) MKISM (K)



Mrs Rose M. Nyamweya
Director, Strategy & Planning
PhD(Candidate), CPA(K), CPS(K)
MBA, B.Com



Henock Kirungu
Director, Licensing & Standards
MBA, B.Com, CIPS, PGD (Computer Sci)
PGD(Purchasing & Supplies)



Lucy J. Barno
Ag. Director Legal & Corporation Secretary
LLM (Candidate), LLB, Dip (Law),
CPS (K), Advocate of the High Court



Julius G. Mungai
Ag. Director, Internal Audit
MBA,MA,BA,CPA(K),CPS(K),CISA

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT TEAM CONTINUED



Peter K Ndung'u
Director, Complaints & Investigations
MA (Econ), BA (Econ), CIPS
Dip (Purchasing & Supplies)
Dip (Forensic & Criminal Investigations)



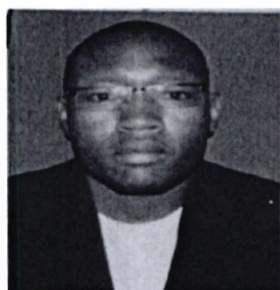
Ms. Pauline O. Opiyo
Director, Research, Investigations
& Business Systems
MSc (Proc & Logistics), BA, CIPS
GDip (Purchasing & Supply Mgt)



Chris Sakwa
Ag. Director Corporate
MBA, BBM, CPA (K)



Thomas O. Otieno
Director, Compliance
MSc (Proc & Logistics), BA,
Dip (Purchasing & Supply mgt)



Lawrence Yuta
Ag Deputy Director Finance & Accounts
MBA, B.com, CPA(K)



Mwangi K. Gitonga
Deputy Director, HR & Admin.
MPPA, BA, CHRP, CPS,
Dip Labour Studies & Management

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

CHAIRMAN'S STATEMENT

The public procurement and asset disposal system has continued to undergo transformations aimed at enhancing its effectiveness and efficiency in delivering quality services to the citizens. These reforms include the promotion of open contracting through enforcement of disclosure of information through the Public Procurement Information Portal (PPIP) and digitalization of public procurement and asset disposal processes through the e-Government procurement system to promote openness and transparency in public procurement as well as promote public confidence in the public procurement processes.

The Public Procurement Regulatory Board (the Board) continued to provide policy and strategic direction in the regulation of the public procurement system and entrenchment of public procurement reforms by the Government. This has been achieved through oversight on the operations of the Authority in execution of its mandate.

On behalf of the Board, I am pleased to present to you the Authority's Annual Report and Financial Statements for the FY 2024/2025. This Report details the Authority's actions and interventions aimed at delivering an effective and efficient public procurement and asset disposal system.

The Board approved policies and guidelines aimed at strengthening performance of different functions of the Authority. Key among them being the Complaints and Investigations Policy Manual and Debarment Manual. The Board also considered nine (9) requests for debarment of errant suppliers. Debarment decisions were made for eight cases and forwarded to the National Treasury and Economic Planning for gazettelement. One, was yet to be determined.

During the year under review, the Authority collaborated with sector regulators, national, regional and international agencies in achieving its mandate, including sharing information, knowledge and experience. For instance, in collaboration with the Competition Authority of Kenya the two institutions continued to fight bid collusive tendering practices; with the Ethics and Anti-Corruption Commission to strengthen integrity and fight corrupt practices in public procurement; collaborated with other public procurement regulators in the East African region under the auspices of the East Africa Procurement Forum and the African continent through the Africa Public Procurement Network to promote good practice and value for money through public procurement initiatives.

During the year under review, the Board continued to oversight in the implementation and operationalization of the organizational structure, in order to ensure a vibrant public procurement regulator that executes its mandate effectively and efficiently.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

The Board recognizes the critical role that the Authority's Management plays in the execution of our mandate. As the Board, we are fully committed to continually enhancing the welfare of our staff members to ensure that they are well equipped, both at work and socially, to professionally execute their tasks and facilitate the Board achieve the ambitious targets set out in the Strategic Plan 2023-2027.

I commend the Board of Directors, Management and members of Staff for their resilience in delivering the achievements during the year. Additionally, achievements would not have been possible without the support of the National Treasury and Economic Planning, strategic partners, all other key stakeholders and the general public. We assure you of our continued commitment to deliver a well-functioning public procurement and asset disposal system, for achievement of sustainable development.



**Hon. Mwangi Wa Iria
Chairman, PPRB**

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

REPORT OF THE DIRECTOR GENERAL

Public procurement is a strategic function and a critical enabler of effective service delivery and national development. As a regulator, we operate in an environment that is volatile, uncertain, complex and ambiguous, which demands for dynamism and proactiveness in addressing the emerging issues affecting the public procurement and asset disposal system in Kenya. The Authority manages this through continuous engagement with stakeholders aimed at delivering a well-functioning system, that spurs economic growth, quality service delivery and employment creation.

In this regard, I am pleased to report that our sustained regulatory enforcement services through pre-bidding analysis, review of mandatory reports, compliance monitoring, complaints management, trainings, provision of advice and issuance of circulars and directives. Major areas of weaknesses included some procuring entities charging fees for tender documents issued for registration/prequalification/expression of interest; setting bid security amount in terms of a percent instead of as an absolute figure; setting restrictive or subjective evaluation criteria; not using the prescribed standard tender documents; failure to undertake stock taking and inventory management as prescribe and not publishing all contracts as required in the Public Procurement Information Portal (PPIP). The Authority, also during the year, trained 13,768 persons involved in the public procurement and asset disposal system, on different aspects of the public procurement policy, legal and regulatory framework.

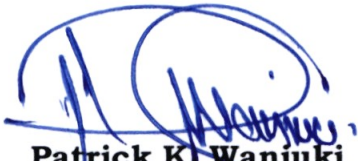
The Authority also based on complaints and feedback received, issues circulars and directives to provide clarifications of emerging issues. During the year, the Authority issued three (3) circulars and directives on: implementation of the Capacity Building levy, integration of Public Procurement Information Portal (PPIP) with Electronic Government Procurement System (eGPS) and the roll out of Electronic Government Procurement System (eGPS). These circulars are issued to uphold the principles of public procurement as provided for under Article 227(1) of the Constitution, and every procuring entity is required to comply with the circulars.

The Authority faced a number of challenges during the year under review, including; low levels of compliance with the requirement to publish procurement information in the PPIP, low compliance with the requirement on disclosure of beneficial ownership information; failure by some procuring entities to comply with the directives of the Authority; and inadequate capacity amongst persons participating in the public procurement and asset disposal system. The Authority engaged key stakeholders to address these gaps, alongside undertaking capacity building and issuance of directives.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

In this regard, the Authority's achievements as highlighted would not have been possible without the support of the staff. It remains the Authority's resolve to empower our staff with the requisite technical skills and competencies to execute their tasks, with a key focus on ensuring they are well honed regarding emerging areas in public procurement and asset disposal system.

We are also grateful to the National Treasury and Economic Planning for their continued budgetary and policy support, more so in light of the competing needs. The Board has equally been instrumental in supporting the Management to achieve its targets. The Authority is also appreciative of the various stakeholders, local and international, from the Public and Private sectors, who have supported us in our quest to create an efficient public procurement system.



Patrick K. Wanjuki
DIRECTOR GENERAL

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES
FOR THE FY 2024/2025**

The Authority has numerous pillars and objectives within the current Strategic Plan for the FY 2024/2025. The Authority achieved its performance targets for various strategic pillars indicated in the table below:

S/NO	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
1	To strengthen monitoring of public procurement and asset disposal system towards realization of value for money and quality services	To strengthen monitoring of public procurement and asset disposal system	<ul style="list-style-type: none"> • AGPO Reports • Reviewed Annual Procurement Plans from PEs • Reviewed Invitations to Tender and Tender Documents by PEs • Reports on procurement assessments; procurement reviews; contract audits; follow-up assessments and special audits • Review all mandatory reports filed by Pes • Procurement and Disposal inspections 	<ul style="list-style-type: none"> • Monitoring Implementation of the Preference and Reservations (AGPO) • Review of Annual Procurement Plans • Review of Invitations to Tender and Tender Documents • Procurement Assessments, Reviews and Contract/Performance Audits • Review mandatory reports and provide feedback • Procurement and disposal inspections undertaken 	<ul style="list-style-type: none"> • submission of two half year reports to Parliament and the National Treasury and Economic Planning • The Authority reviewed the procurement plans as submitted by PEs • The Authority reviewed 5,230 tender notices and tender documents out of a target of 2,200. • Additionally, 4 quarterly reports were prepared detailing the outcome of the analysis. • Authority conducted: 59 out of a target 100 assessments; 8 out of a target 10 procurement reviews; 21 out of the target 20 contract audits; 18 out 20 follow-up assessments; 21 out of 10 special audits. • All mandatory reports analyzed, feedback provided and quarterly reports on the status prepared. • 40 out of 12 target inspections were conducted.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

S/NO	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
2	To enhance use of evidence in public procurement and asset disposal decision making for enhanced service delivery	To enhanced service delivery	Report on market price index	Collection of Market Price data in the whole country	Market Price surveys conducted and data collected and analyzed. The Market Price Index to be published in Q1 of FY 2025/26.
3	To enhance efficiency and effectiveness in resolution of public and asset disposal complaints, disputes, debarment and investigations	<ul style="list-style-type: none"> • To achieve efficiency and effectiveness in Public Procurement Investigations • To achieve efficiency and effectiveness in Complaints Management • To achieve efficiency and effectiveness in Public Procurement Administrative • To achieve efficiency and effectiveness in Debarment 	<ul style="list-style-type: none"> • Reports on Public Procurement Investigations done • Reports on complaints handled • Report on Administrative Review cases handled • Debarment cases resolved 	<ul style="list-style-type: none"> • Public Procurement Investigations • Complaints Management • Public Procurement Administrative Review Mechanism • Debarment 	<ul style="list-style-type: none"> • Sixteen (16) investigations were handled during the year. • 371 complaints were received and handled during the year. • All the 161 cases that were lodged before the Review Board were heard and determined within 21 days. The decisions were published within a day in the Authority's website. • All debarment cases were heard and determined within the prescribed times

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

S/NO	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
4	To improve efficiency of provision of advisory services to stakeholders	To improve efficiency of provision of advisory services	Proportion of Public Procurement Advisory Services requests responded to	Provision of Advisory Services	<ul style="list-style-type: none"> • The Authority responded to all requests for advice on public procurement and asset disposal within an average of 15.5 days • Further, guidelines for provision of advice to stakeholders have been developed.
5	To enhance application of public procurement and asset disposal standards and formats for harmonized public procurement operations	To harmonize application of public procurement and asset disposal standards and formats	Public Procurement standards and formats reviewed and converted into eGP format	The public procurement and asset disposal standard documents, manuals, guidelines and formats (STDs)	<ul style="list-style-type: none"> • Authority reviewed and converted the Standard Tender Document (STD) into electronic Government Procurement (eGP) formats
6	To increase uptake of registration and licensing of procuring or asset disposal agents, and consortium buying arrangements	To increase of registration and licensing of procuring or asset disposal agents, and consortium buying arrangements	Number of Public Procurement registered and licensed agents and consortium buying arrangements	Registration and Licensing of Procuring or Asset Agents	<ul style="list-style-type: none"> • 11 Applications for registration and licensing and one for renewal were processed.
7	To enhance the capacity of persons participating in the public procurement and asset disposal system	To create capacity of persons participating in the public procurement and asset disposal system	Number of trained persons participating in the public procurement and asset disposal system	Training and Capacity Building	<ul style="list-style-type: none"> • The Authority trained a total of 13,486 persons against a target of 4,500 on various aspects of the public procurement policy, legal and regulatory framework; and on the PPIP. • Two requests for transfer of procuring responsibilities were

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

S/NO	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
		<ul style="list-style-type: none"> To facilitate transfer of procuring or asset disposal responsibilities in public procurement system 	<ul style="list-style-type: none"> Number of Transferred procuring or asset disposal responsibilities 	<ul style="list-style-type: none"> Transfer of procuring or asset disposal responsibilities 	<ul style="list-style-type: none"> handled during the period
8	To enhance stakeholder engagements and partnerships for improved organizational performance	To promote effective stakeholder engagements	<ul style="list-style-type: none"> Number of entities with which the Authority had sustainable engagements 	<ul style="list-style-type: none"> Stakeholder Engagements and Partnerships 	<ul style="list-style-type: none"> Six engagements were made with development partners to support different functions of the Authority Additionally, the Authority participated in 10 international and regional forums and convened 35 stakeholder forums
9	To enhance the capacity of employees to deliver on the mandate through strategic talent management	To optimize the capacity of the Authority's employees	<ul style="list-style-type: none"> Recruitment of new staff 	<ul style="list-style-type: none"> New staff recruited 	<ul style="list-style-type: none"> New staff were recruited in February and may 2025.
10	To strengthen organizational processes and systems to increase productivity, good corporate governance and learning	To achieve optimum performance through employee motivation	<ul style="list-style-type: none"> Employee motivation and welfare schemes introduced Existence of an implemented Performance Contract Existence of a functional Quality Management System 	<ul style="list-style-type: none"> New staff welfare schemes Performance Contracting for the 2024/2025 Period Quality Management System 	<ul style="list-style-type: none"> Post-retirement medical scheme in place and contributions to the scheme commenced effective July 2024. The Authority implemented the performance contract for FY 2024/25. The Authority continued to implement the Management System (QMS) for it is ISO 9001:2015 certified

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

S/NO	STRATEGIC THEME	OBJECTIVE	KEY PERFORMANCE INDICATOR	ACTIVITIES	ACHIEVEMENTS
			<ul style="list-style-type: none"> •Existence of a functional Enterprise Risk Management system 	<ul style="list-style-type: none"> •Enterprise Risk Management 	<ul style="list-style-type: none"> •The Authority, as required by the Strategic Planning Guidelines, identified strategic risks and outlined measures aimed at addressing them in the approved Strategic Plan for the 2023 – 2027 period.
11	To strengthen public financial management and reporting	To strengthen public financial management	Operational optimization in terms of achievement of the mandate of the Authority	<ul style="list-style-type: none"> •Effective budgeting and prudent resource utilization. •Operationalization of the Capacity Building Levy Optimal Resource Mobilization 	<ul style="list-style-type: none"> •Optimal Resource Mobilization realized with Gok funding increasing from Kshs.397,671,000 to Kshs.1,666,269,000 while A-I-A increased from Kshs.66,277,973 to Kshs.69,544,188 •The CBL was operationalized and Kshs.17,530,843 collected

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

CORPORATE GOVERNANCE STATEMENT

The Public Procurement Regulatory Board is committed to applying and maintaining the highest standards of corporate governance at the Authority as it recognizes this to be a key contributor to the long-term success, value and sustainability of the Authority.

