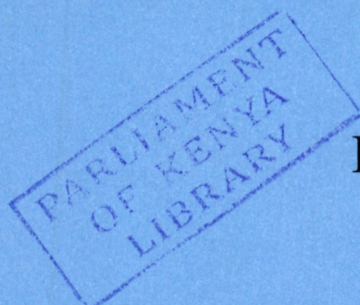


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

BY:

CHIEF OF

THE OFFICE

THE AUDITOR-GENERAL

ON

**NATIONAL TREASURY CAPACITY
STRENGTHENING PROJECT (GRANT
NO.5500155013902 ID NO.P-KE-KOO-011)**

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

THE NATIONAL TREASURY

DATE: 07 DEC 2023

(Initials)

Hon Owen Bayez CBS, MP
Deputy majority leader
SA Shubuko



NATIONAL TREASURY CAPACITY STRENGTHENING PROJECT

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

**PROJECT GRANT NUMBER: 5500155013902
ID NO. P-KE-KOO-011**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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The National Treasury
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1. Acronyms and Glossary of Terms

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

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **National Treasury Capacity Strengthening Project**.

Objective

The key objective of the project is to strengthen the capacity of the National Treasury for improved economic policy management and enhanced transparency, accountability, efficiency and effectiveness in public debt management.

Address

The project Headquarters' location and contacts is as listed below:

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

Telephone: (254)020-2252299
Email: info@treasury.go.ke
Website: www.treasury.go.ke

The project does not have other offices or branches.

2.2 Project Information

Project Start Date:	12 th February 2021
Project End Date:	31 st March 2024
Project Manager:	Dr. Kenrick Ayot
Project Sponsor:	African Development Bank

The National Treasury
National Treasury Capacity Strengthening Project
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Project information and overall performance (continued)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Resource Mobilisation Department at The National Treasury.
Project number	Grant Agreement No: 5500155013902 Identification No: P-KE-KOO-011
Strategic goals of the project	The strategic goals of the project are as follows: (i) Strengthening economic policy and debt management policy (ii) Project management capacity enhancement
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Preparation of quarterly policy briefs on microeconomic policy (ii) Training of The National Treasury staff on project planning and management
Other important background information of the project	N/A
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: Institutional Strengthening of the debt management function (i) Enhance capacity of debt management staff
Project duration	The project started on 12 th February 2021 and is expected to run until 31 st March 2024.

2.4 Bankers

The following are the bankers for the project:

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

Project Information and Overall Performance (Continued)

2.5 Independent Auditor

The project is audited by:

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

2.6 Roles and Responsibilities

Name	Title designation	Key qualification	Responsibilities
Dr. Chris Kiptoo, CBS	Principal Secretary	Doctorate	Accounting Officer, The National Treasury
Dr. Kenrick Ayot	Principal Economist	Doctorate	Project Manager
Miriam Kundu	Ass. Director, Supply Chain Management	Bachelors	Project Procurement Officer
Christine Chimayi	Accountant	CPA, Part II	Project Accountant

2.7 Funding summary

The Project is for duration of 3 years from 2021 to 2024 with an approved budget as highlighted in the table below as follows:

- i. ADB: \$.286,000 equivalent to Kshs. 32,890,000.00
- ii. GOK: Kshs.30,000,000.00

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	USD	Kshs	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs (A)-(B)	Kshs (A')-(B')
(i) Grant						
African Development Bank	286,000	32,890,000	83,000	9,505,890	203,000	28,491,050
(ii) GOK Counterpart Funding						
Government of Kenya	-	30,000,000	-	4,783,436	-	25,216,564
Total	286,000	62,890,000	83,000	14,289,326	203,000	53,707,614

Note:

Donor Commitment of USD.286,000 at Exchange Rate of 1 USD equivalent Kshs.115.00 during FY 2020-2021

The Exchange Rate as at 30th June 2023 of 1 USD equivalent to KShs.140.35 as at 30th June 2023 Kshs.28,491,050.00

**National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30 th June 2023)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
African Development Bank	83,000	9,505,890	-	7,004,388	-	2,501,502
(i) GOK Counterpart Funding						
Government of Kenya	-	4,783,436	-	4,783,436	-	-
Total	83,000	14,289,326	-	11,787,824	-	2,501,502

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i) The Budget performance against actual amounts for current year and for cumulative to-date

The Budget performance against actual amounts for current year and for cumulative to-date is as tabulated below:

DESCRIPTION	FY 2022/2023		CUMMULATIVE TO DATE
	BUDGET	ACTUAL	
GOK Counterpart Funding	3,000,000	1,999,355	4,783,436
Proceeds from Foreign Grants	15,000,000	3,605,400	9,505,890
TOTAL	18,000,000	5,604,755	14,289,326

Overall, out of the Development Commitment of (USD.286,000) Kshs.32,890,000.00, a total of Kshs.9,505,890.00 has been disbursed at a cumulative disbursement percentage of 29%. The underperformance is attributable to delays in procurement for both ICT equipment and digitization for PDMO.

ii) Physical progress based on outputs, outcomes, and impacts since project commencement

The goal of the project is to strengthen the capacity of The National treasury for improved economic policy management and enhanced transparency, accountability, efficiency and effectiveness in public debt and project management. The notable achievements of the project include:

- a) Trained and built capacity of ten (10) PDMO staff.
- b) Reviewed and provided inputs to four (4) Quarterly Economic and Budgetary Review Report
- c) Reviewed (10) monthly debt bulleting publications.

