

REPUBLIC OF KENYA



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**REPORT**

THE NATIONAL ASSEMBLY	
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**THE AUDITOR-GENERAL**

**ON**

**CONSOLIDATED FUND SERVICES –  
PENSION AND GRATUITIES**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**THE NATIONAL TREASURY**





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**THE NATIONAL TREASURY**

**Consolidated Fund Services Pension and Gratuities**

**FUND IDENTIFICATION NUMBER R 051**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

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



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## 1. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background Information

The National Treasury was established via the Executive Order No. 2 of May 2013. The basis for establishment of the National Treasury is found in Article 225 (i) of the Constitution of Kenya which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury. This has been actualized in Section 11 and 12 of the Public Finance Management (PFM) Act 2012.

At Cabinet level, the National Treasury is represented by the Cabinet Secretary for National Treasury and Planning, who is responsible for the general policy and strategic direction of the Ministry with the assistance of the Chief Administrative Secretary.

#### Vision

“Excellence in economic and public financial management, and development planning”.

#### Mission

“To provide leadership in economic and public financial management, for shared growth through formulation, implementation and monitoring of economic and financial policies”.

#### Core Values

The National Treasury is guided by the following core values: Customer Focus, Results Oriented, Stakeholder Participation, Professionalism, Accountability, Integrity and Transparency and Teamwork all geared towards excellence in service delivery.

#### Mandate of the National Treasury

The National Treasury derives its mandate from Article 225 of the Constitution, Public Finance Management Act 2012 and the Executive Orders No.2/2013 and No.1/2018. The National Treasury will be executing its mandate in consistency with any other legislation as may be developed or reviewed by Parliament from time to time.

The core functions of the National Treasury as derived from the above legal provisions include;

- Formulate, implement and monitor macro-economic policies involving expenditure and revenue;
- Manage the level and composition of national public debt, national guarantees and other financial obligations of national government;
- Formulate, evaluate and promote economic and financial policies that facilitate social and economic development in conjunction with other national government entities;
- Mobilize domestic and external resources for financing national and county government budgetary requirements;

- Design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting.
- In consultation with the Accounting Standards Board, ensure that uniform accounting standards are applied by the national government and its entities;
- Develop policy for the establishment, management, operation and winding up of public funds;
- Prepare the annual Division of Revenue Bill and the County Allocation of Revenue Bill;
- Strengthen financial and fiscal relations between the national government and county governments and encourage support for county governments;
- Assist county governments to develop their capacity for efficient, effective and transparent financial management;
- To prepare the National Budget, execute/implement and control approved budgetary resources to MDAs and other Government agencies/entities; and
- Coordination and integration of public ports, railway and pipeline services.

### **Role of the National Treasury in the Devolved System of Government**

The National Treasury is mandated by law to:

- Strengthen financial and fiscal relations between the National Government and County Governments and support for county governments in performing their functions;
- Issue guidelines on the preparation of county development planning;
- Prepare the annual legislative proposals on intergovernmental fiscal transfers;
- Provide logistical support to intergovernmental institutions overseeing intergovernmental fiscal relations;
- Coordinate the development and implementation of financial recovery plans for County Governments that are in financial distress;
- Build capacity of County Governments on public finance management matters for efficient, effective and transparent financial management as well as planning, monitoring and evaluation and;
- Administer the Equalization Fund.

#### **(b) Key Management**

The National Treasury day-to-day management is under the following key offices;

##### **Office of the Principal Secretary**

The Office of the Principal Secretary is responsible for the day to day administration of the National Treasury operations and is the Accounting officer. In addition, the Principal Secretary is charged with the responsibility of providing advice to the Cabinet Secretary in order to enhance efficiency and collective responsibility.

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**Organizational structure of the National Treasury**

The National Treasury is organized into five (5) technical Directorates headed by Directors General and (1) Administrative and Support Services Directorate headed by a Principal Administrative Secretary. Each Director General is responsible for a Directorate comprising a cluster of Departments responsible for related policy functions. In addition, the Treasury has two independent departments namely Public Procurement and Internal Auditor General both of which are headed by Directors. The Directorates and Departments are as follows:

**Directorate of Budget, Fiscal and Economic Affairs**

The Directorate is headed by a Director General, reporting to the Principal Secretary, National Treasury. It is organized into the following five (5) Technical Departments each headed by a Director:

- Budget Department;
- Macro and Fiscal Affairs Department
- Financial and Sectoral Affairs Department;
- Inter-Governmental Fiscal Relations Department

**Directorate of Accounting Services and Quality Assurance**

The Directorate is headed by a Director General reporting to the Principal Secretary, National Treasury. It is organized into the following four (4) Technical Departments each headed by a Director:

- Government Accounting Services;
- Financial Management Information Systems (FMIS)
- National Sub-County Treasuries.
- Government Digital Payments Unit.

**Directorate of Portfolio Management**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following four (4) Technical Departments each headed by a Director:

- Government Investment and Public Enterprises;
- National Assets and Liabilities Management;
- Pensions Department.
- Public Investment Management Unit

**Directorate of Public Debt Management Office**

The Directorate is headed by a Director General, reporting to the Principal Secretary. It is organized into the following three (3) Technical Departments each headed by a Director:

- Resource Mobilization (Front Office);
- Debt Policy, Strategy and Risk Management (Middle Office);
- Debt Recording and Settlement (Back Office).

**Directorate of Public Private Partnership Unit**

The Directorate is headed by a Director General, reporting to the Principal Secretary on matters relating to Public Private Partnership.

**Directorate of Administrative and Support Services (Common Shared Services)**

The Directorate is headed by a Principal Administrative Secretary, reporting to the Principal Secretary. It is organized into twelve (12) specialized functions offering common shared services. The common shared services of the National Treasury consist of functions that are not core to the National Treasury but offer critical support services to the National Treasury. The functions include:

- Accounting,
- Finance,
- Human Resource Management and Development,
- Central Planning and Project Monitoring,
- Supply Chain Management,
- Legal,
- Public Communications,
- General Administration,
- Records Management;
- Internal Audit;
- ICT
- Government Clearing Agency

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

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S/No.	Designation	Name
1.	Principal Secretary	Dr. Julius Muia, PhD, CBS
2.	Principal Administrative Secretary	Mr. Amos Gathecha, EBS
3.	Director General, BFEA	Mr. Albert Mwenda, HSC
4.	Director General, Accounting Services	Mr. Bernard Ndung'u, MBS
5.	Director General, PIPM	Eng. Stanley Kamau
6.	Director General, PDMO	Dr. Haron Sirma, OGW
7.	Director General, PPP	Mr. Christopher Kirigua, OGW
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Gathanje
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Director, Financial and Sectoral Affairs Department	Prof. Galgalo Barako
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Director, Intergovernmental Fiscal Relations Department	Mr. Albert Mwenda, HSC
13.	Deputy Internal Auditor General	Ms. Jane Micheni
14.	Director, Government Accounting Services Department	Mr. Jonah Wala
15.	Ag Director, National Sub County Treasuries	Mr. Francis Kariuki
16.	Director, Financial Management Information System	Mr. Stanley Kamanguya
17.	Director, Public Private Partnership Unit	Mrs. Veronica Okoth
18.	Director, National Assets and Liability Management	Mrs. Beatrice Gathirwa
19.	Director, Government Investment and Public Enterprises	Mr. Kennedy Ondieki
20.	Director, Pensions Department	Mr. Michel Kagika, EBS
21.	Director, Resource Mobilization Department	Mr. Moses Kanagi
22.	Director, Debt Policy, Strategy and Risk Management Department	Mr. Daniel Ndolo
23.	Director, Debt Recording and Settlement Department	Mr. George Kariuki
24.	Secretary Administration	Mr. Hiram Kahiro
25.	Head, Accounts Division	Mr. Nemwel Motanya
26.	Head, Finance	Mr. Kimathi Mugambi, HSC
27.	Head, SCM	Mr. Aggrey kituyi
28.	Head, Internal Audit Unit	Mr. Esther Ngeru
29.	Director, Human Resource Management and Development	Ms. Susan Mucheru
30.	Director, Information Communication and Technology	Mrs. Lynn Nyongesa
31.	Head, Central Planning and Project Monitoring Unit	Mr. Antony Muriu, HSC
32.	Head, Public Communications	Ms. Catherine Njoroge
33.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Julius Mutua
34.	Director, Government Clearing Agency	Mr. Felix Ateng

**(d0 Fiduciary Oversight Arrangements**

To manage the fiduciary risk, the National Treasury has put in place fiduciary oversight arrangements including setting up committees. The key oversight arrangements include:

**Internal Audit Unit**

The National Treasury has an internal Audit Unit charged with the responsibility of identifying risks in the management and day to day operations of the Ministry through the risk-based audits. The Unit reports directly to the Accounting Officer on a regular basis.