Good corporate governance enables effective and efficient decision-making and gives a structural aid for the Board to discharge their duty to promote the success of the Authority while taking into account the interest of stakeholders. Effective governance is achieved through a combination of strong policies, process and structures, underpinned by the right values and culture.

The operations of the Authority are guided by the Public Procurement and Asset Disposal Act, 2015 (the Act) and other relevant Acts of Parliament and Regulations. The Authority has also adopted and continues to be guided by the *Mwongozo* Code of Governance in its operations.

The Public Procurement Regulatory Board

The Public Procurement Regulatory Board is established under section 10(1) of the Act. Further, the Act provides for a regulatory Board to comprise of nine members and a Director General who shall be the Chief Executive Officer of the Authority and the Secretary to the Board.

During the year, the vacant position of the nominee from the Kenya Institute of Supplies Management (KISM) under Section 10(1)(b)(ii) of the Act was filled through the reappointment of Ms. Linda Susan Ingari on 22nd November, 2024. The position for the nominee from the Institute of Certified Public Accountants of Kenya(ICPAK) provided for in Section 10(1)(b)(i) remained vacant. The Chairmanship of the Board changed on 20th December, 2024 following the appointment of Hon. Mwangi Wa Iria as Chairman, in place of Hon. Kadhua Jimmy Kahindi.

The Regulatory Board is responsible for the long-term sustainability and success of the Authority through provision of strategic leadership, steadfast oversight of management and ensuring that the Authority provides its stakeholders with a balanced and understandable assessment of its current position and prospects.

Specifically, the functions of the Regulatory Board are:

- (a) Ensure the proper and effective performance of the functions of the Authority;
- (b) Approve and ratify the policies of the Authority;

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

- (c) Oversee the management, control and administration of the assets of the Authority in a manner and for purposes that promote the object and purpose of the Authority;
- (d) Receive any gifts, grants, donations or endowments made to the Authority;
- (e) Determine the provisions to be made for capital and recurrent expenditure, and for the reserves of the Authority;
- (f) Open bank accounts for the funds of the Authority in accordance with the Public Finance Management Act, 2012;
- (g) Subject to the approval of the Cabinet Secretary, invest any of the Authority funds not immediately required for the purposes of the Act, as it may determine; and
- (h) Co-operate with other organizations undertaking functions similar to its own, whether within or outside Kenya as it may consider appropriate and in furtherance of the functions of the Authority.

The Regulatory Board's leadership responsibilities involve working together with management to set corporate values and to develop strategy including which risks it is prepared to take in pursuit of strategic objectives. Its oversight responsibilities involve providing constructive challenge to the management team in relation to operational aspects of the Authority's business, including approval of budgets and probing whether risk management and internal controls are sound. It has the responsibility of ensuring that timely and understandable information is provided to stakeholders.

The Board has delegated the responsibility of management of the Authority to the Director General, who is the Chief Executive Officer, and the management team. The main areas where the decisions remain with the Board are the approval of budget and annual corporate plan, approval of policies and approval of financial statements. The Board is also responsible for setting the Authority's risk management policy.

As a good corporate governance practice, the Board has delegated some of its responsibilities to committees of the Board. The composition and activities of the committees are detailed later in this report. The Board receives reports from the Chairmen of each of the committees at its meetings.

Board Independence, Separation of Roles and Responsibilities

A clear division of responsibility exists between the Chairman who is non-executive, the non-executive Board members, and the Director General. Each of the responsibilities are clearly set out in writing.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Meetings Attended by Board Members

The law provides that the Board shall hold at least one meeting in every quarter. The Board holds regular scheduled meetings in every year and special meetings as and when necessary. In case of non-attendance of a Board member, the information is communicated to the Chairman in advance.

During the financial year 2024/2025, the Public Procurement Regulatory Board held 10 meetings. The table below shows Board membership and attendance at scheduled Board meetings in the financial year:

Table 1: Attendance of Board Meetings in Financial Year 2024/2025

S/No	Director	Meetings Attended	Meetings held	% Attendance
1	Mr. Kadhua Jimmy Kahindi*	7	10	70%
2	Hon. Mwangi Wa Iria**	3	10	30%
3	Mr. Amos Simiyu Makokha	10	10	100%
4	Mr. Allan Kamau Njoroge	10	10	100%
6	Ms. Lucy Chepkemoi	10	10	100%
7	Ms. Linda Ingari***	5	10	50%
8	Mr. Ali Mohammed Haji	10	10	100%
9	Mr. Eric Korir	10	10	100%
10	Mr. Patrick Kimemia	9	10	90%

* Hon. Kadhua Jimmy Kahindi was replaced as Chairman on 20th December, 2024

** Hon. Mwangi Wa Iria was appointed as Chairman on 20th December 2024

*** Ms. Linda Ingari was reappointed to the Board on 22nd November, 2024

The Board Secretary, who is also the Director General, is responsible for implementing the decisions of the Board and the day-to-day operations of the Authority. The board secretariat is delegated to the Corporation Secretary who provides administrative support to the operations of the Board and convenes Board meetings as directed by the Chairman of the Board. The Corporation Secretary provides advice on corporate governance principles and plans and on the implementation of corporate governance programs such as Board evaluation. The Corporation Secretary is an advocate of the High Court, qualified certified public secretary and a member of the Institute of Certified Public Secretaries (ICPSK) in good standing.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Board Training and Development

During the year under review, eight (8) members of the Board attended various capacity building and development programs. The programs attended by Board members are as shown below:

- a) Corporate Governance Training offered by the Centre for Corporate Governance;
- b) Mwongozo Induction organized by the Institute of Certified Secretaries; and
- c) Capacity Building Program for Chairmen. Board Members and Chief Executive Officers organized by the Office of the Chief of Staff & Head of the Public Service.

Recruitment of Chief Executive Officer and Senior Management

The first terms of the Director General ended on 31st March, 2025. Preceding the end term, the Board undertook a CEO Performance Evaluation in December, 2024 and recommended renewal of the Director General's term to the Cabinet Secretary, the National Treasury & Economic Planning. Approval was granted on 4th March, 2025 and the Director General's term was renewed for a further term of three (3) years effective 1st April, 2025.

Consequently, and subsequent to the organizational restructuring approved in 2022, the Board during the financial year filled seventeen (17) management positions through a competitive recruitment process.

Board Committees and Responsibilities

The Board discharges its functions through committees. All committees of the Board are chaired by a member of the Board. A number of members of the management team are incorporated in the Board Committees as invitees to add value to key Board decisions. This structure ensures that the Board pays attention to critical areas of the Authority's business and provides timely guidance on arising opportunities and mitigation of risks.

To enhance efficiency and effectiveness in discharge of its duties, the Board has formed four (4) board committees to assist the Board in its governance and oversight role; and one(1) committee that sits on ad-hoc basis to execute the Board's regulatory mandate of debarment.

The Board Committees are:

- a) Corporate Services Committee
- b) Compliance & Communication Committee
- c) Audit, Risk and Governance Committee
- d) Strategy & Resource Mobilization Committee
- e) Debarment Committee (Ad-hoc)

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Corporate Services Committee

The role of the Corporate Services Committee is to advise the Board on Financial Management, Budgetary, Human Resource Management, Administration, procurement and ICT issues of the Authority.

The specific terms of reference of the Committee are as follows:

- i. To ensure prudent management of the Authority's financial resources
- ii. To ensure compliance with statutory financial regulations and, that the Authority has adequate financial resources to fund its programs
- iii. To provide a general overview to the Board on the achievement of the Authority's Procurement Plans.
- iv. To monitor management's strategy toward ensuring efficiency and integrity of the Authority's procurement systems
- v. To ensure that the Authority has an optimum, well trained and motivated human resource to deliver its mandate.
- vi. To recommend a management succession plan for the Authority and monitor the implementation of succession strategies approved by the Board.
- vii. To ensure efficient and effective operations of the Administrative Review Board Secretariat.
- viii. To advise on appropriate human resource policies in view of the changing needs of the Authority.
- ix. To advise on the acquisition and maintenance of office facilities and assets.
- x. To advise on the framework for productivity and performance in the Authority
- xi. To monitor the management of the Pension Scheme on behalf of the Board with a view to ensuring that the obligations of the Authority are properly discharged.
- xii. To review on a quarterly basis, the authority's financial, procurement, and human resource management reports; and make appropriate recommendations to the Board.
- xiii. To make recommendations to the Board on all matters relating to the welfare of the members of Public Procurement Administrative Review Board and the Public Procurement Regulatory Board.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

During the period under review the Committee held six (6) meetings as shown below:

Table 2: Attendance of the Corporate Services Committee Meetings

S/No	Board Member	Meetings Attended	Meetings held	% Attendance
1	Mr. Amos Simiyu Makokha	6	6	100%
2	Mr. Eric Korir	6	6	100%
3	Ms. Lucy Chepkemai	6	6	100%
4	Mr. Allan Kamau Njoroge	5	6	83.3%

Compliance and Communication Committee

The purpose of the Compliance and Communication Committee is to advise and make recommendations to the Board on how to ensure the proper and effective performance of the functions of the Authority. Its role is to ensure a very effective supervisory role of Authority in carrying out its core mandate and strategic functions.

The Terms of Reference of the Committee are as follows:

- a) Advise the Board on compliance monitoring, public procurement policy matters, and any amendments to the Act and the Regulations to be proposed by the Authority.
- b) Advise on strategies to be used by the Authority to ensure compliance with the procurement law.
- c) Review policies, guidelines, codes of ethics, standards and manuals to be used in the implementation of the procurement law.
- d) Recommend to the Board corporate branding and reputation management strategies that will increase the profile of the Authority as the country's voice on procurement
- e) Advise the Board on communication strategies to be undertaken by the Authority for dissemination of information to facilitate the implementation of procurement standards.
- f) Advise the Board on strategies to be adopted by the Authority to manage key stakeholders.
- g) To draw the annual calendar and work plan for the Committee

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

During the period under review the committee held 3 meetings as shown below:

Table 3: Attendance of Committee Meetings by Committee Members

S/No	Board Member	Meetings Attended	Meetings Held	% Attendance
1	Mr. Patrick Kimemia	3	3	100%
2	Mr. Eric Korir	3	3	100%
3	Ms. Lucy Chepkemoi	3	3	100%

Strategy and Resource Mobilization Committee

The purpose of the Strategy & Resource Mobilization Committee is to advise and make recommendations to the Board on how to ensure the proper and effective performance of the functions of the Authority. The Committee shall be responsible for overall strategy alignment to the overarching National Government agenda and monitoring the implementation of the strategic plan, corporate work plan, performance contract, resource mobilization strategies, risk management strategies, quality management system, and stakeholder management and collaboration strategies.

The Terms of Reference of the Committee are as follows:

- a) To oversight and advise the Board on all planning matters in the Authority including the development and review of the Strategic Plan, the Performance Contract and the Corporate Work Plans;
- b) To monitor the implementation of the Strategic Plan, Performance Contract and Annual Corporate Work Plan, and advise the Board on areas of intervention;
- c) To explore strategies of raising funds for the Authority, both internally and externally, and advise the Board on strategies and policies on resource mobilization and income generating activities;
- d) To advise the Board on the Authority's risk management strategies and policies and monitor the implementation of the risk management framework in the Authority;
- e) To advise the Board on appropriate strategies and policies that foster an effective quality management system in the Authority;
- f) To advise the Board on strategies and policies on stakeholder management; and
- g) To advise the Board on the establishment, implementation and review of various partnership and collaboration frameworks between the Authority and its partners and/or stakeholders.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

During the period under review the committee held 5 meetings as shown below:

Table 4: Attendance of Committee Meetings

S/No	Board Member	Meetings Attended	Meetings Held	% Attendance
1	Ms. Linda Susan Ingari *	2	5	40%
2	Mr. Amos Simiyu Makokha	5	5	100%
3	Mr. Allan Kamau Njoroge	5	5	100%
4	Mr. Ali Mohammed Haji	5	5	100%

* Ms. Linda Ingari was reappointed to the Board on 22nd November, 2024 and subsequently to the Committee on 17th December, 2024

Audit, Risk and Governance Committee

The Public Procurement Regulatory Board has established an audit, risk and governance committee (the audit committee) pursuant to the requirements of Section 73(5) of the Public Finance Management Act, 2012 and Section 1.7(1)(b) of *Mwongozo Code of Governance for State Corporations*. The audit committee forms a key element in the Authority's governance process as it provides independent oversight of activities of the Authority's top management, the quality of risk management, financial reporting, effectiveness of governance processes and internal controls.

The specific roles of the audit committee include:

- a) Evaluating the adequacy of management procedures with regard to issues relating to risk management, internal controls and governance.
- b) Reviewing and approving the internal audit charter and the internal audit annual work plans.
- c) Reviewing the internal and external audit findings, recommendations, and proposing corrective and preventive action where necessary.
- d) Reviewing the systems established by the Authority to ensure sound financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- e) Initiating special audit on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Director-General.

The audit committee assists the Public Procurement Regulatory Board in fulfilling its statutory and fiduciary oversight responsibilities relating to governance, accountability, risk management, external audit and transparency to the Authority and its stakeholders.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Composition of the Audit, Risk & Governance Committee

The members of the Public Procurement Regulatory Board who served in the audit committee in the FY 2024/2025 were:

Table 5: Composition of Audit, Risk & Governance Committee

S/No.	Name	Position
1.	Mr. Ali Mohamed Haji	Chairperson, Audit Committee
2.	Mr. Patrick Kimemia	Member, Audit Committee
3.	Mr. Eric Korir	Member, Audit Committee
4.	Ms. Linda Susan Ingari*	Member, Audit Committee

*Ms. Linda Ingari was appointed to the Audit Committee on 17th December, 2024.

The Secretary to the Audit Committee was Mr. Julius Mungai - the Ag. Director, Internal Audit and Risk Assurance at PPRA.