Project information and overall performance (continued)

iii) Absorption rate for each year since the commencement of the project

The Project disbursed as indicted below based on the appropriated budget for each of the Financial Years.

Financial Year	Absorption Rate
2020-2021	5%
2021-2022	20%
2022-2023	31%

iv) Implementation challenges and recommended next steps.

The main project implementation challenge was the **delays in the procurement of ICT equipment**. Delays in procurement of ICT equipment has hampered effort of the project to request the African Development Bank (ADB) for subsequent replenishments.

According to ADB procedures, subsequent disbursements (replenishment) can only be done after fully accounting for at least 51 percent of the already disbursed funds. Whereas the Project has fully accounted for the funds used for capacity building, unfortunately, it has not been possible to request for further disbursements because the amount accounted for so far was below the 50 percent threshold occasioned by non-utilization of ICT funds. The locked funds under ICT due to procurement delays implies that the donor funds for other activities have remained under utilized in both the FY2021/22 and FY2022/23. The project activities have therefore mainly been financed through the GoK counterpartt funding.

This procurement challenge has been resolved by change in policy where procurement of ICT equipment has been moved from the centralised procurement undertaken by the State Department of ICT to individual MDAs.

Project information and overall performance (continued)

2.9 Summary of Project Compliance is as below:

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

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objectives of the *project's agreement/ plan* are to:

- a) Strengthen economic policy and debt management capacity of the of the Public Debt Management Office
- b) Enhance capacity of staff

Progress on attainment of strategic development objectives

The African Development Bank gave a No Objection to the restructuring of the Project vide the Bank's letter dated 18th August, 2022. As a result of the project restructuring apart from capacity development and procurement of ICT equipment, digitization and automation of PDMO became the other main activity under the project. These activities were reflected in the project Work Plan and Procurement Plan for FY 2022/23.

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

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
National Treasury Capacity Strengthening Project	- Strengthen economic policy and debt management capacity of the Public Debt Management Office. - Enhance capacity of staff.	- Trained and built capacity of ten (10) PDMO staff. - Reviewed and provided inputs to four (4) quarterly economic budgetary review reports. - Reviewed ten (10) monthly bulletin publications	- Number PDMO staff trained - Number of Economic and budgetary review report reviewed. - Number monthly debt bulletin publications reviewed.	- Ten (10) PDMO staff trained - Reviewed and provided inputs to four (4) quarterly economic budgetary review reports. - Reviewed ten (10) monthly bulletin publications

4. Environmental and Sustainability reporting

National Treasury Capacity Strengthening Project did not take part in Corporate Social Responsibility during the year.

5. Statement of Project Management responsibilities

The Principal Secretary for The National Treasury and the **Project Coordinator** for **National Treasury Capacity Strengthening Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

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

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

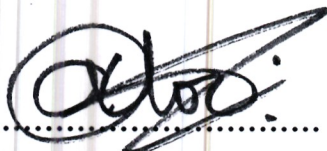
The Principal Secretary for The National Treasury and the Project Coordinator for **National Treasury Capacity Strengthening Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The Principal Secretary for The National Treasury and the Project Coordinator for **National Treasury Capacity Strengthening Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

***The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023***

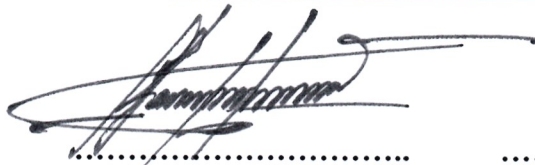
The Principal Secretary for The National Treasury and the Project Coordinator for **National Treasury Capacity Strengthening Project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

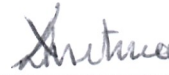
The Project Financial Statements were approved by the Principal Secretary for The National Treasury, the Project Coordinator for **National Treasury Capacity Strengthening Project**, and the Head of Disbursement Unit-RMD on 23rd October 2023 and signed by:



Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury



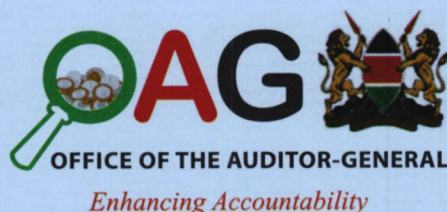
Dr. Kenrick, Ayot
Project Coordinator



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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 NATIONAL TREASURY CAPACITY STRENGTHENING PROJECT (GRANT NO.5500155013902 ID NO.P-KE-KOO-011) FOR THE YEAR ENDED 30 JUNE, 2023 – THE NATIONAL TREASURY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Treasury Capacity Strengthening Project set out on pages 1 to 22, which comprise the statement of financial

assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Treasury Capacity Strengthening Project, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement Grant No.5500155013902 between the Republic of Kenya and the African Development Bank dated on 12 February, 2021.