**Audit Committees**

In line with the Public Finance Management Act, the National Treasury has established a Ministerial Audit Committee comprising five members, three of whom are independent. The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

Further, the National Treasury established an audit committee comprising officers from all departments of the Ministry, under the chairmanship of the Senior Chief Finance Officer. The Committee reviews and analyses all audit queries and makes recommendations on how to reduce fiduciary risks. In addition, the committee prepares responses to all audit queries for presentation to the relevant committees of parliament.

**Project Implementation Committee**

To monitor the implementation of the Government's Infrastructure Projects, the National Treasury has established a Project Steering Committee comprising Principal Secretaries from implementing Ministries and appointed a technical committee comprising officers from the technical departments of the Ministry. The Committees review and analyse the progress made by ministries in the implementation of domestically and externally funded projects and advises accordingly.

**Parliamentary Activities**

In order to effectively manage the parliamentary activities relating to the Ministry, the National Treasury has established a committee and designated a liaison officer to coordinate the activities under the Office of the Cabinet Secretary in consultation with the Office of the Chief Administrative Secretary.

**Development Partner Oversight**

To effectively manage Official Development Assistance to the Government, the National Treasury has under the Public Debt Management a department responsible for all matters relating to

Development Partners. The Department has various Units that coordinate different development partner activities in the Country.

Other fiduciary oversight arrangements include the following committees with specific objectives;

#### **Top Management Committee and Other Committees**

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed Top Management Committee comprising of Directors General. The Committee receives reports from departments, build consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner. Additionally, the Treasury constituted Adhoc Committees to handle specific assignments in the Financial Year 2020/21.

#### **Public Financial Management Sector Working Group**

To facilitate the implementation of financial management reforms, the National Treasury has appointed senior officers to the Public Financial Management Sector Working Group. The Committee plays an oversight role in the implementation of financial reforms in the public service in collaboration with the development partners.

#### **Budget Implementation Steering Committee**

In order to effectively monitor the implementation of the National Government budget implementation, The National Treasury has established a steering Committee chaired by the Cabinet Secretary, National Treasury and Planning. The Principal Secretaries for the National Treasury and State Department of Planning provide general oversight in the Budget implementation.

#### **Budget Implementation Technical Committee**

The Committee is chaired by the Principal Administrative Secretary and comprises the Directors General and various Heads of Department. The Committee is responsible for monitoring the actual implementation of the identified measures and programmes and reporting detailed progress on the same regularly.

#### **Budget Implementation Ministerial Committee**

To monitor the implementation of the Ministry's budget, programmes and activities, the National Treasury has appointed a committee comprising of officers from all the Departments of the Ministry. The Committee reviews and analyses the progress made by Departments in the implementation of budget and the planned programmes and activities and advises the management accordingly.

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**Monitoring and Evaluation**

The Ministry undertakes monitoring and evaluation exercises to establish progress made in the implementation of various programmes and projects including those that are funded by the development partners.

**(e) The National Treasury Headquarters**

P.O. Box 30007- 00100,  
Treasury Building,  
Harambee, Avenue  
Nairobi Kenya

**The National Treasury Contacts**

Telephone: (254)020-2252299  
Email: [info@treasury.go.ke](mailto:info@treasury.go.ke)  
Website: [www.treasury.go.ke](http://www.treasury.go.ke)

**(f) The National Treasury Bankers**

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

**(g) Independent Auditors**

Auditor General  
Office of Auditor General  
Anniversary Towers, University Way  
P.O Box 30084  
GPO 00100  
Nairobi, Kenya

**(h) Principal Legal Adviser**

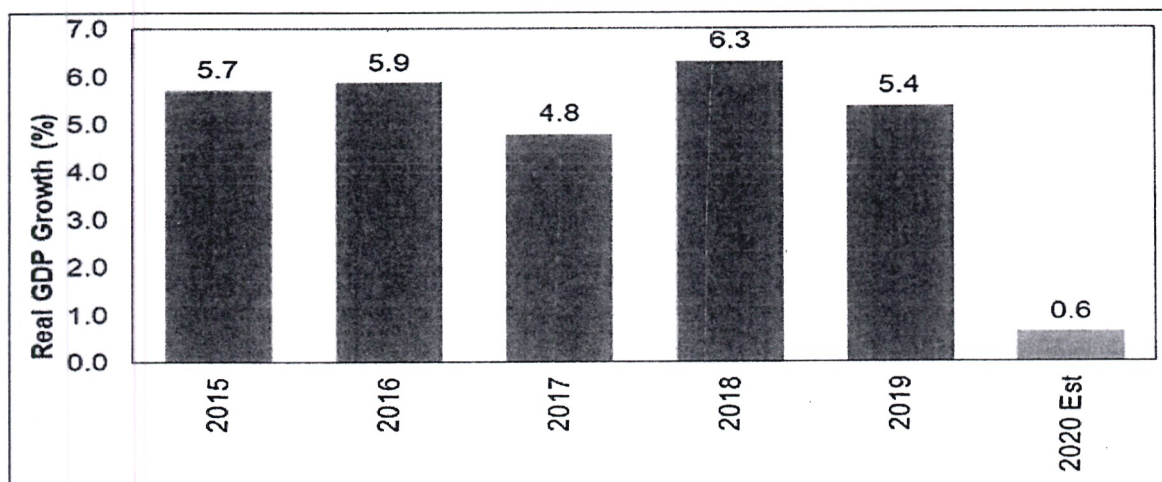
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

## 2. FORWARD BY THE CABINET SECRETARY

In accordance with Section 12 of the Public Finance Management Act, 2012, the National Treasury is responsible for coordinating the country's economic and financial management. Overall, the National Treasury has continued to maintain a policy environment that is conducive to economic growth and development of the country.

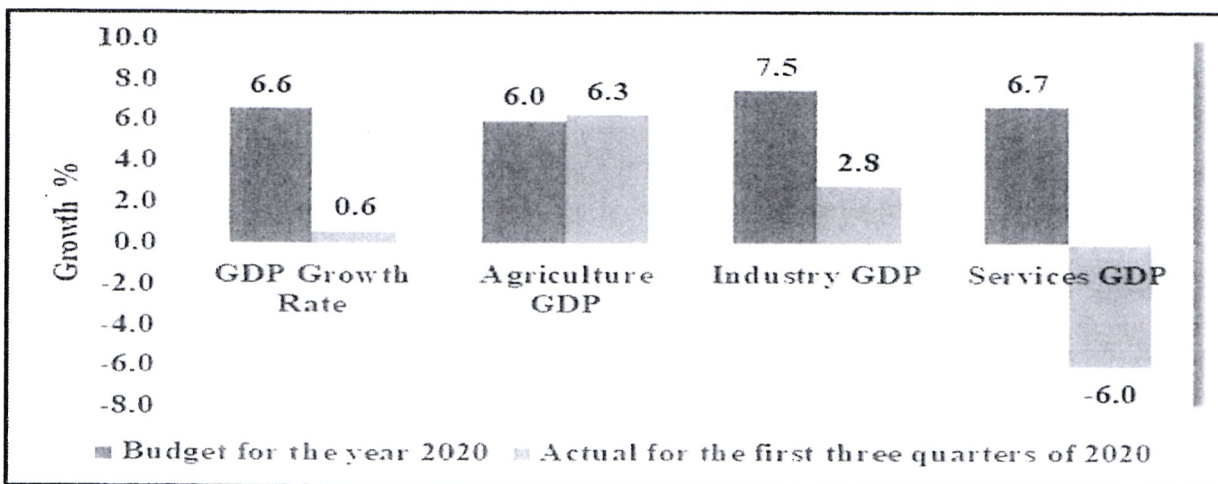
Economic growth in the first three quarters of 2020 contracted by an average of 0.4% compared to a growth of 3.6 percent in the corresponding period of 2019. In 2020, the Kenyan economy was adversely affected by the outbreak of Covid-19 Pandemic and the swift containment measures, which disrupted and scaled down economic activities within the country and in most of the country's major trading partners. Additionally, Kenya faced two other shocks: the invasion of swarms of desert locusts that damaged crops and occurrence of floods following receipt of more than normal rainfall in May 2020. As a result, growth in 2020 is estimated to have contracted by 0.6 percent from a growth of 5.4 percent in 2019 (figure 1).