Audit Committee Meetings Attendance by Members

The meetings of the audit committee and the attendance by the members in the FY 2024/2025 are as indicated in the table below:

Table 6: Attendance of Committee Meetings

S/No	Board Member	Meetings Attended	Meetings held	% Attendance
1.	Mr. Ali Mohamed Haji	9	9	100%
2.	Mr. Patrick Kimemia	9	9	100%
3.	Mr. Eric Korir	9	9	100%
4.	Ms. Linda Susan Ingari	3	9	33%

*Ms. Linda Ingari was appointed to the Audit Committee on 17th December, 2024.

Key Matters Considered by the Audit Committee

During the FY 2024/2025, the Audit Committee considered a number of matters (and made salient recommendations for improvement) key among them being:

- a) Reviewed the draft financial statements for both the PPRA and the PPRA Staff Loans Scheme for the year ended 30th June, 2024; and the internal audit reports thereof;
- b) Reviewed the Internal Audit work plan and Audit Committee Work plan and Calendar for the FY 2024/2025;
- c) Reviewed the various internal audit reports for audits undertaken in the period under consideration;

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

- d) Reviewed the follow-up audit reports on issues previously raised in the Internal Audit reports and the external audit certificates to ascertain the status of implementation;
- e) Participated in the external audit entry meeting with the office of the Auditor-General (OAG) and PPRA's management during the audit of PPRA's financial statements for the FY 2023/2024 (to discuss various issues amongst them the audit process, key deliverables, target dates, expectations from both OAG and PPRA and assignment of responsibilities);
- f) Reviewed the audit certificates from OAG for both PPRA and PPRA Loans Scheme for the FY 2023/2024; and
- g) Made recommendations to management and the Board on various matters.

Training for the Audit Committee

Two members of the Audit committee and the secretary attended a training organized by the Institute of Internal Auditors (IIA) Kenya. The training whose theme was *'Building Effective Audit Committees'* was held between *Monday September, 30th 2024 to Friday, October 4th 2024* at the *Sarova White Sands Resort, Mombasa*.

The training covered the following topics;

- i) The theories of corporate Governance in Kenyan Context
- ii) The principles of corporate Governance and their application
- iii) Organizational Culture; Auditing Culture and cultural diversity in the workplace
- iv) Risk Governance
- v) Risk Oversight
- vi) 25 questions Board and Audit Committee should ask about Cybersecurity
- vii) Financial Statements review and Oversight
- viii) Key Financial Ratios for board oversight
- ix) Understanding Heart Diseases
- x) Environmental Social Governance (ESG) Governance
- xi) Sustainability Review and Reporting

Debarment Committee

The purpose of the Debarment Committee is to debar errant firms from participating in procurement and asset disposal proceedings based on the grounds set out in Section 41 of the Public Procurement and Asset Disposal Act 2015 and the procedure prescribed in Regulation 22 (5) of the Public Procurement and Asset Disposal Regulations 2020.

The Terms of Reference of the Debarment Committee are as follows:

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

- a) To hear and determine debarment requests that have been submitted to the Authority
- b) To analyse debarment requests within thirty days and determine whether there is a *prima facie* case for debarment
- c) To issue a notice of intended debarment to the party who shall be the subject of the debarment proceedings requiring him/her to file a written response with the Board.
- d) To, within twenty-one days of receipt of the response, hold debarment hearing to determine the disputed facts.
- e) To prepare a report of its findings and recommendations, and make a determination on the request for debarment within thirty days from the date of hearing.

During the period under consideration, the committee held 16 meetings as below:

Table 7: Attendance of Committee Meetings by Committee Members

S/No	Board Member	Meetings Attended	Meetings Held	% Attendance
1.	Hon. Kadhua Jimmy Kahindi *	4	20	20%
2.	Hon. Mwangi Wa Iria**	14	20	70%
3.	Susan Linda Ingari***	16	20	80%
4.	Eric Korir	16	20	80%
5.	Allan Kamau	17	20	85%
6.	Patrick Kimemia	19	20	95%
7.	Ali Mohamed Haji	19	20	95%
8.	Lucy Chepkemoi	19	20	95%
9.	Amos Makokha	19	20	95%

* Hon. Kadhua Jimmy Kahindi was replaced as Chairman of the Board on 20th December, 2024

** Hon. Mwangi Wa Iria was appointed as Chairman of the Board on 20th December 2024 and immediately assumed Chairmanship of the Committee

*** Ms. Linda Ingari was reappointed to the Board on 22nd November, 2024 and subsequently to the Committee on 17th December, 2024

Board Remuneration

The Board members are paid taxable sitting allowance as approved by the Minister responsible for finance following guidelines from the State Corporations Advisory Committee. The Chairman is paid honoraria at a rate approved by the Government. Transport expenses are reimbursed on travel for Board business at the prevailing Automobile Association of Kenya (AA) rates. The members are also entitled to outpatient and inpatient medical cover, and a personal accident cover.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Board Capacity Development

Training and development programs were organized to equip the Board with the necessary skills for effective discharge of their duties and enhancing their understanding of the Authority's mandate.

During the year under review, eight (8) members of the Board attended various capacity building and development programs. The programs attended by Board members are as shown below:

- a) Corporate Governance Training offered by the Centre for Corporate Governance;
- b) Mwongozo Induction organized by the Institute of Certified Secretaries; and
- c) Capacity Building Program for Chairmen. Board Members and Chief Executive Officers organized by the Office of the Chief of Staff & Head of the Public Service.

Conflict of Interest, Code of Conduct and Ethics

The Board has embedded a Code of Conduct, Ethics and Performance into the Board Charter to guide the Board members on ethical conduct. The code requires that all Board members disclose any interest that conflicts or may possibly conflict with the interests of the Authority. If a conflict of interest is declared, it is a requirement that the Board member affected is excluded from any discussion or decision over the matter in question.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS

The Authority works closely with all stakeholders to ensure smooth implementation of the Public Procurement and Asset Disposal Act 2015 and the attendant regulations. The financial and operational performance results of the Authority are as detailed in the following sections.

SECTION A: OPERATIONAL AND FINANCIAL PERFORMANCE

1. FINANCIAL PERFORMANCE

During the period under review, the Authority raised Kshs.1,760,010,692 compared to Kshs.473,899,603 raised in the previous financial year, a 371.4% growth. The revenue comprised of: Government funding Kshs.1,666,269,000, development partner support Kshs.24,197,505 and ordinary Appropriation-In-Aid (A-I-A) Kshs.69,544,188.

This was a remarkable increase in revenue generation compared to the previous financial year where a total of Kshs. 473,899,603 was raised. The figure comprised of: Government funding Kshs. 397,671,000, development partner support Kshs. 9,950,630 and ordinary Appropriation-In-Aid (A-I-A) Kshs. 66,277,973.

Over the same period, the Authority spent Kshs.1,728,419,944 compared to Kshs.471,097,899 spent in the previous financial year representing a growth of 366.9. The major expenditure items during the year were: Use of goods and services at Kshs.1,303,573,034, employee costs at Kshs.300,787,729, Board expenses Kshs.48,973,953, contracted services Kshs.7,505,579, repairs and maintenance at Kshs.1,523,838 and depreciation Kshs. 66,055,811.

The Authority's balance sheet position grew to Kshs.1,231,545,425 from Kshs.332,431,510 the previous financial year representing a growth of 370.5%.

2. OPERATIONAL PERFORMANCE

2.1 Key Result Area 1: Public Procurement and Asset Disposal Monitoring

The Authority is mandated under Section 9 (1) (a) & (b) of the Act to monitor, assess and review the public procurement and asset disposal system to ensure respect for the national values and other provisions of the Constitution, including Article 227 and make recommendations for improvements. This includes monitoring the performance of the system and reporting on its overall performance.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

2.1.1 Monitoring of Compliance with the Public Procurement Law

The Authority monitors compliance with the Public Procurement Law through a number of strategies including, procurement assessments, procurement reviews, contract audits, inspections, follow up of implementation of recommendations and review of mandatory reports submitted by procuring entities (PEs). During the year, the Authority implemented a number of activities as discussed in subsequent subsections.

(i) Review of mandatory quarterly reports

Pursuant to the provisions of the Act, procuring entities (PEs) are required to submit mandatory reports to the Authority within the prescribed timelines. The reports include, all contract awards; terminations of procurement proceedings; direct procurement above Kes.500,000; disposal to employees; contract variations/amendments, contract awards under the preference and reservation schemes and part of the procurement consolidated annual procurement plan demonstrating application of preference and reservation schemes. The Authority reviews the reports to assess compliance with the provisions of the Procurement Law and relevant directives.

(ii) Reports on All Contract Awards

A total of 411 Public Entities (PEs) reported for the financial year 2024/2025, representing value Kshs. 217,455,958,652.49. The largest contributors were State Corporations 159 (38.7%), Public Colleges 50 (12.2%), County Governments 40 (9.7%), Public Universities 31(7.5%), County Assemblies 32 (7.8%), Public Water Companies 23 (5.6%), Commissions and Independent Offices 13 (3.2%), Semi-Autonomous Government Agencies 15 (3.6%), NGCDF Committees 9 (2.3%), NGAAF 5 (1.2%, the Presidency 3 (0.8), Ministries 15 (3.6%), County Service Delivery Units, 8 (1.9%) and Pension Schemes 8 (1.9%)

(iii) Report on Disposal to Employees

A total of 585 disposals were reported by 14 Public Entities (PEs). State corporations 467(80%), Commissions 75(12.8%), Colleges 44(7.5%), County assemblies 1(0.2%) and Water companies 1(0.2%)

(iv) Report on Beneficial Owners Information

During the financial year 2024/2025, beneficial owners were disclosed for a total number of 11,175 contracts. The beneficial owners were attached to the name of the supplier, tender description and tender number. It was noted that only three Hundred and six (306) procuring entities reported on BOI. This is below the number that reported contract awards.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

(v) Report on Termination of Contracts

During the financial year 2024/2025 a total of 1,731 reports were submitted across various categories of Public Entities (PEs). State Corporations led with 896(51.7%) reports, followed by County Governments with 356(14.7%) and Commissions and Independent Offices with 166(9.5%). County Assemblies contributed 74(4.2%), while Public Universities and Public Water Companies submitted 63(3.6%) and 57(3.2%) reports respectively. Semi-Autonomous Government Agencies accounted for 37(2.1%) reports, and State Departments 30(1.7%). Public Colleges reported 20(1.1%), NGCDF Committees 11(1.5%), and Other Entities owned by County Governments 10(1.3%). Ministries and Pension Schemes each submitted a modest number of reports 4(0.4%) and 3(0.4%) respectively, while The Presidency also contributed 3(0.4%). Public Schools had the lowest count, with just 1(0.1%).

Reasons for terminations

1505 cases of terminations were reported , most common reason for the tender terminations is that all evaluated tenders were non-responsive accounting for 718(47.7%) cases. Inadequate budgetary provision 289(19.2%) terminations, while material governance issues were detected in 234((15.5%); Operation of law contributed to 226(15%); no tender was received 147(9.7%); Prices of bids exceeding market rates resulted in 56(3.7%); substantial technological changes accounted for 51(3.8%); force majeure 7(0.4%) and evidence of engagement in fraudulent or corrupt practices by the tenderer 3(0.2).

(vi) Reports on Preferences & Reservation Scheme

During the year, 1,039 procuring entities reported a total of 8,632 contracts valued at Kshs. 18,475,426,731.11 that were awarded to youth, women, and persons with disabilities under the preference and reservation scheme. The submissions from procuring entities were analyzed and PPRA prepared two (2) half-year reports to Parliament and the National Treasury on the performance of the scheme, with recommendations for improvement.

The analysis of the reports revealed that a total of 4,470 contracts worth Kshs. 10,015,220,372.35 were awarded in the first half of the year, while 4,162 contracts worth Kshs. 8,460,206,358.76 were awarded in the second half. This reflects a slight decline in both the number and value of contracts in the second half of the reporting period. The value of contracts awarded to women, youth and persons with disability were Kshs. 7,680,991,390.55, Kshs. 7,784,212,146.98 and Kshs. 3,010,223,193.58 respectively.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

The reported value of planned reserved contracts across all categories of procuring entities was Kshs.115,637,480,627.29, out of which only Kshs.18,475,426,731.11 was absorbed, giving an absorption rate of 16.0 %. This indicates that more than 84 % of the procurement budget set aside for disadvantaged groups was either unreported or unutilized during the financial year.

2.2 Key Result Area 2: Standards Development and Enforcement

2.2.1 Standards Development

During the period under review, the Authority reviewed and uploaded 29 standard tender documents in the template library module of the e-GPS.

The Authority submitted proposed amendments to the Public Procurement and Asset Disposal Act, 2015 to the National Treasury and participated in the National Treasury stakeholders meeting to review the proposed amendments.

In addition, PPRA participated in the taskforce to develop Sustainable Public Procurement Framework and made contributions on the development of the framework that will guide and ensure that Kenya embraces sustainability requirements in public procurement and asset disposal.

Further, PPRA issued the following circulars to guide on various matters:

- **Circular No. 01/2024 dated 30th August 2024:** Implementation of Capacity Building Levy Order 2023;
- **Circular No. 01/2025 dated 7th February 2025:** Addressing delayed payments by County Governments;
- **Circular No. 02/2025 dated 17th June 2025:** Integration of PPIP with e-GP System; and
- **Circular No. 03/2025 dated 27th June 2025:** Guidance on framework agreements during e-GP transition.

2.2.2 Standards Enforcement

a) Administrative Review of Public Procurement Disputes

(j) Requests for Review

During the year under review, the Public Procurement Administrative Review Board handled a total of 161 procurement disputes across various categories of procuring entities. The majority of these disputes 108 cases, representing

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

67.1% originated from State Corporations and Semi-Autonomous Government Agencies (SAGAs), indicating a significant concentration of procurement issues within this category.

Other applications were against; County Executives, with 13 disputes (8.1%), Ministries and State Departments with 10 disputes (6.2%), Public Universities and Colleges had 8 disputes (5.0%), while Polytechnics & TVETs, NG-CDF, and Public Schools accounted for a smaller but comparable share of applications ranging from between 2.6% and 3.2%.

For the remaining categories: County Assemblies, Independent Offices & Commissions, the Parliamentary Service Commission, Pension for Public Entity, and Private Entities, the applications accounted for less than 2% of the 161 applications.

This distribution highlights a trend where a substantial majority of procurement disputes are concentrated in high spend procuring entities, particularly State Corporations and SAGAs, potentially due to the volume and value of procurement activities they undertake.

