

REPUBLIC OF KENYA



REPORT

NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 APR 2026	DAY: WED
TABLED BY: Hon. Naomi Wago Deputy Majority Whip	
CLERK-AT-THE-TABLE: Mado Minam	

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR
CABINET AFFAIRS**

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



**OFFICE OF THE DEPUTY PRESIDENT
*STATE DEPARTMENT FOR CABINET AFFAIRS***

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

**Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of Accounting Method Under
International Public Sector Accounting Standards (IPSAS)**

State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025.

Table of Contents	Page
1. Acronyms and Definition of Key Terms	ii
2. Key Information and Management	iv
3. Profile of Accounting Officer and Key Management.....	x
4. Statement by the Accounting Officer	xiv
5. Statement of Performance Against Predetermined Objectives for FY2024/2025	xviii
6. Governance Statement.....	xxii
7. Management Discussion and Analysis.....	xxx
8. Environmental and Sustainability Reporting.....	xxxviii
9. Statement of Management Responsibilities	xl
10. Report of the Independent Auditor for the State Department for Cabinet Affairs.....	xlii
11. Statement of Financial Performance for the year ended 30 June 2025.....	1
12. Statement of Financial Position as at 30 June 2025	2
13. Statement of Changes in Net Assets for the year ended 30 June 2025	3
14. Statement of Cash Flows for the year ended 30 June 2025.....	4
15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025.....	5
16. Notes to the Financial Statements	7
17. Appendix	40

1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

<i>AIA</i>	<i>Appropriation -in-Aid</i>
<i>APRICD</i>	<i>Annual Progress Report on Implementation of Cabinet Decisions</i>
<i>BETA</i>	<i>Bottom-Up Economic Transformation Agenda</i>
<i>BIC</i>	<i>Budget Implementation Committee</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CPA</i>	<i>Certified Public Accountant</i>
<i>CPI</i>	<i>Consumer Price Index</i>
<i>CS</i>	<i>Cabinet Secretary</i>
<i>CSG</i>	<i>Civil Service Grade</i>
<i>ECL</i>	<i>Expected Credit Loss</i>
<i>EDRMS</i>	<i>Electronic Document and Records Management System</i>
<i>GDMIS</i>	<i>Government Delivery Management Information System</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>HRMAC</i>	<i>Human Resources Management and Advisory Committee</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPPD</i>	<i>Integrated Payroll and Payroll Database</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MDA</i>	<i>Ministries, Department and Agencies</i>
<i>NDC</i>	<i>National Determined Contribution</i>
<i>NPCC</i>	<i>National Productivity and Competitiveness Centre</i>
<i>NSSF</i>	<i>National Social Security Fund</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>ODP</i>	<i>Office of the Deputy President</i>
<i>OSHA</i>	<i>Occupational Safety and Health Act of 2007</i>
<i>PAYE</i>	<i>Pay As You Earn</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PhD</i>	<i>Doctor of Philosophy</i>
<i>PPE</i>	<i>Property Plant & Equipment</i>
<i>PS</i>	<i>Principal Secretary</i>

State Department for Cabinet Affairs

Annual Report and Financial Statements for the year ended June 30, 2025

<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>PSR</i>	<i>Public Sector Reform</i>
<i>SAGAs</i>	<i>Semi-Autonomous Government Agencies</i>
<i>SC</i>	<i>State Corporations</i>
<i>SDCA</i>	<i>State Department for Cabinet Affairs</i>
<i>SGI</i>	<i>Special Government Initiative</i>
<i>SHIF</i>	<i>Social Health Insurance Fund</i>
<i>SRC</i>	<i>Salaries and Remuneration Commission</i>
<i>TNA</i>	<i>Training Needs Assessment</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>WB</i>	<i>World Bank</i>
<i>CAB</i>	<i>Cabinet</i>

B: Definition of Key Terms

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

2. Key Information and Management

(a) Background information

The State Department for Cabinet Affairs was established under Executive Order No. 1 of 2023. The State Department is within the Executive Office of the President, domiciled in the Office of the Deputy President. This move was in response to the government's commitment to addressing critical priorities outlined in its Economic, Social, and Political Blue-Print of Bottom-Up Economic Transformation Agenda (BETA).

This transformative agenda introduces a pragmatic Delivery and Implementation Framework based on a Value Chain Approach. This approach is designed to tackle persistent governance challenges, such as resource allocation efficiency and the reduction of inefficiencies due to duplication, fragmentation, and poor coordination.

In recognizing the need for coordinated efforts and the elimination of fragmentation, establishing the State Department for Cabinet Affairs was a strategic move aimed at aligning government objectives and ensuring timely deliverables across all five (5) BETA pillars while adhering to budgetary constraints.

Through the State Department for Cabinet Affairs, the government aims to promote a well-coordinated and harmonized approach that maximizes resource utilization, adheres to schedules, and maintains fiscal responsibility, ultimately advancing the nation's progress in line with the comprehensive transformation agenda set by the Government. At Cabinet Level, the State Department is represented by the Cabinet Secretary for Ministry of Public Service and Human Capital Development.

(b) Mandate

The State Department for Cabinet Affairs draws its mandate and functions from Executive Order No. 2 of 2023.

The Mandate of the State Department for Cabinet Affairs is to Coordinate and facilitate Meetings of Cabinet Committees; Oversee and coordinate Implementation of Cabinet decisions and Presidential Directives across all Ministries and State Departments; Liaison with Constitutional Commissions and

Independent Offices in matters that require intervention by the National Government including budgets, policy formulation and implementation of their recommendations; Co-ordinate the planning and supervise the implementation of development partners' funded programmes and projects; Oversee and Coordinate Public Sector Reforms; and Coordinate the implementation of Special Government Initiatives

Vision

“Excellence in Implementation of Government Policies.”

Mission

“To oversee the implementation of Cabinet Decisions, Strategic Government Initiatives, and Public Sector Reforms, through effective coordination for transformative and inclusive growth.”

Core Values

The State Department for Cabinet Affairs will uphold the following values:

- i. **Whole of Government Approach:** It will uphold team work across the State Department. It will endeavor to engage rationally and genuinely in an attempt to find common direction that will enhance trust, ownership and smooth operations. It will work in coherence with other government Ministries, Departments and Agencies to ensure smooth implementation of government policies for a prosperous county.
- ii. **Good Government:** It will conduct business in an open manner, upholding high levels of integrity, transparency, accountability, uprightness and fairness. It will adhere to corporate and moral values, acting with honesty and fairness. It will always ensure economic use of resources.
- iii. **Professionalism:** At all times, staff of the State Department will demonstrate highest level of competence, efficiency and effectiveness in line with ethical values. It will inculcate and promote innovativeness among staff.
- iv. **Cultural Transformation:** Across the public sector, the Department will implement initiatives to drive culture change, allow staff to adapt to their environment and stay relevant, improve their morale and retention, as well as increase customer satisfaction. It will inculcate patriotism among staff.
- v. **Equality and Equity:** At all times, the Department will provide equal access to services, opportunities and resources to all. It will ensure timely provision of accurate information. All staff members will be treated fairly and equally. Further, it will uphold fairness in promotion, training and recruitment within the State Department.