Figure 1: Annual Real GDP Growth rates (Percent)



The agriculture sector recorded an improved average growth of 6.4 percent in the first three quarters of 2020 compared to a growth of 3.6 percent in the corresponding period of 2019. The non-agriculture (service and industry) sectors were adversely affected by the Covid-19 pandemic. As a result, the sectors contracted by an average of 2.1 percent in the first three quarters of 2020 down from an average growth of 6.1 percent in a similar period in 2019. (Figure 2).

**Figure 2: Annual Percentage Economic Growth Rates in 2020/21**



Data Source: *Quarterly Economic and Budgetary Review(QEBR), MTP III*

Additionally, the economic slowdown in fourth quarter was aggravated by contraction in Accommodation and Food Service activities to negative 6 per cent from 6.7 per cent on account of Corona Virus containment measures instituted in our major tourist source markets.

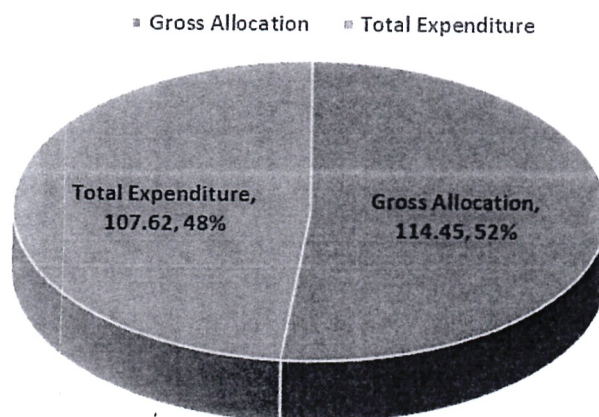
Despite the difficult circumstances faced last year, the country was able to preserve macroeconomic stability with inflation, interest rates and exchange rates remaining largely stable. Leading economic indicators for the fourth quarter of 2020 and the first quarter of 2021 point to strong recovery from the adverse impact of the COVID-19 pandemic.

**Budget performance**

In terms of budget performance, the National Treasury expenditure stood at **Kshs.107.6 Billion** against an approved budget of **Kshs.114.5 Billion** translating to an overall absorption rate of 94% as demonstrated in that pie chart below:

**Figure 3: Total Allocation against Total Expenditure (Kshs. Billion)**

Total Allocation against Total Expenditure (KSh. Billion)

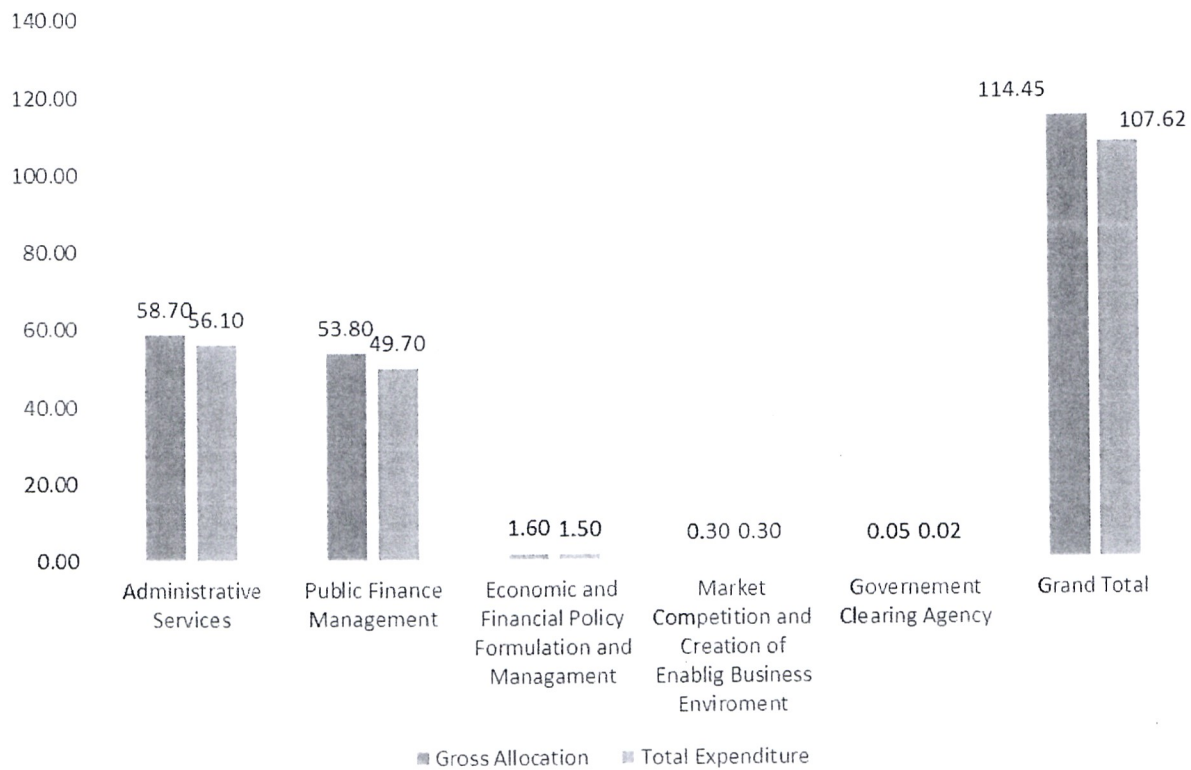


The National Treasury implemented the 2020/21 budget within five economic classifications/programmes. These were General Administration, Planning and Support Services, Public Financial Management, Economic and Financial Policy Formulation and Management, Market Competition and Creation of an Enabling Business Environment, and Government Clearing Agency. As demonstrated in the bar chart below, the Market Competition Programme had the highest absorption at 100% followed by General Administration 96%, Economic and Financial Policy Formulation and Management 94%, and Public Financial Management Programme at 82% while Government Clearing Agency at 30%.

Figure 3: Budget Execution (KSh. Billions) and proportion (%) by Programmes

The 100% absorption rate in Market Competition and Creation of an Enabling Business Environment programme is attributed to transfers to Semi Autonomous Government Agencies (SAGAs) under the National Treasury which implemented this programme.

**Budget Execution (KSh. Billions) and proportion (%) by Programmes**



The Public Service Superannuation Scheme commenced on 1<sup>st</sup> January 2021, with the Board of Trustees having been constituted in line with the provisions of the Act that established the scheme. The scheme covers all employees below the age of 45 years of the Public Service Commission, the Teachers Service Commission and the National Police Service. This will be the largest pension fund in the country and will generate growth of capital markets and bring growth in unlocking value in real estate.

The Performance Contract Evaluation report for all Ministries, State Corporations and Tertiary Institutions released in May 2021 ranked the National Treasury and Planning as the best performing Ministry for Fiscal year 2020/2021.

Other key achievements during the period under review are as follows;

- i. Mobilization of external resources amounting to **Kshs.622 billion** for projects and Kshs.423 billion for budget support to meet the budget deficit equivalent to 40.3% of the fiscal gap;
- ii. Facilitated the National Police Service by leasing 3,400 vehicles towards enhancing security;
- iii. Developed two Public Private Partnership (PPP) Projects Standardized Transactional Templates.

- iv. Developed Government Investment Management Information System (GIMIS);
- v. Conducted 245 value for money (VfM) audits;
- vi. Trained 1,273 Public Finance Management (PFM) users on financial reporting on IFMIS system;

### Emerging Issues

The emerging issues that have impacted the operations of the National Treasury include;

- Covid-19 Pandemic and the containment measures led to depressed business environment hence pushing many enterprises and business to scale down operations. This negatively impacted revenue performance, thus exacerbating the pressure for resource at the Ministry level, the containment measures included but not limited to work shift plans and restriction of movements. These constrained the implementation of planned activities for the National Treasury.
- Re-allocation of resources to finance Covid-19 related expenditures thus affecting implementation of some programmes and projects.
- Leveraging on ICT innovations in the delivery of services to the citizenry.
- Change in Government Policies that led to adjustment in the implementation of planned programmes and projects.

### Challenges

Some of the challenges the National Treasury faced while implementing the 2020/21 budget include:-

- Resource Constraint
- The rationalization of the budget, occasioned by underperformance of revenue collection and emerging government priorities affected the implementation of programmes on training, hospitality, transfer of conditional grants to County Governments and to semi-autonomous Agencies (SAGAs). The underperformance in revenue also caused delays in disbursement of funds by the National Treasury to MDAs. The underperformance of county governments own source revenue led to overreliance on transfers from the National Government occasioning more pressure on the exchequer.
- Shortage of Key Technical Staff
- The National Treasury experienced staff shortage across all cadres. This is attributed to natural attrition and departure of staff to the county governments and other constitutional bodies. The planned recruitment and promotion of staff by the appointing authorities has been slow hence affecting service delivery and succession management initiatives.
- Shortage of office space especially for key technical staff.
- Lack of a Project Implementation, Monitoring and Evaluation framework.

