

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2026 DAY: THUR

TABLED BY:	Opp. Leader of the Majority Party MR. OGIEN BAYAMU
OPINION AT THE TABLE:	MURGI CHUMO

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

ON

NATIONAL EXCHEQUER ACCOUNT

**FOR THE YEAR ENDED
30 JUNE, 2025**

THE NATIONAL TREASURY



THE NATIONAL TREASURY

National Exchequer Account Financial Statements

For the Financial Year ended 30th June 2025

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

Contents

1. ACRONYMS AND DEFINITION OF KEY TERMS	ii
2. KEY NATIONAL TREASURY INFORMATION AND MANAGEMENT	iv
3. PROFILE OF CABINET SECRETARY, THE NATIONAL TREASURY	xii
4. PROFILE OF PRINCIPAL SECRETARY, THE NATIONAL TREASURY	xiii
5. STATEMENT BY THE CABINET SECRETARY, THE NATIONAL TREASURY	xiv
6. STATEMENT BY THE PRINCIPAL SECRETARY	xxii
7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2024/2025.....	xxix
8. STATEMENT OF GOVERNANCE.....	xlvi
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	lviii
10. OVERVIEW OF NATIONAL EXCHEQUER OPERATIONS	x
11. STATEMENT OF THE MANAGEMENT’S RESPONSIBILITIES	xii
12. REPORT OF THE AUDITOR GENERAL	xiii
13. THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025.....	1
14. THE STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025.....	2
15. STATEMENT OF CHANGES TO NET ASSETS	3
16. THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024.....	4
17. THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	5
18. SIGNIFICANT ACCOUNTING POLICIES.....	6
19. NOTES TO THE FINANCIAL STATEMENT	7
20. PROGRESS ON FOLLOW UP OF AUDITOR’S RECOMMENDATIONS.....	19

1. ACRONYMS AND DEFINITION OF KEY TERMS

A. Acronyms and Abbreviations

AGPO:	Access to Government Procurement Opportunities
A-in-A	Appropriations in Aid
BETA:	Bottom-Up Economic Transformation Agenda
CARB:	County Allocation of Revenue Bill
CCF:	Climate Change Fund
CGS:	Credit Guarantee Scheme
CSD:	Central Securities Depository
DORB:	Division of Revenue Bill
IPSAS:	International Public Sector Accounting Standards (IPSAS)
IRMF:	Institutional Risk Management Framework
KRA:	Key Result Areas
MCDAs:	Ministries, Counties, Departments and Agencies
MDAs:	Ministries, Departments and Agencies
MSME:	Micro, Small and Medium Enterprises
NIFC:	Nairobi International Financial Centre
NHIF:	National Hospital Insurance Fund
NSSF:	National Social Security Fund
PFM:	Public Finance Management
PSSS:	Public Service Superannuation Scheme
RK-FINFA:	Rural Kenya Financial Inclusion Facility
RTPs:	Restrictive Trade Practices
SACCOs:	Saving and Credit Cooperative Organizations
SAGAs:	Semi-Autonomous Government Agencies
VFM:	Value for Money

B. Definition of Key Terms

Appropriation in Aid: Revenue collected by various Government Ministries, Departments and Agencies (MDAs) and spent at source after appropriation.

Career Development Guidelines: A policy document that provides clearly defined career structures, well-defined job descriptions and specifications, standards for recruitment, training, advancement, career planning, and succession management.

Carbon Credits: Are financial instruments where the buyer compensates another entity to undertake measures aimed at lowering its greenhouse gas emissions. The purchaser then receives recognition for these emissions reductions.

County Allocation of Revenue Bill: A Bill for an Act of Parliament, prepared in fulfilment of the requirements of Article 218(2) of the Constitution and Section 191 of the Public Finance Management Act, 2012, to provide for the equitable allocation of revenue raised nationally among the county governments in every financial year and the responsibilities of national and county governments pursuant to such allocation and for connected purposes.

County Governments Additional Allocation Bill: A Bill for Act of Parliament to provide for additional allocations (conditional and unconditional) to county governments; the responsibilities of National t and county governments pursuant to such allocations; and for connected purposes.

Evaluation: Refers to a systematic and objective assessment of ongoing or completed activities. The aim is to determine the relevance and level of achievement of activity objectives, effectiveness, efficiency, impact and sustainability. Evaluations also feed lessons learnt into the decision-making process.

Emerging Issues: This refers to recent occurrences /events /phenomena which might impact the sector negatively or positively. They include environmental, policy, legal, technological, economic, political, social and cultural.

Monitoring: Is a continuous assessment that aims at providing all stakeholders with early detailed information on the progress or delay of the ongoing assessed activities. It is an oversight of the activity's implementation stage.

Public Financial Management Reforms: These are reforms aimed at strengthening Public Finance Management (PFM) systems to enhance effectiveness of the budget processes, improve transparency and deployment of Public Private Partnership arrangements in funding infrastructural projects, among others.

Risk: The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Value for Money (VFM) Audits: To give assurance on prudent utilization of public resources and establish whether funds have been used economically, efficiently and effectively.

2. KEY NATIONAL TREASURY INFORMATION AND MANAGEMENT

a) Background Information

The National Treasury was established vide the Executive Order No. 1 of 2025. The basis for establishment of the National Treasury is found in Article 225 (1) 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, who is responsible for the general policy and strategic direction of the Ministry.

b) 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 Order No.1 of 2025. The National Treasury exercises its mandate in consistency with any other legislation as developed or reviewed by Parliament from time to time.

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

- i. Overall Economic Policy Management;
- ii. Management of Public Finance;
- iii. Formulation of National Budget;
- iv. Public Debt Management;
- v. Formulation and Maintenance of Government Accounting Standards;
- vi. Bilateral and Multi-Lateral Financial Relations;
- vii. Capital Markets Policy;
- viii. Oversight of Revenue Collection as prescribed;
- ix. Competition Policy Management;
- x. Insurance Policy and Regulation;
- xi. Development and Enforcement of Financial Governance Standards;
- xii. Financial Sector Analysis and Management including SACCOs, NSSF and SHA;
- xiii. Financial Institutions Oversight;
- xiv. Management of National and County Governments Financial Management System and Standards;
- xv. Development of Kenya as an International Financial Centre;
- xvi. Anti-Money Laundering Policy; and
- xvii. Development and promotion of carbon trading (carbon credit markets) as an emerging asset class within the capital markets.

Vision

“Excellence in economic and public finance management, and development planning for Kenya’s socio-economic transformation.”

Mission

“To provide leadership in prudent economic and public finance management and development planning through formulation, implementation and monitoring of policies for Kenya’s inclusive growth”.

Core Values

The National Treasury is guided by the following **STRICT** core values:

- Stakeholder participation;
- Transparency and accountability;
- Results oriented;
- Integrity;
- Customer focus; and
- Teamwork and commitment;

Role of the National Treasury in the Devolved System of Government

The National Treasury is mandated by law to: -

- i. Strengthen financial and fiscal relations between the National Government and County Governments and support County Governments in performing their functions;
- ii. Issue guidelines on the preparation of county development planning;
- iii. Prepare the annual legislative proposals on intergovernmental fiscal transfers;
- iv. Provide logistical support to intergovernmental institutions overseeing intergovernmental fiscal relations;
- v. Coordinate the development and implementation of financial recovery plans for County Governments that are in financial distress;
- vi. 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
- vii. Administer the Equalization Fund.

e) Key Management

The National Treasury’s day-to-day management is bestowed on following key offices.

Office of the Principal Secretary

The Principal Secretary is responsible for the day-to-day administration of the National Treasury operations and is the Accounting Officer and Authorized Officer. In addition, the Principal Secretary is charged with the responsibility of advising the Cabinet Secretary on policy, technical and administrative functions in the National Treasury.

Organizational Structure of the National Treasury

The National Treasury is organized into four (4) technical Directorates headed by Directors General and one (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 National Treasury has two independent departments namely Public Procurement and Internal Audit headed by a Director and Internal Auditor General respectively. The National Treasury also has a Public Finance Management Reforms Secretariat headed by a Programme Coordinator.

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 four (4) Technical Departments each headed by a Director:

- (a) Budget Department;
- (b) Macro and Fiscal Affairs Department;
- (c) Financial and Sectoral Affairs Department; and
- (d) Inter-Governmental Fiscal Relations Department.

Directorate of Accounting Services

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:

- (a) Government Accounting Services;
- (b) Information Financial Management Systems (IFMIS);
- (c) National Sub-County Treasuries; and
- (d) Government Digital Payments 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:

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

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 ten (10) 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:

- (a) Accounting;

- (b) Finance;
- (c) Human Resource Management and Development;
- (d) Central Planning and Project Monitoring;
- (e) Supply Chain Management;
- (f) Legal;
- (g) Public Communications;
- (h) General Administration;
- (i) Internal Audit; and
- (j) ICT.

Directorate of Public Investment and Portfolio Management

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

- (a) Government Investment and Public Enterprises;
- (b) National Assets and Liabilities Management;
- (c) Parastatal Reforms;
- (d) Pensions Department; and
- (e) Public Investment Management.

Directorate of Public Private Partnership

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

Note: Directorate of Public Investment and Portfolio Management and Directorate of Public Private Partnership have since been transferred from the National Treasury to the new State Department for Public Investment and Assets Management vide Executive Order No. 1/ 2025 dated June, 2025.

d) Fiduciary Management

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

S/No.	Designation	Name
1.	Principal Secretary	Dr. Chris Kiptoo. CBS
2.	Principal Administrative Secretary	Mr. Samson Wangusi, OGW
3.	Director General, BFEA	Mr. Albert Mwenda, MBS
4.	Director General, Accounting Services	FCPA. Bernard Ndung'u, MBS
5.	Director General, PIPM	Mr. Lawrence Kibet, EBS

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

6.	Director General, PDMO	Mr. Raphael O. Otieno
7.	Director General, PPP	Eng. Kefa Seda
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Kathanje, OGW
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Director, Financial and Sectoral Affairs Department	Mr. Ronald Inyangala, OGW
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Director, Intergovernmental Fiscal Relations Department	Mr. Samuel Kiptorus
13.	Internal Auditor General	Dr. CPA. Sammy Kimunguyi, CFE, CISA
14.	Director, Government Accounting Services Department	CPA, FA. Jona Wala
15.	Director, National Sub County Treasuries	CPA. Francis Kariuki, OGW
16.	Director, Integrated Financial Management Information System	Mr. Mboni Kyallo
17.	Director, National Assets and Liability Management	CPA. Geoffrey Malombe, ndc(k)
18.	Director, Government Investment and Public Enterprises	CPA. Kennedy Ondieki, EBS
19.	Director, Pensions Department	Mr. Michael Kagika, EBS
20.	Director, Parastatal Reforms	Dr. Karen Kandie, DBA
21.	Director, Public Investment Management Unit	Mr. Orumoi Jonah
22.	Director, Resource Mobilization Department	Mr. Amos Cheptoo
23.	Director, Debt Policy, Strategy and Risk Management Department	Mr. Daniel Ndolo
24.	Director, Debt Recording and Settlement Department	Mr. Jeremiah Tomno
25.	Director Administration (Ag.)	Mr. Denis Kirui
26.	Director Accounting Services/Head, Accounts Division	CPA. George K. Gichuru
27.	Head, Finance Unit	Mr. Ambrose Ogango
28.	Director/Head, Supply Chain Management Unit	Mr. Caleb Ogot
29.	Senior Deputy Internal Auditor General/Head, Internal Audit Unit	CPA. Lucy Mugwe
30.	Principal State Law Counsel, Legal Unit	Ms. Faith Chirchir
31.	Director, Human Resource Management and Development	Mr. Benson Giuthua, OGW
32.	Director, Information Communication and Technology	Mr. Edward Ruteere
33.	Director, Central Planning and Project Monitoring Department	Mr. John Olela
34.	Director, Public Communications Unit	Mr. Godfrey Isiye
35.	Ag. Director Government Digital Payments Unit	Mr. Silas Oswe
36.	Director, Exchequer Services	CPA. Jane Wacuka, OGW
37.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Joel Bett

e) 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:

i. Audit Committee

In line with the Public Finance Management Act 2012, the National Treasury has established a Ministerial Audit Committee comprising five members, four of whom are independent. The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations.

The committee support the Accounting Officer with regard to the responsibilities on issues of risk management, internal controls, governance and associated assurance. The Committee also follow up on the implementation of the recommendations of internal and external auditors.

ii. Public Finance Management Committees

Budget Implementation Steering Committee

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

Public Finance Management Standing Committee (PFMSC)

Established to provide strategic guidance on Public Finance Management according to the Public Finance Management (National Government) Regulations. The committee is crucial for ensuring prudent financial management and accountability at the National Treasury.

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.

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.

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.

iii. Top Management Committee

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed Senior 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 Ad hoc Committees to handle specific assignments in the Financial Year 2024/25.

iv. The National Treasury Monitoring and Evaluation Technical Committee (NTPMEC)

The National Treasury 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.

The National Treasury Monitoring and Evaluation Technical Committee (NTPMEC) is a dedicated technical committee which was established by PS/NT on 28th May, 2024 to mainstream PM&E practices within the National Treasury and ensure effective oversight and evaluation of fiscal policies, budgetary allocations, and public investments.

The Committee is mandated to enhance the efficiency, transparency, and accountability of the planning, budgeting, financial management, and M&E practices within the National Treasury. It aims to provide systematic oversight, evaluation, and evidence-based recommendations for functional and operational efficiency and realization of intended strategic outcomes.

The National Treasury Headquarters

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

The National Treasury Contacts

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

The National Treasury Bankers

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

Independent Auditors

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

Principal Legal Adviser

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

3. PROFILE OF CABINET SECRETARY, THE NATIONAL TREASURY



HON. FCPA. JOHN MBADI NG'ONGO, EGH is the Cabinet Secretary (CS) for The National Treasury. Before his appointment, Hon. Mbadi had an extensive career in public service, most recently serving as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly.

The CS has a rich history in legislative leadership, having served as the elected MP for Suba South Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Throughout his parliamentary tenure, he was a member of numerous key committees, including the House Business Committee, Liaison Committee, Budget and Appropriations Committee, Selection Committee, Appointments Committee, Public Accounts Committee, Public Investments Committee, Constitutional Implementation Committee, the Ad Hoc Committee on the Cost of Living, and the Defence and Foreign Relations Committee. Notably, he was also a member of the Legislative Taskforce responsible for drafting the Public Finance Management Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 28 years of experience. He has held the position of Accountant at the University of Nairobi and served as the Chair of Medair East Africa. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.

His contributions have been recognized with honours such as the Chief of the Order of the Burning Spear (CBS) and Elder of the Order of the Golden Heart of Kenya (EGH). His skills span planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills.

4. PROFILE OF PRINCIPAL SECRETARY, THE NATIONAL TREASURY



DR. CHRIS K. KIPTOO, CBS is the Principal Secretary, the National Treasury. He was appointed Principal Secretary by H.E the President William Samoei Ruto on 1st December, 2022. Since his appointment, Dr Kiptoo has been at the forefront in implementing Fiscal consolidation, Public Debt management including the Eurobond, expenditure rationalization, revenue mobilization as well as reform of state-owned enterprises (SOEs).

Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives.

In his working career, Dr. Kiptoo has acquired a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank of Kenya, Capital Market Authority and the International Monetary Fund, where he served in various capacities. His expertise especially relates to the design and implementation of monetary policy; balance of payments and exchange rates; fiscal operations and policy; financial sector matters including capital markets; national accounts/real sector; macroeconomic accounting, modelling and forecasting.

Additionally, Dr. Kiptoo has proven experience in environment and climate change policies, trade policy and regional integration, private sector development and advocacy, infrastructure development, institutional development of Government institutions and organisational management, all mainly gained at the Ministry of Environment and Forestry, State Department of Trade as well as Trade Mark East Africa.

Noteworthy, he also has four years of experience in economic policy coordination gained while working at the then Office of the Prime Minister.

5. STATEMENT BY THE CABINET SECRETARY, THE NATIONAL TREASURY

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.

The FY 2024/25 marked the third year following the transition from the previous administration to the current one. The FY 2024/25 was manifested by accelerated implementation of programmes. However, revenue performance into the year fell short of target resulting in deployment of austerity measures and reprioritizations of activities.

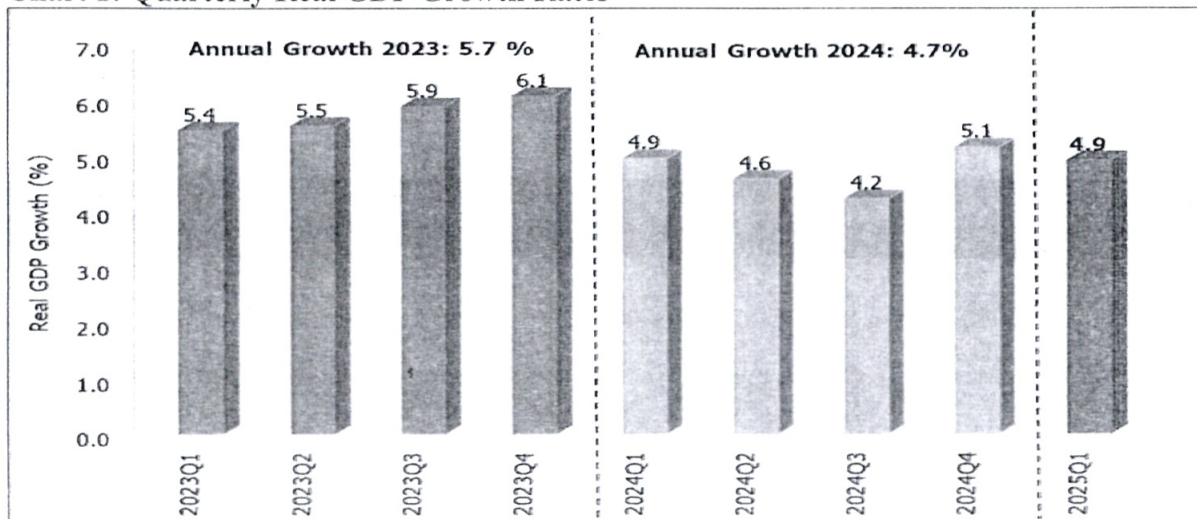
Economic Growth

In 2024, the economy grew by 4.7 percent supported by positive growths in all sectors except construction and mining. This growth was lower compared to 5.7 percent in 2023 mainly due to adverse effects of floods in the second quarter and the anti-Finance Bill protests in the third Quarter of 2024 that disrupted economic activities.

The economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent, a similar growth compared to the corresponding quarter of 2024 (**Chart 1**). This growth was primarily underpinned by strong performance in the agriculture sector, a recovery of industrial activities, and the resilience of services sector.

All economic sectors recorded positive growth rates in the first quarter of 2025, though the magnitudes varied across activities. The diversified structure of the economy remains a key source of resilience for the economy to domestic and external shocks.

Chart 1: Quarterly Real GDP Growth Rates



Source of Data: Kenya National Bureau of Statistics

The primary sector grew by 6.2 percent in the first quarter of 2025 compared to a growth of 4.5 percent in the first quarter of 2024 (**Table 1**). This was as a result of the robust growth in the agriculture, forestry and fishing sub-sector and a recovery in the mining and quarrying sub sector. Activities in the **agriculture, forestry and fishing sub-sector** expanded by 6.0

percent in the first quarter of 2025 compared to a growth of 5.6 percent in a similar quarter in 2024. This performance was driven by favorable weather conditions experienced in most parts of the country involved in crop and animal production. This was evident in the significant increase in production of sugarcane, milk deliveries and increased coffee exports. The sector's performance was further supported by improved external demand of cut flowers and vegetables. However, the sector's performance was somewhat curtailed by a decline in tea production.

The **mining and quarrying sub-sector** contributed to the overall primary sector performance with a strong rebound of 10.0 percent during the quarter, reflecting increased activity and renewed investment following a period of subdued performance in the previous year.

The **industry sector** recorded a growth of 2.6 percent in the first quarter of 2025, improving from 1.5 percent in the same quarter of 2024. This growth was driven by positive performance across manufacturing, electricity and water supply, and construction.

The **manufacturing sub-sector** grew by 2.1 percent compared to a growth of 1.9 percent in the first quarter of 2024. This growth was supported by both food and non-food manufacturing activities. In food manufacturing, the sector benefitted from strong increases in coffee auctions, milk deliveries, sugar production, and soft drink output. Non-food manufacturing also performed well, with increased production in cement and galvanized sheets. However, the sector faced some constraints due to a decline in credit to manufacturing enterprises.

The **electricity and water supply sub-sector** grew by 3.6 percent, compared to 2.8 percent in Q1 2024, largely due to a rise in total electricity generation. Renewable energy sources contributed significantly, with solar and wind generation increasing. Growth in the sector was curtailed by an increase in Thermal power generation while hydro and geothermal generation declined.

Construction sub-sector grew by 3.0 percent in the first quarter of 2025, up from 0.4 percent in Q1 2024, driven by increased consumption of key inputs such as cement and iron and steel. However, imported bitumen volumes declined, suggesting a potential slowdown in road construction activities.

In the first quarter of 2025, the **services sector** recorded a real GDP growth of 4.8 percent, a slowdown from the 6.8 percent growth posted in the corresponding quarter of 2024. The decline can be attributed to a combination of factors including rising prices, a slowdown in manufacturing, and the lingering effects of the COVID-19 pandemic. The Transportation and Storage sub-sector expanded by 3.8 percent, slightly lower than the 4.1 percent growth in Q1 2024, supported by increased land transport and port activity.

Accommodation and Food Service activities grew by 4.1 percent in the first quarter of 2025, a slowdown, compared to a growth of 38.1 percent in the first quarter of 2024. The growth is due to several factors, including the recovery from the COVID-19 pandemic, increased domestic tourism, and a growing middle class with more disposable income. The number of visitor arrivals via the two major airports, the Jomo Kenyatta International Airport (JKIA) and Mombasa International Airport (MIA) increased by 0.5 percent in the first quarter of 2025 compared to a 10.4 percent growth in the first quarter of 2024. This is due to Government initiatives geared towards promoting domestic tourism and improving infrastructure also contribute to this growth.

The **Information and Communication sub-sector** grew by 5.8 percent in the first quarter of 2025, compared to 9.2 percent growth in the corresponding quarter of 2024. This performance was supported by an increase in the volume of outgoing domestic voice traffic, use of domestic Short Messaging Services (SMSs) and mobile money transactions. Similarly, the total utilized international bandwidth increased in the first quarter of 2025, mainly attributed to the launch of an additional internet service provider in the country.

The **Financial and Insurance sub-sector** recorded a slower growth of 5.1 percent in the first quarter of 2025 compared to 9.6 percent growth in the corresponding quarter of 2024. Despite the overall slowdown, the sector remained buoyed by increased activity in financial transactions and improved credit conditions.

Table 1: Sectoral Real GDP Growth rate (Percent)

Sectors	Annual Growth Rates		Quarterly Growth Rates		
	2023	2024	2023 Q1	2024 Q1	2025 Q1
1. Primary Industry	5.7	3.9	5.4	4.5	6.2
1.1. Agriculture, Forestry and Fishing	6.6	4.6	6.5	5.6	6.0
1.2. Mining and Quarrying	(6.5)	(9.2)	(10.6)	(16.1)	10.0
2. Secondary Sector (Industry)	2.6	1.5	2.1	1.5	2.6
2.1. Manufacturing	2.2	2.8	2.1	1.9	2.1
2.2. Electricity and Water supply	3.2	1.9	3.8	2.8	3.6
2.3. Construction	3.0	(0.7)	1.4	0.4	3.0
3. Tertiary sector (Services)	6.8	6.1	6.6	6.8	4.8
3.1. Wholesale and Retail trade	3.3	3.8	3.7	3.6	5.4
3.2. Accommodation and Restaurant	33.6	25.7	46.3	38.1	4.1
3.3. Transport and Storage	5.5	4.4	6.8	4.1	3.8
3.4. Information and Communication	10.3	7.0	10.4	9.2	5.8
3.5. Financial and Insurance	10.1	7.6	4.7	9.6	5.1
3.6. Public Administration	5.0	8.2	8.4	7.5	6.5
3.7. Others	6.1	5.2	5.7	5.8	4.4
of which: Professional, Admin & Support Services	9.4	9.4	8.6	9.4	4.6
Real Estate	7.3	5.3	6.6	6.9	5.3
Education	2.9	3.9	3.6	2.4	2.9
Health	4.5	6.3	4.8	5.4	4.8
Taxes less subsidies	3.2	4.4	2.7	2.9	5.7
Real GDP	5.7	4.7	5.4	4.9	4.9
of which Non-Agriculture	5.8	4.8	5.5	5.0	4.5

Source of Data: Kenya National Bureau of Statistics

The implementation of the FY 2024/25 budget faced notable challenges, primarily following the withdrawal of the Finance Bill 2024. Its withdrawal, alongside the associated public demonstrations, adversely affected economic activity and disrupted business operations across the country, compounding the fiscal pressures facing the Government. In response, the Government undertook a revision of the fiscal framework through Supplementary Estimates No. I in August 2024. This revision reflected a lower revenue base following the preliminary outcomes of FY 2023/24, while also addressing immediate cash flow constraints. These adjustments were critical to ensuring the continuity of public service delivery. In addition to the mid-year economic disruptions, the budget execution has been further constrained by shortfalls in revenue and emerging expenditure pressures.

Notably, the implementation of Collective Bargaining Agreements and funding requirements under the new university education financing model placed significant demands on the available fiscal space. These challenges led to cash flow pressures and a build-up of pending obligations, which necessitated careful fiscal management and reprioritization. To address these evolving dynamics, the Government prepared Supplementary Budget Estimates to accommodate revenue shortfalls experienced during the current fiscal year and accommodated expenditure pressures.

In this regard, the FY 2024/25, the fiscal balance (on commitment basis and excluding grants) amounted to KSh 1,044.5 billion (5.8 percent of GDP) against a targeted deficit of KSh. 648.8 billion (3.6 percent of GDP). The fiscal balance (on a commitment basis and including grants) in FY 2024/25 stood at 5.8 percent of GDP against a target deficit of 3.3 percent of GDP.

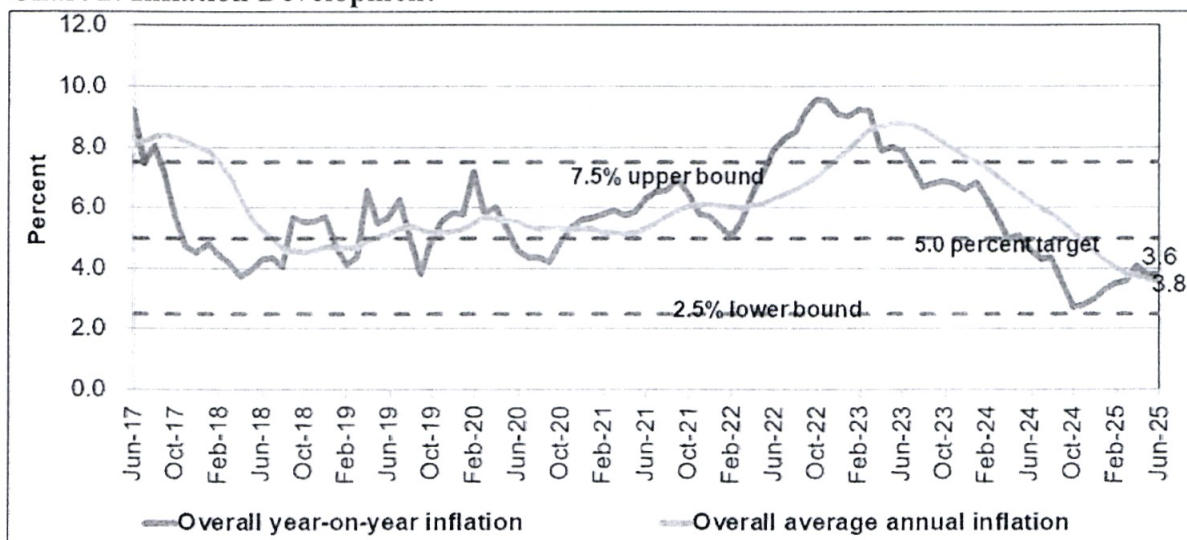
Total revenue collection by the end of June 2025, stood at KSh. 2,918.6 billion against a target of KSh 3,343.2 billion, resulting to a shortfall of KSh 424.6 billion. The shortfall was on account of below collection ordinary revenue of Ksh 497.0 billion. Ministerial A-I-A, however, was above the target collection by Ksh 72.5 billion. Total revenue inclusive of the ministerial A-I-A grew by 8.0 percent, an increase from a growth of 14.5 percent recorded in June 2024. Ordinary revenue collection in FY 2024/25 was KSh 2,420.2 billion against a target of KSh 2,917.2 billion, which was KSh 497.0.0 billion below the target.

The total expenditure and net lending for the period under review amounted to KSh 3,963.1 billion, against a target of KSh 3,992.0 billion. The resultant under expenditure of KSh 28.9 billion is attributed to below target absorption of development expenditures by the National Government. Recurrent expenditure for National Government amounted to KSh 2,937.2 billion against a target of KSh 2,841.9 billion leading to a above target expenditure of KSh 95.2 billion. The above target expenditure in recurrent category is mainly attributed to above target expenditure on Operation and Maintenance (O&M) and domestic interest payments.

Inflation

The overall year-on year inflation remained under control and within the Government target range of 5 ± 2.5 percent. Inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024 (**Chart 2**). Easing inflation has been supported by abundant supply of food arising from favorable weather conditions, lower fuel inflation attributed to appreciation of the exchange rate and lower international oil prices, and the decline in non-food non-fuel (NFNF) inflation reflecting impact of previous monetary policy tightening. Overall average inflation declined from 6.2 percent in June 2024 to 3.6 percent in June 2025 and has remained below the mid-point of the target band of 5.0 percent since June 2024.

Chart 2: Inflation Development

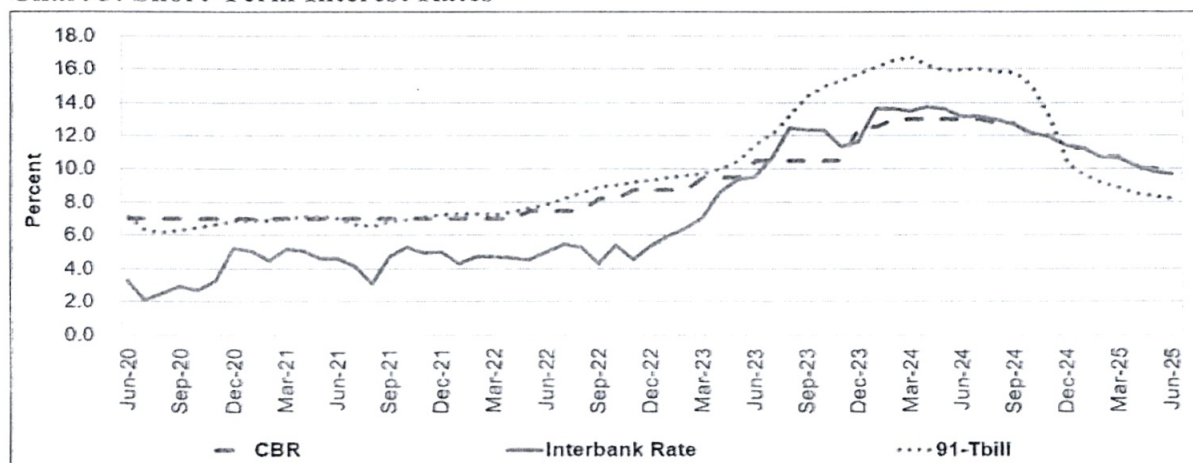


Source of Data: KNBS

Given that inflation was below the mid-point of the target range and the exchange rate had stabilized, the Central Bank of Kenya through the Monetary Policy Committee (MPC) gradually eased monetary policy by lowering the Central Bank Rate (CBR) from 13 percent in August 2024 to 11.25 percent in December 2024 and further to 9.75 percent in June 2025. The easing of the monetary policy stance supported lowering of interest rates to boost lending by banks to the private sector thereby supporting economic activities.

Interest rates declined in line with the easing of the monetary policy. The interbank rate declined to 9.7 percent in June 2025 compared to 13.1 percent in June 2024 and remained within the prescribed corridor around the CBR (set at CBR± 150 basis points). The 91-day Treasury Bills rate also declined to 8.2 percent in June 2025 from 16.0 percent in June 2024.

Chart 3: Short-Term Interest Rates

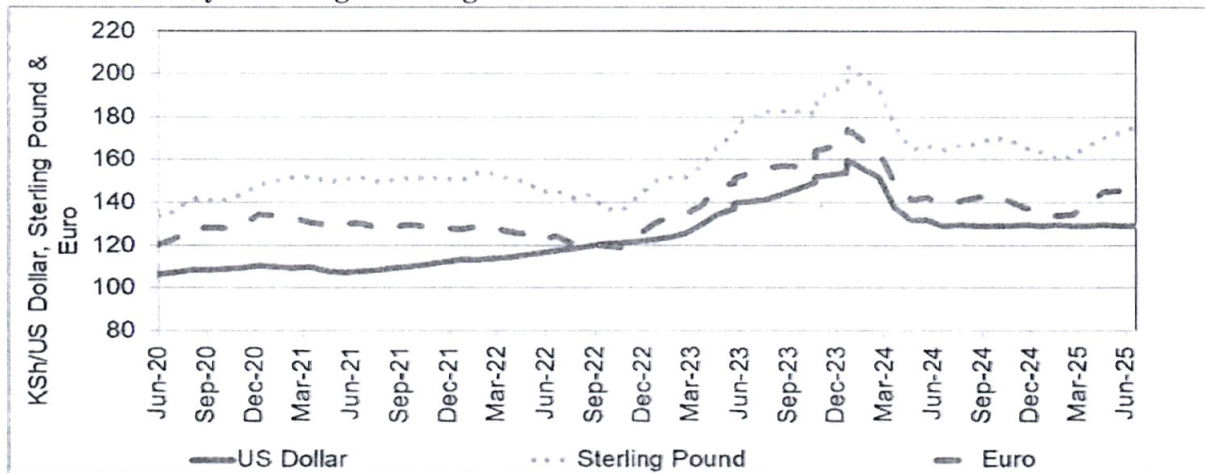


Source of Data: Central Bank of Kenya

Exchange Rates

The Kenya Shilling exhibited mixed performance against major international currencies. It remained relatively stable against the US Dollar, strengthening marginally by approximately 0.08 percent, indicating steady demand for the US Dollar and minimal volatility in the exchange rate. However, the Shilling weakened notably against the Euro and the Sterling Pound, depreciating by about 7.11 percent and 6.69 percent, respectively. In June 2025, it exchanged at an average of KSh 129.3 per US Dollar compared with KSh 129.4 per US Dollar in June 2024. Against the Euro, the Shilling traded at an average of KSh 149.2 by end of June 2025 compared to KSh 139.3 by end of June 2024, while against the Sterling Pound, it exchanged at an average of KSh 175.5 compared to KSh 164.5 over the same period.

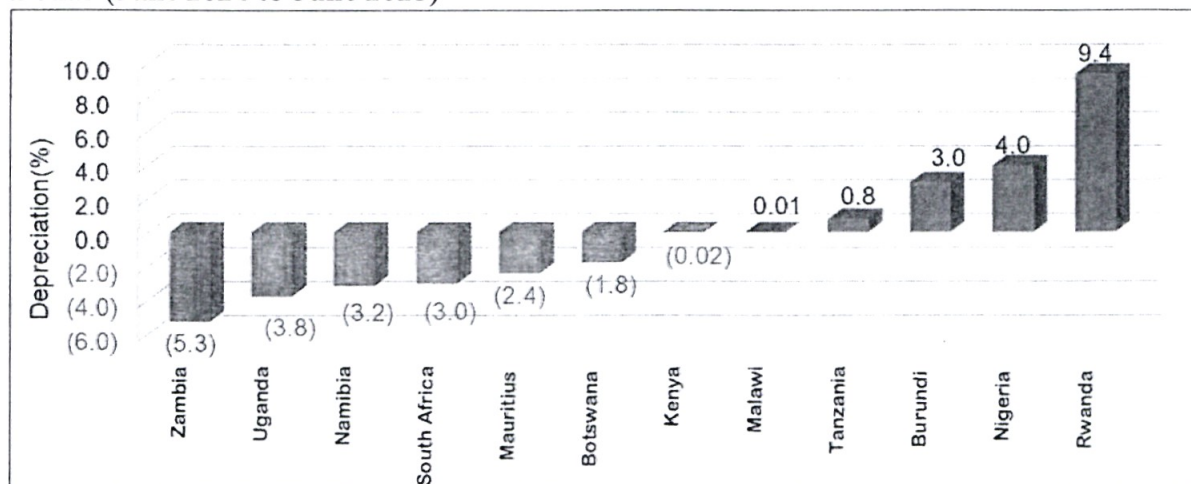
Chart 4a: Kenya Shilling Exchange Rate



Source of Data: Central Bank of Kenya

In comparison to Sub-Saharan Africa currencies, the volatility of the Kenya Shilling exchange rate has remained relatively low amid high demand for the US dollar in the international markets. The Kenya Shilling remained stable supported by resilient remittances, adequate foreign exchange reserves and strong exports receipts. Majority of other Sub-Saharan Africa Currencies depreciated during the same period, particularly: Malawian Kwacha, Tanzanian Shilling, Burundi Franc, Nigeria Naira, and Rwanda Franc (**chart 4b**).