Strategic Objectives

The State Department has five (5) Strategic Objectives,

- i. To enhance implementation of government policies;
- ii. To enhance efficiency and effectiveness in the public sector;
- iii. To promote/stimulate inclusive growth of strategic sectors and areas;
- iv. To enhance collaboration and partnerships; and
- v. To strengthen institutional capacity

(c) Key Management

The State Department for Cabinet Affairs day to day management is under the following leadership and key directorates. It is headed by the Principal Secretary who is responsible for the overall strategic leadership and management. The State Department is organized into three directorates as listed below;

-

- a. Cabinet Affairs Delivery Directorate;
- b. Special Government Initiatives Directorate; and
- c. Shared Services Directorate

Key Programs/ Projects or Investment Decisions Implemented or Ongoing

- a. Enhance Implementation of Cabinet Decision and Presidential Directives.
- b. Enhance Collaboration and Partnership.
- c. Co-ordination and oversight of Public Sector Reforms.
- d. Co-ordination and oversight of Special Government Initiatives
- e. Promote Partnership and collaboration and linkages in government MDAs

State Department for Cabinet Affairs

Annual Report and Financial Statements for the year ended June 30, 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:

No.	Designation	Name	Date of Appointment
1	Principal Secretary	Dr. Idris Salim Dokota, PhD	04/10/2023
2	Secretary Administration	Mrs. Kula Hache, MBS	03/01/2024
3	Senior Deputy Accountant General	CPA Margaret Nyaywera	17/03/2025
4	Senior Deputy Accountant General	CPA. Daniel Karani Gichuki	02/08 2022
5	Director Macro-Planning	Mr. Samuel Gicheru	14/04/2024
6	Deputy Director Human Resource Mgt.	Mr. Daniel Okwiri	05/02/2024
7	Chief Finance Officer	Mr. Poire Kakui	26/11/2024
8	Principal Finance Officer	Ms. Esther M. Maina	04/04 2024
9	Assistant Director Supply Chain Management	Ms. Christine Lugongo	06/01/2025
10	Principal Supply Chain Management Officer	Mr. Eric K. Keter	02/04 2024
11	Principal Economist	Mr. Dickson Murira	05/01/2023
12	Senior Deputy Internal Auditor General	Mr. Fred Wandera	03/04/2023
13	Senior Deputy Internal Auditor General	Jacquelin Muinamia	05/03/2025

(e) Fiduciary Oversight Arrangements

The State Department had the following fiduciary oversight arrangements for financial year 2024-2025

The Budget Implementation Committee (BIC)

This committee comprises Head of finance, Accounts, Procurement, Human Resource, Internal Audit and Technical Department as appointed by the Accounting Officer. It is chaired by the Accounting Officer. The secretary to the committee is the head of finance. The committee is responsible for the implementation of the budget and its prudent management.

Human Resources Management Advisory Committee (HRMAC)

This committee comprises of heads of departments in job group P and above appointed by the Accounting Officer. The chairperson is the Secretary Administration and the secretary is the Head of Human Resource Management Unit. This committee oversees the management of Human Resource in the State Department and advise the Accounting Officer accordingly.

Public Finance Management Standing Committee

The committee is constituted under Regulations 18 and 19 of the Public Finance Management Regulations of 2015. The standing committee shall provide strategic guidance to the entity on public finance management matters. The Standing Committee shall comprise of the following—; the Accounting Officer as the chairperson of the Standing Committee; an officer designated by the Accounting Officer as secretary of the Standing Committee and who shall be either the head of the finance or accounts units and heads of departments or administrative units dealing with public finance management matters.

The audit committee

The State Department for Cabinet Affairs is domicile in the Office of Deputy President and is in the process of establishing the Ministerial Audit Committee in line with Public Finance Management Act 2012, Section73(5), Public Finance Management Regulations 2015, Regulations 174-178 and the Kenya Gazette Notice No.2690 dated 15th April 2016.

(f) State Department for Cabinet Affairs Headquarters

P.O. Box 74434,00200
Harambee House Annex
Harambee Avenue
Nairobi, Kenya

(g) State Department for Cabinet Affairs Contact

Telephone: (254) 0203341616
Mobile 0115841527
X @ODP_CabAffairs
E-mail: ps@cabinetaffairs.go.ke
Website: www.cabinetaffairs.go.ke

(h) State Department for Cabinet Affairs Bankers

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

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. Profile of Accounting Officer and Key Management

NAME	PROFILE
 <p>Dr. Idris Salim Dokota, PhD, CBS Principal Secretary State Department for Cabinet Affairs</p>	<p>Dr. Dokota is the Principal Secretary, State Department for Cabinet Affairs. He holds a Doctorate degree in International Economics and a Master’s Degree in Economics; World Economy, from the University of International Business and Economics in Beijing-China, and, a B. Com degree in Accounting and Finance from Pwani University.</p> <p>Dr. Dokota is a Trade Economist with years of experience in Financial Consultancy, Audit and training both in Public and Private sectors. Previously he served as a Principal Secretary in the State Department for Arid and Semi-Arid Lands (ASALs) and Regional Development. He worked as a Planning Officer in the Planning and Strategy Department of the National Museums of Kenya where he was involved in policies and strategies formulation and implementation. He has experience in impact evaluation, Strategic planning and research and analysis; his areas of interest include cultural goods trade policy and cultural economics</p>
 <p>Mrs.Kula H. Hache, MBS Secretary Administration State Department for Cabinet Affairs</p>	<p>Mrs. Kula H. Hache is the Secretary Administration and deputy to the Principal Secretary for the State Department for Cabinet Affairs (SDCA). She is a seasoned civil servant who has worked extensively in the Provincial Administration and Internal Security docket. She worked at the Ministry of Youth Affairs and Sports, Ministry of Energy and Petroleum and Ministry of Devolution and the ASALs in the same capacity before being posted to SDCA. She served as a County Commissioner for Muranga, Kisii and Taita Taveta Counties and as a District Commissioner for Kirinyaga South (Mwea). Before her promotion, she served as a District Officer at Nairobi Regional Commissioner’s Office, Kamukunji division, Machakos Central, Kathiani division and Laare Division.</p> <p>Mrs. Kula H. Hache holds a MA in Public Administration and Management from Mount Kenya University and B. Ed (Arts) from Kenyatta University. She is a member of the Kenya Association of Public Administration and Management (KAPAM).</p>



Mr. Dickson Murira
Ag. Secretary, Cabinet Affairs
Directorate
State Department for Cabinet Affairs

Mr. Dickson Murira is the Acting Secretary, Cabinet Affairs Delivery Directorate in the State Department for Cabinet Affairs. He is also an Alternate Director at Keninvest Board. He has worked for 20 years in the Government of Kenya in different Government Agencies with assignments ranging from Cabinet Affairs Technical Support, Cabinet Decisions Implementation Coordination, Planning & Programmes Monitoring, New Curriculum Reforms' Policies formulation and implementation, Energy and Petroleum policies development and programmes implementation coordination, Renewable Energy policies development and programmes implementation coordination, Technical Support to the Devolved Units, Decentralized Governance Planning and Development Coordination, as well as National Macro-Economic Policy Support..

Mr. Murira holds a Masters of Economics degree (Economic policy and Analysis), from Kenyatta University.



CPA Margaret Nyaywera
Senior Deputy Accountant General
State Department for Cabinet Affairs

CPA Margaret Nyaywera is the Head of Accounting Unit in the State Department for Cabinet Affairs. She many years of experience and has worked in many States Department in the government of Kenya. Her main role include management, monitoring and reporting use of resources, clear up audit queries, establish effective internal controls, improve expenditure management and transfers, banking arrangements and complete financial statements on time.

She is a holder of MBA in Finance from Moi University and holder of CPA (K). She is a member if ICPAK.



CPA Poire Kakui

Chief Fiance Officer
State Department for Cabinet Affairs

CPA Poire Kakui is the Chief Finance Officer for the State Department for Cabinet Affairs, He has working experience for 24years.14years in WALTEREED/PEPFAR/HJF IN partnership with Ministry of Health, a grants manager/administrative accountant. Worked as Chief Finance Officer in Narok County Government.

CPA Kakui holds Bachelor of Commerce in Finance from Kenya College of Accountancy (KCA) and holder of CPA (K). He is a member of ICPAK.