(ii) Outcome of the Requests for Review

During the reporting year, 80 applications (49.7%) resulted in successful decisions, indicating that nearly half of the disputes presented to the Board were deemed to be valid. Meanwhile, 66 applications (41%) were dismissed, indicating that a sizable proportion of the disputes did not satisfy the necessary threshold for further action or lacked adequate proof. In addition, 15 applications (9.3%) were withdrawn due to voluntary consent between parties.

(iii) Judicial Review Cases

During the 2024/2025 financial year, a total of 57 decisions rendered by the Public Procurement Administrative Review Board (PPARB) were subjected to Judicial Review in the High Court. Of these; 32 decisions of the Board were upheld by the court, 17 decisions were quashed or referred back for rehearing, 2 cases were withdrawn by the applicants and 6 cases were still pending determination.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

b) Debarment

During the financial year, the Debarment Committee handled 13 applications. In each application, the Board established whether there was a prima facie case for debarment, before hearing and determining the application. There were 9 applications that resulted in debarment of suppliers, while 4 applications for debarment were unsuccessful. In 7 applications, the debarred parties were dissatisfied with the decision of the Committee and filed judicial review applications in the High Court. Three (3) appeals were successful resulting in quashing of the debarment decisions whereas four (4) appeals were still pending in the High Court as at the end of the financial year.

The common grounds for debarment were falsification of information/documents on qualifications and breach of procurement contracts including of poor performance.

c) Complaints

During the year, the Authority handled 371 complaints, out of which 85 were concluded as at the end of the year. In terms of distribution of complaints across the procuring entities: State Corporations and SAGAs had the highest number of complaints at 197(53.10%); County Executives 48(12.94%); Ministries and State Departments 27(7.28%); and Schools 26 (7.01%) while other procuring entities accounted for 73 complaints equivalent to 19.58%.

On the nature of complaints handled during the year; 105 were on award and notification, 60 on delayed payment, 55 on irregularities in tendering process, 35 on tender evaluation, 26 on contract management, 20 on alleged corruption, 13 on Request for information & Professional Opinion; 10 on Termination of procurement Proceedings; 8 on Flawed Evaluation of tenders; 8 on Disposal, and 31 on various other areas.

Procuring entities were issued on instructions on how to address non-compliance issues/gaps identified in the analysis of complaints.

d) Investigations

In total the Authority handled sixteen (16) investigations within the financial year. During the period, the Authority instituted four (4) investigations. Two (2) were in regard to alleged contracts awarded by the County Government of Wajir, following an order issued by the Public Procurement Administrative Review Board (PPARB). In addition, the Authority progressed twelve (12) more investigations that had been instituted in the previous financial year (2023-2024), relating to procurements undertaken by six (6) different procuring entities.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Five (5) of the investigations were finalised within the period, by issuing the final investigations reports to the respective procuring entities, for their responses and/or implementation of the recommendation while whereas the remainder, eleven (11), were in various stages of progressing.

Key observations drawn from investigations included:

- (i) Failure to fulfil the requirements of Section 74 of the Act and Regulation 71 of the Regulations regarding procurement initiation;
- (ii) Failure to observe the provisions of Section 80 (2) of the Act in applying evaluation criteria specified in the tender document
- (iii) Failure to apply same parameters on each bidder during the post qualification/due diligence; and
- (iv) Failure by the procuring entity to pay for goods already delivered and accepted;

2.3 Key Result Area 3: Research, Training and Advisory Services

2.3.1 Market Price Index

The Authority is mandated under section 9(1) (m) of the Public Procurement and Asset Disposal Act, 2015 (the Act) to maintain a central repository for among others market prices of goods, services, works and benchmarked prices. Section 54 (2) & (3) further requires respectively that standard goods, services and works with known market prices shall be procured at the prevailing market price; and that the Authority shall prepare and issue a quarterly market price Reference guide as a reference guide to assist procuring entities make informed decisions.

The Authority concluded the market surveys and data analysis for preparation of the Market Price Index was in progress as at the end of the financial year.

2.3.2 Research on Schools Compliance with the Public Procurement Law

The Authority conducted research to understand the reasons for the levels of compliance by Schools with the provisions of the Public Procurement and Asset Disposal law. The data collected across the country during the research was being analyzed as at the end of the financial year. The findings of the research will enable the Authority propose measures to be put in place so as to improve the compliance levels for schools.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

2.3.3 MAPS Assessment

The Authority is coordinating the assessment of the public procurement and asset disposal system using the Methodology for Assessing Procurement Systems (MAPS) Tool. The assessment is expected to establish the strengths, weaknesses, and emerging issues, that should be addressed through reforms. During the year under review, the assessment of the sampled 63 procuring entities was fully completed, where a total of 630 contracts were reviewed and 63 heads of procurement functions interviewed. Consultation of key stakeholders both through questionnaires and interviews were also concluded. The complete indicator matrix had been prepared and the draft assessment report will be finalized in the next financial year.

2.3.4 Training and capacity Building

The Authority rolled out trainings on Public Procurement Information Portal, Capacity Building Levy and emerging issues for procurement professionals from Ministries, Departments, County executives and assemblies, National Government Constituency Development Fund, Technical and Vocational Education and Trainings and Agencies under Phase I. School Principals, Chairpersons of Boards of management and supply chain professionals among other users were trained in Phase II all totaling 13,486 persons.

2.3.5 Advisories

The Authority received and processed 244 requests for advice from various public procurement and asset disposal stakeholders. 65.9% of all requests for advice were from Ministries, state corporations and SAGAs. The remaining 34.1% were received from Constitutional Commissions and Independent Offices, County Governments, Public Universities, Polytechnics, TVETs, Pension Funds for Public Entities, Bidders/Contractors/Suppliers, NGCDFs and NGAAP, Procurement Practitioner and others. Common areas of requests for advice were Choice of procurement method, Transfer of Procurement Responsibility, Tender Evaluation

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

2.3.6 Technical support

The Authority provided technical support to various stakeholders including: Konza Technopolis Development Authority on review the Konza National Data Center, Smart City Solutions, Partnerships and Commercialization Policy and Instruments; The World Bank on overview of World Bank Procurement Framework; Danish Institute of Human Rights on development of guidelines on Public Procurement and Human Rights; The National Treasury on Uploading of the Standard Tender Documents in the Electronic Government Procurement System (e-GPS); and the MAPs Technical Committee Meeting on Review of Progress of the Country Procurement Assessment.

2.4 Key Result Area 04: Public Procurement and Asset Disposal Information Management

2.4.1 e Government Procurement System

The Authority continued to work with The National Treasury to facilitate the roll out of the e-GP system through review and designing of electronic formats of tender documents for uploading in the e-GP templates library.

Further, the Authority held a joint workshop with teams from; the National Treasury e-GP project, Strathmore University (iLab) and the e-GP consultants (Sybyl) to develop a framework for integration of the e-GP system with the PPIP. The framework was handed over to the respective consultants who will collaboratively work with the Authority to develop and implement the required interfaces for integration.

2.4.2. Public Procurement Information Portal

The Authority implemented country-wide stakeholder sensitization and capacity building on the enhanced PPIP through which **1,735** new users were trained on the upgraded PPIP. Cumulatively, **1,133 Procuring Entities** had been registered on the portal, **225,842** tenders advertised and **108,007** contracts worth **Kshs. 1,750,112,913,763** had been published in the PPIP as at the end of the 2024/2025 financial year.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

2.5 Key Result Area 5: Stakeholder Engagements and Strategic Partnerships

The Authority participated in the underlisted stakeholder engagements and strategic partnership initiatives:

- a) The Inaugural Workshop of the 'Strengthening Good Governance in Kenya' Programme convened by GIZ from 14th to 15th May 2025. The purpose of the workshop was to provide a platform for partners to present their workplans and explore opportunities for collaboration and synergy across output areas.
- b) A Governance Diagnostic Assessment (GDA) meeting organized by IMF that took place on the 20th of June, 2025. The purpose of the assessment was to identify vulnerabilities and weaknesses in governance systems that could provide avenues for corruption. The key areas under review included Public Procurement Systems, fiscal policy weaknesses and the rule of law including Anti-Money Laundering/Countering the Financing of Terrorism (AMT/CFT) mechanisms.
- c) The Business Outreach event organized by the World Bank on the 24th of June 2025. The objective of the event was to provide the business community with an overview of the World Bank's Procurement Framework, procurement opportunities in bank-financed projects, evaluation bids and proposals, and resolution of procurement related complaints and how to capitalize on such opportunities.
- d) The Horn of Africa Gateway Development Project (HoAGDP) workshop held on 30th June 2025. The aim of the workshop was to discuss the Monitoring and Evaluation Annual Report for Year 1 (March 2024 - May 2025) prepared by the Consultants.
- e) The 56th National Coordinating Committee Meeting of the Kenya Leadership Integrity Forum (KILF) organized by the Ethics and Anti-Corruption Commission (EACC). The forum was established as a partnership and governance initiative to promote ethics and integrity. It took place on the 14th May, 2025.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

- f) The Union for the Mediterranean (UfM) capacity building workshop on sustainable public procurement, organized by the UN Environmental Programme (UNEP) as a development partner keen on supporting the Kenya PFMR Strategy 2023-2028. The two (2) day workshop was held in Istanbul, Turkey, from 28th – 29th May 2025. The aim of the workshop was to enhance the adoption of sustainable public procurement practices in public buildings and constructions.
- g) The e-Government Procurement (e-GP) system and the Public Procurement Information Portal (PPIP) for an effective and sustainable public procurement online system. The activities were coordinated by the National Treasury and PPRA, and took place from 2nd to 6th June 2025;
- h) A peer review of the Kenya's Competition and Consumer Welfare Enforcement Framework that was conducted by the Organization for Economic Co-operation and Development (OECD). The peer review took place at the Competition Authority of Kenya's office on 11th June, 2025. OECD conducted the peer review to assess the Authority's perception of the efficacy of Kenya's competition framework, the nature of its interactions with CAK and its view on how efforts to promote a competitive culture in Kenya can be enhanced.

2.6 Key Result Area 6: Institutional Sustainability and Service Delivery

During the year, the following activities were undertaken towards the Authority's brand promotion and publicity.

1) Publicity and awareness

The Authority participated in various Agricultural Society of Kenya shows, a key platform for public engagement, stakeholder interaction, and awareness creation on matters relating to public procurement.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

At the Authority's exhibition stand, visitors raised a variety of inquiries, with the most common focusing on:

- Implementation of the Public Procurement Capacity Building Levy- Attendees sought clarification on the levy's scope, applicability, and its anticipated impact on procurement processes and various stakeholders.
- Registration for the Access to Government Procurement Opportunities (AGPO) - Visitors requested guidance on the registration process and eligibility criteria.
- Mandate and presence of the Authority - There were general inquiries about PPRA's mandate, its regulatory and oversight role in public procurement, and how stakeholders can engage with the Authority to ensure compliance and receive necessary support.

a) Capacity Building Levy

Topics: Levy percentage, payment obligations, processes, exemptions, waivers, and excess payments.

b) Service Charter and Public Awareness

Updates: Revised service charter, responsibilities of county governments and advisory notices.

c) Social Media Commemorative Posts

Between April and June 2025, PPRA actively engaged stakeholders through **commemorative social media posts** marking key national and global days.

These included: Good Friday, Easter Monday, Earth Day and Madaraka Day

Notable Highlight:

The **Madaraka Day Poster (01/06/2025)** recorded the **highest traction** in this quarter, with:

- **X (Twitter): 222 engagements**
- **Facebook: 418 engagements**

Growth Insight (April – June 2025):

- Total **Facebook Page Likes grew by 150 likes**, reflecting increased visibility among stakeholders.
- **X (Twitter) Followers grew by 100 followers**, driven by consistent commemorative and informational posts.
- Overall **cross-platform engagement rose**, showcasing the impact of timely and well-aligned content.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

Takeaway: Strategic commemorative content not only enhances PPRA’s visibility but also fosters stakeholder connection by aligning with national values and global causes.

d) Debarment Services

- Topics covered: Definition, importance, process, initiators, involved parties and burden of proof.
- Strong engagement:
 - *Debarment Process (20/05/2025)* – Facebook: 895
 - *Burden of Proof in Debarment (23/05/2025)* – Facebook: 731
 - *Who Can Initiate Proceedings (22/05/2025)* – Facebook: 681

e) Administrative Review Board (PPARB)

- Information shared on: Case management, complaint filing, review process, and decision access.
- Top posts:
 - *Review Process at PPARB (29/05/2025)* – Facebook: 974
 - *Case Management System (26/05/2025)* – Facebook: 834

g) Environmental and Public Engagement Activities

Participated in various tree growing activities.

h) System and Training Announcements

- Topics: PPIP training, integration of PPIP with e-GP, and training for schools.
- High engagement:
 - *Training for Schools (05/06/2025)* – Facebook: 1,203
 - *Circular 2/2025 on Integration of Public Procurement Information Portal (PPIP) with Electronic Government Procurement System (eGPS) (17/06/2025)* – Facebook: 605
 - *Post on Electronic Government Procurement System (e-GPS) with media coverage (20/06/2025)* – Facebook: 1,155

2) Corporate Social Responsibility

The Authority, in collaboration with the Kenya Institute of Supplies Examination Board (KISEB), awarded the top three candidates of the Certified Procurement and Supplies Professional of Kenya (CPSP-K) during a certificate award ceremony held on 13th June 2025.

As part of its environmental conservation efforts, the Authority also took part in several tree growing initiatives.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

3) LITIGATION MATTERS HANDLED

During the year, the Authority attended to the various court matters. As at the end of the financial year the following matters were still pending in various courts:

a) CONSTITUTIONAL PETITION NO. E194 OF 2025: FREDRICK MULAA -VS- KENYA PIPELINE LIMITED & 4 OTHERS

This case was filed on 10th April, 2025. The Applicant sought orders from the Court to compel KPLC to re-advertise tender No. KPC/PU/OT-163/PROJECTS/NBI/24-25 with strict adherence to the Constitution and the Public Procurement & Asset Disposal Act. and more specifically to allow foreign tenderers and joint ventures to participate in the tender.