Chart 4b: Performance of Selected Sub-Saharan Countries Currencies against the US Dollar (June 2024 to June 2025)



Source of Data: National Central Banks

Pending Bills

The total outstanding National Government pending bills as at 31st March, 2025 amounted to KSh. 421.6 billion. These comprise recurrent bills of of KSh. 162.0 billion (38.4 percent) and development pending bills of KSh. 259.7 billion (61.6 percent). The pending bills include payment to contractors/projects, suppliers, unremitted statutory and other deductions, pension arrears for Local Authorities Pension Trust, and others. The highest percentage of the SCs pending bills belong to Contractor/Projects and Suppliers. Ministries/State Departments and other Government Agencies pending bills constitutes mainly of historical pending bills.

The National Government policy on clearance of pending bills continues to be in force. All MDAs are therefore, expected to continue with prioritization of payment of the pending bills by settling them as a first charge in the current financial year budget in line with the Treasury guidelines for implementation of the financial year 2024/25 and the medium-term budget, Treasury Circular No. 7/2023.

Bottom-Up Economic Transformation Agenda (BETA)

MDAs continued to prioritize allocations towards the achievement of the BETA priorities while addressing the policy, legal, regulatory, and governance issues to ensure optimal use of resources in execution of the planned interventions. BETA is geared towards economic turn around and inclusive growth and aims to increase investments in at least five sectors with high potential impact on the economy as well as household welfare.

These include: -

- i. Agricultural Transformation;
- ii. Micro, Small and Medium Enterprise (MSME);
- iii. Housing and Settlement;
- iv. Health care: and
- v. Digital superhighway and Creative Industry.

Fiscal policy for FY 2024/25 and the medium-term budget aimed to support the Bottom-Up Economic Transformation Agenda (BETA) through a growth friendly fiscal consolidation plan. The consolidation was supported by enhanced revenue mobilization, rationalization and prioritization of expenditure while protecting essential social and development budget. As part of the process, the Government embarked on the implementation of the National Tax Policy and the Medium-Term Revenue Strategy (MTRS) that further strengthened tax revenue mobilization efforts during the period under review and going forward.

Signature.....

Date

HON. CPA JOHN MBADI, EGH
CABINET SECRETARY
THE NATIONAL TREASURY AND ECONOMIC PLANNING

6. STATEMENT BY THE PRINCIPAL SECRETARY

Budget performance

The National Treasury expenditure for the FY 2024/25 stood at Ksh. 93.50 billion against an approved budget of Ksh .122.18 billion as per supplementary III, translating to an overall absorption rate of 76.53%. This shows a minimal decline of 0.23% from 76.76% recorded in the financial year 2023/24. The National Treasury’ printed estimate, supplementary estimates, expenditure and absorption rates are demonstrated in the summary table below:

Table on Budget and Expenditure for FY 2024/25 as at 30th June 2025

Vote	Printed Estimates FY 2024/25	Supplementary I Estimates FY 2024/25	Supplementary II Estimates FY 2024/25	Supplementary III Estimates FY 2024/25	Expenditure as at 30th June, 2025	Absorption rate (%age)
	Kshs. million					
Recurrent	75,596.0	66,721.4	78,013.0	82,266.0	66,988.5	81.4
Development	59,526.2	52,504.4	39,039	39,910.3	26,508.3	66.4
Total Budget	135,122.1	119,225.8	117,051.8	122,176.4	93,496.8	76.5

The Chart 1 below represents the trend of budget allocation trend through supplementary in 2024/25 FY

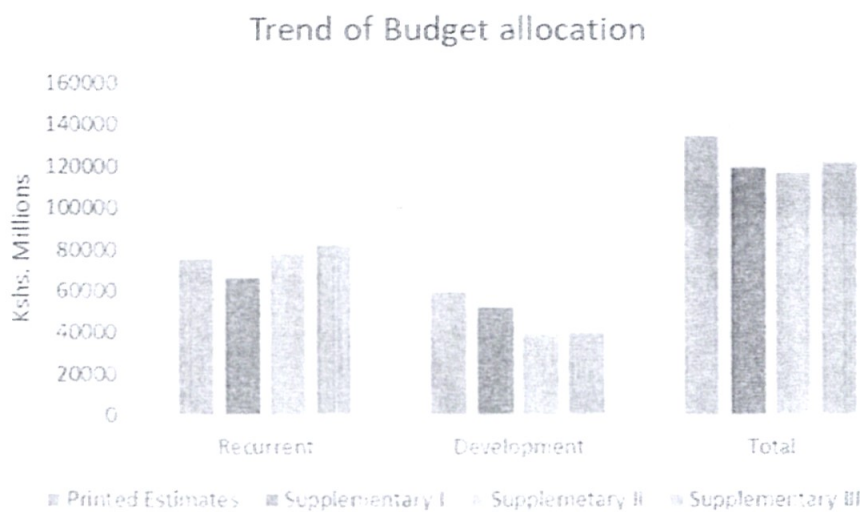
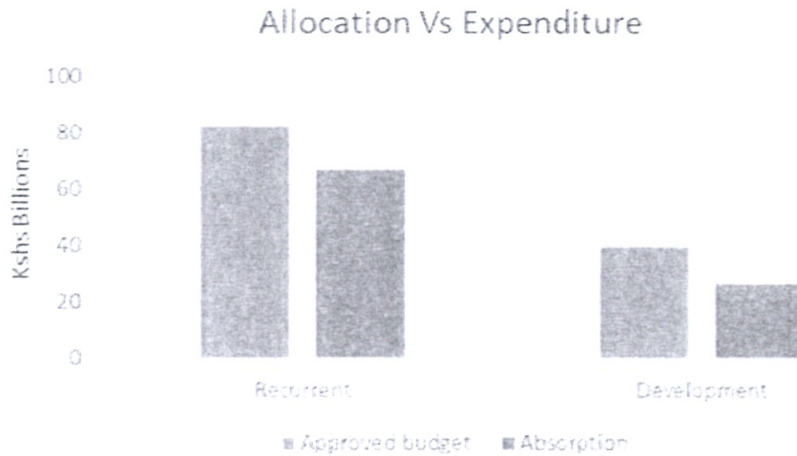


Chart 2 below presents the National Treasury total budget execution for the FY 2024/25.

Chart 2: Allocation against Total Expenditure



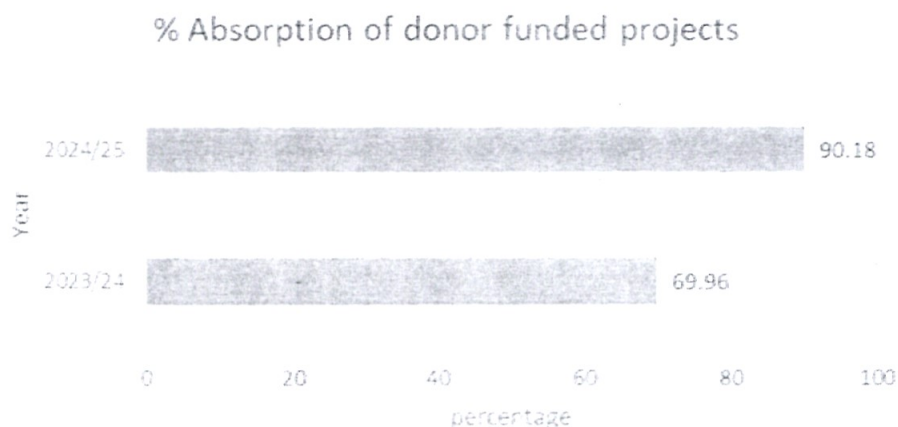
When disaggregated by recurrent and development expenditure, the budget execution indicates that the recurrent budget allocation of Ksh.66.99 billion was absorbed at 81.4% against an approved budget of 82.27 billion. This marked a decline from the absorption rate of 92.70% recorded in FY 2023/24.

On the other hand, development expenditure absorption was Ksh .26.51 billion against an allocation of Ksh 39.91billion recording an absorption rate of 66.52 %. The under absorption in development expenditure is attributed to exchequer challenges.

Budget execution for externally funded resources for FY 2024/2025

The externally funded projects recorded an absorption of Ksh. 29.61 billion against an allocation of Ksh. 32.84 billion translating to an absorption rate of 90.18%. This is a marked improvement from the 69.96% recorded in 2023/24. The improvement is attributed to increased commitments by donors. Absorption of Externally Funded Projects was affected by delays during preliminary processes e.g. in procurement resulting to delayed commencement. Also, delays in receiving of No Objection from Development Partners on implementation of most activities, inadequate GoK counterpart funding, budget cuts and weak performance by implementers as disbursement depends on milestones achieved.

Chart 3: Budget execution for externally funded projects for FY 2024/25



Budget Execution by Programme

The National Treasury implemented the 2024/25 FY budget within four economic programmes. These were: General Administration, Planning and Support Services; Public Financial Management; Economic and Financial Policy Formulation and Management; and Market Competition.

Key Achievements under programmes

The National Treasury registered Key Achievements during the Financial Year 2024/2025 as follows:

Electronic Government Procurement (e-GP) System. The National Treasury is set to fully roll out the system across all Procuring Entities within both the National and County Governments. This move is part of ongoing Public Finance Management Reforms aimed at enhancing efficiency, transparency, and value for money in public procurement. All Suppliers are required to Register for E-Government Procurement (e-GP) System by July 1, 2025. The implementation of the e-GP system follows a directive by His Excellency the President during the State of the Nation address delivered on 21st November 2024. In his speech, the President directed that the National Treasury to ensure the complete deployment of the e-GP system by the first quarter of 2025.

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

The National Treasury undertook training of users and suppliers in Q3 and Q4 of 2024/25 FY as shown in the summary table below:

ITEM	Targeted figures	Number of Persons Trained	No of Procuring Entities benefitted	
A	No.of Users Trained			
1	Ministries and State Departments	840	807	53
	Counties and County Assemblies	705	700	46
2				
3	State Corporations	6,400	3,297	306
	Total		4804	40
B.	Trainers of Trainers (ToTS)			
	Number of ToTs	160	60	
C	Suppliers			
	No of Suppliers Trained	Targeted Figures xxxxxxx	No of Suppliers trained 1,786	
D	Registration of Procuring Entities			
	No of PEs Registered	Targeted Figures xxxxxxxxx	No of PEs Registered 358	
E	NO. OF SUPPLIERS REGISTERED			
	TOTAL No of Suppliers Registered	Targeted Figures xxxxxxxxx	No. of Registered Suppliers 999	

General Administration, Planning and Support Services programme, the National Treasury leased 3,546 security vehicles for the National Police Service towards enhancing security;

The Public Financial Management programme, Total revenue collection by the end of June 2025, is estimated at KSh. 2,918.6 billion against a target of KSh 3,343.2 billion, resulting to a shortfall of KSh 424.6 billion. The shortfall was on account of below collection ordinary revenue of Ksh 497.0 billion. Ministerial A-I-A, however, was above the target collection by Ksh 72.5 billion. Total revenue inclusive of the ministerial A-I-A grew by 8.0 percent, an increase from a growth of 14.5 percent recorded in June 2024. Ordinary revenue collection in FY 2024/25 was KSh 2,420.2 billion against a target of KSh 2,917.2 billion, which was KSh 497.0 billion below the target.

The total expenditure and net lending for the period under review amounted to KSh 3,963.1 billion, against a target of KSh 3,992.0 billion. The resultant under expenditure of KSh 28.9 billion is attributed to below target absorption of development expenditures by the National Government. Recurrent expenditure for National Government amounted to KSh 2,937.2 billion against a target of KSh 2,841.9 billion leading to a above target expenditure of KSh 95.2 billion. The below target expenditure in recurrent category is mainly attributed to above target expenditure on Operation and Maintenance (O&M) and domestic interest payments

Economic and Financial Policy Formulation and Management programme, the National Treasury developed the Framework for verification and payment of outstanding Contribution in Lieu of Rate (CILOR) for County Governments. In addition, the National Treasury

implemented measures to attract three (3) NIFC firms. These include (i) facilitating discussions with regulators to introduce large scale global insurance provider into the market, (ii) collaborating with the Department of Immigration to facilitate fast-tracked investor and work permit issuance and (iii) supporting a foreign incoming Venture Capital firm with business registration.

Mobilization of resources, funds amounting to over Kshs 466,575 million were mobilized from external sources while domestic resources amounting to Kshs 294, 937 million from internal sources to support the budget.

Market Competition and Creation of an Enabling Business Environment programme, the National Treasury through the SAFER project transferred Kshs. 5.5 billion to Kenya Development Corporation (KDC) for onward lending to PFIs which will then lend to qualified MSMEs. With respect to access to justice, the National Treasury through the Competition Tribunal determined 100% of Appeals on Competition.

Implementation of Digital Superhighway, the National Treasury established Contact Centre Services to manage payment related queries from e-Citizen clients.

Emerging Issues

The emerging issues that impacted on the operations the National Treasury include: -

- i. Technological advancement in the ICT sector present opportunities to leverage ICT innovations in the conduct of business as well as risks relating to governance and data security. As the financial systems increasingly go digital, there is the associated risks with cyber-attacks;
- ii. The proliferation of fake news on social media platforms, which have a wider audience and faster response time sometimes portrayed the National Treasury in a negative manner;
- iii. **Green Finance:** with climate change concerns, there is the pressing need to integrate environmental, social, and governance (ESG) considerations into fiscal policies and investments;
- iv. Development of Sector specific Project Appraisal Manuals continues to be a priority to guide sector specific analysis. The National Treasury is required to develop over 40 sector specific appraisal manuals to guide the over 40 sectors on the nuanced appraisal process; and
- v. Debt sustainability concerns. Ensuring that debt levels remain sustainable while funding essential services is a critical challenge that continues to face the National Treasury.

Challenges

Some of the challenges the National Treasury faced while implementing the 2024/25 budget include:-

- i. Resource Constraint persisted and affected implementation of budgets;
- ii. The rationalization of the budget, occasioned by underperformance of revenue collection and emerging government priorities affected the implementation of programmes. In the FY 2024/25, the National Treasury faced a total revenue collection shortfall of KSh 424.6 billion on account of shortfalls in both ordinary revenue;
- iii. Shortage of Key Technical Staff continues to affect operational efficiency in the core mandate:
 - (a) Despite recruitment of staff across certain cadres, the National Treasury continues to experience staff shortage across all cadres against authorized establishment. As indicated in the operational performance on human resource, the current staff capacity is at 55% This is mainly attributed to natural attrition. The planned recruitment and promotion of staff by the appointing authorities has been slow hence affecting service delivery and succession management initiatives; and
 - (b) Operating environment is manifested, among others, by shortage of office space especially for key technical staff and, Inadequate resourcing of the Monitoring and Evaluation function.
- iv. Civil unrest occasioned by regular protests disrupted implementation of various activities thus disrupting service delivery. Business investment were destroyed and life lost thus impacting heavily on economic development of the country.

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

- i. Raised domestic resources to support implementation of various ongoing programme through development of diverse methods for domestic resource mobilization;
- ii. Continued to implement succession planning towards progressively filling in staff shortage, continued training and timely promotions; and
- iii. Engaged other development partners for concessional loans and grants as well as pursued strategies to finance government projects.

Recommendations

In order to address the challenges and emerging issues, the following measures should be undertaken: -

- i. Sustain efforts for effective mobilization of resources to finance public expenditure particularly towards facilitation and implementation of the Bottom-Up Economic

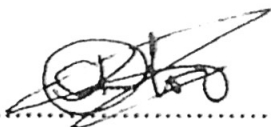
Transformation Agenda and emerging Government priorities. Key in this respect is the need for adequate resourcing of Kenya Revenue Authority to deploy innovative tax administration for efficient and optimal collection of taxes.

In addition, the National Treasury will leverage on the digitization of all critical Government processes with a view to bringing convenience to citizens and raising revenue efficiently for Government services that are paid for electronically;

- ii. Reforms in Public Financial Management and taxation should be sustained to enable the National Treasury expand the fiscal space and enhance absorption capacity. This includes reforming institutions and restructuring of parastatals to wean some from reliance on exchequer;
- iii. Strengthening Tax Administration, The National Treasury will enhance KRA's capacity to leverage on technology to seal leakages; enhancements of iTax and Integrated Customs Management System (iCMS); and use of e-TIMS (Tax Invoice Management System). These policy strategies will expand the primary surplus in the fiscal framework and stabilize the growth of public debt thereby boosting the country's debt sustainability position;
- iv. Continued implementation of succession planning, especially with respect to recruitment of key technical staff to achieve optimal staffing levels for enhanced operational efficiency;
- v. Strengthening Monitoring and Evaluation Framework and capacity through automation of the Planning and M&E processes;
- vi. Continued leveraging on ICT to ensure timely delivery of targets and foster efficiency; and
- vii. Implementing the recommendations arising from the 2023/24 project rationalization review to achieve optimal project portfolio and increase fiscal space.

Going forward, the National Treasury will support the Government's priority on scaling up efforts on policy interventions and structural reforms under BETA so as to navigate the global turbulence, accelerate economic recovery, and address overarching development challenges namely creating jobs, eradicating poverty and mitigating climate change. As part of the efforts, the National Treasury will accelerate investments in: (i) reforming markets (ii) domestic resource mobilization and application of those resources to development projects; (iv) reform and restructure of State-Owned Entities and (v) digitization of government services.