In addition, the special account reconciliation statement presents fairly, the special account transactions and the closing balance has been reconciled with the books of account.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Low Absorption of Project Funds

The Letter of Agreement and the extension of disbursement deadline indicates that the project started on 12 February, 2021 and the disbursement deadline is expected to be 31 March, 2024. The project is expected to receive a total disbursement amounting to Kshs.62,890,000 with the African Development Bank and the Government of Kenya committing Kshs.32,890,000 and Kshs.30,000,000, respectively.

Review of the application of funds as at 30 June, 2023 indicated that the project had utilized Kshs.11,787,824 representing 18.7% of the total expected project disbursement

with the remaining disbursement of Kshs.51,102,176 expected to be absorbed in the remaining nine (9) months of the Project duration. Management explained that the low absorption of funds was caused by delays in procurement of ICT equipment as a result of change of Government policy on procurement of ICT equipment. However, no evidence was provided to indicate the progress made on the procurement of the ICT equipment.

In the circumstance, the Project may not be completed in time which may cause delay in delivery of services to the citizens and escalation of costs due to inflation.

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by African Development Bank, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;

- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists,

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 October, 2023

**National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

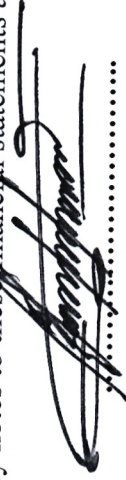
7. Statement of Receipts and Payments for the year ended 30 June 2023.

	Note	Receipts and payments controlled by the entity	Payment s made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2022/2023			2021/2022			
Receipts		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
GOK Counterpart Funding	1	-	1,999,355	1,999,355	-	2,784,081	2,784,081	4,783,436
Proceeds from Foreign Grants	2	3,605,400	-	3,605,400	5,900,490	-	5,900,490	9,505,890
Total receipts		3,605,400	1,999,355	5,604,755	5,900,490	2,784,081	8,684,571	14,289,326
Payments								
Purchase of goods and services	3	3,356,141	1,999,355	5,355,496	3,648,247	2,784,081	6,432,328	11,787,824
Total payments		3,356,141	1,999,355	5,355,496	3,648,247	2,784,081	6,432,328	11,787,824
Surplus/ (deficit)		249,259	-	249,259	2,252,243	-	2,252,243	2,501,502

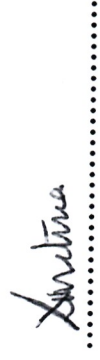
The accounting policies and explanatory notes to these financial statements are an integral part of the Financial Statements.


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Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury


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Dr. Kenrick Ayot
Project Coordinator


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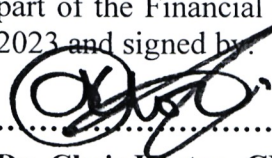
CPA Linnet M. Vitisia, ndc (K)
Head: Disbursement Unit
ICPAK Member No: 5831

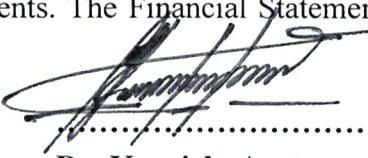
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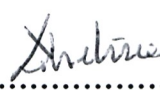
8. Statement of Financial Assets as at 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	4	2,501,502	2,252,243
Cash Balances	-	-	-
Cash equivalents (Short-term deposits)	-	-	-
Total Cash and Cash equivalents		2,501,502	2,252,243
Imprests and Advances	5	-	-
Total Financial Assets		2,501,502	2,252,243
Financial Liabilities			
Third party Deposits and Retention	-	-	-
Net Assets		2,501,502	2,252,243
Represented By			
Fund Balance B/fwd.	6	2,252,243	-
Prior Year adjustments		-	-
Surplus/(Deficit) for the Year		249,259	2,252,243
Net Financial Position		2,501,502	2,252,243

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The Financial Statements were approved on 23rd October 2023 and signed by:


 Dr. Chris Kiptoo, CBS
 Principal Secretary
The National Treasury

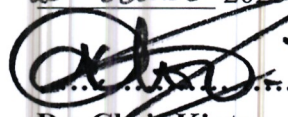

 Dr. Kenrick, Ayot
 Project Coordinator

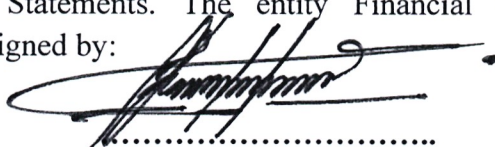

 CPA Linnet M. Vitisia, ndc (K)
 Head: Disbursement Unit
 ICPAK Member No: 5831

9. Statement of Cashflow for the year ended 30 June 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
GOK Counterpart Funding	1	1,999,355	2,784,081
Proceeds from Foreign Grants	2	3,605,400	5,900,490
Total receipts		5,604,755	8,684,571
Payments			
Purchase of goods and services	3	5,355,496	6,432,328
Total Payments		5,355,496	6,432,328
Net receipts/(payments)		249,259	2,252,243
Adjustments during the year			
Prior year adjustments	-	-	-
Net cash flow from operating activities		249,259	2,252,243
Cashflow from investing activities		-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities		-	-
Cash and cash equivalent at beginning of the year	4	2,252,243	-
Cash and cash equivalent at end of the year	4	2,501,502	2,252,243

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements. The entity Financial Statements were approved on 23rd October 2023 and signed by:


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


.....
Dr. Kenrick, Ayot
Project Coordinator


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

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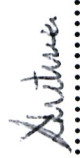
10. Statement of Comparison of Budget and Actual amounts for year ended 30 June 2023

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from GOK Counterpart Funding	1,500,000	1,500,000	3,000,000	1,999,355	1,000,645	67%
Proceeds from Foreign Grants	20,000,000	(5,000,000)	15,000,000	3,605,400	11,394,600	24%
Total Receipts	21,500,000	(3,500,000)	18,000,000	5,604,755	12,395,245	31%
Payments						
Purchase of goods and services	21,500,000	(3,500,000)	18,000,000	5,355,496	12,644,504	30%
Total Payments	21,500,000	(3,500,000)	18,000,000	5,355,496	12,644,504	30%
Surplus or Deficit	-			249,259		

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


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


.....
Dr. Kenrick Ayot
Project Coordinator


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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for National Treasury Capacity Strengthening Project under The National Treasury. The financial statements are for the reporting entity (National Treasury Capacity Strengthening Project) as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

National Treasury Capacity Strengthening Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

Significant Accounting Policies (continued)

f) In-kind donations

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

g) Cash and cash equivalents

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

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

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

Significant Accounting Policies (continued)

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

k) Contingent Assets

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

Significant Accounting Policies (continued)

l) Pending bills

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

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included* in an annex 2 to these financial statements.

n) Third party payments

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

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from

Significant Accounting Policies (continued)

the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023.

r) Prior period adjustments

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

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12. Notes to the Financial Statements

1. GOK Counterpart Funding

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

Description	2022/2023	2021/2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>GOK Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	-	2,784,081	2,784,081
Counterpart funds Quarter 2	1,390,000	-	1,390,000
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	609,355	-	609,355
Total (See Annex 3)	1,999,355	<u>2,784,081</u>	4,783,436
<i>Other transfers from government entities</i>	-	-	
Total	<u>1,999,355</u>	<u>2,784,081</u>	<u>4,783,436</u>

*National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

2. Proceeds From Foreign Grants

During the financial period to 30 June 2023, we received grants from African Development Bank as detailed in the table below:

Name of Donor	Date received	2022/2023					2021/2022		Cumulative to date
		Amount received in donor currency	Grants received in USD	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount		
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	Kshs	-
African Development Bank	16.01.2023	-	30,000	-	-	3,602,400	5,900,490	Kshs	9,505,890
Total		-	30,000	-	-	3,602,400	5,900,490	Kshs	9,505,890

3. Purchase of Goods and Services

Description	2022/2023				2021/2022		Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments		Total payments		
	Kshs	Kshs	Kshs		Kshs		Kshs
GOK Counterpart Funding - Training Payments	-	1,999,355	1,999,355		2,784,081		4,783,436
Proceeds from Foreign Grants - Training payments	3,356,141	-	3,356,141		3,648,247		7,004,388
Total	<u>3,356,141</u>	<u>1,999,355</u>	<u>5,355,496</u>		<u>6,432,328</u>		<u>11,787,824</u>

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Notes to the Financial Statements (Continued)

4. Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts (Note 4A)	2,501,502	2,252,243
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Total	<u>2,501,502</u>	<u>2,252,243</u>

National Treasury Capacity Strengthening Project has one project accounts spread within the project implementation area and one foreign currency designated account managed by the National Treasury as listed below:

4 A. Bank Accounts

Project Bank Accounts

Details	2022/2023	2021/2022
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No. 1000492098]		
Total Foreign Currency balances	USD.7,512	USD.37,512
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No. 1000528893]	2,501,502	2,252,243
Total local currency balances	<u>2,501,502</u>	<u>2,252,243</u>
Total bank account balances	<u>2,501,502</u>	<u>2,252,243</u>

The National Treasury
National Treasury Capacity Strengthening Project
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Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2022/2023	2021/2022
	Kshs	Kshs
(i) National Treasury Capacity Strengthening Project [A/c No 1000492098]		
Opening balance	4,512,990	10,413,480
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>3,605,400</u>	<u>5,900,490</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>907,590.00</u>	<u>4,512,990</u>

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix 4 support these closing balance).