The Authority was enjoined as an Interested Party in the suit and entered appearance on 19th May, 2025 to await the outcome of the suit. A ruling on the applications filed therein will be delivered on 9th October, 2025.

b) JUDICIAL REVIEW NO. E086 OF 2025: EAA COMPANY LIMITED -VS- CHARLES NZAI, PPRA & PPRB

The Applicant sought orders of certiorari and prohibition to quash the debarment decision of the 3rd Respondent dated 18th March, 2025 and to restrain the 2nd and 3rd Respondents from implementing the stated decision.

The matter was conclusively heard and judgement delivered on 13th May, 2025 whereby the Applicant's application seeking the stated orders was dismissed and the court held that the 3rd Respondent's decision had no juridical error nor did it violate any principles of natural justice. This decision effectively allowed the publication of the debarment of EAA Co. Ltd.

c) CONSTITUTIONAL AND HUMAN RIGHTS PETITION NO. E007 OF 2025: DISHAN JOEL MWANYUMBA & ANOTHER -VS- COUNTY GOVERNMENT OF KILIFI AND PPRA

The Petitioners/Applicants sought conservatory orders to prevent the 1st Respondent from processing and evaluating bids in respect of Tender No. KCG/PSM/1796197/2024/2025 – Provision of Comprehensive Medical Insurance Cover Services for Staff of the County Government of Kilifi in the form it was.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

When the matter came up for mention on 24th April, 2025 the court gave directions on filings and reserved a mention date for 8th October, 2025.

**d) CONSTITUTIONAL AND HUMAN RIGHTS PETITION NO. E318 OF 2025:
LEMPAA SUYIANKA -VS- PUBLIC SERVICE SUPERANNUATION FUND,
PPRA & 3 OTHERS**

The Petitioner/Applicant sought an injunction to stop the ongoing recruitment of multiple fund managers for the Public Service Superannuation Fund by the Respondent or in the alternative an order directed at the Respondent to conduct the procurement exercise without reliance on the offending clause that caps the suitability of candidates to bid with a minimum of Kshs. 150,000,000,000 as asset under management for Kenya Pensions Scheme. The Respondent filed a Notice of Preliminary Objection and Grounds of Opposition against the application and petition.

The Authority was enjoined as an Interested Party and entered appearance on 9th June, 2025 to await the outcome of the case. When the matter came up for mention on 18th June, 2025 the court gave directions on filing of submissions and reserved a date for highlighting the submissions on 3rd December, 2025.

**e) MURANG'A CONSTITUTIONAL AND HUMAN RIGHTS PETITION NO. 4 OF
2025: AFRICAN CENTRE FOR PEACE AND HUMAN RIGHTS -VS- AG,
PPRA & 3 OTHERS**

The Petitioner/Applicant sought conservatory orders suspending the implementation of the Debarment Manual pending hearing and determination of the Application and Petition. The Petitioner was challenging the constitutionality of the PPRA Debarment Manual by arguing that PPRA does not have the mandate to legislate or create subsidiary legislation. The Petitioner argued that the Debarment Committee and the Debarment Manual were illegal and void.

The Authority was enjoined in the matter as a 2nd Respondent and entered appearance on 20th June, 2025. The matter will come up for mention on 23rd October, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

**f) CONSTITUTIONAL AND HUMAN RIGHTS PETITION NO. E251 OF 2025:
INSTITUTION OF SURVEYORS OF KENYA -VS- NSSF & PPRA**

The Applicant filed this suit seeking orders that Tender No. NSSF/ONT/AV/18/2024/25 for provision of asset verification and valuation services by NSSF be quashed, an order of prohibition to prohibit and or restrain the 1st Respondent from implementing or seeking to enforce the implementation or, or further implementation of Tender No. NSSF/ONT/AV/18/2024/25 for provision of asset verification and valuation services and an order of Mandamus to be issued compelling the 1st Respondent to re-advertise the aforementioned tender within twenty-one (21) days in conformity with the law and just procurement principles and in a proper, open and objective manner devoid of the illegal and unconstitutional requirements and conditions.

The Authority was enjoined in the matter as the 2nd Respondent and entered appearance on 19th May, 2025 to await the outcome of the case. The matter was reserved for ruling on the applications filed for 14th August, 2025.

**g) MURANG'A ENVIRONMENT AND LAND COURT PETITION NO. E002 OF
2025: ELIZABETH WANJIRU NG'ANG'A & ANOTHER -VS- MURANG'A
COUNTY GOVERNMENT, PPRA & 2 OTHERS**

In this matter, the Applicant sought orders declaring that issuance and or floating of tender MCG RFP 2024 Request for Proposal for Outsourcing of Quarry Mining Operations at LR.9213/1&2 for a period of 1 year without conducting public participation was a violation of Article 35 of the Constitution as read with Section 87 of the County Governments Act No. 17 of 2012 and therefore null and avoid, and that the tender be quashed.

The Authority was enjoined as an interested party in the suit and filed its reply to the Petition awaiting the outcome of the case. The case was set for mention on 16th July, 2025.

**h) ANTI-CORRUPTION AND ECONOMIC CRIMES PETITION NO. E002 OF
2025: MWANGI WA IRIA & 8 OTHERS -VS- EACC, ODPP, PPRA & 2
OTHERS**

The Petitioners/Applicants in this matter sought conservatory orders to stay the proceedings in Milimani Magistrate's Court Anti-Corruption Court Case No. ACC E012 OF 2024 arising from the investigations of the 1st Respondent pending the determination of the application and the petition. The 1st Respondent filed grounds of opposition against the application.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

When the case came up for mention on 16th June, 2025 the Court issued the Applicants with an interim stay pending the determination of the application. The Respondents and interested parties were directed to file their response and the matter would be mentioned on 16th September, 2025 to issue a date of ruling.

i) CONSTITUTIONAL AND HUMAN RIGHTS DIVISION PETITION NO. E391 OF 2022: INHEMETER AFRICA CO. LTD WITH 4 OTHERS -VS- KPLC, PPRA AND AG.

The petitioner in this matter sought conservatory orders to stop the 1st respondent from proceeding with the procurement process of 21 pieces of single phase and 54,000 three phase smart meters, citing lack of fairness, transparency, competitiveness, contradictory, skewed, self-defeating, impracticable discriminatory and unfavourable process contrary to article 10,27,47 and 227 of the Constitution.

When the case came up for mention on 26th March, 2025, the parties were directed to appear before the court on 6th October, 2025 for highlighting of submissions.

j) JUDICIAL REVIEW APPLICATION NO. E162 OF 2025: WAASO CONSTRUCTION LIMITED -VS- THE JUDICIARY, PPRA & PPRB

The petitioner in this matter sought orders to quash the Debarment Committee's decision dated 29th May, 2025 to debar the Applicant, and to prevent the Respondents from implementing the debarment decision.

All the parties filed their pleadings and judgement was reserved for 23rd July, 2025.

k) JUDICIAL REVIEW APPLICATION NO. E155 OF 2025: COCOPAN CONSTRUCTION LIMITED -VS-, DEBARMENT COMMITTEE, PPRB & THE JUDICIARY

The petitioner in this matter sought orders to quash the Debarment Committee's decision dated 29th May, 2025 to debar the Applicant, and to prevent the Respondents from implementing the debarment decision.

All the parties filed their pleadings and judgement was reserved for 23rd July, 2025.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

l) CIVIL APPEAL NO. E329 OF 2025: EAA COMPANY LIMITED -VS- CHARLES NZAI, PPRA & PPRB

In this matter the Applicant sought an appeal against the decision of the High Court issued on 13th May, 2025 dismissing their judicial review application in the case of Judicial Review No. E086 Of 2025: EAA Company Limited -Vs- Charles Nzai, PPRA & PPRB and upholding the Debarment Committee's decision to debar the Applicant. The Applicant also sought a stay of execution of the Debarment Committee's decision pending the hearing and determination of the application and the appeal at the Court of Appeal.

The Authority and the Debarment Committee filed their responses and the matter was set for 1st July, 2025 for highlighting of submissions

m) JUDICIAL REVIEW APPLICATION NO. E063 OF 2023: JUBILEE HEALTH INSURANCE -VS- PPRA AND KAA.

The Applicant in this matter served PPRA on 5th June, 2023 with an application seeking orders to stop PPRA from proceeding and finalizing investigations being carried out against Kenya Airports Authority for a medical insurance tender in which the Applicant participated and won. The Authority filed its the Reply to the case and awaiting Submissions for the Applicant so as to file its Reply Submissions.

Judgement in this matter was issued on 1st November, 2024 in favour of the Applicant.

n) NAIROBI HIGH COURT CONSTITUTIONAL PETITION NO E011 OF 2024: JANE N. KINUTHIA vs PUBLIC PROCUREMENT REGULATORY AUTHORITY

The Petitioner, an employee of PPRA, filed a constitutional petition challenging the Authority's decision not to release information following a request for information by the Petitioner. The Authority filed its reply to the Petition and the matter the matter is scheduled for judgment on 23rd October, 2025.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

o) NAIROBI HIGH COURT JUDICIAL REVIEW APPLICATION NO E197 OF 2024: PEESAM LIMITED Vs PPRA & KAA

The Applicant was debarred on 20th August, 2024 but filed a Judicial Review against the decision and obtained stay orders on 3rd September, 2024 barring PPRA from acting on the decision pending the hearing and determination of the Application. The Authority filed its reply opposing the Application.

The matter is set for mention on 18th November, 2025 to confirm compliance on filings and to take a judgement date.

p) NAIROBI HIGH COURT CONSTITUTIONAL PETITION NO E209 OF 2024: TOP IMAGE MEDIA CONSULTANCY LIMITED & 2 OTHERS VS. ODPP AND 4 OTHERS.

The Petitioners filed this suit seeking orders to stop their arrest on corruption related matters. The 2nd Respondent herein Jane Wanjiru Mbutia filed an application dated 23rd September, 2024 seeking this matter to be transferred to the Ethics and Anti-Corruption Court.

The matter is set for mention on 4th November, 2025 to take directions on hearing of the Petition.

q) NAIROBI ELRC JUDICIAL REVIEW APPLICATION NO. E036 OF 2024 – WILSON ADIKA AVIASA vs PUBLIC PROCUREMENT REGULATORY AUTHORITY & ENWEALTH FINANCIAL SERVICES

The Applicant is a former officer who retired on 1st February, 2024. After his retirement, it came to light that the officer had obtained employment and subsequent promotion in PPRA using forged academic certificates.

The Applicant's retirement benefits have not been paid following a directive from EACC directing all Accounting Officers to withhold payment of any allowances and benefits for such officers.

The application before court seeks an order for release of retirement benefits held at the Staff Pension Scheme. The matter was considered on 16th October, 2024 and judgement was issued in favor of the Applicant.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

r) HCJR/E054/2025: AUTOTERMINAL JAPAN LIMITED VS. CHARLES NZAI AND PUBLIC PROCUREMENT REGULATORY BOARD.

The Applicant herein was debarred on 18th February, 2025 but filed a Judicial Review against the decision and obtained stay orders on 20th March, 2025 barring PPRA from acting on the decision and forwarding the decision for gazettelement pending the hearing and determination of the Application.

Judgement was issued on 9th April, 2025 quashing the debarment decision for the reason that the debarment hearing was done outside the statutory 21 days.

s) HCJR/E023/2025: SERAPH ENGINEERING LTD VS PUBLIC PROCUREMENT REGULATORY BOARD AND KENYA PIPELINE COMPANY

The Applicant was debarred on 20th January, 2025 but filed a Judicial Review Application against the decision and obtained court stay orders on 12th February, 2025 barring PPRA from acting on the debarment decision or forwarding the decision for gazettelement pending the hearing and determination of the Application.

The Authority filed its reply to the application and judgement is to be delivered on 31st October, 2025.

t) HCJR/E270/2024: MOI TEACHING & REFERRAL HOSPITAL VS PUBLIC PROCUREMENT REGULATORY AUTHORITY & MEDITECH SYSTEMS

The Applicant filed a judicial review application challenging the decision of the Debarment Committee dismissing its application for debarment of Meditech Systems.

The suit dismissed on 4th February, 2025 on a Preliminary Objection since the same had been filed outside the 14 days appeal window.

Out of the twenty cases handled, the Authority was enjoined as an interested party in four (4) of the cases filed. Litigants are increasingly seeing the need to have the Authority as the procurement regulator participate in court proceedings in order to provide its opinion to the courts on public procurement matters being litigated.

SECTION B: COMPLIANCE WITH STATUTORY REQUIREMENTS

The Authority is a good corporate citizen committed to discharging its mandate within the confines of the law and complying with statutory requirements. PPRA was not exposed to any contingent liabilities arising from non-compliance with statutory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

**SECTION C: KEY PROJECTS & INVESTMENT DECISIONS PPRA IS
PLANNING/IMPLEMENTING**

The projects being implemented by the Authority in the current financial year are:

a) Establishment of Regional Offices:

The Authority is in the process of devolving its services in accordance with Article 6(3) of the Constitution of Kenya and Sec 8(3) of PPADA 2015 by setting up regional offices. PPRA has a physical presence in Coast region whose offices are located in Mombasa; Western Kenya region, the offices are in Kisumu; North Rift region, offices located in Eldoret and South Rift Region whose offices are located in Nakuru.

In order to serve stakeholders better, the Authority has acquired office premises in Nakuru and Nyeri. The newly acquired regional office space in Nyeri and Nakuru will be ready for occupation in FY 2025/26.

The remaining regions, namely Western, Eastern and North Eastern, have their staff recruited and currently operating from the Headquarters as arrangements for office space in those locations is being made.

b) The Enterprise Resource Planning (ERP) System

The Authority implemented an ERP system anchored on Microsoft Dynamics 365 Business Central (D365 BC) commenced on 15th October 2024 following the contract signing on 25th September 2024.

The ERP system brought together critical business functions such as procurement, finance, accounts, human resource and administration, internal audit, ICT asset management, and customer relationship management into a unified platform.

Through this project, PPRA has enhanced operational efficiency, transparency, accountability, and stakeholder engagement. The system has reduced manual processes, enabled data-driven decision-making, and provided a secure and reliable environment for service delivery. The comprehensive user training program ensured staff adoption and effective utilization of the solution, while the provision of one year of post-implementation support guarantees sustainability.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

SECTION D: RISK MANAGEMENT

The Authority understands the importance and benefits of risk management and has therefore streamlined risk management within its operations including recruitment of the head of the risk management function. As part of enhancing delivery of its core mandate and minimising the effect of uncertainty in the implementation of its strategies, PPRA identified 16 strategic risks and outlined measures aimed at addressing them during implementation by the functional areas.