Signature



Date

DR. CHRIS KIPTOO, CBS

PRINCIPAL SECRETARY/ NATIONAL TREASURY

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

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 2023-2027 Strategic 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; and
- d) Ensure market structures that encourage competition and orderly conduct of business.

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 tracking progress and performance measurement:

Below is the progress implementation of the stated objectives: -

Table 1: Programme Performance

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
THE NATIONAL TREASURY							
Programme 1: General Administration, Planning and Support Services							
Programme Outcome: Efficient and effective service delivery							
SP 1. Administration Services	Administration	Records management automated	% of implementation of activities	100	100	0	Target achieved. Contractor on boarded and digitization process ongoing
		Vehicles Leased	No. of vehicles leased	3,548	3,548	0	Target fully met
		National Treasury Media Centre Operationalized	% Operationalization of the Media Centre	60	60	0	Target fully met
	State Corporations Appeals Tribunal (SCAT)	Appeal cases determined	No. of appeal cases determined	1	13	12	Target surpassed
		New Tribunal Court registries /circuit hearing established in counties	No. of court registries	2	1	-1	Target not achieved. Section 22(12) of State Corporations Act Cap 446 provides that the Tribunal can only hold sittings in Nairobi. However, the tribunal held virtual hearings from all regions.
SP 2. Human Resources Management Services	Administration	Reorganized Structure of the TNT	Reorganized Structure of the TNT	1	1	0	Target achieved. Currently attending to appeals by respective departments on the approved structure
		Career Guidelines for TNT	Approved Career Guidelines	1	0	-1	Target not achieved. The activity is

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
							planned for 2025/26 FY
SP 3. Financial Services	Public Service Superannuation Scheme (PSSS)	Onboarding of Public Servants onto PSSS	% level of eligible Public Servants onboarded onto PSSS	100	100	0	Eligible public servants are onboarded in real-time, while current employees are supported through ongoing contributions to the PSSS. The numbers per quarter grew by 534 in Q1; 521 in Q2 and 46,442 in Q3, and 1023 in Q4. Current membership is 489,589.
	Pensions Department	Processed pension claims	% Pension claims received & processed	100	85	-15	Claims paid per quarter: 233 in Q1; 196 in Q2; 232 in Q3; 90 in Q4 and 112 claims received in June 2025 are pending. Total Claims received in the Year were 863
			No. of days taken to process and pay pensions claims	60	60	0	Target achieved
		Acquire and operationalize a new Pensions Management Information System (PMIS)	% level of operationalization of PMIS system	100	75	-25	Training on the system is planned to be undertaken in FY 2025/26
	Kenya Revenue Authority	Ordinary revenue collected	Revenue collected (Kshs Trillion)	3.34	2.92	(0.42)	Target not fully met.
Programme 2: Public Financial Management							

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
Programme Outcome: Transparent and accountable management of public resources							
SP 5. Resource Mobilization	Resource Mobilization Department	Donor Funds Disbursed	Funds disbursed to MDAs as a % of the external resources mobilized	100	86	-14	Target not achieved due to low absorption by MDAs
			External resources mobilized as a % of fiscal gap	55	53	-2	Target not fully achieved due to non-disbursement of the 7th Development Policy Operation (DPO7) by the World Bank.
		Annual Borrowing Plan	No of Annual Borrowing Plans	1	1	0	Target achieved
	Debt Policy Strategy and Risk Management	Bonds Issued	No. of Sovereign/ Green bonds issued	1	2	1	Target achieved, the government issued 1.5 billion dollar, whose proceeds were used to buy back part of USD 2 billion Eurobond Maturing in June 2024
			No. of benchmark bonds issued	12	6		First Quarter Target achieved, this was due to 3 new benchmark bonds were issued and 3 early issued were re-opened to new investors.
	PPP Directorate	Government Projects under PPP framework	No. of PPP projects approved	12	11	-1	Target not fully met
	Global Fund	Anti-Retroviral Therapy (ART) Supplies	No. of patients receiving ART (Millions)	1.37	1.37	0	Target achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Artemisinin-Based Combination Therapy (ACT) Supplies	No. of People receiving ACT (Millions)	5.9	5.7	-0.2	The total number of confirmed malaria cases annually is about 6 million. The number of doses of ACT distributed to ensure continuous supply at facility is 7 million doses annually. On a quarter about 1.5 million doses are expected to be issued to facilities.
		Tuberculosis (TB) Supplies	% of TB patients treated and tested for HIV	100	100	0	Target achieved
SP 6. Budget Formulation and Management	Macro and fiscal Affairs Department	National Budget	Budget Review and Outlook Paper	1	1	0	Target achieved
			Budget Policy Statement	1	1	0	Target achieved
			Finance Bill	1	1	0	Target achieved. To boost revenues, three bills were prepared: i) Tax Laws (Amendment) Bill, 2024; ii) Tax Procedures (Amendment) Bill, 2024; and iii) Business Laws (Amendment) Bill, 2024 which were enacted in December 2024.
	Budget Department	National Budget	Annual Appropriation Bill	1	1	0	Target achieved
			Supplementary	2	2	0	Target achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
			Appropriation Bills				
			Guidelines for FY 2025/2026 MTEF Budget issued by 30th August 2024.	1	1	0	Treasury Circular No. 11/2024 issued on 23 rd August, 2024
			FY 2025/26 Budget Estimates finalized and submitted to Parliament by 30th April 2025.	1	1	0	Target achieved
SP 7. Audit Services	Internal Audit Department	Value for Money Audits	No. of Value for Money (VFM) Audits reports	30	45	15	Target surpassed due to MDAs requests
		Government Entities capacity built on IRMF	No. of Government Entities capacity built on IRMF	5	13	8	Target surpassed due to more requests from MDAs to be trained.
		Audit Committees Capacity Built	No. of Audit Committees Capacity Built.	5	7	2	Target overachieved due to more requests from MDAs
SP 8. Accounting Services	Accounting Services Department	Consolidated Financial Statements	No. of Consolidated Financial Statements prepared	4	4	0	Target achieved
		Officers trained on International Public Sector Accounting Standards (IPSAS)	No. of officers trained on International Public Sector Accounting Standards (IPSAS)	200	221	21	Target achieved.
		Transition and re-engineer the system to Accrual	Percentage of transition	100			To be reported in subsequent FY

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
		Accounting					
		Treasury Single Account designed and documented	Percentage of achievement	50	50	0	Target achieved
		Capacity Built Accounting Personnel on implementation of transition to accrual accounting and TSA	No. of Accounting Personnel Capacity Built on implementation of transition to accrual and TSA	1000	850	150	Training will be undertaken once TSA is rolled out
	National Sub-County Treasuries	Operational Vote book Management System for National sub-County Treasuries rolled out	No. of sub-County Treasuries with Operational Vote book Management System	315	315	0	Target achieved
		Sensitized National sub-County Accountants on Migration from Cash accounting to accrual accounting	No. of NSC Accountants sensitized	1000	663	-337	Target not achieved due to budget constraints
	IFMIS Department	PFM users trained on IFMIS Modules	No. of PFM users trained on IFMIS Modules	2,000	2,100	100	Target surpassed due to government digitizing most of its services

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
		IFMIS upgrade to the latest version	No of IFMIS versions running on version 12.2.10	1	1	0	Target achieved
		Exchequer rollout to the counties	Number of counties requisitioning online	10	10	0	Target achieved
		Treasury single account designed and documented	Percentage of achievement	100	100	0	Target achieved
		Exchequer release process to MDACs automated	Percentage of automation	100	75	-25	Requirement gathering and design completed
		IFMIS integrated with Debt Management Systems	Percentage of integration	100	25	-75	Requirements and integration design completed
	Kenya Accountants and Secretaries National Examinations Board (KASNEB)	Offering financial support to trainees pursuing financial management courses	No. of Trainees offered financial Support Services	106,000,000	163,232,888	57,232,888	Significant increase in financial support received by trainees relative to the annual target due to high demand for financial support and streamlined application processes
		Engaging training institutions offering kasneb courses	No of Trainees trained in KASNEB Foundation Financial management & Literacy Programis	500	10	-490	Only 10 trainees inducted in Phase I. This was due to delays in finalizing the financial literacy curriculum and pilotim=ng of the programme.

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Institutions and schools sensitized on financial management	No of Institutions / schools sensitized on financial support services	50	68	18	Target achieved. An increase in the number of institutions sensitized is due to implementation of a marketing plan targeting training institutions
		Institutions and schools sensitized on Financial Support Services	No. of Trainees offered financial Support Services	5000	4338	-662	4,338 trainees received financial support services occasioned by the continuous award model and aggressive promotion of the KASNEB Foundation financial Aid Program to training institutions and students
SP 9. Supply Chain Management Services (SCMs)	Public Procurement Department	AGPO enterprises registered	No. of AGPO enterprises registered	21,000	21,335	335	Target surpassed due to enhanced sensitization
		AGPO beneficiaries trained	No. of AGPO beneficiaries trained	2,000	2,235	235	Target surpassed due to partnerships with other Government Institutions to train more beneficiaries.
		PFM staff trained on Public Procurement and Asset Disposal System	Percentage of achievement	100	60.5	-39.5	4,804 of 7,945 targeted officers trained on EGP system
		e-Government Procurement System	No. of government procuring Entities on e-Government Procurement	12	358	346	Process hastened after completion of pilot phase with 12 entities

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
		deployed in Government institutions	System				
		Reviewed Public Procurement Legal Frameworks	No. of Reviewed Public Procurement Legal Frameworks	1	1	0	Public Procurement and Asset Disposal Act reviewed, approved by Cabinet & awaiting Parliamentary approval
		Public Procurement and Asset Disposal Manuals /guidelines developed	No. of Public Sector entities monitored for compliance with IPSAS	1	1	0	Sustainable public procurement frameworks/guidelines developed, undergone public participation and awaiting Cabinet approval
	Public Procurement Administrative Review Board (PPARB)	Procurement Services	% of Public Procurement dispute cases resolved within 21 days	150	160	10	Target surpassed. More cases filed at the Review Board were heard and determined within 21 days
	Public Procurement Regulatory Authority (PPRA)	Procurement Services	No of MCDAs monitored on compliance with Public Procurement and Asset Disposal Act, 2015	2650	5540	2890	Annual target exceedingly met
SP 10. Public Financial Management Reforms	Public Finance Management Reforms (PFMR) Secretariat	Skills and capacity building in PFM	No. of officers trained on Public Finance Management	8,000	8,900	900	Target overachieved due to high reforms uptake by the MDAs
			Cummulative % of PFM reforms implemented	40	35	-5	Target underachieved due to budget cuts

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
			in PFMR Strategy 2023-2028				
SP 11. Government Investment and Assets	Government Investment and Public Enterprises	Govt. Investment Management Services	% of State Corporations Budgets reviewed	100	100	0	Target achieved, relevant Budgets for SC reviewed
			No. of national government investment reports prepared	1	1	0	Target Achieved. Report prepared and sent to Parliament.
	National Assets and Liabilities Management Unit	MDAs sensitized on Government Assets and Liabilities management policy and guidelines	No. of MDAs sensitized	100	82	-18	Target not fully achieved due to budget constraints
			Asset registers from MDAs analyzed	100	100	0	Target achieved
			Asset and Inventory Management Modules to rolled out to 40 MDAs and 24 Counties	2.5	2.38	-0.12	Target not fully met due to budgetary constraints
			Quarterly feedback provided to MDAs	2.5	2.5	0	Target fully achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
	Privatisation Commission	Government Privatization Services	No. public entities privatized	4.00	-	-4	Implementation of Kenya Wine Agencies Limited (KWAL) – EOI was advertised on 12th August 2024 and RFP sent to the shortlisted bidders on 5th September 2024 with a closure date of 26th September 2024. The process was scuttled by the court ruling on Privatisation Act, 2023 on 24th September 2024.
			No. of specific privatisation proposals developed	2.00	2.00	-	Two specific privatization proposals were prepared. These proposals were for the Kenya Meat Commission (KMC) and the Ark Limited and both were submitted to the National Treasury.
	Kenya Trade Network Agency	Cargo dwelling time at ports of entry reduced	No. of days taken to clear goods at the ports of entry	3	3	0	Target Achieved
Programme 3: Economic and Financial Policy Formulation and Management							
Programme Outcome: Stable macroeconomic environment for economic growth							
SP 12. Fiscal Policy Formulation, Development and Management	Macro and Fiscal Affairs	Stable Inflation	Inflation rate (%)	5 ± 2.5	3.8	0	Target met due to tight monetary policy measures. The main drivers of inflation were increases in cost of food and non-alcoholic beverages, transport, housing water electricity ,

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
							gas & other fuels
	Financial Reporting Centre	Complete Terrorism Financing risk assessment	TF Risk assessment report	1	1	0	TF Risk assessment completed in Q2
		Update national Anti-Money Laundering and Countering Financing of Terrorism strategies	Updated AML/CFT strategies	1	2	1	Updated AML strategy adopted in Q1 and updated CFT strategy adopted in Q3
		Onsite and offsite inspections of DNFBPs and Non-Banking Financial Institutions	Number of onsite & Off site inspections on DNFBPs	98	98	0	Target achieved
		Outreach sessions of Customer Due Dilligence, Enhanced Due Dilligence, Beneficial Ownership and Politically Exposed Persons on DNFBPs	Number of sessions for CDD, EDD, BO and PEPs on DNFBPs	40	40	0	Target achieved. The training covered preventive measures including CDD/EDD/BO/P EPS and STR Reporting
		Registration of Reporting entities	Number of registered reporting entities	600	600	0	Target achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
	Inter-Governmental Fiscal Relations	County Allocation of Revenue Bill (CARB) Division of Revenue Bill (DORB) & County Governments Additional Allocations Bill prepared	County Allocation of Revenue Bill (CARB) & Division of Revenue Bill (DORB), County Governments Additional Allocations Bill prepared (CGAAB), and Cash Disbursement Schedule	4	4	0	Target timely met
		Inter-Governmental Fiscal Relations Repository System	% level of Inter-Governmental Fiscal Relations Repository System development	50	100	50	The portal link is https://igfr.treasury.go.ke
		Draft review of PFM (PIM) Regulations, 2022 produced	Percentage of review	100	10	-90	Target not fully achieved due to budget constraints
		Public Investment Management/ Public Private Partnership (PIM/PPP) Framework developed	% level of development of PIM/PPP Framework	100	80	-20	Work in Progress - currently undertaking consultations with senior management
	Nairobi International Financial Centre Authority	Investments and Regional Financial Institutions certified with NIFC	No. of Certified NIFC firms	3	0	-3	Target not achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
	Financial and Sectoral Affairs	Legislative framework in financial & Sectoral developed.	No. of legal frameworks developed (three Capital Markets Regulations, and Unclaimed Financial Assets Regulations	3	3	0	Target achieved
		Kenya Credit Guarantee Company (KCGC) incorporated and operationalized	% level of guarantee company operationalized	100	90	-10	Target partially achieved
		Green Financing Facility (GFF) loans disbursed	No of farmers benefiting from the GFF loans	3,000	354	-2,646	Target partially achieved whereby, GFF operations manual along with the green taxonomy developed.
SP 13. Debt Management	Debt Policy, Strategy and Risk Management Department	Medium Term Debt Strategy Developed	No. of Medium-Term debt strategy developed	1	1	0	Target achieved
		Published Annual Debt Report	No. of Annual Debt Reports Published	1	1	0	Target achieved
		Annual Public Debt Management Performance report	No. of developed Annual Public Debt Management performance report	1	1	0	Target achieved
	Debt Recording and Settlement	Mature serviceable public debt serviced	% of mature serviceable public debt serviced	100	100	0	Target achieved

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cumulative 12 months)	Variance	Remarks
	Department	Published External Public Debt Register on the TNT website	No. of Published External Public Debt Stock & Register on the TNT website	1	1	0	Target achieved
SP 14. Microfinance Sector Support and Development	Financial and Sectoral Affairs	Operationalize the Credit Guarantee Scheme (CGS)	Capital injected into the Credit Guarantee Scheme in KSh. (Billions)	1	0	-1	Target not achieved
Programme 4: Market Competition and Creation of Enabling Business Environment							
Programme Outcome: Sustained high productivity and competitive markets							
SP 15. Elimination of Restrictive Trade Practices	Competition Authority of Kenya	Consumer Protection and Regulatory Services	% of consumer complaints investigated and concluded	70	48	22	485 cases handled out of which 332 were finalized.
			% of Merger and acquisitions applications determined	100	96	4	26 out of 27 received mergers finalized
			Cases of Deterrence of Abuse of Buyer Power concluded as a % of total investigations	65	23	42	43 cases received out of which 15 were finalized
			% of cases on restrictive trade practices investigated and finalized	100	29	71	52 cases handled out of which 15 were finalized
SP 17. Access to Justice	State Corporations Appeals Tribunal (SCAT)	Improve access to courts and reduction of average distance to courts	No. of registries operationalized	2	1	-1	Operationalized the Nairobi registry and started receiving cases

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

a	Delivery Unit	Key output	Key Performance Indicators	Annual Target 2024/25	Actual Q4 (cummulative 12 months)	Variance	Remarks
		Appeal cases received & determined	Number of appeal cases determined	10	16	6	The Tribunal had targeted to receive 10 cases but it received 16 cases and 5 cases were determined and the rest are scheduled to be determined
	Competition Tribunal	Cases on restrictive trade practices investigated, finalised and determined	% of cases on restrictive trade practices investigated, finalised and determined	100	93	7	25 out 27 cases finalised

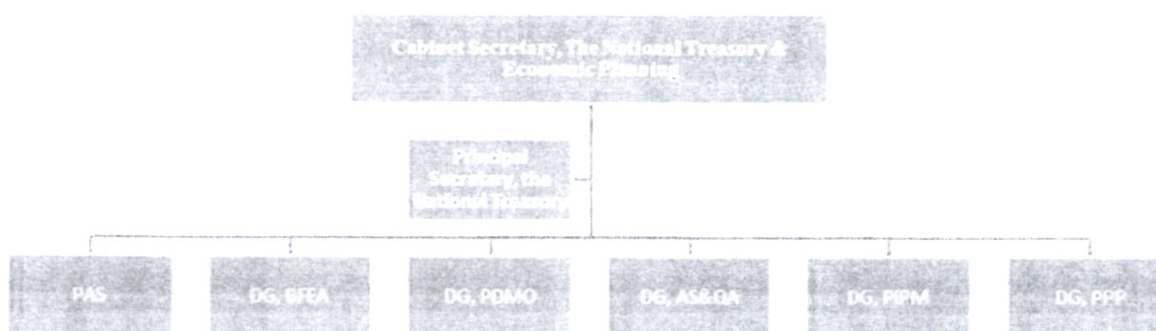
8. STATEMENT OF GOVERNANCE

i. Brief of Key Leadership Structure

The National Treasury and Economic Planning is divided into three entities: The National Treasury, the State Department for Economic Planning and the State Department for Public Investment and Assets Management. It is represented by the Cabinet Secretary who is responsible for the general policy and strategic direction of the Ministry.