To amount the above challenges and ensure successful implementation of the National Treasury goals and objectives, the Ministry undertook the following: -

- Continued to implement borrowing policy that provides for domestic borrowing to plug the financing gap created by non-performing revenue,

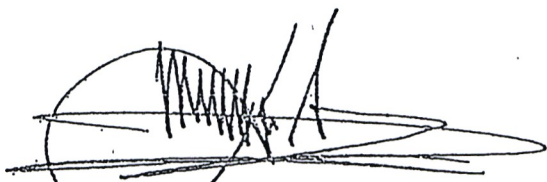
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- Undertook expenditure reduction strategies such as austerity measures and relevant re-prioritization of projects funding to those with greatest impact.
- Continued to implement succession planning towards progressively filling in staff shortage, continued training and timely promotions.
- Engaged other developments partners for concessional loans and grants as well as pursued strategies to finance government projects.

**Recommendations**

- Increasing allocation to the sub-Sector to facilitate effective mobilization of resources to finance public expenditure particularly towards facilitation and implementation of post COVID-19 recovery programmes and strategies
- Reforms in Public Financial Management shall be sustained to enable the National Treasury to mobilize adequate financial resources and enhance absorption capacity;
- Sustained implementation of succession planning, especially with respect to recruitment of key technical staff;
- Strengthening Monitoring and Evaluation Framework and capacity.
- Leveraging on the use of ICT in the face of COVID 19 containment measures to ensure timely delivery of targets and through acquisition of modern communication equipment and systems.
- Enhancing working environment and refurbishment of offices to provide accommodation of staff.
- Prioritization of ongoing projects and fast tracking to ensure timely completion

Going forward, the National Treasury will implement a risk management strategy that will identify, monitor and control risks associated to its activities. This will include government investments and cash flows, its banking, money markets and capital market transactions as well as borrowing.



**HON. (AMB.) UKUR YATANI, EGH**  
**CABINET SECRETARY/NATIONAL TREASURY & PLANNING**

### 3. STATEMENT OF PERFORMANCE AGAINST 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 National Treasury's 2018-2022 Plan are to:

- (a) Strengthen organization capacity for quality service delivery;
- (b) Enhance mobilization, allocation and utilization of public resources;
- (c) Ensure stable and sustainable macro-economic environment;
- (d) Ensure market structures that encourage competition and orderly conduct of business;
- (e) Progress on Attainment of Strategic Development Objectives

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

MDA Program	Strategic Objective	Outcome	Indicator	Performance
General Administration, Planning and Support Services	Strengthen organization capacity for quality service delivery	Efficient and effective service delivery	No. of vehicles	3,400 security vehicles were leased for the National Police Service towards enhancing security
			No. of systems	Developed one Government Investments Management Information System (GIMIS)
			% level of compliance to PSSS	On Boarded and maintained all Permanent and Pensionable (P&P) Public servants of age 45 years and below in the Public Service Super Annuation Scheme (PSSS)
Public Financial Management	Enhance mobilization, allocation and utilization of public resources.	Transparent and accountable management of public resources	Consolidated Annual Accounts	Annual accounts prepared
			Annual national budget presented to Parliament by 30th April	Budget presented to parliament
			No. of standardized templates	Developed two PPP Projects Standardized Transactional Templates

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			No. of Strategies	Developed one Medium Term debt strategy
			No. of VFM Audits reports	Conducted 245 Value for Money Audits due to increased requests for special audit by MDAs
			No. of Registered AGPO Enterprises	Registered 26,280 AGPO Enterprises
			No. of Policies	Developed the Assets and Liabilities Management Policy
Economic and Financial Policy Formulation and Management	Ensure stable and sustainable macro-economic environment.	Stable macroeconomic environment for economic growth	Real GDP growth rate (%)	0.6 %
			Inflation rate (%)	5.3%
			Months of import cover	4.8 months of import cover
			% of fiscal deficit	(7.7) % of GDP
			No. of Policies	Developed the Kenya Digital Finance, Policy
			County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB)	Prepared the County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB)
Market Competition and Creation of an Enabling Business Environment	Ensure market structures that encourage competition and orderly conduct of business.	Sustained high productivity and competitive markets	Percentage of consumer complaints investigations concluded	94% of the consumer complaints investigated
			No. of guidelines and Merger Notification Forms	Developed the Joint Venture, Informant Reward and Exemption guidelines in order to cater for emerging issues in competition.

#### **4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The National Treasury exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on the following core values: customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar:

##### **1. Sustainability Strategy and Profile**

To ensure economic sustainability, the National Treasury has put in place several measures geared towards protecting the economy and its citizens against major economic shocks. Some of them include; reduction of VAT and review of income tax to cushion citizens during the COVID 19 pandemic, reorganized the budget to reflect the realities of the current situation and to manage expenditure among others. Going forward into the medium term, the Government will continue in its fiscal consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined in the Budget Policy Statement (BPS). This will ensure debt is maintained within sustainable levels. The fiscal deficit is expected to decline from 7.7 percent of GDP in FY 2020/21 to 6.3 percent by FY 2023/24. This was occasioned by COVID – 19 pandemics though the desired target is to lower it to the East African Monetary Union's (EAMU) protocol target ceiling of 3.0 percent of GDP. To achieve this target, the Government will continue to restrict growth in recurrent spending and double its effort in domestic resource mobilization. In the FY 2020/21, the Government continued to implement a raft of tax policy measures through the Budget Policy Statement, the Tax Amendment Law and the Finance Act, 2019. In addition, the modernized Income Tax Bill currently undergoing legal drafting, will also ease administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting the government's fiscal consolidation efforts. Further, the establishment of Public Investment Management (PIM) Unit at the National Treasury continues to play a great role in enhancing efficiency in identification and implementation of priority social and investment projects. This takes into account the Government's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending. In particular, the implementation of PIM regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway project costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

##### **2. Environmental performance**

The National Treasury has constituted a Committee comprising officers from the key Departments of the Ministry to oversee all matters relating to environmental sustainability. The Committee has since developed a ministerial policy on the same in line with the National Policy on environmental management.

### **3. Employee welfare**

Employee welfare is critical for effective implementation of the programmes and projects of an organization. Noting the importance of human resources, the National Treasury has a Department established to handle Human Resources Management and Development. The Ministry has also established a Human Resource Management Advisory Committee that process all the promotions, discipline, training, appraisal and general employee matters in line with the Public Service guidelines and procedures. In addition, a committee on occupational safety and health has been established to follow up of the safety conditions in the work place. In order to ensure attracting and retaining competent officers, the National Treasury continued to conduct capacity and training needs assessments 2020/2021- 2021/22 as well as development and implementation of the training projections plan to fill skills gaps. In addition, the National Treasury continued to implement succession management plan by declaring the number of the posts to be filled under the delegated powers and continually implementing the provision of the guidelines on the policy on advancement to the next grade at the entry level in the scheme of service and implementation of the Authorised officers and the PSC decisions. Further, the importance of knowledge management was reinforced through: identification of data needs and data gaps; preparation of a database of sources of knowledge across all levels in the State Department, preparation of a comprehensive report on patterns, trends and attributes of the processed data and information in the State Department; preservation and sharing of knowledge as well as application of knowledge to policy and problem solving within the National Treasury. The National Treasury has continued to build the capacity on the online staff appraisal management system in collaboration with the Public Service Commission to ensure seamless implementation of the system.

### **4. Market place practices**

The National Treasury is responsible for promoting fair trade practices in the economy. To ensure effective implementation of this function assigned by the Constitution, one of the programmes implemented by the Treasury is ensuring that existing market structures encourage competition and orderly conduct of business in order to support high productivity and competitive markets. In addition, the National Treasury developed the Joint Venture, Informant Reward and Exemption guidelines in order to cater for emerging issues in competition.

### **5. Community Engagements**

To mitigate technological hazards, terrorism, fire and natural disasters, the National Treasury engaged a professional security services firm contracted for purposes of enhancing security in the Ministry. The National Treasury continued to improve security within the building and its environs by use of CCTV cameras installed at the Treasury Building and at the entrances and maintained firefighting facilities at the premises in collaboration with the State Department for Public Works.