The National Treasury
National Treasury Capacity Strengthening Project
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Notes to the Financial Statements (Continued)

3. Imprests and Advances

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

There were no outstanding Imprests and salary advances.

4. Fund Balance Brought Forward

<i>Description</i>	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts	2,252,243	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	<u>2,252,243</u>	=

5. Prior Year Adjustment

	Balance b/f 2021-2022)	Adjustments	Adjusted balance b/f 2021-2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

The National Treasury
National Treasury Capacity Strengthening Project
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Other Important Disclosures

1. Pending Accounts Payable

	Balance b/f from 2021-2022	Additions for the year	Paid during the year	Balance c/f 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The Project did not have Pending Accounts Payable

2. Pending Staff Payables

	Balance b/f from 2021-2022	Additions for the year	Paid during the year	Balance c/f for 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The Project did not have Pending Staff Payable

3. Other Pending Payables

	Balance b/f 2021-2022	Additions for the year	Paid during the year	Balance c/f 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Total	-	-	(-)	-

The Project did not have Other Pending Payables

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National Treasury Capacity Strengthening Project
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Other Important Disclosures (Continued)

4. External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Proceeds from Foreign Grants	3,605,400	5,900,490
Total	3,605,400	5,900,490

a). External assistance relating loans and grants

	2022-2023	2021-2022
Description	Kshs	Kshs
Proceeds from Foreign Grants	3,605,400	5,900,490
Total	3,605,400	5,900,490

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn Proceeds from Foreign Grants		28,491,050	23,889,190
Total		28,491,050	23,889,190

Note:

Undrawn Balance is USD.203,000 for both FY 2021-2022 and 2022-23 translating as follows:

- As at 30th June 2022 @ Kshs.117.73 equivalent to Kshs.23,889,190
- As at 30th June 2023 @Kshs.140.35 equivalent to Kshs.28,491,050

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral donors	3,605,400	5,900,490
Total	3,605,400	5,900,490

The Project objective is to capacity build National Treasury Staff

Other Important Disclosures (Continued)

d. Non-monetary external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

The Project did not receive any Non. Monetary Assistance.

e Purpose and use of external assistance

Payments made by third parties	2022-2023	2021-2022
Description	Kshs	Kshs
Use of goods and services	-	-
Total	-	-

The Project did not have any External Assistance paid through Third Parties

f. External Assistance paid by third parties on behalf of National Treasury Capacity Strengthening Project by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
	-	-
Total	-	-

The National Treasury
National Treasury Capacity Strengthening Project
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Other Important Disclosures (Continued)

5. Payments By Third Party on Behalf of The Project

5.1 Classification by Source

	2023-2022	2021-2022
Description	Kshs	Kshs
National government	1,999,355	2,784,081
Total	1,999,355	2,784,081

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

Payments made by third parties	2023-2022	2021-2022
Description	Kshs	Kshs
Use of goods and services	1,999,355	2,784,081
Total	1,999,355	2,784,081

Other Important Disclosures (Continued)

6. Related Party Disclosures

Related party transactions:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the National Treasury		-
Payments made on behalf of the project by other govt. entities	1,999,355	-
Total Transfers from related parties	1,999,355	-

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
	-	-
Total	-	-

The Project did not have Contingent Liabilities

The National Treasury
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13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NTCSP/2021-22(28)	Omitted and unsupported Expenditure – Extraneous allowance	The expenditure did not relate to the project. A journal voucher was to be prepared to correct the erroneous posting	Resolved	As per the attached Ledger Extract



Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury



Dr. Kenrick, Ayot
Project Coordinator



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

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National Treasury Capacity Strengthening Project
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Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from GOK Counterpart Funding	3,000,000	1,999,355	1,000,645	67%	Procurement of Equipment not undertaken
Proceeds from Foreign Grants	15,000,000	3,605,400	11,394,600	24%	
Total Receipts	18,000,000	5,604,755	12,395,245	31%	
Payments					
Purchase of goods and services	18,000,000	5,355,496	12,644,504	30%	Procurement of Equipment not undertaken
Total payments	18,000,000	5,355,496	12,644,504	30%	

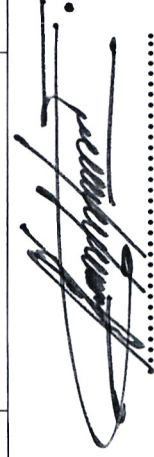
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Annex 3: Reconciliation of inter-entity transfers

Project Name:		Breakdown of transfers from National Treasury Capacity Strengthening Project	
a. Government Counterpart funding		Bank Statement Date	Amount (Kshs)
			1,999,355
		Total	-
B. Direct payments		Bank Statement Date	Amount (Kshs)
			-
		Total	-
C. Others		Bank Statement Date	Amount (Kshs)
			-
		Total	-
		Bank Statement Date	Amount (Kshs)
		Total	-
		Total (A+B+C)	1,999,355

.....