At the top management level, the National Treasury is headed by the Principal Secretary who is the accounting officer and is responsible to the Cabinet Secretary in the performance of his duties. The National Treasury has six Directorates headed by Directors General and a Principal Administrative Secretary who is responsible for Administration and Support Services.

The National Treasury Leadership Structure



PAS : Principal Administrative Secretary, Directorate of Administrative Services;

DG, BFEA: Director General, Directorate of Budget, Fiscal and Economic Affairs;

DG, PDMO : Director General, Directorate of Public Debt Management Office;

DG, AS&QA: Director General, Directorate of Accounting Services & Quality Assurance;

DG, PIPM: Director General, Directorate of Public Investment & Portfolio Management;

DG, PPP: Director General, Directorate of Public, Private Partnership.

Note: The Directorate of Public Investment & Portfolio Management and Directorate of Public, Private Partnership have since been transferred to the State Department for Public Investment and Assets Management.

ii. Management Committees Established and Their Roles

The National Treasury has appointed managements committees to monitor the implementation of programmes, projects and report on their performance. They include:

Top Management Committee

Top Management Committee comprises of Cabinet Secretary, Principal Secretary and 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.

iii. The Audit Committee

In line with the Public Finance Management Act 2012, the National Treasury has established a Ministerial Audit Committee comprising of the Chairperson and four members, of which four are independent. The members were appointed on 15th December, 2022.

The Committee provides overall oversight and quality assurance including follow up on the effectiveness of implementation of audit recommendations. The Committee is active and meets on a quarterly basis to deliberate on their functions.

iv. Risk Management, compliance, conflict of interest

The National Treasury embarked on the development of its Risk Management Policy Framework. Risk Champions for all Directorates were appointed and trained and Risk registers have been developed.

v. Recent Trainings and development in governance for those in key leadership

The National Treasury supported those in key leadership positions to attend leadership and strategic management courses at the Kenya school of Government and other reputable international institutions.

vi. Public participation activities

The National Treasury underscores the importance for public participation as provided for under the Constitution of Kenya and Public Finance Management (PFM) Act, 2012 by giving Kenyans opportunities to interrogate proposed amendments to the PFM Act, 2012 and make submissions on their views for consideration in policy making and implementation so as to strengthen and deepen good governance.

The National Treasury carried out Public Sector Hearings for the Proposed Budget for the FY 2025/26 and the medium term by holding both physical meetings and virtual hearings. The National Treasury provided an opportunity to all Kenyans across the country to interrogate the Public Finance Management Act 2012 Amendments that aimed at aligning the debt anchor to international best practices.

vii. Compliance with laws and regulations

The National Treasury complies with the Constitution of Kenya, all applicable laws and regulations in line with acceptable national and international standards as well as its internal policies.

In order to enhance compliance to existing legislations and regulations, the National Treasury, through the Legal Unit has lined up a series of interventions to be progressively implemented. To begin with, in the FY 2023/24, the National Treasury being a data recipient and a data controller, initiated efforts to ensure

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

compliance to the Data Protection Act 2019 and the right to privacy as per Article 31 of the Constitution. The effort entailed undertaking a precursor training on data protection for auditees. The training benefited thirty-six (36) the National Treasury staff as part of the steps for comprehensive legal and regulatory compliance audit.

Management Discussion and Analysis

Report on Operational and financial performance of the organization for the last three-to-five-year period

Operational Performance

Operational performance is examined from two main indicators. These are: (i) performance contract management (ii) human resource staff capacity.

Performance Contract Management

In the Financial Year 2020/ 21, the National Treasury and Planning was ranked 5th in the Top Five Performing Ministries with an Average Composite Score of 3.2124 which is a good performance. There was a decline in performance compared to that of 2019/2020 whereby TNT&P was ranked the best performing Ministry with a Composite Score of 3.0209.

In the FY 2021/2022 the National Treasury and Economic Planning retained a ranking of position 5 with a composite score of 3.1173 representing 'good performance'. The composite score was an improvement from the 3.2124 recorded in 2020/21.

In the FY 2022/2023 the National Treasury and Economic Planning was ranked position 9 with a composite score of 3.3158 representing 'good performance'. Compared to the performance of the previous years, there was a slight decline since the Ministry had a composite score of 3.1173 in 2021/22 FY and 3.2124 in 2020/2021 FY.

In the FY 2023/2024 the National Treasury and Economic Planning had a composite score of 3.2296 representing 'good performance'. This is an improvement from the FY 2022/23 composite score of 3.3158.

Note: The Performance Contract for FY 2024/25 has not been evaluated.

A summary of performance contract indicators for two years and ranking for the last five years are given in the table below.

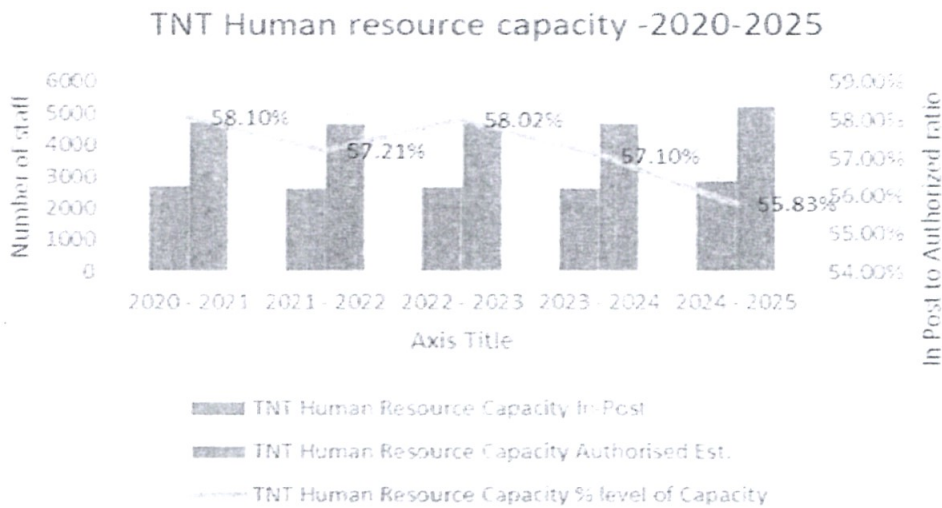
Table 2: Summary of performance of the National Treasury and Economic Planning in ranking of Ministries Departments and Agencies over five Financial Years

2019/2020 FY		2020/2021 FY		2021/2022 FY		2022/2023 FY		2023/24 FY	
Overall Score:	3.0209	Overall Score:	3.2124	Overall Score:	3.1173	Overall Score:	3.3158	Overall Score:	3.2296
Overall Rank:	Position 1	Overall Rank:	Position 5	Overall Rank:	Position- 5	Overall Rank:	Position – 9	Overall Rank:	Position – Not published
Overall Grade:	70-100%	Overall Grade:	70-100%	Overall Grade:	70-100%	Overall Grade:	70-100%	Overall Grade:	70-100%
Performance category:	Good	Performance category:	Good	Performance category:	Good	Performance category:	Good	Performance category:	Good
Core Mandate Score:	1.8089	Core Mandate Score:	Not measured	Performance category:	Good	Performance category:	Good	Performance category:	Good

Human resource staff capacity.

Human resource capacity is a component of operational efficiency in the National Treasury. In this regard, the National Treasury currently operates at 55.80 per cent staff capacity in relation to authorized establishment. This is a decline from staff operational capacity of 57.1% in 2023/24 FY and 58% FY in 2022/23. The decline in staff capacity is attributed to slow succession management in relation to increasing staff requirement as indicated by authorized establishment. Chart below illustrates the current staff capacity against authorised establishment.

Human resource capacity for the period FY 2020/21 to 2024/25



In terms of cadre, the National Treasury ratio of technical to support staff currently stands at 70.83 and 29.17 per cent of in-post staff.

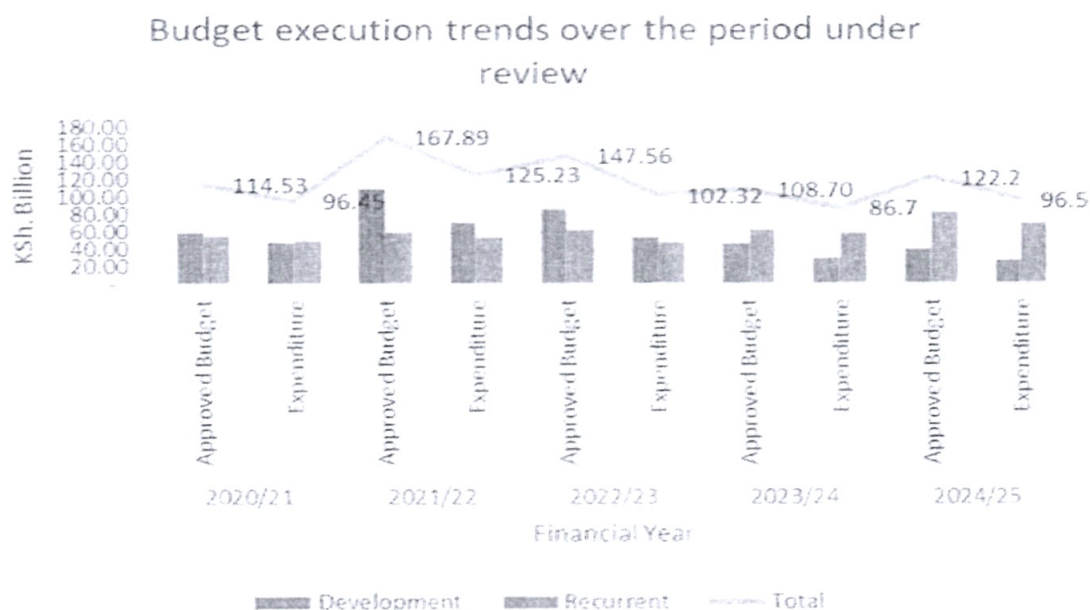
The National Treasury trained 933 staff of different carders on relevant skills sets during the period under review.

Financial Performance

Over the last five-year period, the National Treasury recorded mixed trend in performance in financial stewardship relating to absorption of GoK funds. Chart below illustrates the National Treasury financial performance in relation to expenditure for the period 2020/21- 2024/25FY.

The allocations to the National Treasury recorded increasing trend with highest allocations recorded in the FY 2021/22. The increase in allocation is attributed to transferring of marine and transport functions to the National Treasury. These functions were transferred back to the Ministry of Transport and Infrastructure in the FY 2023/24.

The National Treasury total budget against expenditure for 2020/21- 2024/25 (Ksh. Billions)



The table below illustrates budget allocations vs expenditure per programme.

Table 5: Allocation Per Programme Vote 1071 FY 2024/25

Programme	Printed Estimates FY 2024/25	Supplementary Estimates 2024/25	I Supplementary FY Estimates 2024/25	II Supplementary FY Estimates 2024/25	Supplementary III Estimates FY 2024/25	Expenditure as at 30th June, 2025
(Kshs. Million)						
1. General Administration, Planning and Support Services						
	76,480.3	58,740.1	78,019.2	84,150.9	36,919.9	
Administration Services	42,499.5	25,508.2	36,349.6	42,080.2	35,025.2	
Human Resource Management Services	121.4	114.8	114.8	114.8	112.5	
Financial Services	33,204.6	33,070.9	41,008.5	40,909.5	736.5	
ICT Services	654.8	46.3	546.3	1,046.3	1,045.7	

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

2. Public Financial Management	46,862.9	49,502.2	31,699.2	26,448.2	24,393.2
Resource Mobilization	24,696.4	24,716.2	13,088.9	14,403.5	14,311.5
Budget formulation, Coordination and Management	12,522.2	17,143.6	9,231.9	2,024.9	2,020.0
Audit Services	901.4	861.2	861.2	904.2	859.7
Accounting Services	3,058.4	2,342.0	3,150.0	3,425.0	3,298.8
Supply Chain Management	900.6	1,129.2	2,089.2	2,389.2	2,274.9
Public Financial Management	827.0	526.4	594.4	564.4	422.0
Government Investment and Assets	3,957.0	2,783.6	2,683.6	2,737.0	1,206.2
3. Economic and Financial Policy Formulation and Management	11,270.5	10,475.0	6,715.3	10,959.3	9,886.6
Policy Formulation and Management	9,003.3	8,217.7	5,536.1	9,930.1	8,927.3
Debt Management	155.4	148.4	148.4	148.4	145.4
Micro Finance Sector Support and Development	2,111.8	2,108.9	1,030.9	880.9	813.9
4. Market Competition	508.5	508.5	618.0	618.0	618.0
Elimination of Restrictive Trade	508.5	508.5	618.0	618.0	618.0
Grand Total	135,122.1	119,225.8	117,051.8	122,176.4	71,817.6

Major Risks Facing the National Treasury

The National Treasury faces several key risks, including high debt levels, climate change impacts, and challenges in revenue mobilization. These factors can strain the country's fiscal stability and limit its ability to invest in priority programs.

1. High Public Debt:

- Kenya's public debt, both domestic and external, is a significant concern, with a high proportion of it held by multilateral and bilateral lenders. The National Treasury aims to manage debt levels by gradually reducing the stock of Treasury bills and lengthening the maturity of public debt instruments. Challenges in revenue collection can exacerbate debt sustainability issues, potentially leading to cash flow problems and the accumulation of unpaid bills.

2. Climate Change Impacts:

- Climate change poses a major risk to key sectors like agriculture and tourism, impacting economic resilience and potentially affecting government revenue. The National Treasury is prioritizing climate resilience as a crucial aspect of development and economic growth. Climate-related disasters also lead to increased government spending on disaster relief and recovery efforts, further straining the budget.

3. Revenue Mobilization Challenges:

- Difficulties in mobilizing sufficient revenue to meet budgetary needs are a recurring issue. Economic downturns, high inflation, and exchange rate depreciation can negatively impact revenue collection. The National Treasury is working to enhance fiscal consolidation efforts and rebuild fiscal buffers to mitigate revenue shortfalls.

4. Fiscal Risks from State Corporations:

- Many state corporations face liquidity challenges and have accumulated significant arrears, posing a fiscal risk to the government. A significant number of state corporations are loss-making, further straining public finances. The National Treasury is working to improve the management and oversight of state corporations to mitigate these risks.

Addressing these risks requires a multi-pronged approach, including sound macroeconomic policies, effective debt management strategies, investment in climate resilience, improved revenue collection, and enhanced fiscal discipline across all government entities.

Material Arrears in Statutory and other Financial Obligations

As at 30th June, 2025, the organization had minimal material arrears in statutory and other financial obligations. The status is summarized as follows:

a) Statutory Deductions

All mandatory statutory deductions, including PAYE, NHIF, NSSF, and pension contributions, were remitted in full and on time to the respective institutions during the financial year. There were no outstanding arrears reported in relation to employee benefit remittances.

b) Pending Bills

The organization recorded pending bills], mainly related to: Unsettled invoices for supplies and services already rendered, delays in processing payments due to procurement documentation gaps or budget absorption constraints and a small portion attributed to late exchequer releases in the last quarter.

These pending bills are fully recognized in the financial statements and have been prioritized for settlement in the first quarter of the FY 2025/26.

The National Treasury Key Projects/ Investments implemented or ongoing

The Table below indicates a summary of 18 key projects for the National Treasury indicating project cost, cumulative expenditure, Absorption rate and project status.