## **5. STATEMENT OF THE PENSIONS FUND MANAGEMENT RESPONSIBILITIES**

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

The Accounting Officer in charge of the National Treasury is responsible for the preparation and presentation of the Consolidated Fund Services – Pensions and Gratuities financial statements, which give a true and fair view of the state of affairs of the Pension Fund for and as at the end of the financial year ended on June 30, 2021. 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 Pension Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the National Treasury accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Consolidated Fund Services – Pensions and Gratuities financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the National Treasury further confirms the completeness of the accounting records maintained for the Consolidated Fund Services – Pensions and Gratuities, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

THE NATIONAL TREASURY  
Consolidated Fund Services: Pensions and Gratuities  
Annual Report and Financial Statements  
For the year ended June 30, 2021

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

#### Approval of the financial statements

The Consolidated Fund Services – Pensions and Gratuities financial statements were approved and signed by the Accounting Officer on 14/3/ 2022.



DR. JULIUS MUIA, PhD, CBS  
PRINCIPAL SECRETARY



FRANCIS L. AMUYUNZU  
ICPAK NO. 6175  
DEPUTY ACCT. GENERAL

# 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 CONSOLIDATED FUND SERVICES – PENSION AND GRATUITIES FOR THE YEAR ENDED 30 JUNE, 2021 – THE NATIONAL TREASURY

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### 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 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

#### Qualified Opinion

I have audited the accompanying financial statements of Consolidated Fund Services – Pension and Gratuities set out on pages 22 to 39, which comprise the statement of assets

and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Consolidated Fund Services - Pension and Gratuities as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1.0 Unsupported Accounts Payables**

As disclosed in Note 15.6 to the financial statements, the statement of financial assets and liabilities reflects an accounts payables balance of Kshs.6,171,928,414 (2020: Kshs.5,358,204,131) as at 30 June, 2021. As previously reported, the balance has not been supported by detailed schedules indicating names, dates and amounts owed to respective creditors and the corresponding source documents. Management provided a soft copy of the ledger and indicated that the balance relates to accumulated returned pensions which has been growing since the introduction of the Pensions Management Information System (PMIS). However, detailed schedules indicating names, dates and amounts owed to respective creditors were not provided for audit review.

Consequently, the accuracy, completeness and validity of the reported accounts payables balance of Kshs.6,171,928,414 as at 30 June, 2021, could not be ascertained.

### **2.0 Long Outstanding Balance**

The statement of financial assets and liabilities reflects a bank balance of Kshs.1,205,074,907 which, as disclosed in Note 15.5 to the financial statements, relates to the funds held at the recurrent bank account at the Central Bank of Kenya. However, an examination of the bank reconciliation statement for the month of June, 2021 revealed payments in cash book not in bank amounting to Kshs.33,634,076 with transactions dating as far back as August, 2019. Further, the reconciliation statement reflects payments in bank not in cash book of Kshs.16,733,547 with some transactions having remained outstanding since 2008. In addition, the bank reconciliation statement reflects receipts in bank not in cash book amounting to Kshs.1,362,295.60 while receipts in cash book not in bank amounted to Kshs.28,544,800 with some transactions having remained outstanding since 2010. Management has cleared the above balances leaving a balance of Kshs.1,410,365 still outstanding.

Although, Management has indicated that it has sought guidance from Old Balances Committee on how to deal with the items, no evidence of communication to the Committee was provided for audit review and no lasting solution has been forthcoming.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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.

## **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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **Failure to Provide Internal Audit Reports**

As previously reported, the Department has continued to operate without the services of an internal audit thereby exposing public resources to risk of abuse and wasteful operations. However, Management indicated that the Department has an Internal Audit function even though there were no reports from the team.

In the circumstances, the existence of an effective internal control system to safeguard public resources could not be confirmed.

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 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.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Consolidated Fund Services – Pension and Gratuities' ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services unless Management is aware of the intention to terminate the Consolidated Fund Services – Pension and Gratuities 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 Consolidated Fund Services - Pension and Gratuities 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 control 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Fund Services - Pension and Gratuities' 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 Consolidated Fund Services - Pension and Gratuities 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 Consolidated Fund Services - Pension and Gratuities 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 control 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**

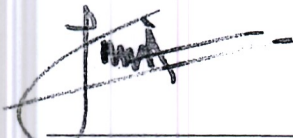
**Nairobi**

**22 April, 2022**

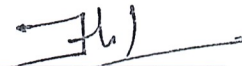
**7. STATEMENT OF RECEIPTS AND PAYMENT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

	Note	2020/2021 Kshs	2019/2020 KShs Audited
<b>RECEIPTS</b>			
Exchequers releases	15.1	110,355,251,544	86,989,267,154
Other Receipts	15.2	-	255,413,684
<b>TOTAL RECEIPTS</b>		<b>110,355,251,544</b>	<b>87,244,680,838</b>
<b>PAYMENTS</b>			
Payment to Pensions	15.3	110,480,560,178	86,988,552,848
Other Payments	15.4	-	580,122,784
<b>TOTAL PAYMENTS</b>		<b>110,480,560,178</b>	<b>87,568,675,632</b>
<b>SURPLUS/DEFICIT</b>		<b>(125,308,634)</b>	<b>(323,994,794)</b>

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 14/3/2022 and signed by:



**DR. JULIUS MUIA, PhD, CBS**  
**PRINCIPAL SECRETARY**




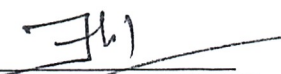
**FRANCIS L. AMUYUNZU**  
**ICPAK NO. 6175**  
**DEPUTY ACCT. GENERAL**

**8. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30H JUNE, 2021**

FINANCIAL ASSETS		2020/2021	2019/2020
	NOTES	Kshs.	Audited Kshs.
<b>Cash and Cash Equivalents</b>			
Bank Balances (Ledger)	15.5	1,205,074,907	516,659,258
Cash Balances			
<b>Total Cash and cash equivalent</b>		<b>1,205,074,907</b>	<b>516,659,258</b>
Accounts receivables – Outstanding Imprests			
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,205,074,907</b>	<b>516,659,258</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables			
– Deposits and retentions	15.6	(6,171,928,414)	(5,358,204,131)
Other payables		-	-
<b>NET FINANCIAL ASSETS</b>		<b>(4,966,853,507)</b>	<b>(4,841,544,873)</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	15.7	(4,841,544,873)	(4,391,374,099)
Prior year adjustment	15.8	-	(126,175,980)
<b>Surplus/Deficit for the year</b>		(125,308,634)	(323,994,794)
<b>NET FINANCIAL POSITION</b>		<b>(4,966,853,507)</b>	<b>(4,841,544,873)</b>

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 14/3/2022 and signed by:

  
 DR. JULIUS MUIA, PhD, CBS  
 PRINCIPAL SECRETARY

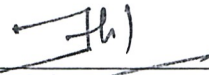
  
 FRANCIS L. AMUYUNZU  
 ICPAK NO. 6175  
 DEPUTY ACCT. GENERAL

**9. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

	Notes	2020/2021 Kshs.	2019/2020 Audited Kshs.
<b>Receipts for operating Income</b>			
Exchequer Releases	15.1	110,355,251,544	86,989,267,154
Other Revenues	15.2	-	255,413,684
<b>Payments for operating expenses</b>			
Payment of Pensions	15.3	110,480,560,178	86,988,552,848
Other Expenses	15.4	-	580,122,784
Net Profit(Loss)		(125,308,634)	(323,994,794)
Add: Increase in re-credited cheques	15.6	813,724,282	906,204,250
Adjustments	15.8	-	(126,175,980)
Net cash flow from operating activities		688,415,648	456,033,476
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Net cash flows from Investing Activities		-	-
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings		-	-
Repayment of principal on Domestic and Foreign borrowing		-	-
Net cash flow from financing activities		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year		516,659,259	60,625,783
Cash and cash equivalent at END of the year		1,205,074,907	516,659,259

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 14/3/2022 and signed by:

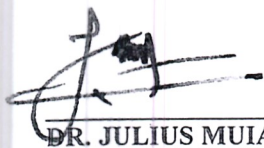
  
 DR. JULIUS MUIA, PhD, CBS  
 PRINCIPAL SECRETARY

  
 FRANCIS L. AMUYUNZU  
 ICPAK NO. 6175  
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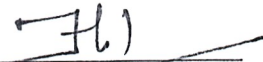
**10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30TH JUNE 2021**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference	%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>						
Exchequer releases	119,192,481,232	-8,050,000,000	111,142,481,232	110,355,251,544	787,229,688	99%
Other Receipts						
Total Payments	119,192,481,232	-8,050,000,000	111,142,481,232	110,355,251,544	787,229,688	
<b>PAYMENTS</b>						
Payment to Pension	119,192,481,232	-8,050,000,000	111,142,481,232	110,480,560,178	661,921,054	99%
Other Payments						
Total Payments	119,192,481,232	-8,050,000,000	111,142,481,232	110,480,560,178	661,921,054	
Surplus/(Deficit)	-	-	-	(125,308,634)	125,308,634	-