 George K. Gichuru
 Head of Accounting Unit
The National Treasury

.....

 Dr. Kenrick, Ayot
 Project Coordinator

Annex 4: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2022/23	*Purchases/ Additions in the Year (KShs) 2022/23	**Disposals in the Year (KShs) 2022/23	Transfers in/(out) Kshs 2022/23	Closing Cost (KShs) 20xx (e)= (a)+ (b)+c)- (d)+(-)d
Total	-	-	-	-	-	-

The Project has not procured any Fixed Assets

Annex 5: Reporting of Climate Relevant Expenditures

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

There was no expenditure on this item.

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 6: Reporting Disaster Management Expenditure

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

Annex 7: Other Support Documents

- i. Certificate of Balances
- ii. Cash Book
- iii. Bank Reconciliations statement as at 30th June 2023
- iv. Special Deposit Account Reconciliation Statement

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

v. GOK IFMIS comparative Trial Balance

CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
TRIAL BALANCE AS AT END OF JUL 2022						
NATIONAL TREASURY CAPACITY STRENGTHENING PROJECT						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters					
	2630203-11510087-0717019999-000000001	Grant from Development Partner	2,252,243.00	0.00	(2,252,243.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	602,605.00	0.00	(602,605.00)	
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

TRIAL BALANCE AS AT END OF AUG 2022						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters					
	2630203-11510087-0717019999-000000001	Grant from Development Partner	1,649,638.00	0.00	(1,649,638.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-	
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

TRIAL BALANCE AS AT END OF SEP 2022						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters					
	2630203-11510087-0717019999-000000001	Grant from Development Partner	1,649,638.00	0.00	(1,649,638.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-	
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

TRIAL BALANCE AS AT END OF OCT 2022						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters					
	2630203-11510087-0717019999-000000001	Grant from Development Partner	1,649,638.00	0.00	(1,649,638.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-	
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

TRIAL BALANCE AS AT END OF NOV 2022						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	

*The National Treasury
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1071	Headquarters				
	2630203-11510087-0717019999-000000001	Grant from Development Partner	1,649,638.00	0.00	(1,649,638.00)
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					
TRIAL BALANCE AS AT END OF DEC 2022					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE: 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance
1071	Headquarters				
	2630203-11510087-0717019999-000000001	Grant from Development Partner	1,649,638.00	0.00	(1,649,638.00)
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		1,649,638.00	0.00	(1,649,638.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					

TRIAL BALANCE AS AT END OF JAN 2023					
CLASS OF ACCOUNTS 1 DEVELOPMENT					
VOTE: 1071-THE NATIONAL TREASURY					
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance
1071	Headquarters				
	2630203-11510087-0717019999-000000001	Grant from Development Partner	5,255,038.00	0.00	(5,255,038.00)
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-
	ADMIN BALANCE		5,255,038.00	0.00	(5,255,038.00)
VOTE TOTAL					
CLASS OF ACCOUNT TOTAL					

*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

TRIAL BALANCE AS AT END OF FEB 2023						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters				-	
	2630203-11510087-0717019999-000000001	Grant fro Development Partner	5,255,038.00	0.00	(5,255,038.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-	
	ADMIN BALANCE		5,255,038.00	0.00	(5,255,038.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

TRIAL BALANCE AS AT END OF MAR 2023						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE: 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	
1071	Headquarters					
	2630203-11510087-0717019999-000000001	Grant from Development Partner	5,255,038.00	0.00	(5,255,038.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-	0.00	-	
	ADMIN BALANCE		5,255,038.00	0.00	(5,255,038.00)	
VOTE TOTAL						
CLASS OF ACCOUNT TOTAL						

TRIAL BALANCE AS AT END OF APR 2023						
CLASS OF ACCOUNTS 1 DEVELOPMENT						
VOTE 1071-THE NATIONAL TREASURY						
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance	

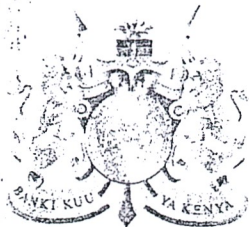
*The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