Mr. Daniel Okwiri

Deputy Director Human Resource &
Development
State Department for Cabinet Affairs

Mr. Daniel Okwiri is the Director Human Resource & Management for the State Department for Cabinet Affairs. He has 18years of working experience in different Ministries and Departments. His role is to oversee all HR functions, including developing and implementing HR strategies and policies, ensuring legal compliance, and managing employee relations

He is a holder of Masters of Arts in Gender and economic analysis, Bachelor of Art in Economics and Government and Higher Diploma in Human Resource Management.



Mr. Samuel Kamau Gicheru

Director Macro-Planning
State Department for Cabinet Affairs

Is the head of Central Planning and Project Monitoring Department (CPPMD) in the State Department for Cabinet Affairs. He holds Bachelor of Arts Degree in Economics - Second Class Honours (Upper Division) and Masters of Arts Degree in Economics from the University of Nairobi. He has also undertaken Strategic Leadership Development Programme; Organizational Change Management (Copenhagen -Denmark); KIPRRA Young Professional Programme in Public Policy and Research Analyses; and Programme Based Budgeting and Project Development and Management.

He has good knowledge and experience in Formulation and Review of National Development plans including Ministerial Strategic Plan and Medium-Term Plans; Monitoring and Evaluation; Medium Term Expenditure Framework Budget; Performance Contracting and work planning; and Policy formulation and analysis.



Ms. Christitne Lugongo

Assistant Director Supply Chain
Management
State Department for Cabinet Affairs

Ms. Christine Lugongo is the Head of Procurement for the State Department for Cabinet Affairs. She has 20years of working experience in different Ministries and Departments in supply chain unit. Her role is to manage procurement, stores, and logistics in compliance with the Public Procurement and Asset Disposal Act (PPADA). Her role involves developing and implementing supply chain strategies, managing budgets and staff, ensuring quality, and overseeing the entire procurement process from sourcing to asset disposal.

Ms. Christine Lugongo holds Masters of Science in Supplies and Logistics, Bachelor in Purchasing and Supplies Management and Diploma in Supplies Management.

4. Statement by the Accounting Officer

STATEMENT BY THE PRINCIPAL SECRETARY



Dr. Idris Salim Dokota is the Principal Secretary, State Department for Cabinet Affairs, previously, he was the Principal Secretary State Department for the ASALs and Regional Development. He is a Trade Economist with years of experience in financial consultancy, Auditing and Strategic Planning both in public and private sectors. Formerly, he worked as a Planning Officer at the National Museums of Kenya before appointment to Principal Secretary.

Dr. Idris Salim Dokota, PhD

Domiciled in the Office of the Deputy President, the State Department for Cabinet Affairs (SDCA) was established pursuant to Executive Order No. 1 of 2023 and envisions “*Excellence in Implementation of Government Policies*”. The core mandate of SDCA is to Oversee and co-ordinate the Implementation of Cabinet Decisions and Public Sector Reforms across all Ministries and State Departments. The State department also has a functional responsibility of Facilitating Cabinet Committees Meetings and providing leadership for implementation of Special Government Initiatives among others.

I am pleased to present the State Department for Cabinet Affairs Financial Reports for the Financial Year 2024/25. The financial year began against a backdrop of budget rationalization and austerity measures by the Government, aimed at checking the ballooning public debt. Moreover, global and regional geopolitical uncertainties and climate-related shocks experienced in the previous financial year, posed some implementation constraints in the financial year under review.

This Financial Report presents the overall financial performance of the State Department, for Cabinet Affairs based on its allocation, planned and implemented key interventions and performance indicators, funding and expenditure performance.

In the financial year, the state department programmes were constrained due to the aforementioned local and global challenges that resulted in the rationalizing of the State Departments budget from the

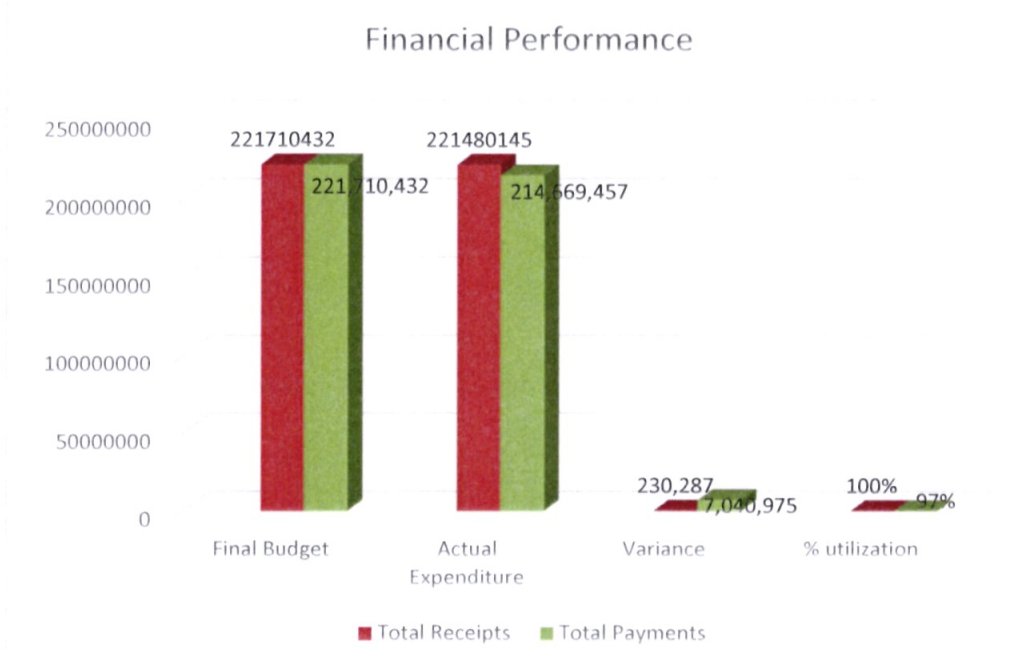
State Department for Cabinet Affairs

Annual Report and Financial Statements for the year ended June 30, 2025

initial allocation of **Ksh.275,136,014** to **Ksh.221,710,432** in the supplementary estimates number 1,2 & 3 of 2024/2025 which represents 19.40% drop.

Key Performance Highlights

Financial Performance	Original Budget	Adjustments	Final Budget	Actual Expenditure	Variance	% utilization
Total Receipts	275,136,014	(53,425,582)	221,710,432	221,480,145	230,287	100%
Total Payments	275,136,014	(53,425,582)	221,710,432	214,669,457	7,040,975	97%
Surplus/Deficit				6,810,688	(6,810,688)	