Table 3: Key projects implemented by the National Treasury in 2024/25 FY

S/No.	Project	Project Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate	Remarks
1.	National Treasury Special Global Fund - Malaria Grant - KEN-M (NFM3) - BETA	547,823,464.00	312,819,406.00	57.10%	Project Completed
2.	National Treasury Special Global Fund - HIV-AIDS Grant - KEN-H (NFM3) - BETA	6,143,272,199.00	5,478,371,242.00	89.18%	Project Completed
3.	National Treasury Special Global Fund - TB Grant - KEN-T (NFM3) - BETA	579,301,743.00	359,292,987	62.02%	Project Completed in March 2025
4.	National Treasury Special Global Fund - Malaria Grant - KEN-M (NFM4) - BETA	244,335,971.00	215,917,579.00	88.37%	Project ongoing
5.	National Treasury Special Global Fund - HIV-AIDS Grant - KEN-H (NFM4) - BETA	4,186,572,056.00	4,186,572,056.00	100.00%	Project ongoing
6.	National Treasury Special Global Fund - TB Grant - KEN-T (NFM4) - BETA	593,269,152.00	197,347,205.00	33.26%	Project ongoing
7.	National Treasury Infrastructure Finance and Public Private Partnerships Project (IFPPP), Credit/Grant No.: 51570-KE - BETA	43,000,000.00	43,000,000.00	100.00%	Project Completed

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

8.	National Treasury Infrastructure Finance Public Private Partnerships-Additional Financing (IFPPP2-AF), Credit/Grant No.: 61201-KE - BETA	689,086,883.00	689,086,883.00	100.00%	Project Completed
9.	National Treasury support to Public Financial Management (PFMR)	150,000,000.00	26,386,200.00	17.59%	Project ongoing
10.	National Treasury Regional Integration Implementation Program	116,553,557)	115,553,557.00	99.14%	Project ongoing
11.	National Treasury Public Debt Management Support Project	59,000,000.00	34,811,027.00	59.00%	Project ongoing
12.	National Treasury Capacity Strengthening Project	50,000,000.00	6,415,211.00	12.83%	Project ongoing
13.	National Treasury Green Climate Fund Readiness Project	22,600,000.00	16,002,597	70.81%	Project ongoing
14.	National Treasury Kenya Affordable Housing Project - BETA	8,150,000,000.00	8,150,000,000.00	100.00%	Project ongoing
15.	National Treasury Supporting Access to Finance & Enterprise Recovery (SAFER) - BETA	5,900,000,000.00	5,006,270,769.00	84.85%	Project ongoing
16.	Kenya Financing Locally Led Climate Action Programme (FLLCoA) - BETA	2,000,000,000	1,525,157,868.00	76.26%	Project ongoing
17.	National Treasury Rural Kenya Financial Inclusion Facility (RK-FINFA) - BETA	650,000,000.00	604,241,997.00	92.96%	Project ongoing
18.	Operationalization of Kenya Mortgage Refinancing Company (KMRC) - BETA	2,717,000,000.00	2,717,000,000.00	100.00%	Project Completed

Future Developments and other information

In the next five (5) Year period, the National Treasury plans to implement the following Four (4) Key Result areas and attendant strategies as stipulated in the Strategic Plan for the period 2023-2027:

1. Stable and sustainable macroeconomic environment

Under this Key Result Area, the National Treasury plans to:

- i. Develop and implement macroeconomic and fiscal policies that support stable macroeconomic environment and stimulate economic recovery to 5.6 percent growth in FY 2027/28; boost the ratio of gross national savings to GDP to 13.3 percent in the FY 2027/28; increase the ratio of national investments to 18.6 percent GDP in the FY 2027/28;
- ii. Oversee implementation of monetary policy that targets to maintain inflation rate at 5 percent +/-2.5 percent; low and stable lending interest rates; stable and competitive exchange rates; and strong official foreign exchange reserves;
- iii. Establish the Kenya Credit Guarantee Company to administer CGS – This will entail establishing a functional Credit Guarantee Company to administer Credit Guarantee Scheme (CGS);
- iv. Agricultural and Rural Financial Inclusion (RK- FINFA) – this will enhance access, efficiency and stability of agricultural and rural finance by smallholder farmers and agribusiness MSME;
- v. Implement the Green Financial Markets programme to enhance access to green finance and strengthen the enabling environment to attract green finance and investments needed to transition to a low-carbon, climate resilient and green economy;
- vi. The National Treasury has embarked to redesign the taxation instruments to make them more supportive to economic activity without distorting the market and eroding investment incentives. This will boost revenue collection and raise tax effort from the current 16.0 percent of GDP in FY 2023/24 to where it was previously, above 20 percent of GDP. This will be done through the implementation of the National Tax Policy and the Medium-Term Revenue Strategy for the period FY 2024/25 - 2026/27 that will provide a combination of tax administration and policy measures to enhance revenue mobilization; and
- vii. Operationalize Nairobi International Financial Centre (NIFC) to develop a more predictable, efficient and globally competitive financial environment

2. Resource mobilization for financing public expenditure

Under this Key Result Area, the National Treasury plans to:

- i. Broaden the tax base and enhance tax compliance;
- ii. Digitization of government payment services;
- iii. Mobilization of external and domestic resources;
- iv. Diversification of borrowing sources;
- v. Undertake periodical portfolio review, assessment and reporting;
- vi. Enhance public debt management efficiency and transparency;
- vii. Support contracting authorities in preparation of PPP projects and procurement of private investors;
- viii. Support contracting authorities in the management of PPPs in operation;
- ix. Enhance mobilization of resources for the Project Facilitation Fund (PFF);
- x. Establish and sustain relations with investors in PPPs;
- xi. Enhance PPP legal and regulatory framework;
- xii. Enhance the capacity of County Governments on tax analysis and revenue forecasting; and
- xiii. Development of legal framework for County Government tax processes.

3. Policy, legal and institutional frameworks for development planning, budgeting, and intergovernmental and stakeholder relations

Under this key Result Area, the National Treasury plans to: -

- i. Enhance uptake of government procurement opportunities by the marginalized groups;
- ii. Promote value for money in public procurement;
- iii. Enforce compliance on public sector accounting standards and other government regulations;
- iv. Support effective implementation and reporting of reform interventions in the PFM Reforms Strategy 2023-2028;
- v. Prepare and disseminate guidelines on PFM with County Governments;
- vi. Enhance compliance with PFM laws by County Governments;
- vii. Enhance compliance of all public sector entities with assets and liabilities policies and guidelines;
- viii. Prepare legislative proposals on sharing of resources between the two levels of governments and among the counties are in place;
- ix. Enhance the capacity of SCs in budgeting, performance contracting, financial reporting, and monitoring;
- x. Develop Public Investment Policy and Guidelines;
- xi. Digitalize and automate the budget process;
- xii. Improve efficiency and effectiveness in pensions administration and management;
- xiii. To strengthen transparency and accountability in public investment management; and
- xiv. Provide objective assurance on Management of resources in public sector entities.

4. Strengthened institutional capacity and internal business processes

Under this Key Result Area; the National Treasury will implement the following;

- i. Scale up efforts to towards optimal staffing levels;

- ii. Undertake Employee capacity building and development;
- iii. Institutionalize knowledge management;
- iv. Restructure the Organizational for enhanced productivity;
- v. Enhancement of communication mechanism and brand identity; and
- vi. Enhance the efficiency and effectiveness of planning and project monitoring.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The National Treasury’s mandate is to formulate, implement and monitor prudent economic and financial policies at national and county levels of government as guided by the following SMART core values include:

Core Value	Description
Stakeholder participation	Adopt a participatory approach to policy formulation, planning, budgeting, monitoring and evaluation to facilitate inclusiveness, ownership and consensus.
Transparency and accountability	Committed to openness, prudence and accountability in service delivery.
Results oriented	Pursuing timely and effective attainment of targeted results at all levels
Integrity	Uphold high moral standards and professional competence in service delivery.
Customer focus	Putting customers first and continuously provide equitable, timely and quality services that match or exceed their expectations.
Teamwork and commitment	Embracing teamwork and commitment through collaborative efforts of all actors to achieve common goals.

Sustainability Strategy and Profile

The Kenyan economy has remained resilient and is now recovering from the recent multiple domestic and external shocks. These shocks included geopolitical conflicts and adverse effects of climate change.

In order to mitigate the negative impact of these shocks, the following policy interventions have been implemented under the Bottom-Up Economic Transformation Agenda (BETA) centered around three main areas:

- i. Fostering stability in the economy and public finance as a pre-condition for secure and sustained economic growth;
- ii. Strengthening implementation of growth enhancing, structural and institutional reforms; and
- iii. Sustaining measures to boost longer-term resilience and economic growth including public investment for accelerated private investment, supporting manufacturing for job creation, fostering environmental sustainability, climate change mitigation and adaptation.

The focused interventions, structural reforms and policies of the Government over the last two years have started to yield some positive results namely:

- i) Kenya's growth outlook indicates a stable macroeconomic environment Growth of 5.3 percent in 2025 enhanced agricultural productivity; resilient services sector; and ongoing implementation of priorities under BETA for inclusive growth;
- ii) Inflation has significantly declined and remained below the target midpoint of 5.0 percent since June 2024, reflecting the effectiveness of monetary policy, and lower energy and food prices. Inflation declined to 4.1 percent in April 2025 from 5.0 percent in April 2024;
- iii) To reduce the cost of credit, monetary policy has gradually eased by lowering the Central Bank Rate from 13.0 percent in August 2024 to 10.0 percent in April 2025, in response to low inflation and a stable exchange rate. This approach aims to lower interest rates, encouraging banks to lend more to the private sector and stimulate economic activity;
- iv) The foreign exchange market remained stable since March 2024 despite increased global uncertainties, effects of a stronger U.S. Dollar and geopolitical tensions in the Middle East and Eastern Europe; and
- v) The Kenya Shilling exchange rate exchange rate has stabilized against other major international currencies. In April 2025, the exchange rate against the US dollar averaged at Ksh 129.5 compared to an average of Ksh 159.7 in January 2024, an appreciation of 18.9 percent.
- vi) Real GDP grew by 4.7 percent in 2024 supported by positive growths in all sectors except construction and mining. This growth was lower compared to 5.7 percent in 2023 mainly due to adverse effects of floods in the second quarter and the anti-Finance Bill protests in the third Quarter of 2024 that disrupted economic activities. The economy remained strong and resilient in the first quarter of 2025 with a growth of 4.9 percent, and is projected to rebound and grow by 5.3 percent in 2025;
- vii) Nominal GDP rose to 16.2 trillion in 2024 from Ksh 13.5 trillion in 2023; a 12% increase. Similarly, GDP per capita income increased to Ksh 309,460 in 2023 from Ksh 291,770 in 2023;
- viii) Total new jobs (both formal and informal) generated in the economy were 782.3 thousand in 2024. Of this, wage employment in the modern sector grew by 4.1% which translated to creation of 122.8 thousand new jobs;
- ix) The overall year-on year inflation is under control and within the Government target range of 5 ± 2.5 percent. Inflation declined to 3.8 percent in June 2025 from 4.6 percent in June 2024;
- x) In June 2025, it exchanged at an average of KSh 129.3 per US Dollar compared with KSh 129.4 per US Dollar in June 2024. Against the Euro, the Shilling traded at an average of

KSh 149.2 by end of June 2025 compared to KSh 139.3 by end of June 2024, while against the Sterling Pound, it exchanged at an average of KSh 175.5 compared to KSh 164.5 over the same period.

In order to support the Government's Bottom-Up Economic Transformation Agenda (BETA), the National Treasury has implemented a growth responsive fiscal consolidation plan over the last two years designed to reduce debt vulnerabilities and rebuild fiscal buffers amid significant global and domestic challenges. Special focus has been placed on broadening the revenue base and containing non-priority expenditures while enhancing social safety nets with the support of our Development Partners.

Environmental performance/climate change/mitigation of natural Disaster

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 National Treasury participated in tree planting exercise which saw over 1,499,260 seedlings planted at Muumandu in Machakos County, Sorget in Kericho County, Kaptaget in Elgeyo Marakwet County. Additionally, to ensure a conducive work environment, the National Treasury has contracted a company to manage cleaning and waste disposal services.

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 and Departmental Training Committees that processes all the promotions, discipline, training, appraisal and general employee matters in line with the Public Service guidelines and procedures. Recruitment of officers is guided by the principles of the public service such as inclusivity among others.

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 attract and retain competent officers, the National Treasury conducted capacity building for the staff in various technical subjects and recruited officers at the entry grade to fill skills gaps and enhance human resource capacity.

During the review period, we implemented succession management plan by declaring vacant posts to be filled by the Public Service Commission at the higher levels. This is a preparation for the anticipated exit from service in the next two years arising from retirement of officers who will have attained the exits mandatory retirement age. Further, 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.

Operational Practices/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. This is undertaken mainly by the Competition Authority of Kenya, a State Corporation under the National Treasury. Further, to guarantee fairness in the allocation of procurement contracts, the National Treasury ensures strict adherence to the provisions of the Public Procurement and Assets Disposal Act and its regulations. In addition, invoices for goods and services received/rendered are paid based on first-in-first-out (fiffo) method.

Community Engagements

Towards Corporate social responsibility, members of staff from the National Treasury participated in tree planting exercise which saw over 1,499,260 seedlings planted at Muumandu in Machakos County, Sorget in Kericho County, Kaptaget in Elgeyo Marakwet County. The National Treasury took part in the 9th edition of the Kaptagat Integrated Livelihood Program's Annual Tree Growing Initiative to advance Kenya's reforestation efforts.

10. OVERVIEW OF NATIONAL EXCHEQUER OPERATIONS

10.1 Background

Article 206 of the Constitution of Kenya provides for the establishment of a Consolidated Fund into which shall be paid all money raised or received by or on behalf of the National Government. As outlined under Section 17 of the Public Finance Management (PFM) Act, 2012 the National Treasury is responsible for administration of the Consolidated Fund. The Consolidated Fund is maintained in the National Exchequer Account at the Central Bank of Kenya.

10.2 Receipts into the National Exchequer Account

Government revenue is received through appointed Receivers of Revenue by the Cabinet Secretary to the National Treasury pursuant to Article 209 (1), (2) and (4) of the Constitution. Receivers of Revenue are responsible for receiving, remitting to the Exchequer, and accounting for the National government revenue pursuant to section 82 of the PFM Act, 2012. During the FY 2024/2025, there were a total of 11 Receivers of revenue.

Section 78 of the PFM Act, 2012 has mandated the Kenya Revenue Authority (KRA), as the collector of National Government revenue. Revenue collected by KRA is received by the Principal Secretary, National Treasury who is the designated Receiver.

10.3 Issues from the National Exchequer Account

An appropriation Act, County Allocation Revenue Act (CARA) and County Government Additional allocation Act is required to authorize the withdrawal of funds from the Consolidated Fund. The National Treasury is required to seek Controller of Budget's approval before withdrawing funds from the National Exchequer Account to the respective National and County Government entities bank accounts.

Entities that receive funds from the Exchequer Account include National Government Ministries, Departments, and Agencies (MDAs) in accordance with the Appropriation Act and County Governments in accordance with the County Allocation Revenue Act and County Government Additional Allocation Act. These entities are responsible for administration of their respective approved budgets.

10.4 Financial reporting requirements

Pursuant to Section 80(2) (a) of the PFM Act, 2012 the National Treasury is responsible for accounting for the all monies paid into and out of the Exchequer Account. Section 81 (1) of the PFM Act, 2012 further requires the Accounting Officer for a National Government entity to prepare and submit the financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, the National Treasury and the Commission on Revenue Allocation.

This statement therefore covers the operations of the National Exchequer Account for the financial year ended 30th June 2025.

10.5 Commentary on the Statement of Receipts into and Issues from the National Exchequer Account

The total receipts into the National Exchequer amounted to KShs 3.99 trillion against a budget of KShs 4.20 trillion. The actual revenue collected compares well with the budget as it represents 94% of the budget. The funds received through the Exchequer were disbursed to the National Government voted Ministries, Departments and Agencies and County Governments. In total, KShs 4.20 trillion was appropriated during financial year 2024/2025 against which KShs 3.98 trillion was disbursed.

The budgets and actuals exclude revenue in form of Appropriations in Aid (AIA), which is received and spent directly by the respective entities.

The bulk of the revenue is collected by the Kenya Revenue Authority (KRA), being the principal tax revenue collection agent for the Government.

11. STATEMENT OF THE MANAGEMENT'S 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 by 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 National Exchequer Account Financial Statements, which give a true and fair view of the state of affairs of The Exchequer account for and as at the end of the financial year (period) ended on 30th June 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the status of the Fund by the National Treasury; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the revenue report, and ensuring that they are free from material misstatements, whether due to error or fraud.

The Accounting Officer in charge of The National Treasury accepts responsibility for the National Exchequer Account Financial Statements, which has been prepared on the Accrual Basis Method using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Accounting Officer is of the opinion that the financial statements of the National Exchequer Account give a true and fair view of the performance of the Fund during the financial year ended 30th June 2025. The Principal Secretary in charge of The National Treasury further confirms the completeness of the accounting records maintained for the Exchequer, which have been relied upon in the preparation of this report as well as the adequacy of the systems of internal financial control.

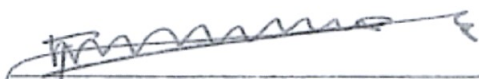
The Accounting Officer confirms that the Exchequer has complied fully with applicable Government Regulations. Further the Accounting Officer confirms that this report has been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The financial statements of the National Exchequer Account were approved and signed by the Accounting Officer on 27.11.2025 2025.



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



CPA Jane W N Macharia, OGW ICPAK No. 5857
Director Exchequer Services
The National Treasury

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL EXCHEQUER ACCOUNT FOR THE YEAR ENDED 30 JUNE, 2025 – THE NATIONAL TREASURY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Exchequer Account set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2025, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all

the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Exchequer Account as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis amounts of Kshs.4,206,948,271,528 and Kshs.3,993,125,599,657 respectively, resulting in under-collection of Kshs.214,988,144,516 or 5% of the budget.

Further, the statement reflects total exchequer transfers of Kshs.3,986,698,002,720 against approved budget of Kshs.4,206,948,271,528 resulting in under-performance of Kshs.220,250,268,808 or 5% of the budget.