The entity financial statements were approved on 14/3/ 2022 and signed by:



**DR. JULIUS MUIA, PhD, CBS**  
**PRINCIPAL SECRETARY**



**FRANCIS L. AMUYUNZU**  
**ICPAK NO. 6175**  
**DEPUTY ACCT. GENERAL**

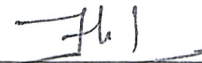
**11. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2021**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference	%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>						
Exchequer releases	-	-	-	-	-	-
<b>PAYMENTS</b>						
Payment to Pension	-	-	-	-	-	-

The entity financial statements were approved on 14/3/ 2022 and signed by:



**DR. JULIUS MUIA, PhD, CBS**  
**PRINCIPAL SECRETARY**

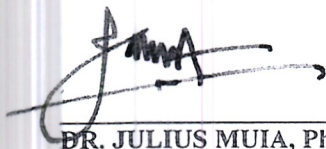


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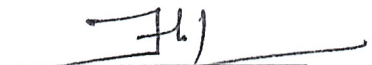
**12. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT FOR THE YEAR ENDED 30TH JUNE 2021**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual	Budget utilization difference	%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>RECEIPTS</b>						
Exchequer releases	119,192,481,232	-8,050,000,000	111,142,481,232	110,355,251,544	787,229,688	99%
Other Receipts				-		
Total Payments	119,192,481,232	-8,050,000,000	111,142,481,232	110,355,251,544	787,229,688	
<b>PAYMENTS</b>						
Payment to Pension	119,192,481,232	-8,050,000,000	111,142,481,232	110,480,560,178	661,921,054	99%
Other Payments				-		
Total Payments	119,192,481,232	-8,050,000,000	111,142,481,232	110,480,560,178	661,921,054	
Surplus/(Deficit)	-	-	-	(125,308,634)	125,308,634	-

The entity financial statements were approved on 14/3/ 2022 and signed by:



DR. JULIUS MUIA, PhD, CBS  
 PRINCIPAL SECRETARY



FRANCIS L. AMUYUNZU  
 ICPAK NO. 6175  
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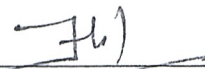
**13. BUDGET EXECUTION BY PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual cumulative to date	Variance
	Kshs	Kshs	Kshs	Kshs	Kshs
Ordinary Pension	57,240,124,933	(2,000,000,000)	55,240,124,933	60,195,682,516	(4,955,557,583)
Commuted Pensions	61,710,256,299	(6,000,000,000)	55,710,256,299	50,230,542,015	5,479,714,284
Other Pension Scheme	242,100,000	(50,000,000)	192,100,000	54,335,647	137,764,353
<b>TOTAL</b>	<b>119,192,481,232</b>	<b>(8,050,000,000)</b>	<b>111,142,481,232</b>	<b>110,480,560,178</b>	<b>661,921,054</b>

The entity financial statements were approved on 14/3/ 2022 and signed by:



**DR. JULIUS MUIA, PhD, CBS**  
**PRINCIPAL SECRETARY**



**FRANCIS L. AMUYUNZU**  
**ICPAK NO. 6175**  
**DEPUTY ACCT. GENERAL**

#### **14. SIGNIFICANT ACCOUNTING POLICIES**

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

##### **1. Statement of Compliance and Basis of Preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

##### **2. Reporting Entity**

The financial statements are for the *CFS pension and Gratuities*. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

##### **3. Reporting Currency**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

##### **i) Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity

##### **ii) Transfers from the Exchequer**

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

##### **iii) External Assistance**

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 20xx, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**iv) 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 recognised in the financial statements the time associated cash is received.

**b) Recognition of payments**

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

**i) Compensation of Employees**

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

**ii) Use of Goods and Services**

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

**iii) Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are 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.

**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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 financial statements.

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity 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.

**6. Third Party Payments**

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

**7. 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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) 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.

**8. Accounts Receivable**

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

**9. Accounts Payable**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **10. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. 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.

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

### **12. Comparative Figures**

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

### **13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2021.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 15.8 explaining the nature and amounts.

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**16. Contingent Liabilities**

Section 148 (9) of the PFM Act regulations 2015 requires the Accounting officer of a National Government entity to report on the payments made, or losses incurred, by the National Government entity to meet contingent liabilities as a result of loans during the financial year.

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, and 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.

**15. NOTES TO THE FINANCIAL STATEMENTS**

**15.1 EXCHEQUER RELEASES**

Total Exchequer Releases	2020-2021	2019-2020
	Kshs	Kshs
For Quarter One	20,437,528,485	16,794,839,664
For Quarter Two	22,409,319,856	26,952,144,195
For Quarter Three	17,200,020,657	16,636,402,426
For Quarter Four	50,308,382,546	26,605,880,869
<b>Total</b>	<b>110,355,251,544</b>	<b>86,989,267,154</b>

**15.2 Other Receipts - Nil.**

	2020-2021	2019-2020
	Kshs	Kshs
Other Receipt	-	255,413,684
<b>Total</b>	<b>-</b>	<b>255,413,684</b>

**15.3 PAYMENT OF PENSIONS**

<b>PAYMENTS OF PENSIONS</b>	2020-2021	2019-2020
	Kshs	KShs
<b>Ordinary Pensions</b>		
Civil Pensions	46,809,095,923	36,687,842,919
Military Pensions	5,980,650,184	5,315,206,129
Widows, Children & Dependants Pension	7,098,960,819	7,088,359,971
Civil Pensions Mps	291,135,591	296,299,801
Civil Pensions President	15,840,000	26,400,000
<b>Sub Total</b>	<b>60,195,682,517</b>	<b>49,414,108,819</b>
<b>Commuted Pension</b>		
Commuted Pensions and gratuities	43,179,361,605	32,401,797,348
Military gratuities	5,497,927,754	3,794,486,790
Commuted Pensions MPs	13,258,787	22,365,000
Commuted Pensions	1,539,993,869	1,348,491,027
<b>Sub Total</b>	<b>50,230,542,015</b>	<b>37,567,140,166</b>
<b>Other Pension Scheme</b>		
Refunds and other ex-gratia allowances	12,032,287	7,303,863
Payment to Crown Agents	42,303,360	-
<b>Sub Total</b>	<b>54,335,647</b>	<b>7,303,863</b>
<b>Total</b>	<b>110,480,560,178</b>	<b>86,988,552,848</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15.4 Other Payments**

	2020-2021	2019-2020
	Kshs	Kshs
Other Payments	-	580,122,784
<b>Total</b>	-	<b>580,122,784</b>

**15.5 Bank Accounts**

Name of Bank, Account No. & Currency	Indicate whether recurrent, Development, deposit etc.	2020-2021	2019-2020
		Kshs	Kshs
CFS - Pensions			
Central Bank Of Kenya Account No.1000204397	Recurrent	1,205,074,907	516,659,259
<b>Total</b>		<b>1,205,074,907</b>	<b>516,659,259</b>

**15.6 ACCOUNTS PAYABLE**

**RECREDITED CHEQUES**

	2020-2021	2019-2020
	As at 30.06.2020	As at 30.06.2019
	Kshs	Kshs
Balance b/f	5,358,204,131	4,451,999,882
Increased changes	813,724,283	906,204,249
Re-credited Cheques	6,171,928,414	5,358,204,131
<b>Total Re-credited Cheques</b>	<b>6,171,928,414</b>	<b>5,358,204,131</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**15.7 FUND BALANCE BROUGHT FORWARD**

	2020-2021 Kshs.	2019-2020 KShs
Bank Balance	516,659,258	60,625,783
Accounts Payables	(5,358,204,131)	(4,451,999,882)
<b>Total</b>	<b>(4,841,544,873)</b>	<b>(4,391,374,099)</b>

These are balances relating to the last financial year.