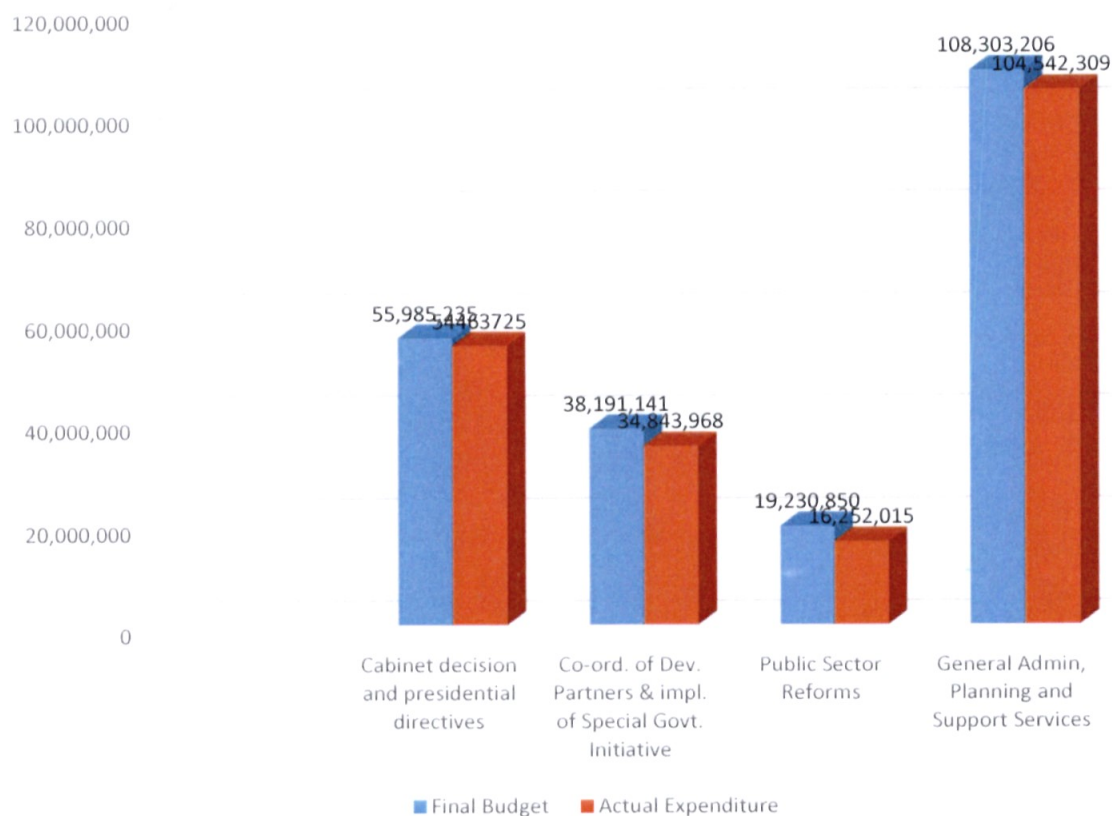


The overall performance of the budget was 97%, which was as a result of timely release of funds by the National Treasury.

The Performance of the programs is as below; -

Programmes	Original Budget	Adjustments	Final Budget	Actual Expenditure	Budget utilization difference
Cabinet decision and presidential directives	81,198,446	(25,213,211)	55,985,235	54,463,725	1,521,510
Co-ord. of Dev. Partners & impl. of Special Govt. Initiative	53,243,241	(15,052,100)	38,191,141	34,843,968	3,347,173
Public Sector Reforms	23,067,782	(3,836,932)	19,230,850	16,252,015	2,978,835
General Admin, Planning and Support Services	117,626,545	(9,323,339)	108,303,206	104,542,309	3,760,897
TOTAL	275,136,014	(53,425,582)	221,710,432	210,102,018	11,608,414

Programme Performance for the FY 2024/2025



State Department for Cabinet Affairs

Annual Report and Financial Statements for the year ended June 30, 2025

Despite the challenging internal and external environment, the State Department was able to re-orient its priorities and achieve significant milestones in delivering its core mandate.

To better align its mandate and functions to the National development priorities and the Medium-Term Plan 2023-2027, the state department developed its five- year strategic plan. The SDCA Strategic Plan for the period 2023/2024 - 2027/2028 presents aspirations for the department in the medium term, it maps out Implementation and Coordination mechanisms, resource mobilization and collaboration structures. To realize the Planned aspirations, the State Department aspires to promote Professionalism, Transparency and Accountability, Teamwork, Collaboration and Partnerships, Equity and Equality while at the same time upholding the Whole-of Government-Approach models in its undertakings.

Towards promoting excellence in the implementation of Government Policies and Overseeing the implementation of cabinet decisions across all Ministries and State Departments, the State Department developed the Government Delivery Monitoring Information System (GDMIS) a real-time reporting platform. This culminated in the development of the Annual Report on Implementation of Cabinet Decisions (APRICDs) 1&2. This report provides a retrospection and foresight on Government performance and action space towards improving livelihoods for Kenyans through implementation of Cabinet Decisions in the Finance and Production sector, social sector Infrastructure, Governance and Administration Sector and Land and Natural Resource sector among other descriptive analytics

The programmes and projects being undertaken by the SDCA risk losing momentum especially due to resource constraints. Moreover, these gains need to be up-scaled taking into account rapid growth in technology, risks involved and the need for continuous upgrade and capacity building of staff to meet stakeholder expectations. Slow adoption of Public Sector reforms and disinformation and misinformation poses a greater risk in actualizing the SDCA mandate, besides data loss and cyber threats remain an elevated risks factor for the SDCA.

The State Department delayed operationalization due to inadequate working space and technical staff. These resulted into delays in the procurement process in the State Department.

Low expenditure led to low exchequer requisition

Development of a more robust communication collaboration mechanisms, performance management frameworks and culture change interventions across MDAs will enhance collective implementation of government priorities. Continuous training and retooling of human resource personnel, risk mapping and adoption and mitigation interventions, well-coordinated communication and messaging drive. That enhance security as well as public sector culture change are bound to propel performance in the short and the medium term.



Dr. Idris Salim Dokota, PhD, CBS
Principal Secretary

5. Statement of Performance Against Predetermined Objectives for FY2024/2025

The key strategic objectives as per the State Department for Cabinet Affairs strategic plan for FY 2023 - FY 2027 are;

- a. To enhance implementation of government policies;
- b. To enhance efficiency and effectiveness in the public sector;
- c. To promote/stimulate inclusive growth of strategic sectors and areas;
- d. To enhance collaboration and partnerships; and
- e. To strengthen institutional capacity

The State Department made good achievements on all the set objectives despite encountering some challenges in the financial year.

Analysis of Past Performance

In the Financial Year 2023/2024 the State Department made the following achievements based on its Strategic Objectives and allocated budget.

1. Developed 2st Annual Progress Report on Implementation of Cabinet Decisions (APRICD). This is expected to inform future coordination and oversight for enhanced implementation of government policies.
2. Coordinated communication, implementation and reporting of Cabinet decisions and presidential directives across MDAs. For coordinated implementation, The State Department developed reporting framework on implementation of Cabinet decisions and presidential directives. Further, the state department conceptualized development of Government Delivery Management Information System as a central repository for Cabinet Decisions. The GDMIS will be key in monitoring the implementation of government policies.
3. Offered technical and secretariat services to Cabinet committees. Towards this, it undertook research and prepared analytical briefs to the Cabinet Committees.
4. Provided technical support to identify and unlock bottlenecks to fast-track the implementation of special government initiatives

The State Department delayed operationalization due to inadequate working space and technical staff. These resulted into delays in the procurement process in the State Department.

Progress on the attainment of Strategic Objectives through Performance Contracting

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

Programme	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Cabinet Decisions and Presidential Directives Delivery	To enhance implementation of government policies	Increased level of implementation of cabinet decisions and directives	Developed 1st Annual Progress Report on Implementation of Cabinet Decisions and Presidential Directives. This is expected to inform future coordination and oversight for enhanced implementation of government policies	Annual Progress Report	1	1	0	1	1	0	Done and submitted to relevant authorities

State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025

Programme	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
			2 nd Annual Progress Report developed (APR)	Develop 2 nd APR	1	1	0	1	1	0	Awaiting finalization and printing
Co-ordination of Development Partners and Implementation of Special Government Initiatives	To promote/stimulate inclusive growth of strategic sectors and areas	Balanced Economic Growth	Provided Technical support in identifying and unlock bottlenecks to Fast-track the implementation of special government initiatives	Rate of Economic Growth Percentage level implementation of the pronounced SGIs	100%	50%	50%	100%	50%	50%	Various programmes are being implemented to catalyse growth in the specific sectors.
Public sector reforms	To enhance efficiency and effectiveness in the public sector and mapping of	Increased productivity in the Public Sector. Mapped public sector reforms	Prepared and finalized report on the existing public sector reforms	Report on existing public sector reforms	1	1	0	1	1	0	Planning to conceptualized and incubate at least 2 initiatives