A Corporate Risk Management Policy Framework and Risk Register have been established, including at functional levels. The Authority on a quarterly basis, reviews the status of the risks and implementation of mitigation measures.

From the continuous review, the following six (6) risks were likely to be a threat to the realization of the strategic direction of the Authority.

Major risks facing entity

The six major risks that PPRA faced during FY 2024/25 and the mitigation measures put in place to contain the risks are as detailed in the following section.

Risk and Description	Overall Risk Level (L/H/M)	Mitigation Measures	Status of implementation of the mitigation measures / Actions taken
1. Limited access to procurement information from PEs due to lack of cooperation by PEs to comply with directives on disclosure of public procurement information in the PPIP	H	<ul style="list-style-type: none"> • Train PEs on publication of information through the PPIP; • Integration of PPIP with the e-GP system • Institute sanctions and penalties, including naming and shaming 	<ul style="list-style-type: none"> • Staff from Procuring Entities have been trained on publication of information through the PPIP. • On-site registration of procuring entities that were not on the PPIP platform. • Reactivation of accounts for procuring entities with dormant accounts. • The proposed amendments to the legal framework to allow for administrative sanctions against non-compliant PEs were recently approved by the Cabinet. • Circulars have been issued to guide procuring entities

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Risk and Description	Overall Risk Level (L/H/M)	Mitigation Measures	Status of implementation of the mitigation measures / Actions taken
			<ul style="list-style-type: none"> • on integration of PPIP and the e-GP system • Integration of e-GP system and PPIP currently under implementation.
2. Failure by PEs to comply with the directives or orders of the Authority	H	<ul style="list-style-type: none"> • Enhance Enforcement of the directives • Sensitization of key stakeholders and PEs on the directives • Mandatory use of the e-GP system by all PEs 	<ul style="list-style-type: none"> • The proposed amendment to the legal framework to allow for administrative sanctions against non-compliant PEs were recently approved by the Cabinet. • Following through enactment of the amendments. • Continuous training of PEs • Circulars issued on use of e-GP system.
3. Low uptake of the complaints management system by stakeholders	H	<ul style="list-style-type: none"> • Enforce submission of complaints through the system • Sensitize stakeholders on the complaints management system 	<ul style="list-style-type: none"> • Stakeholders sensitized on the use of the complaints management system through the social media platforms and provision of user guides.
4. Procurement of items over and above the prevailing market prices by PEs due to lack of updated market price index	H	<ul style="list-style-type: none"> • Pre-bid compliance monitoring • Enforcement of decisions issued. 	<ul style="list-style-type: none"> • The Authority conducts Pre-bid compliance monitoring to ensure PEs procure and disposal documents promote competition and thus fair prices. • Support received from Government for the Authority to undertake follow-ups on implementation recommendations.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Risk and Description	Overall Risk Level (L/H/M)	Mitigation Measures	Status of implementation of the mitigation measures / Actions taken
	H	Issuance of frequent Market Price Index (MPI)	<ul style="list-style-type: none"> • The MPI list is being reviewed to inform the undertaking of the MPI surveys. • MPI survey for the fourth quarter was finalized and the report currently being reviewed to facilitate issuance for use by the public.
5. Inadequate capacity of persons involved in the public procurement and asset disposal system	H	<ul style="list-style-type: none"> • Capacity building programs implemented across all procuring entities. 	<ul style="list-style-type: none"> • Capacity building of persons involved in public procurement & asset disposal is done on a continuous basis through requested and programmed trainings. • Capacity building levy has been operationalized to provide funds for training • Training of procurement professionals being undertaken by KISM
6. Information (data in the PPIP and in the files, including personal data) security breaches	H	<ul style="list-style-type: none"> • Continuous sensitization of staff on data management and information security to ensure compliance. • Collaboration with the Office of the Data Protection Commissioner to enhance personal data security. 	<ul style="list-style-type: none"> • Enhanced information security of data storage systems like PPIP, ERP and related systems. • Continuous sensitization of staff on information security and cyber security. • Staffing of records management function to support recentralization of records.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Risk and Description	Overall Risk Level (L/H/M)	Mitigation Measures	Status of implementation the mitigation measures / Actions taken
		<ul style="list-style-type: none"> Centralization of records management. 	

SECTION E: MATERIAL ARREARS IN STATUTORY/FINANCIAL OBLIGATIONS

The Authority honours statutory obligations relating to remittance of pension, PAYE, SHIF, AHL, NITA, NSSF, HELB, Capacity Building Levy and other financial obligations to internal and external customers within stipulated timelines.

MANAGEMENT DISCUSSION AND ANALYSIS CONTINUED

SECTION F: THE ENTITY'S FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

Internal audit, Board audit committee, external auditors, or other National Government Agencies providing oversight reported no major financial improbity in the Authority. In addition, there was no serious governance issues among the Board or members of the Board and top management including conflict of interest.

CHALLENGES FACED BY THE AUTHORITY

During the year under review, the main challenge faced by the Authority was **failure by some procuring entities to submit mandatory reports** as prescribed. This has denied the Government and stakeholders' valuable data for informed decision making on public procurement. This includes ignoring the Presidential Executive Order No. 2 of 2018, the National Treasury and PPRA circulars.

Additionally, non-compliance by most of the entities with the requirement to withhold and remit to PPRA the Capacity Building Levy was noted.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

ENVIRONMENTAL AND SUSTAINABILITY REPORTING

a) Sustainability Strategy and Profile

During the year under review, the Authority raised total revenue of Kshs. 1,760,010,692. The revenue comprised of: Government funding Kshs.1,666,269,000, development partner support Kshs. 24,197,505 and ordinary Appropriation-In-Aid (A-I-A) Kshs. 69,544,188.

This was a remarkable increase in revenue generation compared to the previous financial year where a total of Kshs. 473,899,603 was raised. The figure comprised of: Government funding Kshs. 397,671,000, development partner support Kshs. 9,950,630 and ordinary Appropriation-In-Aid (A-I-A) Kshs. 66,277,973.

Additionally, in FY 2024/2025 PPRA secured approval to collect Capacity Building levy at the rate of 0.03% on all procurement contracts signed between a procuring entity and supplier. Collection of the Capacity Building levy together with mobilization of more revenue from other internal revenue generation sources is expected to greatly help improve the Authority's financial sustainability going forward.

The Authority is also focusing on leveraging on technology in its operations in a move to improve efficiency human resource productivity.

b) Environmental Performance

"We owe it to ourselves and to the next generation to conserve the environment so that we can bequeath our children a sustainable world that benefits all." Wangari Maathai

The Authority believes in operating in an environmentally friendly way so as to ensure we conserve the environment and have a better tomorrow. Some of the measures adopted by the Authority to ensure environment friendly operations include:

- i. Automation** of its operations and reducing printing to only what is necessary. In this way, the Authority has reduced on the paper used in its operations which in effect reduces the number of trees that have to be cut to process paper.
- ii. Growing trees** – As part of its corporate social investment activities the Authority has been participating in growing trees to increase the national forest cover by replacing forest areas where trees had been cut and not replaced.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

iii. Staff sensitization – The Authority continues to sensitize its staff on the need to conserve the environment and encourages each member of staff to plant trees at their homes, residences and participate in other tree growing initiatives other than the ones organized by the Authority. Further, PPRA has eliminated the use of plastic tumblers to drink water and continues to encourage staff to buy and use water bottles in addition to minimizing printing by printing only the last and final copy of whichever correspondence that is to be made by printing on paper.

c) Market Place Practices

On sustainable public procurement, the Authority is working with other stakeholders on building capacity to entrench sustainable public procurement. Some of the areas where notable success has been realized include:

- i. Access to Government Procurement Opportunities (AGPO)** - Apart from procurement being used just as a business tool, procurement is also being used to empower communities and create jobs. As part of its regulatory role the Authority is working with procuring entities to ensure they set aside 30% of their procurement budget for marginalized groups. In addition, the Authority is working with The National Treasury to build the capacity of the target marginalized groups (Youth, Women and Persons with Disability) to ensure they access and benefit from Government procurement opportunities.
- ii. Promotion of local content** - Public Procurement is being used to support growth of local industries by encouraging public entities to source for their needs locally where such needs can be met by local manufacturers. The construction sector has also witnessed growth of local contractors who are increasing taking up contracts for infrastructure projects and delivering them.
- iii. Responsible competition practices** – The Authority together with other stakeholders like Competition Authority of Kenya, Ethics and Anti-Corruption Commission, Public Procurement Administrative Review Board among others are working towards ensuring that the public procurement system is fair, equitable, transparent, competitive and cost effective as envisioned under Article 227 of the Constitution.
- iv. Responsible supply chain and supplier relations** – Public Procurement Regulatory Authority believes in the need to have and maintain good relations with suppliers so as to ensure the entity is able to get goods and services necessary for its day to day operations without struggling. Towards this end, the Authority endeavours to provide its suppliers a conducive environment to do business by ensuring; fairness in the procurement process, suppliers are paid within the agreed credit periods, building capacity of suppliers through training among other initiatives.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Authority's affairs.

Principal activities

The principal activities of the Authority are outlined on page vi of this report.

Results

The results of the Authority for the year ended June 30th, 2025 and accompanying notes are set out on pages 1 to 29.

Directors

The members of the Public Procurement Regulatory Board who served during the year are shown on pages xii to xvi.

Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations 2015, Regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

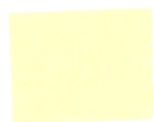
Auditors

The Auditor General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya and the Section 23 of the Public Audit Act 2015.

By Order of the Board

Lucy Barno
CS. **Lucy Barno** - R. No. 2150
Corporation Secretary
Nairobi

Date: *25/11/25*



**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

STATEMENT OF DIRECTORS' RESPONSIBILITY

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare annual financial statements in respect of the entity, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results for that year/period. The Directors are also required to ensure that PPRA keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of its state of affairs for and as at June 30, 2025. 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 Authority; (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 Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Procurement and Asset Disposal Act 2015. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of its transactions during the year ended June 30, 2025, and of the financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

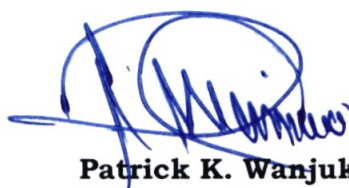
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on 29th August, 2025 and signed on its behalf by:



**Hon. Mwangi Wa Iria
Chairman of the Board**



**Patrick K. Wanjuki
Director General**

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 PUBLIC PROCUREMENT REGULATORY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 Lawfulness and Effectiveness in Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Public Procurement Regulatory Authority set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, 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 Public Procurement Regulatory Authority as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Procurement and Disposal Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Public Procurement Regulatory Authority 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs.1,894,269,000 and Kshs.1,760,036,684 respectively, resulting in under-funding of Kshs.134,232,316 or 7% of the budget. Further, the statement reflects actual expenditure of Kshs.1,703,139,850 against approved expenditure budget of Kshs.1,881,169,000 resulting in under-performance of Kshs.178,029,150 or 9% of the budget.

The under-funding and under-performance affected the planned activities and may have adversely affected service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. In these financial statements, Management has indicated that all the issues were resolved in the year under review. However, no explanation or documentary evidence was provided to show how the issues were resolved.

Other Information

Management is responsible for the Other Information set out on pages v to lxxiii, which comprise of Key Entity Information and Management, Public Procurement Regulatory Board, Public Procurement Administrative Review Board, Management Team, Chairman's Statement, Report of the Director-General, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors' Responsibility. The Other Information does not include the financial statements and our auditor's report thereon.

In connection with my audit of the Authority's 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.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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 effect of 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. Effectiveness of Capacity Building for Public Learning Institutions

The Authority in its circular No.8/2023 dated 9 November, 2023 directed all Head Teachers, Principals or any other officers undertaking the functions of Accounting Officer to ensure full compliance with provisions of the law with respect to procurement. Arising from the above and in light of perceived increase in levels of non-compliance with provisions of the law on procurement and asset disposal, the National Treasury vide letter Ref: TNT/PPD/1/3/24Vol.IX(58) dated 31 October, 2024 directed the Authority to immediately commence capacity building of all stakeholders in public learning institutions to ensure full adherence to the provisions of the Public Procurement and Asset Disposal Act and the attendant Regulations.

Review of documents indicate that in the year under review, the Authority embarked on capacity building for primary and secondary schools where a total of 9,136 stakeholders and procurement practitioners were trained at a total cost of Kshs.911,108,000.

However, review of correspondences indicated that the participants were picked from one constituency in thirty-four (34) counties which translates to thirty-four (34)

constituencies out of the two hundred and ninety (290) constituencies or 10% coverage. It is not clear whether the Authority has put in place adequate measures and resources to have the remaining constituencies covered to ensure equity in capacity building.

In the circumstances, the effectiveness and value for money on capacity building undertaken on primary and secondary schools at a cost of Kshs.911,108,000 could not be confirmed.

2. Non-Compliance with Guidelines on Board Expenses

The statement of financial performance reflects board expenses of Kshs.48,715,808 as disclosed in Note 11 to the financial statements. Review of the expenditure revealed that the Board held a total of ten (10) full board meetings. However, the guidelines issued through circular OP/CAB.9/1A provides for a maximum of six meetings and approval from the Cabinet Secretary for any additional meetings. However, no approval from the Cabinet Secretary was provided for the extra four (4) meetings held contrary to the requirement of the guidelines.