1071	Headquarters								
	2630203-11510087-0717019999-000000001	Grant from Development Partner	5,255,038.00		0.00			(5,255,038.00)	
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	-		0.00			-	
	ADMIN BALANCE		5,255,038.00		0.00			(5,255,038.00)	
VOTE TOTAL									
CLASS OF ACCOUNT TOTAL									
TRIAL BALANCE AS AT END OF MAY 2023									
CLASS OF ACCOUNTS 1 DEVELOPMENT									
VOTE 1071-THE NATIONAL TREASURY									
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance				
1071	Headquarters								
	2630203-11510087-0717019999-000000001	Grant from Development Partner	5,255,038.00	0.00	(5,255,038.00)				
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	2,192,336.00	0.00	(2,192,336.00)				
	ADMIN BALANCE		3,062,702.00	0.00	(3,062,702.00)				
VOTE TOTAL									
CLASS OF ACCOUNT TOTAL									
TRIAL BALANCE AS AT END OF JUN 2023									
CLASS OF ACCOUNTS 1 DEVELOPMENT									
VOTE 1071-THE NATIONAL TREASURY									
Admin	Item	Description	Realised Exp/Rev	Estimated Exp/Rev	Balance				
1071	Headquarters								
	2630203-11510087-0717019999-000000001	Grant from Development Partner	3,062,702.00	0.00	(3,062,702.00)				
	2630203-11510087-0717019999-000000001	Purchase of Goods and Services	561,200.00	0.00	(561,200.00)				
	ADMIN BALANCE		2,501,502.00	0.00	(2,501,502.00)				
VOTE TOTAL									
CLASS OF ACCOUNT TOTAL									

***The National Treasury
National Treasury Capacity Strengthening Project
Annual Report and Financial Statements for the financial year ended June 30, 2023***

Noted
28/7/23

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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

July 18, 2023.

CERTIFICATE OF BALANCES

Customer : 100094

Balance

Date: 30-Jun-23

MINISTRY OF FINANCE

Account No	Account Name	Currency	Balance
1000000977	TREASURY BILLS ACCOUNT	KES	0.00
1000000988	TREASURY BONDS ACCOUNT	KES	1,829,198,744.80
1000000996	REVENUE DEPOSIT ACCOUNT	KES	8,669,542,680.36
1000004053	TREASURY BONDS REDEMPTION	KES	138,700,000.00
1000004061	TREASURY BONDS INTEREST	KES	30.68
1000181467	REC-THE NATIONAL TREASURY	KES	1,141,462,368.67
1000181664	DEV-THE NATIONAL TREASURY	KES	17,321,113.65
1000182137	DEP-THE NATIONAL TREASURY	KES	205,577,249.15
1000004088	TREASURY BILLS REDEMPTION SUSP.	KES	0.00
1000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	KES	90,491,999.30
1000201924	VOLUNTARY PAY CUT	KES	2,019,245.00
1000237872	FINANCIAL SEC.SUPP.PRJ-IDA 56270-KE	KES	0.00

Customer : 100133

Balance

Date: 30-Jun-23

ACCOUNTANT GENERAL -
TREASURY

Account No	Account Name	Currency	Balance
1000122501	GOVERNMENT OVERDRAFT ACCOUNT.	KES	-76,456,927,038.09

NATIONAL TREASURY

Balance

Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000204378	REC-PUBLIC DEBT	KES	1,484,306,326.95
1000204419	REC-SALARIES ALLOWA MISC AND NSSSFC	KES	4,718,125.15
1000205024	PETROLEUM DEVELOPMENT LEVY FUND	KES	3,389,751,874.85
1000268743	AFRICAN INSTITUTE FOR REMITTANCES	KES	17,127,569.60
1000323876	A U OTHER INTERNAT. ORG SUBSC FUND	KES	5,395,394,231.61
1000331747	GREEN GROWTH AND EMPLOY CREATION PR	KES	5,000,000.00
1000349538	PPP PROJECT FACILITATION FUND ACC.	KES	402,138,675.00
1000368632	INFRASTRUCTURE FIN AND PUB PART PRJ	KES	279,616,439.95
1000221518	KENYA PETROLEUM TECHNICAL ASS PROJ	KES	0.00
1000409018	INFRAST FINANCE AND PPP-CAT. 2EEP	KES	617,330,847.80
1000447575	KEN. FINANCING LOCALLY LED CLIMATE	KES	56,415,173.20
1000473851	PUBLIC DEBT MANAGEMENT SUPPORT PROJ	KES	1,621,344.20
1000476858	CREDIT GUARANTEE SCHEME ACCOUNT	KES	3,000,000,000.00
1000484675	FINANCIN LOCAL-LED CLIMATE ACTION B	KES	2,251,259.20
1000516534	GREEN CLIMATE FUND READINESS PROJ	KES	17,713,836.00
1000528885	AFFORDABLE HOUSING FINANCE PROJ	KES	35,036,135.55
1000528393	ADB NATIONAL TREASURY CAPACITY STRE	KES	2,501,502.00
1000693096	SUPPORTING ACCESS TO FIN & ENT RECO	KES	126,191,833.25
1000709596	SUPP ACESS TO FIN ENTERP RECOV A	KES	0.00
1000539135	EU KENYA COOPERATION AND PARTNERSHI	KES	0.00
1000709607	SUPP ACESS TO FIN ENTERP RECOV B	KES	0.00