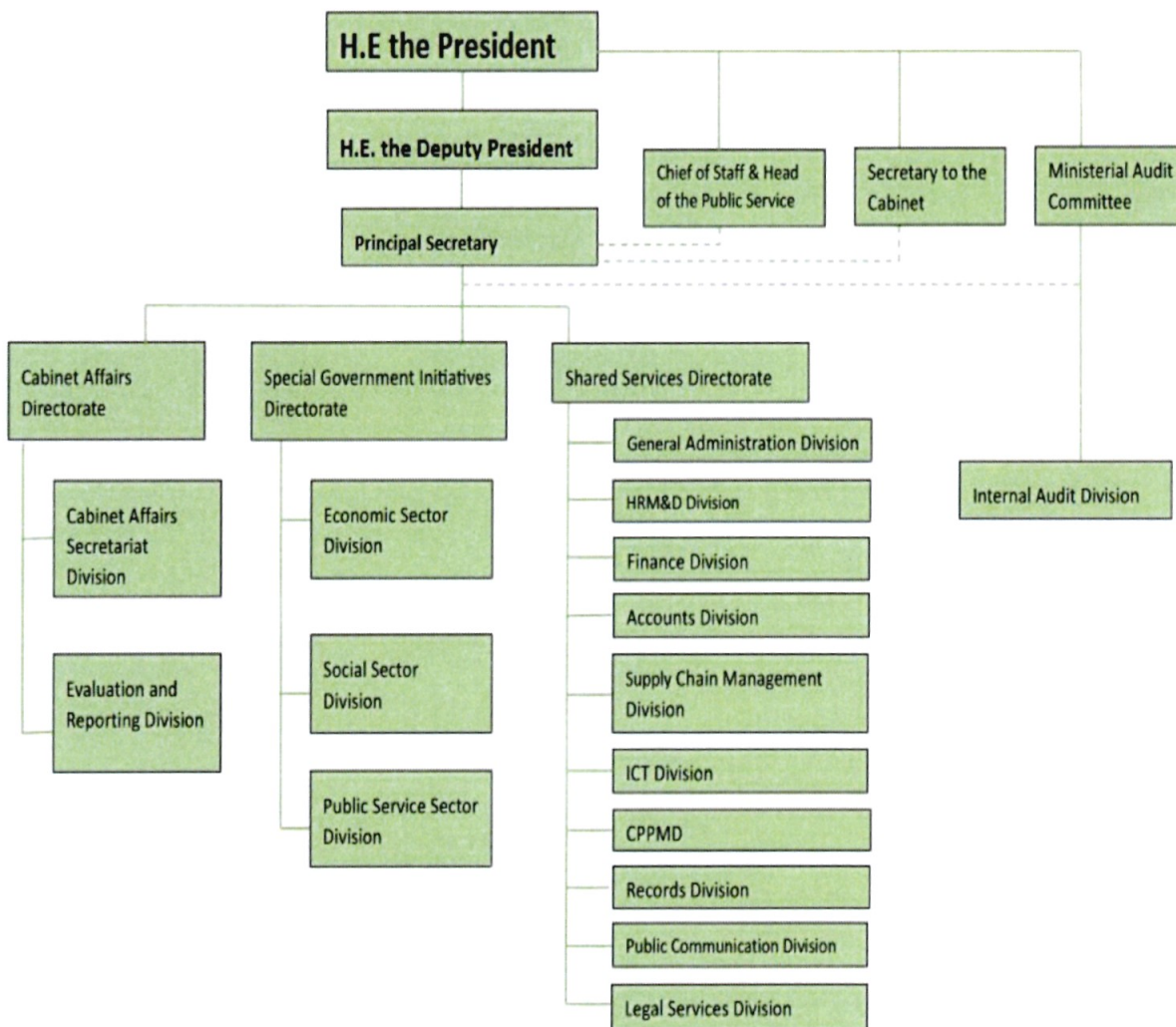
State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025

Programme	Strategic Objective	Outcome	Output	Output Indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
	public sector reforms										
General Administration, Planning and Support Services	To strengthen institutional capacity	Increased productivity in the State Department	Undertook requisite trainings and sensitization of the staff	Improved Productivity index in the state department	100%	100%	0	100%	100%	0	Done and to continue in the 2025/2026 FY
			Prepared all the necessary planning and performance mandatory documents/ and reports as required.	Mandatory reports and documents	5	5	0	5	5	0	

6. Governance Statement

i. A brief on the key leadership structure

The SDCA is headed by a Principal Secretary who is responsible for the overall strategic leadership and management. The State Department is organized into three (3) Directorates directly reporting to the Principal Secretary: Cabinet Affairs Delivery Directorate comprising of Cabinet Affairs Secretariat Division and Evaluation and Reporting Divisions; Special Government Initiative Directorate comprising of Economic Sector, Social Sector and Public Service Sector Divisions; and Shared Services Directorate consisting General Administration, HRM&D, Finance, Accounts, Supply Chain Management, CPPMD, ICT Unit , Records, Public Communication, Legal units and Internal Audit Division as shown in figure below: -



ii. The Audit Committee and any other management committees

Budget Implementation Committee (BIC)

Composition of the members

No	Name	Designation	Qualification
1	Mrs. Kula H. Hache, MBS	Secretary Administration	Masters in Public Administration and Management, BED Arts
2	Ms Esther Maina	Assistant Director, Budget	Master in Finance ,BCOM (Accounting), ICPAK
3	CPA Poire Kakui	Chief Finance Officer	BCOM (Finance), Member of CPAK
4	CPA Daniel Karani	Senior Deputy Accountant General	MBA Finance, BA Economics, Member of ICPAK, ICIFA
5	Mr. Samuel Gicheru	Director, Macro planning	Masters in Arts, Economics, Bachelor in Arts, Economics
6	Mr. Fred Wandera	Senior Deputy Internal Auditor	MBA, BCOM (Accounting), CFE, ACFE/IIA
7	Mr. Dickson Murira	Chief Economist	MA, Economics, BA, Economics
8	Mr, Daniel Okwiri	Deputy Director, Human Resource Management	MA, Economics, BA, Economics and Government, Higher Diploma, Human Resource Management
9	Mrs. Mary Macharia	Assistant Director, ICT	Bachelor in Business Information and Technology (BIT)
10	Mrs. Caroline Musasia	Deputy Director of information.	MA, Communication Studies
11	Mr. Erick Keter	Principal Supply Chain Management Officer	B.COM, Diploma in Supplies Management, CPSP (K)
12	Mrs. Racheal Gichuki	Records Management Officer	Diploma in Records Management and Archives
13	Mr. Collins Lolii	Finance Officer I	Bachelor of Commerce (Finance) CPA
14	Mrs Maureen Apunda	Finance Officer I	MBA - Business Admin & Mgt., Bcom - Bus. Admin & Mgt (Major) Marketing (Minor), High Diploma, Human Resource Management, Institute of Mgt. Information System (IMIS)

Terms of Reference (Duties)

- i. The Terms of reference for the committee shall be:
- ii. To review and consider cashflow plans - This shall involve a regular review of Ministerial cash plan and approval of any changes to the initial cashflow plan to be communicated to The National Treasury;
- iii. To review the utilization of cash limits and consider any changes that may be required;
- iv. To review the utilization of donor funds voted for the MDA;
- v. To advise the Accounting Officer on any challenges related to Budget implementation;
- vi. To review and recommend reallocation of expenditure;
- vii. To review and approve the submission of the expenditure returns, non-financial reports, IPPD, Pending Bills and AIA returns for the MDAs and recommend actions to be taken.
- viii. To participate in Sector Working Groups and

To prepare budgets for MDAs in consultation with the Heads of Departments.

Meetings Held

The Budget Implementation Committee held 2 meetings in the period ending 30th June, 2025.