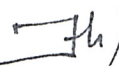
**15.8 PRIOR YEAR ADJUSTMENT**

	2020-2021 Kshs.	2019-2020 KShs
Prior year adjustments	-	126,175,980
<b>Total</b>	<b>-</b>	<b>126,175,980</b>

The entity financial statements were approved on 14/3/ 2022 and signed by:



**DR. JULIUS MUIA, PhD, CBS**  
**PRINCIPAL SECRETARY**



**FRANCIS L. AMUYUNZU**  
**ICPAK NO. 6175**  
**DEPUTY ACCT. GENERAL**

**16 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
45	Unsupported Accounts Payable	Schedule of re-credited cheques for the last 12years provided	Michael Kagika Director Pensions	Partially resolved	
46	Long Outstanding Reconciliation Items	Effort done	Michael Kagika Director Pensions	Partially resolved	
47	Unbalanced Trial Balance	Reconciliation Provided	Michael Kagika Director Pensions	Resolved	
48	Undisclosed Restatement of Comparative Balances	Reconciliation Provided	Michael Kagika Director Pensions	Resolved	
49(a)	Unresolved Prior Year Matters	To be addressed by the new system to be acquired.	Michael Kagika Director Pensions	Not resolved	
49(b)	Unsupported Expenditure-lack of life certificates	Regular payroll cleansing done	Michael Kagika Director Pensions	Partially resolved	
50	Failure to Adhere to Regulations and Service Level Agreement on Processing	A team is appointed to address files that have taken long before completion.	Michael Kagika Director Pensions	Resolved	
51	Failure to Provide Internal Audit Reports.	Internal Audit to address.	Michael Kagika Director Pensions	Resolved	



DR. JULIUS MUIA, PhD, CBS  
 PRINCIPAL SECRETARY



FRANCIS L. AMUYUNZU  
 ICPAK NO. 6175  
 DEPUTY ACCT. GENERAL

Appendix 1  
 Bank reconciliation statement

REPUBLIC OF KENYA		
		F.O 30
PENSIONS DEPT-NAIROBI CFS-R051 A/C NO 1000204397		
<b>BANK RECONCILIATION AS AT THE END OF 30TH JUNE 2021</b>		
DETAILS	KSHS	KSHS
<i>BANK BALANCE AS PER CERTIFICATE</i>		2,039,264,930.27
<i>LESS- 1 &amp; 2</i>		
1.PAYMENTS IN CASH BOOK NOT IN BANK	16,799,025,930.72	
<i>[UNPRESENTED CHEQUES]</i>		
<i>TOTAL UNCLEARED EFFECTS</i>		
2. RECEIPTS IN BANK NOT IN CASH BOOK	54,069,268.10	
<i>TOTAL-APENDEX 1 &amp; 2</i>	16,853,095,198.82	(16,853,095,198.82)
3.PAYMENT IN BANK NOT IN CASHBOOK-	16,733,546.85	
4. RECEIPTS IN CASH BOOK NOT IN BANK	16,002,171,628.30	
<i>TOTAL APENDEX 3 &amp; 4</i>	16,018,905,175.15	16,018,905,175.15
<i>BANK BALANCE AS PER CASHBOOK</i>		1,205,074,906.60

**"DETAILS OF THE ABOVE ATTACHED"**

"I CERTIFY THAT I have verified the bank balance in the cash book with the Bank statement and that the above Reconciliation is correct".

signature-----

Designation **PRINCIPAL ACCOUNTANT**

DATE-----

THE NATIONAL TREASURY  
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 For the year ended June 30, 2021  
 Appendix 2

TRIAL BALANCE  
 CFS PENSIONS  
 FOR THE YEAR ENDED 30TH JUNE 2021

	DR	CR
Exchequer releases		110,355,251,544
Other Receipts		-
Payments to Pensions	110,480,560,178	
Other Payments	-	
Bank Balances	1,205,074,907	
Accounts Payables - Deposits		6,171,928,414
Fund balance b/fwd	4,841,544,873	
Prior year adjustments	-	
	<u>116,527,179,958</u>	<u>116,527,179,958</u>

THE NATIONAL TREASURY  
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Appendix 3

Re - credited Cheques Analysis

Re- Credited cheque Analysis 2008/2009			
	Receipts	Payment	Balance
June	246,623,514.75	-	246,623,514.75
	381,075,297.75		381,075,297.75
	-	2,360,628.20	(2,360,628.20)
	18,709,786.40		18,709,786.40
	727,458.65		727,458.65
	151,501,064.15		151,501,064.15
	798,637,121.70	-	796,276,493.50

Re- Credited cheque Analysis 2009/2010			
	Receipts	Payment	Balance
JULY	137,647,631.41	152,326,039.20	(14,678,407.79)
August	7,720,026.30	-	7,720,026.30
September	2,911,265.00	-	2,911,265.00
October	17,539,144.35	-	17,539,144.35
November	140,793,404.85	53,768.00	140,739,636.85
December	5,803,436.25	-	5,803,436.25
January	5,433,210.25	-	5,433,210.25
February	27,603,471.05	482,928.40	27,120,542.65
March	48,266,237.95	18,777,607.90	29,488,630.05
April	48,663,022.80	31,166,118.80	17,496,904.00
May	30,346,103.85	26,952,958.85	3,393,145.00
June	803,008,656.55	13,743,899.00	789,264,757.55
	1,275,735,610.61	243,503,320.15	1,032,232,290.46

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Re- Credited cheque Analysis 2010/2011			
	Receipts	Payment	Balance
JULY	10,216,908.95	-	10,216,908.95
August	11,351,449.45	10,673,210.35	678,239.10
September	22,799,666.95	29,973,516.20	(7,173,849.25)
October	10,920,704.95	14,957,478.05	(4,036,773.10)
November	42,400,796.00	15,150,329.90	27,250,466.10
December	8,171,955.50	10,255,510.40	(2,083,554.90)
January	28,314,564.00	20,610,013.85	7,704,550.15
February	14,533,656.10	11,285,032.55	3,248,623.55
March	75,894,794.25	18,107,242.55	57,787,551.70
April	41,674,138.95	7,149,263.80	34,524,875.15
May	20,633,119.10	26,081,711.37	(5,448,592.27)
June	27,374,490.80	12,718,081.85	14,656,408.95
	<b>314,286,245.00</b>	<b>176,961,390.87</b>	<b>137,324,854.13</b>

Re- Credited cheque Analysis 2011/2012			
	Receipts	Payment	Balance
JULY	44,304,108.60	4,659,226.80	39,644,881.80
August	19,265,679.40	16,599,480.45	2,666,198.95
September	30,657,421.75	19,101,438.45	11,555,983.30
October	11,300,589.50	6,967,332.15	4,333,257.35
November	16,316,344.65	18,912,308.95	(2,595,964.30)
December	11,713,404.50	4,552,884.30	7,160,520.20
January	25,572,833.00	14,864,979.50	10,707,853.50

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February	52,303,986.60	13,244,739.80	39,059,246.80
March	13,612,659.12	10,179,964.25	3,432,694.87
April	13,414,195.60	10,030,878.65	3,383,316.95
May	46,033,658.25	14,977,373.87	31,056,284.38
		52,451.00	(52,451.00)
June	44,749,994.06	34,014,267.24	10,735,726.82
	<b>329,244,875.03</b>	<b>168,157,325.41</b>	<b>161,087,549.62</b>

Re- Credited cheque Analysis 2012/2013			
	Receipts	Payment	Balance
JULY	79,253,050.11	4,683,060.60	74,569,989.51
August	4,189,380.35	25,619,723.23	(21,430,342.88)
	-	251,816,157.60	(251,816,157.60)
September	19,642,818.30	15,949,226.62	3,693,591.68
October	19,285,375.70	15,781,881.60	3,503,494.10
November	11,682,139.80	18,286,514.16	(6,604,374.36)
December	38,276,021.20	6,704,757.27	31,571,263.93
January	19,316,684.40	7,946,356.61	11,370,327.79
February	28,849,059.45	5,545,042.62	23,304,016.83
March	10,667,887.40	14,268,929.29	(3,601,041.89)
April	6,248,608.00	8,662,094.37	(2,413,486.37)
May	56,007,938.60	7,695,175.21	48,312,763.39
June	337,590,155.50	11,811,222.40	325,778,933.10
	<b>631,009,118.81</b>	<b>394,770,141.58</b>	<b>236,238,977.23</b>