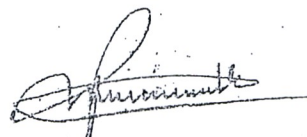
Customer : 152575

Balance

Date: 30-Jun-23

STATE OFF AND PUB OFF
CAR LOAN SCH

Account No	Account Name	Currency	Balance
1000537876	STATE OFF AND PUB OFF CAR LOAN SCH	KES	5,752,800.00



Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division



Joyce Nasieku
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA
BANK RECONCILIATION STATEMENT
FOR THE PERIOD AS AT 30 JUNE, 2023

Balance as per Bank Certificate

Less:

1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)
2. Receipts in Bank Statement not yet recorded in Cash Book

Add:

3. Payments I Bank Statement not yet recorded in Cash Book
4. Receipts in Cash Book not yet recorded in Bank Statement

Balance as per Cash Book

KSHS	KSHS
	2,501,502.00
-	
-	-
	-
	2,501,502.00

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct

Callal

3/7/23

SIGNATURE & DATE

ACC 1

DESIGNATION

37

NATIONAL TREASURY CAPACITY STRENGTHENING PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2023
PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 5500155013902

Bank Account No.1000492098 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1 Amount advanced by ADB			90,552.00
Less			
2 Total amount justified to ADB			
3 Outstanding amount advanced to Designated Account			90,552.00
Represented by:			
4 Ending Designated Account Balance at 30.06.2023			7,512.00
5 Amount claimed but not credited at 30.06.2023			-
6 Amount withdrawn and not claimed as at 30.06.2023			83,040.00
7 Service charges (if not included in 5 & 6 above)			-
Less			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2023			90,552.00

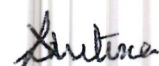
Discrepancy between total appearing on lines 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs



AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 24.08.2023

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2023
Account No.	1000492098
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	NTCSP
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	37,512.00
---	-----------

Add:

Total Amount deposited by World Bank	0.00
--------------------------------------	------

Total Interest earnings if deposited in account	
---	--

Total amount refunded to cover ineligible expenditure	
--	--

Deduct:

Total amount withdrawn	30,000.00
------------------------	-----------

Total service charges if not included above in amount withdrawn	
--	--

Ending balance on 30th June, 2023	7,512.00
-----------------------------------	----------

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

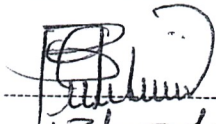
SIGNATURE:

DATE

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE


17/08/2023

24-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date:

Run Time:

STATEMENT OF ACCOUNT PAGE NO : 1

CENTRAL BANK OF KENYA

BANKI KUU YA KENYA

P.O.BOX 60000-0200

NAIROBI

ACCOUNT NUMBER :

ACCOUNT TITLE : NTCSP

STATEMENT PERIOD: From 01/07/2022

To

30/06/2023

NO.

DATE

REFERENCE NO

DETAILS

DEBIT

CREDIT BALANCE

OPENING BAL :

37,512.00

NO.

Value Date

Refernce.No

Details

Debit

Credit

Balance

1

08/09/2022 FT22251067V9 PA128271 -30,000.00 0.00

7512

CLOSING BALANCE : 7512

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)[Clear Selection](#)

Find

Account equals

▼ 1000492098

Statement From equals

▼ 20220701

Statement To equals

▼ 20230630

TAM.E.STMT.OF.ACCT.EPRM

Summary of Revolving Funds By Loan (In Paid Currency)
Public sector As at 11.08.2023
Loan Number : 5500155013902
Project ID : P-KE-K00-011
Project Title : National Treasury Strengthening Project
Borrower : MINISTRY OF FINANCE

Printing Date : 11.08.2023
Page : 1
System : PRD / 400
Loan Contract Currency : UAC
Closing Date : 31.03.2024
Commitment Capital : 200,000.00
Available Balance : 0.00

LDV Number	Reference	Curr	Amount Approved	Amount Justified	Balance to Justify	Amount Disbursed	Amount Justified	Balance to Justify	% Justified	Disburs.	Last Just.
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)	F = D / C	Value Date	Date
5500155013902										(G)	(H)
1 All activities											
1/KE/2021/96230	RF N00001	USD	90,552.00	28,202.15	62,349.84	64,267.31	20,015.87	44,251.44	31.14	15.10.2021	13.06.2022
Total 5500155013902 All activities						64,267.31	20,015.87	44,251.44	31.14		
	5500155013902					64,267.31	20,015.87	44,251.44	31.14		