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

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 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 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 Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free

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

In preparing the financial statements, Management is responsible for assessing the Authority'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 Management is aware of the intention terminate the Authority 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority'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 of 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

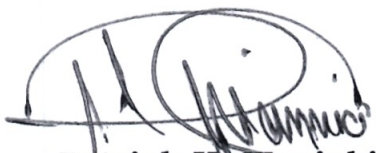
Nairobi

15 December, 2025

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 30TH JUNE, 2025**

		2025	2024
	Note	Ksh	Ksh
Revenue from non-exchange transactions			
Unconditional Government Grants	6	1,666,269,000	397,671,000
Conditional Grants	7	0	9,950,630
Revenue from exchange transactions			
Rendering of services	8	10,651,375	17,248,717
Other Income	9	58,918,805	49,029,256
Total Revenue from exchange transactions		69,570,180	66,277,973
Total Revenue		1,735,839,180	473,899,603
EXPENSES			
Employee Costs	10	305,458,173	276,497,705
Board Expenses	11	48,715,808	42,725,929
Use of Goods & Services	12	1,291,946,762	122,519,797
Repairs and Maintenance	13	1,567,938	1,450,850
Contracted Services	14	7,376,299	9,074,060
Depreciation and Amortization	15	47,407,054	18,829,558
Total Expenses		1,702,472,033	471,097,899
Surplus / (Deficit) for the period		33,367,147	2,801,704

The notes set out on pages 6 to 29 form an integral part of the financial statements. The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Patrick K. Wanjuki
Director General



Chris Sakwa
Head of Finance
ICPAK M/No 9008



Hon. Mwangi Wa Iria
Chairman, PPRB

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2025**

	Note	2025 Ksh	2024 Ksh
ASSETS			
Current Assets			
Cash and cash equivalents	16	787,701,798	243,715,393
Receivables from exchange transactions	17	346,998,525	17,322,748
Receivables from non-exchange transactions	18	5,624,910	1,817,291
Total Current Assets		<u>1,140,325,233</u>	<u>262,855,432</u>
Non-current Assets			
Property, Plant and Equipment	19	375,194,906	69,576,078
Intangible Assets	20	4,222,806	-
Total Non-Current Assets		<u>379,417,712</u>	<u>69,576,078</u>
Total Assets		<u>1,519,742,945</u>	<u>332,431,510</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables from exchange transactions	21	976,543,247	52,294,332
Provisions	22	858,400	12,142,367
Deferred income	23	0	159,487,611
Total current liabilities		977,401,647	223,924,310
Net Assets			
Revaluation Reserve	24	23,507,193	0
Accumulated Fund	25	518,834,105	108,507,200
Total Net Assets and Liabilities		<u>1,519,742,945</u>	<u>332,431,510</u>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Patrick K. Wanjuki
Director General



Chris Sakwa
Head of Finance
ICPAK M/No:9008

Hon. Mwangi Wa Iria
Chairman, PPRB

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	Notes	Accumulated Fund	Fair value adjustment	Total
		Ksh	Ksh	Ksh
Balance at 30.06.2023		<u>105,705,496</u>	-	<u>105,705,496</u>
Surplus/Deficit for the year		2,801,704	-	2,801,704
Balance at 30.06.2024		<u>108,507,200</u>	-	<u>108,507,200</u>
Surplus/Deficit for the year		33,367,147	-	33,367,147
Asset Donations		376,959,758		376,959,758
Revaluation Reserve	24	23,507,193	-	23,507,193
Balance at 30.06.2025		<u>542,341,298</u>	-	<u>542,341,298</u>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	2025	2024
	Ksh	Ksh
Cash flows from operating activities		
Receipts		
Unconditional Government Grants	1,365,796,588	397,671,000
Conditional Grant	0	8,823,491
Rendering of services	10,651,375	17,248,717
Other Income	58,918,805	49,029,256
Decrease/(Increase) in receivables from exchange transactions	0	12,086,266
Decrease/(Increase) in receivables from non-exchange transactions	0	(527,946)
Increase/(Decrease) in deferred income	0	159,449,423
Increase/(Decrease) in trade & other payables	0	9,970,127
Increase/(Decrease) in Provisions	0	4,117,907
Total Receipts	1,435,366,768	657,868,241
Payments		
Employee Costs	296,832,500	276,497,705
Board Expenses	45,393,014	42,725,929
Use of Goods & Services	410,113,668	122,519,797
Repairs and Maintenance	1,567,938	1,450,850
Contracted Services	7,376,299	9,074,060
Total Payments	761,283,419	452,268,341
Net cash flows from operating activities	674,083,349	205,599,900
Cash Flows from Investing Activities		
Acquisition of tangible assets	(130,096,944)	(22,604,584)
Net cash flow from Investing Activities	(130,096,944)	(22,604,584)
Net changes in Cash and Cash Equivalents	543,986,405	182,995,316
Cash & Cash Equivalents as at 1st July	243,715,393	60,720,077
Cash & Cash Equivalents as at 30th June	787,701,798	243,715,393

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Revenue	Original	Adjustments	Final	Actual on	Performance	% of	Foot not
	Budget		Budget	comparable	difference	Utilization	
				basis			
	Ksh	Ksh	Ksh	Ksh	Ksh		
	a	b	c = (a+b)	d	e=(c-d)	f=(d/c)*100	
Recurrent Government Grants	966,269,000	700,000,000	1,666,269,000	1,666,269,000	-	100.00	
Conditional Grants	3,000,000	-	3,000,000	24,190,000	(21,190,000)	806.33	a
Rendering of services	15,000,000	-	15,000,000	10,651,375	4,348,625	71.01	b
Capacity Building Levy	150,000,000	-	150,000,000	17,590,835	132,409,165	11.73	c
Other income	60,000,000	-	60,000,000	41,327,970	18,672,030	68.88	d
Total Revenue	1,194,269,000	700,000,000	1,894,269,000	1,760,036,684	134,239,820	92.91	
Expenses							
Employee Costs	415,985,900	-	415,985,900	305,458,173	110,527,727	73.43	e
Board Expenses							
<i>PPRA Board</i>	29,977,400	-	29,977,400	21,386,932	8,590,468	71.34	f
<i>Public Procurement Administrative Review Board</i>	39,190,000	-	39,190,000	27,328,876	11,861,124	69.73	g
Use of Goods and Services	686,015,700	698,000,000	1,384,015,700	1,292,614,578	91,401,122	93.40	
Repairs and Maintenance	4,000,000		4,000,000	1,567,938	2,432,062	39.20	h
Contracted Services	7,500,000	500,000	8,000,000	7,376,299	623,701	92.20	
Depreciation and Amortization	0	-	0	47,407,054	(47,407,054)		
Total Expenditure	1,182,669,000	698,500,000	1,881,169,000	1,703,139,850	178,029,150	90.54	
Surplus/(deficit) for the period	11,600,000		13,100,000	56,896,834	(43,796,834)	434.33	
Capital Expenditure							
Purchase of assets (laptops & vehicles)	11,600,000	1,500,000	13,100,000	12,900,000	200,000	98.47	
Total Capital expenditure	11,600,000	1,500,000	13,100,000	12,900,000	200,000		
Grand Total Expenditure (recurrent +capital)	1,194,269,000	700,000,000	1,894,269,000	1,716,039,850			
Grand total surplus/(deficit)	0	0	0	43,996,834			

a	The Authority received additional grant from world bank for training and asset acquisition
b	There was reduction in activity at the PPRA tribunal and the capacity building activity was offered without charging for it was funded by TN
c	There were challenges in collection of the CBL in view that it was being rolled out for the first time
d	The Authority managed to realize more interest income than anticipated
e	The anticipated new staff didn't come at the beginning of the financial year as expected and budgeted
f	There was prudent utilization on this budget item during the year
g	There meetings to arbitrate procurement appeals were limited based on the number of applications received during the year
h	The Authority's premises didn't demand lots of maintenance for they are fairly new

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 (1) of the Public Procurement and Disposal Act, 2015. PPRA is domiciled in Kenya and has regional offices in Mombasa, Kisumu, Nakuru and Eldoret. The Authority is mandated with monitoring, assessing and reviewing the public procurement and asset disposal system to ensure that they respect the national values and other provisions of the constitution.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Standard	Effective date and impact:
	<p>transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector</p>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Standard	Effective date and impact:
	entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

ii. Early adoption of standards

The entity has not early adopted any new or amended standards in year 2024/2025.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Authority recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The budget for FY 2024/2025 was approved by the Public Procurement Regulatory Board. There has been no revision of the budget.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Budget information continued

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

g) Depreciation

The Assets are depreciated as and when they are available for use by the Authority. Depreciation charge is calculated on a straight line basis for the various categories of assets as follows:

Motor vehicles	25.0%
Equipment and computers	33.3%
Furniture and fittings	12.5%
Office partitions	12.5%
Intangible assets	33.3%

h) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

h (ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. In the year under review, the Authority revalued its fleet of vehicles and set up a revaluation reserve.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

l) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policies are applied prospectively if retrospective application is impractical.

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

p) Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise Managers and Directors including the Director General.

The following transactions were carried out with related parties:

- i. Public Procurement Regulatory Board:** This is the Board that oversees the operations and governance of the Authority. The Board is responsible for providing strategic direction, approval of policies and overall governance of the Authority.
- ii. Public Procurement Administrative Review Board:** The Authority has a duty to provide Secretariat and administrative services as well budgetary support to the Review.
- iii. Management team:** The management team oversees the day to day operations of the Authority and also has the responsibility of formulating policies that govern operations of the Authority.
- iv. Government of Kenya and The National Treasury and Planning:** The Authority is a Government institution wholly owned by the Government of Kenya. The National Treasury and Planning is the parent ministry. The Authority receives GoK budget support through the State Department for Public Investments and Assets Management.

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

r) Cash and cash equivalents

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

s) Comparative figures

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

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6. Unconditional Government Grants

Operational grants Government of Kenya funding of PPRA operations through Exchequer during the period. The operational grants is Government of Kenya funding of PPRA as an entity and the Autonomous Administrative review Board operating under it as detailed below :

Description	2025	2024
	SH	SH
PPRA as an entity	1,642,079,000	372,671,000
Administrative review Board	24,190,000	25,000,000
Total Operational Grant	<u>1,666,269,000</u>	<u>397,671,000</u>

7. Conditional Government Grants

The conditional Government Grant was received from the world bank towards staff training.

Description	2025	2024
	SH	SH
PFMR	0	1,127,139
World Bank	0	8,823,491
Total	<u>0</u>	<u>9,950,630</u>

8. Rendering Services

Appeals fee: Relates to fees paid by parties seeking administrative review on public procurement disputes.

Description	2025	2024
	SH	SH
Appeals fee	10,651,375	17,248,717

9. Other Income

This includes income from the sources like training, agency licensing fee and procurement Audits.

Description	2025	2024
	SH	SH
Training fee	19,429,627	37,829,935
Licensing fees	100,010	100,000
Procurement Audits	-	1,422,400
Interest income	21,498,260	9,652,558
Capacity Building Levy -(CBL)	17,590,835	0
Other income	300,073	24,364
Total	<u>58,918,805</u>	<u>49,029,256</u>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10. Employee Costs

A breakdown of the employee costs is as shown below:

Description	2025	2024
	SH	SH
Salaries and wages	182,709,755	144,074,549
Housing benefits & allowances	81,898,431	92,072,741
Employer Pension expense	24,039,800	29,784,161
Gratuity expense	9,231,452	2,318,139
Leave Expense	-	5,531,298
Affordable housing Levy	4,008,071	2,716,817
NITA	62,750	-
PRMF	3,507,913	-
Total	305,458,173	276,497,705

11. Board Expenses

This comprises of costs related to the Public Procurement Regulatory Board and the Public Procurement Administrative Review Board.

Description	2025	2024
	SH	SH
Administrative Review Board other expenses	6,718,876	8,998,080
Administrative Review Board Emoluments	20,610,000	21,084,000
Regulatory Board other expenses	10,046,932	6,753,849
Regulatory Board Emoluments	11,340,000	5,890,000
Total	48,715,808	42,725,929

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12. Use of Goods and Services

Expenses related to use of goods and services are as shown in the table below:

Description	2025	2024
	SH	SH
Administration expenses	24,507,333	34,192,983
Advisory services & stakeholder mgt	1,111,592,169	19,267,550
Financial sustainability	1,529,213	929,301
Compliance monitoring	11,914,104	3,013,738
Corporate communication & customer relations	3,191,427	3,115,550
Corporate Strategy & Planning	7,291,937	4,627,588
Corporate Security	577,112	54,460
Human Capital Management & Development	63,345,400	16,165,878
ICT services	11,478,236	10,406,446
Insurance costs	36,769,381	24,616,879
Internal audit expenses	208,960	325,800
Procurement Investigations and enforcement	155,400	674,400
Legal services	2,080,876	1,166,312
Monitoring, Evaluation & Research	13,189,680	1,495,200
Records & knowledge management	0	0
Supply chain management	4,115,535	2,467,712
Total	1,291,946,762	122,519,797

*During the FY 2024/2025, the Authority had its operations financed by PFMR Secretariat at a cost of sh1,085,000 in Development and uploading into the e-GPs of Procurement and Asset Disposal documents

13. Repairs and Maintenance

This constitutes expenditure on maintenance of vehicles, equipment, computers and general maintenance.

Description	2025	2024
	SH	SH
Vehicles	1,396,752	1,123,189
Equipment	85,370	274,306
Property	85,816	53,355
Total	1,567,938	1,450,850

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14. Contracted Services

These are services outsourced by the Authority.

Description	2025	2024
	SH	SH
Audit fees	858,400	858,400
Cleaning Services Fees	2,544,215	2,569,660
Guarding Services	1,753,684	1,896,000
Consultancy Fees	2,220,000	3,750,000
Total	<u>7,376,299</u>	<u>9,074,060</u>

15. Depreciation and Amortization

Description	2025	2024
	SH	SH
Property and equipment	46,553,538	18,824,621
Intangible assets	853,516	4,937
Total	<u>47,407,054</u>	<u>18,829,558</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances.

Description	2025	2024
	SH	SH
NBK PPRA Account	361,567	74,590,454
NBK ARB Account	8,536,279	9,194,302
KCB PPRA Account	778,804,858	159,929,799
Cash on hand and in transit	(906)	839
Total	<u>787,701,798</u>	<u>243,715,393</u>

17. Receivables from exchange transactions

The receivables figure comprises of receivables arising from exchange transactions with third parties.

Description	2025	2024
	SH	SH
Prepayments	46,511,113	16,020,136
Receivables-Debtors	300,472,412	1,287,612
Refundable Deposits	15,000	15,000
Total	<u>346,998,526</u>	<u>17,322,748</u>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Ageing analysis: (Refundable deposits)	Current FY	% Of the Total	Comparative	% Of the Total
	SH			
Under one year	323,463,862	100	17,307,748	100
1-2 years	-	-	15,000	-
2-3 years	15,000	0	-	-
Over 3 years	-	-	-	-
Total	<u>323,478,862</u>	<u>100</u>	<u>17,322,748</u>	<u>100</u>

18. Receivables from non-exchange transactions

The receivables figure comprises of receivables arising from non-exchange transactions mainly with staff.