Public Finance Management Standing Committee

Composition of Members

No	Name	Designation	Qualification
1.	Mrs. Kula H. Hache, MBS	Secretary Administration	Masters in Public Administration and Management, BED Arts
2.	CPA Daniel Karani	Senior Deputy Accountant General	MBA Finance, BA Economics, Member of ICPAK, ICIFA
3.	Ms Esther Maina	Assistant Director, Budget	Master in Finance BCOM (Accounting), ICPAK
4.	Mr. Fred Wandera	Senior Deputy Internal Auditor	MBA, BCOM (Accounting), CFE, ACFE/IIA
5.	Mr. Dickson Murira	Chief Economist	MA, Economics, BA, Economics
6.	Mr, Daniel Okwiri	Deputy Director, Human Resource Management	MA, Economics, BA, Economics and Government, Higher Diploma, Human Resource Management
7.	Mrs. Mary Macharia	Assistant Director, ICT	Bachelor in Business Information and Technology (BIT)
8.	Mrs. Caroline Musasia	Deputy Director of Information	MA, Communication Studies
9.	Mr. Erick Keter	Principal Supply Chain Management Officer	B.COM, Diploma in Supplies Management, CPSP (K)
10.	Mrs. Racheal Gichuki	Records Management Officer	Diploma in Records Management and Archives

Terms of Reference

The Terms of reference for the committee shall be:

- i. Ensuring that there is prioritization on resources allocated to the Ministry for the smooth implementation of the Department's mission, strategy, goals, risk policy plans and objectives.
- ii. Regularly reviewing, monitoring budget implementation and advice on the Department's accounts, major capital expenditures and reviewing performance and strategies at least on a quarterly basis
- iii. Identifying risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the Department.
- iv. Reviewing on a regular basis the adequacy and integrity of the Department's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines
- v. Establishing and implementing a system that provides necessary information to the stakeholders including stakeholder communication policy for the Department in line with Article 35 of the Constitution
- vi. Monitoring the effectiveness of the corporate governance practices under which the Department operates and proposes revisions as may be required from time to time.
- vii. Monitoring the timely resolution of audit issues and
- viii. Any other matter referred to it from time to time by the Chief of staff/ODP.

State Department for Cabinet Affairs

Annual Report and Financial Statements for the year ended June 30, 2025

Human Resources Management and Advisory Committee (HRMAC)

Composition of the members

No	Name	Designation	Qualification
1	Mrs. Kula H. Hache, MBS	Secretary Administration	Masters in Public Administration and Management, BED Arts
2	CPA Margaret Nyaywera	Senior Deputy Accountant General	MBA Finance, Member of ICPAK
3	CPA Daniel Karani	Senior Deputy Accountant General	MBA Finance, BA Economics, Member of ICPAK, ICIFA
4	Mr. Samuel Gicheru	Director, Macro planning	Masters in Arts, Economics, Bachelor in Arts, Economics
5	Mr. Fred Wandera	Senior Deputy Internal Auditor	MBA, BCOM (Accounting), CFE, ACFE/IIA
6	Mr. Dickson Murira	Chief Economist	MA, Economics, BA, Economics
7	Mr, Daniel Okwiri	Deputy Director, Human Resource Management	MA, Economics, BA, Economics and Government, Higher Diploma, Human Resource Management
8	Mr. Poire Kakui	Chief Finance Officer	BCOM (Finance), Member of CPAK
9	Mrs. Mary Macharia	Assistant Director, ICT	Bachelor in Business Information and Technology (BIT)
10	Ms Esther Maina	Assistant Director, Budget	Master in Finance BCOM (Accounting), CPAK
11	Mrs. Caroline Musasia	Deputy Director, Public Communication	MA, Communication Studies
12	Ms. Christine Lugongo	Assistant Director Supply Chain Management	Master of Science in procurement logistics, Bachelor of purchasing and supplies management
13	Mr. Erick Keter	Principal Supply Chain Management Officer	B.COM, Diploma in Supplies Management, CPSP (K)

The committee is responsible for human resource requirements. Its duties include but not limited to:

- i. Recruitment, selection, appointment, deployments, and promotions.
- ii. Confirmation in appointment.
- iii. Training and development and induction of all new staff.
- iv. Training impact assessment and engagement of skills audit and inventory.
- v. Proposal on establishment and complement control.
- vi. Payroll management
- vii. Promotion and implementation of values and principles of public services
- viii. Administration of biennial and final declaration of income, assets and liabilities and the public service code of conduct and ethics for officers in CSG '8' and below.
- ix. Quarterly report on the initial and final declaration of income, assets, and liabilities for all public officers.
- x. Quarterly report on the discharge of human resource function including on implementation of PSC decisions.
- xi. Quarterly report on the status of implementation of the recommendation contained in the annual values and principles report.
- xii. Conduct and report on investigation and Disciplinary control.
- xiii. Recommendation for waiver of requirement contained in the annual values and principles report.
- xiv. Recommendation for review of grading, organization structures and career progression guidelines.
- xv. Recommendation for secondments, re-designation, leave of absence, unpaid leave, and transfer of services.
- xvi. Recommendations for retirement under 50 years rule, retirement on medical grounds and retirement on voluntary grounds.
- xvii. Recommendation for engagement of interns.
- xviii. Recommendation for engagement and renewal of contract.
- xix. Recommendation for public service excellence awards.
- xx. Pensions management; Staff welfare, health, and safety.

Meetings Held

The Human Resources Management and Advisory Committee held 5 meetings in the period ending 30th June, 2025.

iii. Risk management policies within the State Department for Cabinet Affairs

The Public Finance Management Act, 2012 (PFMA) and its attendant Regulation of 2015 requires all government entities to develop risk management strategies including fraud prevention mechanisms, system of risk management and internal controls. The State Department has well established and operational internal audit.

in conjunction with the Internal Audit Unit completed the department Risk Management Framework and its accompanying Risk Registers.

The State Department has two categories of risks; Operational and financial with each category posing different risks to the organization. Below is the State Department Risk Management Framework comprising of the risks and mitigations measures and strategies.

Risk Matrix

Risk Category	Risks	Likelihood	Impact	Overall Risk Level	Mitigation Measures
Operational	Data loss/cyber threats	Medium	High	High	i. Develop and implement a BCP ii. Develop and implement ICT policy iii. Sensitization of staff iv. Enforce compliance with the Data Protection Act (2019) v. Undertake vulnerability and penetration tests
	Slow adoption of public sector reforms	Medium	High	High	Continuous sensitization and feedback
	Misinformation and disinformation	High	High	High	Develop and implement a robust communication strategy
Financial	Inadequate funding	High	High	High	i. Develop and implement resource

Risk Category	Risks	Likelihood	Impact	Overall Risk Level	Mitigation Measures
					mobilization strategy ii. Establishing strategic partnerships and collaborations iii. Optimal use of resources iv. Lobbying for additional funding
	Misappropriation of allocated funds	High	High	High	i. Adherence to the PFM Regulation & Act ii. SDCA has an operational Internal Audit Unit. iii. SDCA undergoes through periodical External Audit

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

The SDCA undertook Electronic Government Procurement (e-GP) training which was a government directive for all procurement process to be done electronically. The training covers electronic supplier registration, procurement entity registration, electronic Annual Procurement Plan and Annual Disposal Plan. The State Department also sensitized all the staff on the National values and Principles of governance. The State Department also trained its staff on Transformational of Public Service Delivery Change Program, where the staff were trained on building capacity in conceptualizing and managing change in public service, exposure to global best practices, equipped managers on tools for citizen engagement and process re-engineering and performance measurement and promote alignment of public service reforms.

v. Public participation activities

The State Department undertook tree planting activities whereby the local communities were involved

vi. Compliance with laws and regulations among others.

The State Department has complied with all laws and regulations among others as set out in the legislations and other circulars.