The under-collection and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on pages iv to lxiv, which comprise of National Treasury Information and Management, Profile of the Cabinet Secretary, Profile of the Principal Secretary, Statement by the Cabinet Secretary, Statement by the principal Secretary, Statement of Performance against Predetermined Objectives, Statement of Governance, Management Discussion Analysis, Environmental and Sustainability Reporting, Overview of National Exchequer Operations and Statement of Management Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Late Exchequer Releases

The statement of financial position reflects a balance of Kshs.6,427,596,937 in respect of cash and cash equivalents, as disclosed in Note 19.6 to the financial statements. However, the bank reconciliation statement for the month of June 2025 reflects balances totaling Kshs.113,165,567,885 being payments in cash book not yet recorded in the bank statement (uncleared items), representing amounts disbursed to Ministries, Departments and Agencies, Pensions and Public Debt after the end of the financial year. This is contrary to Article 260 of the Constitution which states that financial year means the period of twelve months ending on the thirtieth day of June or other day prescribed by National legislation and Regulation 97(4) of the Public Finance Management (National Government) Regulations, 2015 which states that an actual cash transaction taking place after the 30 June, shall not be treated as pertaining to the previous financial year.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me

to believe that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and 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 (Accrual Basis), and for maintaining effective internal controls as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with

error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

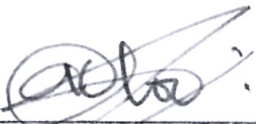
Nairobi

15 December, 2025

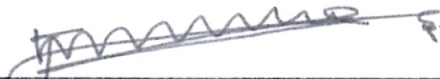
**13. THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE 2025**

		2024/2025	2023/2024
	Notes	Kshs	Kshs
Revenue from Non-Exchange transactions:			
Exchequer Receipts:			
Tax income	19.1 (a)	2,257,811,663,464	2,161,080,036,283
Non tax income	19.1 (b)	175,579,954,325	132,813,343,779
Grants received through National Exchequer Account	19.2	19,878,620,512	14,223,972,637
Proceeds from domestic borrowing	19.3	1,077,537,073,636	795,026,175,981
Proceeds from external borrowing	19.4	461,152,815,075	691,480,953,518
Total		3,991,960,127,012	3,794,624,482,198
Transfers from the Exchequer:			
National Government Recurrent	19.5(a)	1,442,658,037,527	1,360,061,816,922
National Government Development	19.5 (b)	335,082,037,999	315,062,171,762
Consolidated Fund Services	19.5 (c)	1,790,698,957,913	1,766,361,859,566
Total National Government		3,568,439,033,439	3,441,485,848,250
County Governments	19.5(d)	418,258,969,281	354,590,646,786
Total		3,986,698,002,720	3,796,076,495,036
(Deficit) / Surplus for the Year		5,262,124,292	(1,452,012,838)

The notes on pages 7 to 18 form an integral part of these financial statements. This statement has been prepared, reviewed and approved on.....27/11/.....2025 by the following:



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



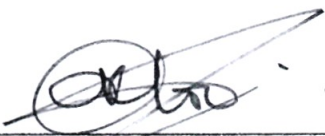
CPA Jane W N Macharia, OGW ICPAK No. 5857
Director Exchequer Services
The National Treasury

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

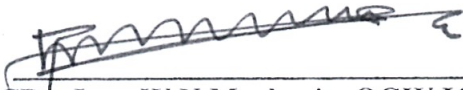
14. THE STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

	Notes	2024/2025	2023/2024
		Kshs	Kshs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	19.6	6,427,596,937	1,165,472,645
Total Cash and Cash Equivalents		6,427,596,937	1,165,472,645
Accounts Receivables			
Outstanding Imprests		-	-
Total Financial Assets		6,427,596,937	1,165,472,645
Financial Liabilities			
Accounts Payables – Deposits and Retentions		-	-
Net Financial Assets		6,427,596,937	1,165,472,645
Represented By			
Fund Balance B/Fwd		1,165,472,645	2,617,485,484
Surplus /(Deficit) for the year		5,262,124,292	(1,452,012,839)
Net Financial Position		6,427,596,937	1,165,472,645

The notes on pages 7 to 18 form an integral part of these financial statements. This statement has been prepared, reviewed and approved on.....27.11.....2025 by the following:



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

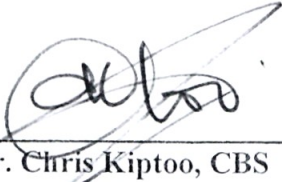


CPA Jane W N Macharia, OGW ICPAK No. 5857
Director Exchequer Services
The National Treasury

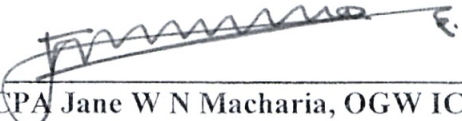
The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

**15. THE STATEMENT OF CHANGES TO NET ASSETS FOR THE YEAR ENDED 30TH
JUNE 2025**

	Accumulated Surplus
1st July 2024 Opening Balance	1,165,472,645
Adjustments to recognize assets/liabilities	-
1st July 2024 Opening Balance	1,165,472,645
Surplus/ deficit for the Period	5,262,124,291
As at June 30, 2025	6,427,596,937



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




CPA Jane W N Macharia, OGW ICPAK No. 5857
Director Exchequer Services
The National Treasury

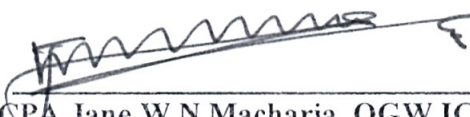
The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

16. THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2025

		2024/2025	2023/2024
	Notes	Kshs	Kshs
Cash Flow from Operating Activities			
Total Exchequer Receipts		3,991,960,127,012	3,794,624,482,198
Transfers to MDAs and County Governments		(3,986,698,002,720)	(3,796,076,495,036)
Net Cash Flow from Operating Activities		5,262,124,292	(1,452,012,838)
Cash flow from Investing Activities		-	-
Cash flow from Borrowing Activities		-	-
Net increase/(decrease) in Cash and Cash Equivalents		5,262,124,292	(1,452,012,839)
Cash and Cash equivalents at the beginning of the year		1,165,472,645	2,617,485,484
Cash and Cash Equivalent at the end of the Year		6,427,596,937	1,165,472,645

The notes on pages 7 to 18 form an integral part of these financial statements. This statement has been prepared, reviewed and approved on.....27th 11.....2025 by the following:


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


CPA Jane W N Macharia, OGW ICPAK No. 5857
Director Exchequer Services
The National Treasury

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

17. THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The following statement summarizes the outturn against budget. Further details are provided under annexes to this report:

	Original Estimates	Supplementary Budget Adjustments	Revised Estimates	Total Actual FY 2024/2025	Budget Utilization Difference	Variances 2024/25
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Revenue Collections:						
Opening Balance				1,165,472,645		-
Tax Revenue	2,745,218,573,596	(440,108,824,598)	2,305,109,748,998	2,257,811,663,464	47,298,085,535	2.1%
Non tax Revenue	171,979,175,130	19,107,611,243	191,086,786,373	175,579,954,325	15,506,832,048	8.1%
Grants received through National Exchequer Account	20,535,717,738	7,460,406,510	27,996,124,248	19,878,620,512	8,117,503,736	29.0%
Proceeds from external borrowings	550,685,875,826	(77,146,147,490)	473,539,728,336	461,152,815,075	12,386,913,261	2.6%
Domestic Borrowing	833,071,042,755	376,144,840,817	1,209,215,883,573	1,077,537,073,636	131,678,809,937	10.9%
Sub-Total Exchequer Receipts for the Year	4,321,490,385,046	(114,542,113,518)	4,206,948,271,528	3,991,960,127,012	214,988,144,516	5%
Total Resources Available (Including opening Balance)	4,321,490,385,046	(114,542,113,518)	4,206,948,271,528	3,993,125,599,657	214,988,144,516	5%
Exchequer Transfers:						
National Government Recurrent	1,348,449,273,960	100,146,556,994	1,448,595,830,954	1,442,658,037,527	5,937,793,427	0%
National Government Development	458,867,547,964	(107,528,626,492)	351,338,921,472	335,082,037,999	16,256,883,473	5%
County Governments	400,116,790,566	18,142,178,715	418,258,969,281	418,258,969,281	0	0%
Consolidated Fund Services	2,114,056,772,556	(125,302,222,735)	1,988,754,549,821	1,790,698,957,913	198,055,591,908	10%
Total Exchequer Transfers	4,321,490,385,046	(114,542,113,518)	4,206,948,271,528	3,986,698,002,720	220,250,268,808	5%

The non-performance of Grants received through National Exchequer Account at 29.0%, was due to low disbursements of grants from development partners.

18. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The Statement of Receipts and Payments has been prepared in accordance with the accrual basis of International Public Sector Accounting Standard (IPSAS) as prescribed by the Public Sector Accounting Standard Board (PSASB) in Kenya.

b) Reporting entity

This report relates to financial operations of the Consolidated Fund held in the National Exchequer Account maintained at CBK. The reporting entity is the National Treasury.

c) Revenues

Revenues include receipts collected by the receivers of revenue and deposited in the Consolidated Fund pursuant to Article 206 of the Constitution of Kenya. This Article requires that all revenue collected by the National Government shall be deposited in the Consolidated Fund held at the National Exchequer Account maintained at the Central Bank of Kenya.

The receipts collected include tax collections by Kenya Revenue Authority (KRA), loans and grants from development partners, proceeds from domestic loans, and other miscellaneous deposits in the National Exchequer bank account.

d) Grants and loans from Development Partners

Grants and loans received from development partners are recognized as receipts when the funds are received in the National Exchequer Account.

e) Exchequer Transfers

Exchequer Transfers are based on the National Government Appropriation Acts and County Allocation of Revenue Acts. The exchequer requests are received by National Treasury, which rationalizes the requests based on available balance, consolidates the requests and forwards them to Controller of Budget (COB) for approval. Once the approval of COB is obtained, the funds are released to either the recurrent or development accounts of National Government entities as well as CFS accounts and County Revenue Fund accounts of the Counties. These accounts are maintained at CBK.

The appropriations from the National Treasury are regarded as transfers rather than expenditures. At consolidation level, these transfers are netted off against the corresponding transfers reported as having been received by the respective votes and County Governments.

f) Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

g) Presentation Currency

The financial statements are reported in Kenya Shillings, being the currency of legal tender in Kenya.

19. NOTES TO THE FINANCIAL STATEMENT

19.1 Tax Income and Non-Tax Income Receipts

The following is an analysis by revenue type of the receipts collected in the National Exchequer Account:

Description	2024/2025	2023/2024
	Kshs	Kshs
19.1 (a) Tax Income		
Taxes on Income, Profits and Capital Gains	1,099,268,979,795	1,051,136,775,879
Taxes on Goods and Services	1,111,469,532,217	1,062,028,632,441
Taxes in International Trade and Transactions	47,073,151,452	47,914,627,963
Total Tax Income	2,257,811,663,464	2,161,080,036,283
19.1 (b) Non-Tax Income		
Licences under Traffic Act	3,522,642,182	4,384,430,329
Rents on Land	92,854,818	110,946,427
Interest Received	3,174,782,451	2,108,131,404
Other Profits & Dividends	69,652,774,708	42,889,958,946
loan to Non-Financial Institutions	12,647,435,459	7,161,111,207
Miscellaneous Revenue	2,388,924,844	5,731,396,323.00
Withdrawal of Equity- Surplus Funds	37,574,778,731	32,411,351,755
National Treasury-pension contributions	220,658,379	
Other land Revenue	13,339,792,112	8,472,183,617
State Dept Lands Stamp Duty Coll	2,178,224,778	
Immigration-Work Permit Fees, visas and other fees	14,591,348,174	18,187,545,342
Solicitor General-BRS	1,295,631,829	1,454,701,303
State law-Registration of Marriages and other services	262,321,698	
Fishing Rights	849,172	34,921,093
Receipts from Royalties	3,812,061,429	3,357,575,278
Dep of Interior-Verification Fees other services	329,428,034	
Defence-sundry Revenue	207,262,203	460,282,129
Fines, Penalties and Forfeitures	2,426,553,855	3,185,217,267
National police service	1,703,233,447	
Unspent balances surrendered	6,158,396,022	2,863,591,359
Total Non-Tax Income	175,579,954,325	132,813,343,779
	-	-
Total Ordinary Revenue	2,433,391,617,789	2,293,893,380,062

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

19.2 Grants received through National Exchequer Account

The budget support received from development partners channelled through the National Exchequer Account is summarized below:

Description	2024/2025	2023/2024
	Kshs	Kshs
Grants from other governments		
Government of Denmark	987,500,000	300,000,000
Government of Italy (Italy)	278,950,599	
Government of Germany (KFW-Germany)	857,858,617	
Government of Sweden		365,522,114
Sub-total	2,124,309,216	665,522,114
Grants from International Organizations		
International Development Association (IDA)	11,998,752,480	6,281,628,458
The Global Fund	2,581,476,048	2,918,074,396
African Development Bank		264,373,459
International Fund for Agricultural Development (IFAD)	481,154,680	324,589,148
African Development Bank (ADB)	116,073,404	341,161,080
United Nations Development Programme (UNDP)	117,839,040	176,791,256
United Nations Environmental Programme (UNEP)	65,511,363	
United Nations Environmental Programme (UNFPA)	137,179,625	79,777,617
United Nations Population Fund		93,816,732
European Economic Community Funds	171,176,216	1,707,096,884
Danish International Development Agency (DANIDA)		471,579,000
Global Alliance Vaccine Initiative (GAVI)	26,665,625	-
Green Climate Fund	697,324,080	362,758,339
Susan Thompson Buffet Foundation	1,292,026,478	-
Intergovernmental Authority on Development (IGAD)	38,113,145	-
World Wildlife Fund	31,019,112	-
JAPAN		129,500,640
African Union		407,303,515
Sub-total	17,754,311,296	13,558,450,524
Total grants	19,878,620,512	14,223,972,638

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

19.3 Net Proceeds from Domestic Borrowings

The Net proceeds from sale of Treasury Bills and Treasury Bonds during the year were as summarised below:

	2024/2025	2023/2024
	Kshs	Kshs
Treasury Bonds	837,253,083,216	795,026,175,981
Treasury Bills (net)	240,283,990,420	-
Net proceeds	1,077,537,073,636	795,026,175,981

19.4 Proceeds from External Borrowings

Borrowings from Development partners and other external lenders through the National Exchequer Account is summarised below:

Description	2024/2025	2023/2024
	Kshs	Kshs
Commercial Financing		
UAE	64,719,767,406	78,550,517,933
Sovereign Bond	188,349,823,656	208,324,847,510
Total Commercial Financing	253,069,591,062	286,875,365,443
Borrowings from International Organisations		
World bank- Development Policy Operations	-	147,651,934,351
International Development Association (P for R)	15,339,065,948	
AfDB-Development Policy Operations	26,324,964,108	10,412,040,387
International Development Association (World Bank)	67,693,406,650	94,328,817,927
International Fund for Agricultural Development (IFAD)	4,178,730,561	4,068,895,247
Agence Francaise de Development (AFD)	4,467,696,325	6,037,883,044
African Development Bank (ADB)	4,128,694,281	2,009,102,511
European Development Fund (EDB)	3,888,836,397	653,759,264
Economic Inclusion & Green Recovery Support Program-OPEC	8,847,042,000	-
Govt of Germany		192,069,723
Financing under the Rapid Credit Facility (IMF)	50,235,879,445	135,130,000,834
Italy - First Kenya Fiscal Sustainability & Resilient Growth	13,536,329,323	
KFW GERMANY	9,442,578,974	4,012,356,928
Japan International Cooperation Agency (JICA)		108,727,858
Total Borrowings from International Organisations	208,083,224,013	404,605,588,074
Total proceeds from External Borrowings	461,152,815,075	691,480,953,517

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

19.5 Exchequer Transfers

**19.5 (a) Transfer to National Government Ministries, Departments and Agencies -
Recurrent FY 2024/2025**

Ministries Departments and Agencies	Original Estimates Recurrent	Revised Estimates Recurrent	Actual Transfer Recurrent as at 30 th June 2025	% Issued 2024/25
	Kshs	Kshs	Kshs	Kshs
Executive Office of the President	4,226,290,119	4,546,162,672	4,546,162,672	100%
Office of the Deputy President	4,572,300,000	3,215,252,997	3,215,252,317	100%
Office of the Prime Cabinet Secretary	1,140,788,324	893,148,894	883,806,265	99%
State Department for Parliamentary Affairs	458,283,000	322,919,739	322,911,221	100%
State Department for Performance and Delivery Management	597,112,861	627,750,137	627,306,370	100%
State Department for Cabinet Affairs	275,136,014	221,710,432	221,480,145	100%
State House	7,935,200,000	11,663,734,861	11,641,074,701	100%
State Department for Correctional Services	34,720,821,616	36,045,496,613	36,033,493,163	100%
State Department for Immigration and Citizen services	8,904,613,872	9,154,160,433	9,143,400,069	100%
National Police Service	108,771,352,775	116,023,785,719	115,300,859,535	99%
State Department for Internal Security & National Administration	28,218,704,720	36,809,444,091	36,809,443,966	100%
State Department for Devolution	1,589,428,367	1,456,919,920	1,424,189,325	98%
State Department for the ASALs and Regional Development	4,378,993,586	10,716,956,511	10,716,956,511	100%
Ministry of Defence	166,120,417,170	172,215,661,938	172,163,412,338	100%
State Department for Foreign Affairs	20,557,347,602	21,122,731,331	20,420,892,343	97%
State Department for Diaspora Affairs	828,143,693	613,696,665	587,847,003	96%
State Department for Vocational and Technical Training	18,335,038,919	19,837,362,374	19,530,335,132	98%
State Department for Higher Education and Research	75,856,554,444	81,694,599,990	81,681,284,556	100%
State Department for Basic Education	119,889,562,192	116,079,590,656	115,624,948,632	100%
The National Treasury	60,543,407,865	66,804,409,809	66,600,542,845	100%
State Department for Economic Planning	2,700,793,355	3,174,369,323	3,174,369,323	100%
State Department for Medical Services	41,719,874,385	50,641,418,255	50,629,861,722	100%
State Department for Public Health and Professional Standards	14,603,555,123	19,529,351,919	19,297,690,748	99%
State Department for Roads	1,539,891,250	1,379,140,931	1,343,883,065	97%
State Department for Transport	2,318,803,728	2,181,926,452	2,181,913,372	100%
State Department for shipping and Maritime Affairs	419,974,935	625,335,194	614,128,513	98%
State Department for Housing & Urban Development	1,229,392,681	1,396,250,944	1,389,881,823	100%
State Department for Public Works	2,749,978,552	3,042,959,429	3,036,046,017	100%
State Department for Irrigation	853,382,500	1,028,749,650	1,018,015,059	99%
State Department for Water & Sanitation	2,495,338,911	2,932,908,098	2,932,908,096	100%
State Department for Lands and Physical Planning	3,415,400,000	3,368,650,000	3,368,641,009	100%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