Description	2025	2024
	SH	SH
PPRA Staff Loans Scheme	0	0
Imprest advance	4,468,488	650,070
Salary advance	1,156,422	1,167,221
Total	<u>5,624,910</u>	<u>1,817,291</u>

Ageing Analysis- Receivables from non- exchange transactions	Current FY	% of the Total	Comparative	% of the Total
	SH			
Under one year	5,624,910	100	1,817,291	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	<u>5,624,910</u>	<u>100</u>	<u>1,817,291</u>	<u>100</u>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. Property, Plant & Equipment

	Motor Vehicles	Computers	Furniture, Fittings & Equipment	Office Partitions	Land & Building	Total
	Ksh	Ksh	Ksh	Ksh		Ksh
Cost						
At 30th June 2023	77,201,313	83,632,357	20,378,535	93,963,979	0	275,176,184
Additions	16,270,000	5,175,000	169,600	0	0	21,614,600
At 30th June 2024	93,471,313	88,807,357	20,548,135	93,963,979	0	296,790,784
Additions During the year						
Acquisition	-	14,984,890	11,268,000.00	0	93,677,280	119,930,170
Revaluation	13,690,000	3,216,341	2,791,937.00	0	0	19,698,278
Donations	47,341,380	35,000	36,150,376.00	129,030,926	0	212,557,682
Disposal	(33,839,469)	(54,930,398)	(10,072,788)	(45,069,880)	0	(143,912,535)
At 30th June 2025	120,663,224	52,113,190	60,685,660	177,925,025	93,677,280	505,064,378
Depreciation & Impairment						
At 30th June 2023	<u>72,290,535</u>	<u>69,761,460</u>	<u>17,112,476</u>	<u>49,225,614</u>	<u>0</u>	<u>208,390,085</u>
Depreciation	5,442,313	6,596,283	685,340	6,100,686		18,824,621
At 30th June 2024	<u>77,732,848</u>	<u>76,357,743</u>	<u>17,797,816</u>	<u>55,326,300</u>	<u>0</u>	<u>227,317,081</u>
Depreciation	13,690,539	8,600,751	4,632,228	19,630,019	0	46,553,538
Disposal	(33,839,469)	(55,613,800)	(8,936,996)	(45,508,507)	0	(143,898,772)
At 30th June 2025	<u>57,583,918</u>	<u>29,344,694</u>	<u>13,493,049</u>	<u>29,447,812</u>	<u>0</u>	<u>129,971,847</u>
Net book values						
At 30th June 2025	<u>63,079,306</u>	<u>22,768,496</u>	<u>47,192,611</u>	<u>148,477,213</u>	<u>93,677,280</u>	<u>375,194,906</u>
At 30th June 2024	<u>15,738,465</u>	<u>12,449,614</u>	<u>2,750,319</u>	<u>39,076,306</u>	<u>0</u>	<u>69,576,078</u>
At 30th June 2023	<u>4,910,778</u>	<u>13,870,897</u>	<u>3,266,059</u>	<u>44,738,365</u>	<u>0</u>	<u>66,683,725</u>

*During the FY 2024/2025, the Authority initiated implementation of an ERP System financed by the World Bank at a cost of Kshs.72,780,000.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20. Intangible assets

Intangible assets comprises ICT Systems and software used by the Authority in its operations.

	2025	2024
Cost	Ksh	Ksh
At beginning of the year	58,469,442	58,469,442
Additions	5,076,322	0
Disposal	(43,351,251)	0
At end of the year	<u>20,194,513</u>	<u>58,469,442</u>
Amortization and Impairment		
At beginning of the year	58,469,442	58,464,505
Amortization	853,516	4,937
Disposal	(43,351,251)	0
At end of the year	<u>15,971,707</u>	<u>58,469,442</u>
Net book value at year end	<u>4,222,806</u>	<u>0</u>

21. Trade & Other Payables from exchange transactions

Description	2025	2024
	SH	SH
Trade Payables	962,002,697	21,927,870
Agent Licensing	505,000	505,000
Other Payables	2,087,084	821,235
Employee related liabilities	8,625,672	26,852,105
Regulatory Board liabilities	2,043,534	467,362
Administrative Review Board liabilities	1,279,260	1,720,760
Total	<u>976,543,247</u>	<u>52,294,332</u>

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative	% of the Total
	SH			
Under one year	972,855,160	99.63	48,758,873	93.24
1-2 years	3,354,000	0.34	3,201,372	6.12
2-3 years	0	0	334,087	0.64
Over 3 years	334,087	0.03	0	0
Total (tie to above total)	<u>976,543,247</u>	<u>100</u>	<u>52,294,332</u>	<u>100</u>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22. Provisions

The provisions for the period is as shown in the table below.

Description	2025	2024
	SH	SH
Leave provision	0	6,050,955.32
External Audit Provisions	858,400	1,716,800
Gratuity Provision	0	4,374,612
Total	858,400	12,142,367

23. Deferred Income

Deferred income relates to monies received but not yet recognized as income in the books of accounts.

Description	2025	2024
	SH	SH
Deferred Income	0	159,487,611

The movement in deferred income is as shown below:

Description	2025	2024
	SH	SH
Balance brought forward	159,487,611	2,052,938
Additions		166,893,491
Utilized		(9,458,818)
Transferred to accumulated fund as Asset donations	(159,487,611)	
Balance carried forward	0	159,487,611

24. Revaluation Reserve

Description	2025	2024
	SH	SH
Revaluation Reserve	23,507,193	0
Total Revaluation Reserve	23,507,193	0

Description	2025	2024
	SH	SH
Balance brought forward	0	0
Additions	23,507,193	0
Balance carried forward	23,507,193	0

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25. Accumulated Fund

The accumulated fund as at the end of the quarter is shown in the table below:

Description	2025	2024
	SH	SH
Balance as at 1st July	108,507,200	105,705,496
Asset Donations	376,959,758	0
Surplus / (Deficit) for the year)	33,367,147	2,801,704
Balance as at 30th June	<u>518,834,105</u>	<u>108,507,200</u>

*The Asset Donations constitute capitalized deferred income realized by the Authority as at the end of FY 2024/2025.

26. Contingent Assets

The Authority had no contingent assets as at 30th June, 2025.

27. Contingent Liabilities

The Authority did not have contingent liabilities as at 30th June, 2025.

28. Financial Risk Management

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks. The overall risk management programme focuses on unpredictability of changes in the business.

29. Subsequent Events

There were no subsequent events after year end that affect the Authority and that would affect the decisions made by a third party.

30. Currency

The financial statements are presented in Kenya Shillings (Kshs).

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor with management comments provided.

S/No.	Issue/Observation from Auditor	Management comments	Status: (Resolved/Not resolved)	Time Frame
A. REPORT ON THE FINANCIAL STATEMENTS				
Opinion : Qualified Opinion				
1	Anomalies in the Property, Plant and Equipment (PPE) Balance			
	1.1 Variances in the PPE Balance			
	i) Note 19 reflects a balance of Kshs. 69,761,460 in respect of equipment and computers' depreciation and impairment as at 30 June, 2023. However, the balance differed with the recomputed balance of Kshs. 69,946,439 by an unexplained and unreconciled variance of Kshs. 184,979.	The Finance function undertook updating of the asset register to reflect the correct carrying amounts including their condition, location and the persons to whom assigned.	<i>Resolved</i>	N/A
	ii) Note 19 reflects a balance of Kshs. 17,112,476 in respect of furniture and fittings' depreciation and impairment as at 30 June, 2023. However, the balance differed with the recomputed balance of Kshs. 17,029,871 by an unexplained and unreconciled variance of Kshs. 82,605.			
	iii) Note 19 reflects a balance of Kshs. 208,390,085 in respect of total depreciation and impairment as at 30 June, 2023 which differs with the balance of Kshs. 208,492,460 reflected in the previous year's audited financial statements by an unexplained variance of Kshs. 102,375.			

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	iv) Note 19 reflects a balance of Kshs. 1,743,826 in respect of equipment and computers' net book value as at 30 June, 2022.			
	In the circumstances, the accuracy of the respective balances could not be confirmed.			
1.2 Failure to revalue assets				
	The statement of financial position reflects a balance of Kshs. 69,576,078 in respect of PPE and a zero balance in respect of intangible assets. However, review of the assets register revealed that assets with a historical cost of Kshs. 253,090,322 were fully depreciated but still in use. This was contrary to the provisions of Paragraph 29 of the International Public Sector Accounting Standards (IPSAS) No. 17 which states that revaluation shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the current value at the reporting date.	The Authority engaged the State Department of Public Works for valuation of the fully depreciated assets. PPRA received the valuation report and incorporated the information in the asset register.	Resolved	N/A
	In the circumstances, the valuation of PPE balance of Kshs. 69,576,078 could not be confirmed.			
1.3 Unaccounted for Information and Communication Technology Assets				

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	As had been reported in the previous year, the PPE balance included an amount of Kshs. 12,449,614 in respect of equipment and computers which further included a balance of Kshs. 1,665,000 in relation to fourteen (14) laptops and three (3) tablets issued to Board Members whose terms ended in 2020 and staff members who had left the Authority. Review of the status in December 2024 revealed that one tablet and three laptops valued at Kshs. 405,000 had still not been accounted for. Although Management indicated that they had contacted the relevant persons who had been issued with the assets, the matter had not been resolved as at the time of the audit in December, 2024.	Out of the 14 laptops & 4 Ipads: - 3 Laptops have been returned, - 7 Laptops were disposed-off and paid for by the custodians, - 1 Laptop was reported lost and police abstract availed. - 3 Laptops remain unreturned.	<i>Unresolved</i>	30.06.2026
	In the circumstances, the accuracy and existence of equipment and computers balance of Kshs. 1,665,000.00 could not be confirmed.			
2	Unsupported Interest Income			
	The statement of financial position reflects an amount of Kshs. 49,029,256 in respect of other income which, as disclosed in Note 9 to the financial statements, includes an amount of Kshs. 9,652,558 in respect of interest income. However, Management did not provide details of the associated investment including a certificate from the investment holder confirming the balance as at 30 June, 2024, if any, and interest earned during the year.	The Authority has since been acquiring the Fixed Deposit Receipts (FDRs) associated with this stream of revenue.	Resolved	N/A
	In the circumstances, the accuracy and completeness of the interest income of Kshs. 9,652,558 could not be confirmed.			
3	Use of an Expired Service Level Agreement			

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	<p>The statement of financial performance reflects an amount of Kshs. 122,519,797 in respect of use of goods and services which, as disclosed in Note 12 to the financial statements, includes an amount of Kshs. 10,406,446 in respect of ICT services. Review of a Service Level agreement contract for the support and maintenance of an Enterprise Resource Planning (ERP) System with a vendor through Tender no PPRA/02/2021-2022 revealed that the contract was effective from 01 November, 2021 to 31st October, 2022 with an automatic termination on its anniversary unless renewed for a further negotiated period upon agreement by both sides. No evidence of a contract extension was provided. However, the Authority paid maintenance fees amounting to Kshs. 571,130 for the period November, 2023 to October 2024 long after the contract had expired.</p>	<p>The expired Service Level Agreement had to do with a vendor who had customized and implemented the ERP.</p> <p>The payment of SLA fee was necessary for the Authority to continue being supported by this vendor who was instrumental to the proper functioning of the system.</p> <p>However, effective FY 2024/25 the Authority has engaged a new vendor procedurally for this kind of technical support.</p>	<p>Resolved</p>	<p>N/A</p>
	<p>In the circumstances, the validity of the expenditure of Kshs. 571,130 in respect of an ERP system maintenance fees could not be confirmed.</p>			
4 Inaccuracies in the Statement of Cash Flows				
	<p>The statement of cash flows reflects a cash inflow of Kshs. 159,449,423 in respect of increase in deferred income, which however, differs with the recomputed cash inflow of Kshs. 157,434,673 by an unexplained and unreconciled variance of Kshs. 2,014,750. In addition, the statement reflects a cash outflow of Kshs. 22,604,584 in respect of acquisition of tangible assets. However, the amount differs with the balance of Kshs. 21,614,600 reflected in Note 19 to the financial statements as additions to PPE. The resulting variance of Kshs. 989,984 has</p>	<p>The concerns have been put into consideration in the preparation of the FY 2024/25 cashflow statement and future statements.</p>	<p><i>Resolved</i></p>	<p>N/A</p>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	not been explained or reconciled.			
B. REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
5	Non-Compliance with Statutory Minimum Net Salaries			
	<p>Review of the payroll for the year, revealed salary deductions and recoveries for eleven (11) staff members that exceeded two-thirds (2/3) of their basic contrary to the provisions of Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds (2/3) of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.</p>	<p>This was affected by the introduction of Social Health Insurance Fund(SHIF) and the Affordable Housing Levy (AHL) where staff had already committed their salaries and these were mandatory deductions.</p> <p>However, the same has now been taken care of by salary reviews of all staff as per the approved SRC third Remuneration and Benefits Review Cycle that was effected in June 2024. The annual salary increments have also been effected..</p>	<i>Resolved</i>	N/A
	In the circumstances, Management was in breach of the law.			
6	Failure by the Authority to Issue Quarterly Market Price Indices (MPI)			

**PUBLIC PROCUREMENT REGULATORY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2025**

	<p>Review of the Authority's records and information revealed that, despite the MPI being a critical regulatory tool for determination of value for money in public procurement, the Authority had not conducted market price surveys for the last three (3) financial years. This was contrary to Section 54(3) of the Public Procurement and Assets Disposal Act, 2015 which provides that the Authority shall issue a quarterly MPI as a reference guide to assist accounting officers make informed price decisions.</p>	<p>The Authority was not able to conduct the Market Price Index (MPI) Survey for three financial years due to lack of Budget.</p> <p>In the 2024/2025 Financial Year, Kshs 10 Million was provided to conduct one (1) MPI Survey.</p>	<p><i>Resolved</i></p>	<p>N/A</p>
	<p>In the circumstances, Management was in breach of the law.</p>			
C. REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
7	Failure to update the Fixed Assets Register			
	<p>Review of the Fixed Assets Register provided for audit revealed that it did not contain all the required information including the assets' tag numbers, physical location of the assets and the officer under whose custody the asset is placed.</p>	<p>The Finance function undertook updating of the asset register to reflect the correct carrying amounts including their condition, location and the persons to whom assigned.</p>	<p><i>Resolved</i></p>	<p>N/A</p>
	<p>In the circumstances, the lack of an asset register can lead to asset losses, inefficient management of assets, inaccurate financial reporting, compliance issues, difficulties in insurance claims and suboptimal decision-making.</p>			



Patrick K. Wanjuki
Director General
Date