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Re- Credited cheque Analysis 2013/2014			
	Receipts	Payment	Balance
JULY	-	-	-
August	27,137,708.35	1,334,228.15	25,803,480.20
September	15,027,221.15	11,967,783.65	3,059,437.50
October	26,101,718.70	9,245,781.91	16,855,936.79
November	11,787,083.50	13,138,455.12	(1,351,371.62)
December	23,212,948.10	14,453,567.01	8,759,381.09
January	14,862,159.80	11,054,528.67	3,807,631.13
February	13,131,286.05	12,691,578.65	439,707.40
March	36,811,540.80	10,740,342.54	26,071,198.26
April	39,806,222.20	12,526,244.70	27,279,977.50
May	55,031,698.35	44,830,946.90	10,200,751.45
June	14,648,450.10	24,924,656.82	(10,276,206.72)
	-	129,259,140.15	(129,259,140.15)
	277,558,037.10	296,167,254.27	(18,609,217.17)

Re- Credited cheque Analysis 2014/2015			
	Receipts	Payment	Balance
JULY	12,722,850.90	-	12,722,850.90
August	31,007,720.50	7,678,817.19	23,328,903.31
September	34,308,271.05	10,148,806.66	24,159,464.39
October	18,422,564.10	6,317,373.00	12,105,191.10
November	15,916,918.40	6,430,628.35	9,486,290.05
December	2,749,381.10	10,764,695.47	(8,015,314.37)
January	28,136,540.85	2,516,553.13	25,619,987.72
February	27,960,792.00	8,865,121.88	19,095,670.12

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March	23,419,319.30	40,465,669.59	(17,046,350.29)
April	22,037,490.89	13,261,915.20	8,775,575.69
May	31,628,166.55	12,069,955.70	19,558,210.85
June	15,604,934.15	20,276,740.59	(4,671,806.44)
	-	18,709,786.40	(18,709,786.40)
	-	727,458.65	(727,458.65)
	2,360,628.20		2,360,628.20
	-	151,553,515.15	(151,553,515.15)
	266,275,577.99	309,787,036.96	(43,511,458.97)

Re- Credited cheque Analysis 2015/2016			
	Receipts	Payment	Balance
JULY	-	-	-
August	81,161,643.60	13,271,054.95	67,890,588.65
September	211,494,950.75	81,412,746.06	130,082,204.69
October	64,558,470.50	10,688,415.32	53,870,055.18
November	31,603,053.70	13,946,214.95	17,656,838.75
December	33,609,157.85	21,755,883.00	11,853,274.85
January	30,788,951.20	20,991,275.53	9,797,675.67
February	78,265,716.80	69,940,557.82	8,325,158.98
March	44,949,948.40	45,036,048.60	(86,100.20)
April	46,117,606.60	54,030,916.85	(7,913,310.25)
May	166,957,662.50	36,654,652.65	130,303,009.85
June	191,733,619.90	57,644,215.14	134,089,404.76
	981,240,781.80	425,371,980.87	555,868,800.93

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Re- Credited cheque Analysis 2016/2017			
	Receipts	Payment	Balance
JULY	21,741,199.95		21,741,199.95
August	45,444,774.10	19,542,703.70	25,902,070.40
September	75,707,779.30	85,762,249.20	(10,054,469.90)
October	61,695,213.40	36,229,083.00	25,466,130.40
November	69,208,592.30	33,709,161.31	35,499,430.99
December	24,233,249.90	27,268,521.36	(3,035,271.46)
January	117,171,252.95	25,501,347.65	91,669,905.30
February	17,089,884.35	13,311,111.15	3,778,773.20
March	165,943,961.95	38,532,257.00	127,411,704.95
April	97,486,400.75	37,859,141.44	59,627,259.31
May	27,919,410.05	31,237,809.37	(3,318,399.32)
June	61,961,852.30	46,650,902.44	15,310,949.86
	<b>785,603,571.30</b>	<b>395,604,287.62</b>	<b>389,999,283.68</b>

Re- Credited cheque Analysis 2017/2018			
	Receipts	Payment	Balance
JULY	23,639,055.90		23,639,055.90
August	288,446,116.10	30,859,492.45	257,586,623.65
September	61,753,910.85	42,169,507.15	19,584,403.70
October	42,301,995.50	32,960,269.05	9,341,726.45
November	55,537,004.45	46,323,090.46	9,213,913.99
December	157,746,213.75	5,051,006.20	152,695,207.55
January	41,842,074.45	37,636,627.37	4,205,447.08
February	54,609,073.95	39,372,392.10	15,236,681.85
March	49,114,264.70	32,102,336.85	17,011,927.85

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April	46,909,283.80	16,307,810.20	30,601,473.60
May	45,823,434.70	36,178,257.55	9,645,177.15
June	323,532,347.65	53,261,806.00	270,270,541.65
	129,259,140.15	-	129,259,140.15
	727,458.65	-	727,458.65
	18,709,786.40	-	18,709,786.40
	151,553,515.15	-	151,553,515.15
	<b>1,491,504,676.15</b>	<b>372,222,595.38</b>	<b>1,119,282,080.77</b>

Re- Credited cheque Analysis 2018/2019			
	Receipts	Payment	Balance
JULY	1,517,205.90		1,517,205.90
August	47,751,178.90	16,557,638.30	31,193,540.60
September	64,890,087.30	22,789,560.10	42,100,527.20
October	91,087,926.20	51,996,827.60	39,091,098.60
November	89,315,924.85	73,891,150.74	15,424,774.11
December	192,003,265.15	29,287,585.10	162,715,680.05
January	73,650,612.85	18,436,315.50	55,214,297.35
February	762,142.90	-	762,142.90
March	33,985,554.15	1,408,669.80	32,576,884.35
April	82,142,666.70	41,970,938.10	40,171,728.60
May	35,679,970.30	31,492,463.55	4,187,506.75
June	117,047,105.10	151,065,007.79	(34,017,902.69)
	<b>829,833,640.30</b>	<b>438,896,156.58</b>	<b>390,937,483.72</b>

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Re- Credited cheque Analysis 2019/2020			
	Receipts	Payment	Balance
JULY	239,864,164.30		239,864,164.30
August	229,662,096.58	35,514,132.60	194,147,963.98
September	137,007,413.33	40,174,047.10	96,833,366.23
October	161,430,953.70	96,948,374.90	64,482,578.80
November	225,249,830.82	140,415,708.55	84,834,122.27
December	108,159,213.20	63,900,926.00	44,258,287.20
January	109,827,014.39	53,714,450.56	56,112,563.83
February	37,790,324.50	46,572,810.75	(8,782,486.25)
March	21,552,613.80	41,199,739.89	(19,647,126.09)
April	32,756,631.65	25,414,610.70	7,342,020.95
May	117,058,766.55	29,362,958.55	87,695,808.00
June	446,989,724.55	388,048,829.90	58,940,894.65
	<b>1,867,348,747.37</b>	<b>961,266,589.50</b>	<b>906,082,157.87</b>

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Re- Credited cheque Analysis 2020/2021

	Receipts	Payment	Balance
	Kshs.	Kshs.	Kshs.
JULY	57,880,162.80	14,502,611.05	43,377,551.75
August	190,270,427.67	67,363,521.61	122,906,906.06
September	185,195,339.40	71,328,116.32	113,867,223.08
October	109,958,934.65	66,798,795.48	43,160,139.17
November	32,327,996.05	27,380,083.00	4,947,913.05
December	54,434,197.95	13,991,682.85	40,442,515.10
January	68,013,554.25	43,272,847.75	24,740,706.50
February	160,092,903.45	39,068,695.30	121,024,208.15
March	131,474,164.75	44,784,265.01	86,689,899.74
April	31,541,637.90	66,075,417.90	(34,533,780.00)
May	154,864,505.25	59,704,989.80	95,159,515.45
June	181,342,745.42	29,401,160.90	151,941,584.52
	<b>1,357,396,569.54</b>	<b>543,672,186.97</b>	<b>813,724,382.57</b>

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CENTRAL  
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KENYA


Head Office Avenue  
P.O. Box 60000 00100 Nairobi, Kenya  
Telephone: 254 20 340190, Fax: 340192


July 7, 2021

## CERTIFICATE OF BALANCES

Customer: 120373 – NATIONAL TREASURY  
Balance Date: 30 JUN 2021

Account No	Account Name	Balance
1000204397	REC-PENSIONS	2,039,264,930.27
1000209518	NATIONAL TREASURY REVENUE COLL.	0.00
1000213744	EUROPEAN WIDOWS AND ORPHANS PENSION	172,551,308.65
1000213752	ASIAN OFFICERS FAMILY PENSION FUND	445,483,121.85
1000213768	PROVIDENT FUND KE AND EA COMMUNITY	887,674,635.10

  
LAWRENCE RWERIA  
AUTHORISED SIGNATORY  
BANKING SERVICES

  
JOYCE NASIEKU  
AUTHORISED SIGNATORY  
BANKING SERVICES