State Department for Cabinet Affairs

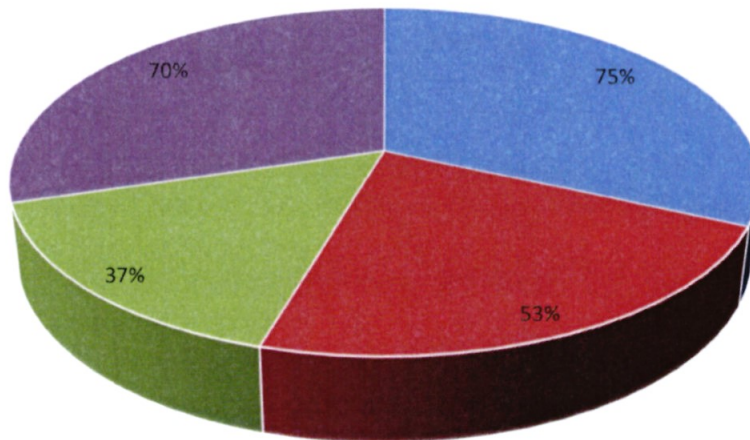
Annual Report and Financial Statements for the year ended June 30, 2025

7. Management Discussion and Analysis

The State Department has been operational for one financial year 2023-2024 and the financial performance for that year is as summarised below; -

Programmes	Final Budget	Actual Expenditure	Budget utilization difference	% Absorption
Cabinet decision and presidential directives	191,970,394	143,588,970.40	48,381,423.60	75%
Co-ord. of Dev. Partners & impl. of Special Govt. Initiative	60,446,140	32,065,793.40	28,380,346.60	53%
Public Sector Reforms	23,202,973	8,589,599.75	14,613,373.25	37%
General Admin, Planning and Support Services	246,438,987	171,518,076.40	74,920,910.60	70%
TOTAL	522,058,494	355,762,439.95	166,296,054.05	68%

PROGRAMME ABSORPTION RATE



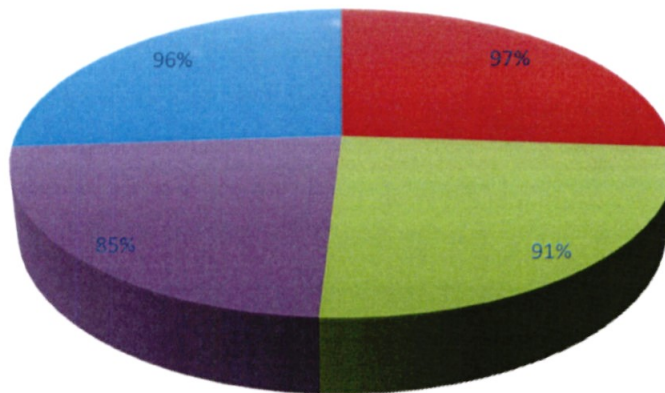
- Cabinet decision and presidential directives
- Co-ord. of Dev. Partners & impl. of Special Govt. Initiative
- Public Sector Reforms
- General Admin, Planning and Support Services

State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025

The financial performance for the FY 2024/2025 is as summarised below; -

Programmes	Final Budget	Actual Expenditure	Budget utilization difference	% Absorption
Cabinet decision and presidential directives	55,985,235	54,463,725	1,521,510	97%
Co-ord. of Dev. Partners & impl. of Special Govt. Initiative	38,191,141	34,843,968	3,347,173	91%
Public Sector Reforms	19,230,850	16,252,309	2,978,835	85%
General Admin, Planning and Support Services	108,303,206	104,542,309	3,760,897	96%
TOTAL	221,710,432	210,102,018	11,608,414	95%

PROGRAMME ABSORPTION RATE



- Cabinet decision and presidential directives
- Co-ord. of Dev. Partners & impl. of Special Govt. Initiative
- Public Sector Reforms
- General Admin, Planning and Support Services

State Department for Cabinet Affairs key Programs

In the 2024/2025 financial year the State Department key programs/projects are as follows;

- f. Enhance Implementation of Cabinet Decision and Presidential Directives.
- g. Enhance Collaboration and Partnership.
- h. Co-ordination and oversight of Public Sector Reforms.
- i. Co-ordination and oversight of Special Government Initiatives
- j. Promote Partnership and collaboration and linkages in government MDAs

In 2024/2025 financial year the State Department undertook the following key initiatives:

1. Developed 2nd Annual Progress Report on Implementation of Cabinet Decisions (APRICD). This is expected to inform future coordination and oversight for enhanced implementation of government policies.
2. Coordinated communication, implementation and reporting of Cabinet decisions and presidential directives across MDAs. For coordinated implementation, The State Department developed reporting framework on implementation of Cabinet Decisions and Presidential Directives. Further, the State Department conceptualized development of Government Delivery Management Information System as a central repository for Cabinet Decisions. The GDMIS will be key in monitoring the implementation of government policies.
3. Mapping of Public Sector Reforms and a suitable report was prepared.
4. Develop, rollout and update Government Delivery Monitoring Information System (GDMIS).
5. Prepare Annual Cabinet Decisions and Presidential Directives' status reports.
6. Undertake a mapping and Evaluate the efficacy of existing public sector reform policies, frameworks and programmes.
7. Develop a model fit for purpose public sector institution and disseminate to MDAs.
8. Coordinate the development of the Electronic Documents and Records Management System.
9. Undertake Conceptualization of thematic areas and respective SGIs, Coordinate development and packaging of the programmes and Incubation of selected SGIs
10. Develop and implement Business Continuity Plan (BCP)
11. Develop/review and implement Government communication Agenda.
12. Develop an ICT Policy and Strategy in line with the National Government ICT Policy.

Major risks facing the organisation

The State Department faces the risk of not meeting the core mandates of the State Department due to continued limited/inadequate budget allocation and lack of technical staff.

Material arrears in statutory and other financial obligations.

The State Department have pending bills amounting to Ksh 6,901,174 which will be paid in the financial year 2025/2026.

Review of the economy and sector

i. Economic Performance

Gross Domestic Product: In 2024, Kenya's real Gross Domestic Product (GDP) grew by 4.7 per cent, compared to a revised growth of 5.7 per cent in 2023. The growth was noted in most of the sectors of the economy with Agriculture, Forestry and Fishing growing by 4.6 per cent compared to 6.6 per cent growth in 2023.

Kenya's economy grew by 4.0 per cent in the third quarter of 2024 compared to 6.0 per cent growth in the corresponding quarter of 2023. The decelerated growth was largely due to a general decline in growth in most sectors of the economy. The growth was constrained by contractions in Construction and Mining and Quarrying activities. Construction activities contracted by 2.0 per cent while Mining and Quarrying posted a contraction of 11.1 per cent in the quarter under review. Nevertheless, the growth was supported by notable performances in Agriculture, Forestry and Fishing (4.2%), Transportation and Storage activities (5.2%), Financial and Insurance activities (4.7%), Real Estate activities (5.5%), Wholesale and Retail activities (4.8%) and Accommodation and Food service activities (13.7%).

Kenya's trade volume rose to KSh 3.8 trillion in 2024, up from KSh 3.6 trillion in 2023, driven by increased imports and exports. Export earnings grew to KSh 1.1 trillion, boosted by tea, apparel, oils, fruits, coffee, and jet fuel re-exports. Imports rose to KSh 2.7 trillion, mainly due to higher imports of rice, telecom equipment, plastics, machinery, and aircraft. With exports outpacing imports, the trade deficit narrowed to KSh 1.594 trillion, and the export-import cover ratio improved to 41.1%.