Ministries Departments and Agencies	Original Estimates Recurrent	Revised Estimates Recurrent	Actual Transfer Recurrent as at 30 th June 2025	% Issued 2024/25
	Kshs	Kshs	Kshs	Kshs
State Department for Information Communications, Technology & Digital Economy	2,065,220,752	2,535,107,516	2,535,082,626	100%
State Department for Broadcasting & Telecommunications	2,744,410,364	3,900,438,061	3,900,265,915	100%
State Department for Sports	627,486,404	2,549,647,928	2,546,975,470	100%
State Department for Culture and Heritage	2,327,654,321	2,468,698,569	2,465,340,819	100%
State Department for Youth Affairs and the Arts	1,706,010,229	2,015,555,341	2,015,549,052	100%
State Department for Energy	919,434,710	971,918,087	971,917,542	100%
State Department for Livestock Development.	3,775,304,089	3,732,595,478	3,728,063,364	100%
State Department for Blue Economy and Fisheries	2,288,795,869	2,862,419,749	2,842,324,188	99%
State Department for Crop Development	6,739,346,299	6,955,054,100	6,953,822,026	100%
State Department for Cooperatives	4,582,183,583	4,170,526,641	4,167,995,025	100%
State Department for Trade	1,476,771,146	3,650,732,233	3,611,136,989	99%
State Department for Industry	1,633,906,621	2,365,432,408	2,364,033,807	100%
State Department for Micro, Small and Medium Enterprises Development	1,108,018,500	1,233,290,664	1,204,410,858	98%
State Department for Investment Promotion	603,613,914	1,032,899,360	1,031,279,691	100%
State Department for Labour and Skills Development	1,639,429,843	1,910,437,895	1,910,126,406	100%
State Department for Social Protection and senior citizens Affairs	33,010,825,645	45,810,276,013	45,587,800,961	100%
State Department for Mining	1,005,898,447	1,023,070,257	919,488,178	90%
State Department for Petroleum	325,211,883	331,558,826	329,972,403	100%
State Department for Tourism	555,111,808	550,555,631	540,174,432	98%
State Department for Wildlife	3,934,194,935	3,889,069,572	3,885,456,561	100%
State Department for Gender and Affirmative Action	1,940,841,404	1,847,588,643	1,831,146,893	99%
State Department for Public Service	15,421,644,125	16,082,313,296	16,082,047,124	100%
State Department for East African Community	612,087,899	843,713,428	822,637,021	98%
The State Law Office	6,255,890,997	5,015,453,238	4,899,818,159	98%
The Judiciary	22,137,400,000	21,962,110,165	21,962,110,165	100%
Ethics and Anti-Corruption Commission	4,099,930,000	4,135,730,000	4,135,707,923	100%
National Intelligence Service	46,351,000,000	58,651,000,000	58,651,000,000	100%
Office of the Director of Public Prosecutions	3,957,020,000	4,169,420,000	4,168,573,653	100%
Office of the Registrar of Political Parties	2,037,871,453	1,723,814,682	1,716,045,152	100%
Witness Protection Agency	741,192,500	720,134,000	718,369,435	100%
State Department for Environment & Climate Change	2,413,435,109	2,620,556,224	2,620,556,224	100%
State Department for Forestry	4,493,630,000	5,196,880,111	5,191,161,892	100%
Kenya National Commission on Human Rights	478,074,025	485,997,188	483,564,537	99%
National Land Commission	1,868,362,679	2,255,376,429	2,254,895,499	100%
Independent Electoral and Boundaries Commission	3,730,899,680	3,810,732,834	3,810,000,857	100%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

Ministries Departments and Agencies	Original Estimates Recurrent	Revised Estimates Recurrent	Actual Transfer Recurrent as at 30 th June 2025	% Issued 2024/25
	Kshs	Kshs	Kshs	Kshs
Parliamentary Service Commission	1,167,000,000	1,376,266,307	1,208,168,165	88%
National Assembly	26,770,000,000	25,710,794,575	24,009,297,204	93%
Parliamentary Joint Services	6,547,000,000	6,369,382,408	6,262,595,185	98%
Senate	8,010,000,000	7,766,807,595	7,472,988,956	96%
Judicial Service Commission	902,900,000	739,565,918	738,126,206	100%
The Commission on Revenue Allocation	413,465,304	368,072,328	366,623,874	100%
Public Service Commission	3,607,230,017	3,640,853,354	3,541,219,820	97%
Salaries and Remuneration Commission	472,230,922	553,760,602	538,251,811	97%
Teachers Service Commission	357,115,737,118	367,648,666,620	367,648,666,620	100%
National Police Service Commission	1,131,272,317	1,007,068,920	999,150,162	99%
Auditor General	7,804,770,850	7,767,663,830	7,753,685,263	100%
Office of the Controller of Budget	738,219,080	632,251,897	624,537,066	99%
The Commission on Administrative Justice	661,974,500	628,694,844	621,707,965	99%
National Gender and Equality Commission	425,810,000	437,702,500	437,500,842	100%
Independent Policing Oversight Authority	1,107,672,060	1,101,618,712	1,093,729,687	99%
Total National Government Recurrent	1,348,449,273,960	1,448,595,830,954	1,442,658,037,527	99%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

**19.5(b) Transfer to National Government Ministries, Departments and Agencies-
Development FY 2024/2025**

Ministries Departments and Agencies	Original Estimates Development	Revised Estimates Development	Actual Development Transfers as at 30 th June 2025	% Issued 2024/2025
	Kshs	Kshs	kshs	
Executive Office of President	1,200,900,000	50,000,000	25,706,472	51%
Office of the Deputy President	320,400,000	-	-	0%
Office of the Prime Cabinet Secretary		65,000,000	43,833,438	67%
State House	1,558,700,000	400,000,000	399,458,480	100%
State Department for Correctional Services	823,025,000	110,000,000	110,000,000	100%
State Department for Immigration and Citizen services	2,110,200,000	1,696,200,000	1,684,122,459	99%
National Police Service	1,780,720,000	85,000,000	74,777,876	88%
State Department for Internal Security & National Administration	7,565,490,000	2,870,200,000	2,870,200,000	100%
State Department for Devolution	2,653,000,000	1,671,750,000	790,617,338	47%
State Department for ASALs and Regional Development	7,386,334,000	3,641,864,728	3,328,940,350	91%
State Department for Foreign Affairs	2,390,100,000	-	-	0%
State Department for Vocational and Technical Training	4,164,600,000	1,534,600,000	1,489,503,249	97%
State Department for Higher Education and Research	4,334,640,000	454,929,000	349,463,260	77%
State Department for Basic Education	19,406,560,000	18,015,500,000	15,431,604,851	86%
The National Treasury	37,409,465,552	28,446,677,735	27,428,498,259	96%
State Department of Economic Planning	63,780,240,000	70,790,091,681	70,656,479,414	100%
State Department for Medical Services	23,535,200,000	19,009,488,096	17,150,921,389	90%
State Department for Public Health and Professional Standards	5,564,180,000	4,684,308,317	3,281,359,575	70%
State Department of Roads	73,196,031,868	64,239,283,121	64,023,295,918	100%
State Department of Transport	5,461,400,000	2,979,750,000	2,773,409,320	93%
State Department for shipping and Maritime Affairs	574,000,000	370,000,000	370,000,000	100%
State Department for Housing & Urban Development	22,092,000,000	13,507,143,443	12,691,574,902	94%
State Department for Public Works	1,209,100,000	224,000,000	215,238,472	96%
State Department for Irrigation	15,414,780,000	12,112,590,000	11,805,451,913	97%
State Department for Water and Sanitation	24,291,400,000	17,302,378,439	15,362,068,725	89%
State Department for Lands and Physical Planning	5,204,136,000	2,699,000,000	2,686,970,050	100%
State Department for Information Communications, Technology & Digital Economy	7,007,660,000	2,397,700,000	2,323,323,160	97%
State Department for Broadcasting & Telecommunications	651,900,000	-	-	0%
State Department for Sports	174,400,000	42,000,000	42,000,000	100%
State Department for Culture and Heritage	162,843,000	70,000,000	69,817,486	100%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

Ministries Departments and Agencies	Original Estimates Development	Revised Estimates Development	Actual Development Transfers as at 30 th June 2025	% Issued 2024/2025
	Kshs	Kshs	kshs	
State Department for Youth Affairs and the Arts	2,144,961,000	883,359,490	613,585,153	69%
State Department for Energy	32,570,400,000	18,287,678,790	16,835,774,988	92%
State Department for Livestock Development	4,478,450,000	3,991,624,726	3,717,729,019	93%
State Department for Blue Economy and Fisheries	8,912,930,000	7,389,900,000	7,139,992,214	97%
State Department for Crop Development	28,250,440,958	26,023,721,274	25,073,319,460	96%
State Department for Cooperatives	2,346,770,000	3,014,000,000	2,997,806,769	99%
State Department for Trade	500,000,000	290,000,000	290,000,000	100%
State Department for Industry	6,366,770,000	4,424,570,000	4,422,225,623	100%
State Department for Micro, Small and Medium Enterprises Development	7,702,840,000	4,326,500,000	4,276,182,119	99%
State Department for Investment Promotion	3,605,430,000	944,580,000	723,840,001	77%
State Department for Labour and Skills Development	1,512,885,400	638,210,000	622,654,033	98%
State Department for Social Protection and Senior Citizen Affairs	2,189,880,000	1,807,621,000	1,806,880,807	100%
State Department for Mining	652,260,000	-	-	0%
State Department for Petroleum	375,200,000	-	-	0%
State Department for Wildlife	2,018,000,000	125,000,000	77,631,000	62%
State Department for Gender and Affirmative Action	3,838,700,000	2,825,899,404	2,821,198,849	100%
State Department for Public Service	980,500,000	501,000,000	477,837,100	95%
State Department for East African Community	35,400,000	-	-	0%
The State Law Office	157,000,000	142,000,000	87,669,437	62%
The Judiciary Fund	1,600,000,000	816,100,000	760,149,067	93%
Ethics and Anti-Corruption Commission	57,920,000	54,700,000	54,699,601	100%
Office of the Director of Public Prosecutions	48,500,000	49,000,000	48,654,610	99%
State Department for Environment and Climate Change	1,446,796,186	1,673,945,478	1,226,071,150	73%
State Department for Forestry	2,472,300,000	1,500,000,000	1,497,802,675	100%
National Land Commission	147,860,000	-	-	0%
Independent Electoral and Boundaries Commission	24,320,000	-	-	0%
Parliamentary Joint Services	2,065,000,000	1,318,109,114	1,312,213,762	100%
Public Service Commission	45,300,000	-	-	0%
Teachers Service Commission	442,329,000	795,712,436	685,327,431	86%
Auditor General	445,000,000	46,235,200	34,156,773	74%
National Gender and Equality Commission	10,000,000	-	-	0%
Sub-total National Government Development	458,867,547,964	351,338,921,472	335,082,037,999	95%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

19.5 (c) Transfer to Consolidated Fund Services (CFS)

Consolidated Fund Services	Original Estimates	Revised Estimates	Total Actual Transfers as at 30 th June 2025	% Issued FY 2024/2025
	Kshs	Kshs	Kshs	
Public Debt	1,910,480,965,746	1,741,785,572,495	1,559,947,299,590	90%
Pension & Gratuities	199,366,132,379	223,146,773,734	207,196,063,992	93%
Salaries, Allowances and Miscellaneous Services	4,209,674,431	23,822,203,592	23,555,594,331	99%
Total CFS	2,114,056,772,556	1,988,754,549,821	1,790,698,957,913	90%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

19.5(d) Transfers to County Governments

County Governments	CARA Estimates FY 2024/2025	CARA Estimates FY 2024/2025	Total Actual Transfers as at 30 th June 2025	% Issued FY 2024/25
	Kshs	Kshs	Kshs	%
Baringo County	6,912,927,952.00	7,215,693,926.00	7,215,693,926.00	100%
Bomet County	7,251,128,230.00	7,573,354,888.00	7,573,354,888.00	100%
Bungoma County	11,543,041,769.00	12,059,631,451.00	12,059,631,451.00	100%
Busia County	7,764,601,080.00	8,112,982,999.00	8,112,982,999.00	100%
Elgeyo/Marakwet County	4,987,118,183.00	5,210,848,408.00	5,210,848,408.00	100%
Embu County	5,548,094,359.00	5,797,242,036.00	5,797,242,036.00	100%
Garissa County	8,555,015,575.00	8,950,347,059.00	8,950,347,059.00	100%
Homa Bay County	8,436,080,677.00	8,820,550,663.00	8,820,550,663.00	100%
Isiolo County	5,078,735,614.00	5,315,430,193.00	5,315,430,193.00	100%
Kajiado County	8,629,255,865.00	9,009,031,165.00	9,009,031,165.00	100%
Kakamega County	13,411,035,025.00	14,013,515,558.00	14,013,515,558.00	100%
Kericho County	6,962,657,506.00	7,274,716,308.00	7,274,716,308.00	100%
Kiambu County	12,713,359,169.00	13,271,899,667.00	13,271,899,667.00	100%
Kilifi County	12,554,603,733.00	13,138,579,633.00	13,138,579,633.00	100%
Kirinyaga County	5,633,619,143.00	5,882,890,697.00	5,882,890,697.00	100%
Kisii County	9,605,604,088.00	10,046,523,652.00	10,046,523,652.00	100%
Kisumu County	8,681,516,388.00	9,074,271,364.00	9,074,271,364.00	100%
Kitui County	11,244,322,462.00	11,752,326,679.00	11,752,326,679.00	100%
Kwale County	8,887,496,757.00	9,312,139,711.00	9,312,139,711.00	100%
Laikipia County	5,569,687,183.00	5,815,695,031.00	5,815,695,031.00	100%
Lamu County	3,362,798,128.00	3,513,418,983.00	3,513,418,983.00	100%
Machakos County	9,914,003,936.00	10,361,006,562.00	10,361,006,562.00	100%
Makueni County	8,762,816,136.00	9,173,745,326.00	9,173,745,326.00	100%
Mandera County	12,054,974,661.00	12,621,274,707.00	12,621,274,707.00	100%
Marsabit County	7,830,334,637.00	8,201,982,024.00	8,201,982,024.00	100%
Meru County	10,272,457,095.00	10,735,750,187.00	10,735,750,187.00	100%
Migori County	8,661,896,842.00	9,052,392,398.00	9,052,392,398.00	100%
Mombasa County	8,141,725,357.00	8,528,596,411.00	8,528,596,411.00	100%
Murang'a County	7,753,474,531.00	8,109,770,075.00	8,109,770,075.00	100%
Nairobi City County	20,855,390,632.00	21,784,477,445.00	21,784,477,445.00	100%
Nakuru County	14,133,795,185.00	14,754,472,473.00	14,754,472,473.00	100%
Nandi County	7,604,787,567.00	7,930,493,763.00	7,930,493,763.00	100%
Narok County	9,531,074,923.00	9,977,563,666.00	9,977,563,666.00	100%
Nyamira County	5,523,614,355.00	5,786,724,115.00	5,786,724,115.00	100%
Nyandarua County	6,130,324,412.00	6,409,000,509.00	6,409,000,509.00	100%
Nyeri County	6,729,749,120.00	7,037,436,120.00	7,037,436,120.00	100%
Samburu County	5,806,692,471.00	6,070,774,588.00	6,070,774,588.00	100%
Siaya County	7,545,450,410.00	7,882,514,002.00	7,882,514,002.00	100%
Taita/Taveta County	5,229,266,247.00	5,469,372,732.00	5,469,372,732.00	100%
Tana River County	7,040,540,708.00	7,367,974,537.00	7,367,974,537.00	100%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

County Governments	CARA Estimates FY 2024/2025	CARA Estimates FY 2024/2025	Total Actual Transfers as at 30 th June 2025	% Issued FY 2024/25
	Kshs	Kshs	Kshs	%
Tharaka - Nithi County	4,534,480,732.00	4,749,766,134.00	4,749,766,134.00	100%
Trans Nzoia County	7,798,593,372.00	8,140,487,291.00	8,140,487,291.00	100%
Turkana County	13,653,200,352.00	14,264,799,101.00	14,264,799,101.00	100%
Uasin Gishu County	8,766,325,224.00	9,146,485,411.00	9,146,485,411.00	100%
Vihiga County	5,457,216,386.00	5,714,284,578.00	5,714,284,578.00	100%
Wajir County	10,214,592,219.00	10,691,090,724.00	10,691,090,724.00	100%
West Pokot County	6,837,314,170.00	7,135,644,331.00	7,135,644,331.00	100%
Total County Governments	400,116,790,566	418,258,969,281	418,258,969,281	100%

The National Treasury
National Exchequer Account Financial Statements
For the Financial Year ended 30th June 2025

18.6 Bank Balances

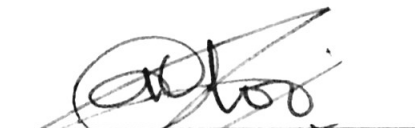
Exchequer Bank Reconciliation as at 30th June 2025			
		<u>Kshs</u>	<u>Kshs</u>
Exchequer CBK Statement as at 30th June 2025			63,070,651,125
Add:	Exchequer Revenue (Revenue in transit)		
	Tax revenue-KRA	37,936,715,360	
	T Bills proceeds	9,240,017,071	
	NPS-Revenue transfer	1,703,233,447	
	Donor Funds	2,587,655,183	
	Miscellaneous revenue	5,054,892,637	
	Total		56,522,513,697
Less:	Payments in cashbook not yet recorded		
	in Bank statement as at 30.06.2025(uncleared items)		
	Recurrent Exchequer issues RE: 307 /FY 2024/2025	8,919,927,581	
	Recurrent Exchequer issues RE: 308 /FY 2024/2025	3,330,817,234	
	Recurrent Exchequer issues RE: 309 /FY 2024/2025	1,360,000,000	
	Recurrent Exchequer issues RE: 310 /FY 2024/2025	10,296,735,676	
	Recurrent Exchequer issues RE: 311 /FY 2024/2025	580,501,560	
	Recurrent Exchequer issues RE: 312 /FY 2024/2025	1,930,623,736	
	Recurrent Exchequer issues RE: 313 /FY 2024/2025	1,189,995,445	
	Development Exchequer issues DE: 119 /FY 2024/2025	11,755,720,310	
	Development Exchequer issues DE: 120 /FY 2024/2025	25,577,319,611	
	Development Exchequer issues DE: 121 /FY 2024/2025	9,558,688,903	
	Development Exchequer issues DE: 122 /FY 2024/2025	2,113,562,338	
	Development Exchequer issues DE: 123 /FY 2024/2025	967,125,144	
	Pensions and Gratuities PG: 027/2024/2025	7,734,242,532	
	Pensions and Gratuities PG: 028/2024/2025	6,232,961,044	
	Pensions and Gratuities PG: 029/2024/2025	1,050,523,290	
	Public Debt PD:089/2024/2025	3,072,553,345	
	Public Debt PD:090/2024/2025	15,338,115,871	
	Public Debt PD:091/2024/2025	2,150,785,973	
	Salaries and Allowances SAM:021/2024/2025	5,368,291	
			(113,165,567,885)
Exchequer Cash Book Balance as at 30th June 2025			6,427,596,937

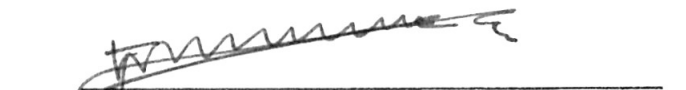
20. PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

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)
N/A	N/A	N/A	N/A	N/A	N/A

There were no audit issues raised in the previous Financial statements for the National Exchequer Account.


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


 CPA Jane W N Macharia, OGW ICPAK No. 5857
 Director Exchequer Services
 The National Treasury