In 2024, tea, milk, sugarcane, and coffee production increased, driven by favorable weather, while maize output fell due to erratic rains. Fresh horticultural exports dropped 14.1% over EU rejection. Construction input inflation rose to 2.83%, while bank credit to the sector fell to KSh 528bn. Cement consumption dropped by 7.2%, and employment slightly declined. Despite this, road development spending is set to rise by 29.1% to KSh 171.9bn, with bitumen roads expanding to 24,900 km. Under the Affordable Housing Program, 54,319 units were under construction, valued at KSh 122.6 bn. In October 2024, Kenya launched the Social Health Authority (SHA) to drive universal health coverage, registering 16.9M members. Respiratory diseases remained the top cause of illness, making up 22.4% of reported cases. In 2024, petroleum imports rose by 20.9% to 5.2M tonnes, while the import bill dropped by 8.1% due to lower global prices and a stronger shilling. LPG demand grew by 13.6%, while kerosene use fell by 33.3%. Electricity generation increased by 5.1%, with hydro power up 36.2%. Renewables made up 91.1% of power, led by geothermal (44.2%). Rural electrification demand rose 3.9%, and e-mobility use began.

ii. State Department Performance

In the 2024/ 2025 Financial year, the State Department made achievements as follows.

- i. Institutional Capacity Strengthening: The State Department developed Career guidelines for its technical staff
- ii. Tracking implementation of projects and programmes was done in both quarter one and two
- iii. Reviewed the implementation Guidelines on Cabinet Decisions and the Presidential Directives
- iv. Developed a collaboration Framework on the implementation of Cabinet Decisions and the Presidential Directives
- v. Developed research reports Cabinet Committees Agenda Summaries and Analytical Briefs for 4 Cabinet Committees
- vi. Prepared quarterly reports on implementation of Cabinet Decisions and the Presidential Directives
- vii. Undertook coordination and technical back stopping of MDAs in the policy development process and implementation of Cabinet Decisions and Presidential Directives.
- viii. The cabinet and Committees Repository System was developed and is awaiting roll out and operationalization
- ix. Mapping of existing public sector reform policies, frameworks and programmes was done
- x. Coordinated communication, implementation and reporting of Cabinet Decisions and Presidential Directives across all MDAs by developing a reporting framework.

Future Developments

AS per the strategic plan the State Department plan to achieve the following.

a. Enhanced Implementation of Cabinet decisions and directives

- i. Develop and roll out Government Delivery Monitoring Information System (GDMIS)
- ii. Review the implementation Guidelines on Cabinet Decisions and the Presidential Directives
- iii. Offer technical support to Cabinet Committees
- iv. Oversee the implementation of Cabinet Decisions
- v. Development of research reports, Cabinet Committee Agenda Summaries and analytical Briefs
- vi. Preparation of Quarterly progress report on implementation of Cabinet decisions
- vii. Operationalize the Cabinet and Committees Repository
- viii. Conceptualize and incubate Special Government Initiatives
- ix. Coordinate development of EDRMS

b. Improved service delivery in the public sector

- i. Database development for the Public Sector Reforms and Stakeholder engagement.
- ii. Productivity Mainstreaming in MDAs through computation of the National Productivity Index in collaboration with the National Productivity and Competitiveness Centre (NPCC).
- iii. Development of an Annual Productivity Mainstreaming Status Report in collaboration with the NPCC.
- iv. Launch and dissemination of the Report in collaboration with the NPCC and the Salaries and Remuneration Commission (SRC).
- v. Development of the National Public Sector Labor Productivity Management Strategy in collaboration with the NPCC and SRC.

c. Inclusive growth in strategic sectors and areas

- i. Identify specific thematic areas within the government that require special government attention.
- ii. Provide timely and strategic advisory to the cabinet on areas that need focused government intervention.
- iii. Coordinate the implementation of Special Government Reforms.
- vi. Conceptualize and incubate two identified SGIs
- iv. Generate Annual Special Government Initiative Implementation Status Report.
- vii. Undertake Baseline Survey and establish Database of SGIs
- viii. Develop Guidelines on identification of SGIs

d. Strengthened Institutional Capacity through:

- i. Develop Workplace productivity improvement strategy;
- ii. Carry out monitoring, evaluation and proper reporting both quarterly and annually as required
- iii. Sensitize staff on Service Delivery Charter;
- iv. Digitalize Assets and inventory management;
- v. Developing a Fleet Management system for the State Department;
- vi. Developing a workplace digitalization and automation Policy and strategy;
- vii. Developing State Department Communication Strategy
- viii. Advertising and filling the vacant positions to ensure adequate human capacity and effective public service delivery;
- ix. Undertaking training Needs Assessment (TNA);
- x. Carrying out Employee satisfaction survey; and
- xi. Developing a Disaster Recovery Plan.

Any other information considered relevant to the users of the financial statements.

- a. The State Department for Cabinet Affairs implemented its annual work plan and performance contract for the 2024/2025 FY and achieved set targets and this was well aligned with its Strategic plan 2023-2027. However, this has been slowed by limitation of the human resources and allocated financial resources in the review period.
- b. The Key challenges faced included inadequate staff especially lack of technical officers; very low budget allocation; and Inadequate working space (office space) and equipment.

8. Environmental and Sustainability Reporting

a) Sustainability strategy and profile

The State Department has developed encompassing human resource instruments in way that, once implemented, it will operate optimally. Skills gaps analysis has been done and strategies to address them have been developed, both in the short and long term. The State Department recognizes the need to ensure continued growth and enhanced capacity of its human capital in line with its workload and emerging trends. Programs to accentuate staff motivation are being implemented in addition to provision of work environment that is safe and conducive. The State Department continues also to integrate staff performance and productivity in all its operations, and inculcating good governance tenets to enhance efficiency and effectiveness in service delivery. Communication function is continually being strengthened for improved institutional visibility.

Budgetary allocation has been inadequate, and as such, the Department has developed and is implementing an innovative resource mobilization strategy as well as strengthening partnerships and collaborations with stakeholders.

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

The State Department for Cabinet Affairs participated in tree planting campaigns resulting in the planting of 5,000 seedlings in different sites. These initiatives were planned and executed, involving extensive community participation and collaboration with the local authorities. The diverse species of trees planted are expected to restore degraded landscapes, improve soil health and enhance biodiversity. The campaigns also aimed to raise awareness about the importance of environmental conservation and the role of trees in mitigating climate change.

The State Department adheres to all the regulations and procedures as per The Public Procurement and Asset Disposal Act 2015.

Pursuant to Section 86 and 147 of the Environmental and co-ordination Act No.8 of 1999 and E-waste Management and Co-ordination (E-waste Management) Regulations of 2013. An Inter-Agency Taskforce comprising of all Ministries, State Departments and ICT Heads have been mandated to spearhead Identification, collection and transportation of all E-Waste materials earmarked for disposal to a Warehouse based at the Kenya Institute of Curriculum Development (KICD) Nairobi for Disposal.

c) Employee welfare

The hiring process and policies within the State Department are guided by the constitution, procedures and processes, developed by the Public Service Commission. The guidelines have inbuilt mechanisms to take care of the marginalised, the PWDs and also consider gender balance.

The State Department has training and development programmes for all employees guided by the procedures developed by the Ministry of Public Service. At the beginning of each financial year, all employees develop their training projections for the year guided by their supervisors.

The State Department is implementing interventions to ensure that the levels, skills set and competencies are adequate to support implementation of all its functions. These interventions include but not limited to recruitment, outsourcing, capacity building/training, coaching, and mentoring, endeavouring to bridge the identified gaps as captured in its Strategic Plan.

The State Department conducted National values sensitization to all staff to enhance staff welfare.

d) Operational practices/ Market place practices

The State department ensures there is fair competition in the Procurement of goods and services among the suppliers, and the reservation groups-Access to Government Procurement Opportunities of Youth, Women and Person with Disabilities (Pwds) by adhering to the Public Procurement and Asset Disposal Act (2015) and its attendant Regulations. Payment of the goods and services delivered are done on time.

e) Community Engagements.

The State Department for Cabinet Affairs undertook tree planting campaigns resulting in the planting of 5,000 seedlings in different part of the country. These initiatives were planned and executed, involving extensive community participation and collaboration with the local authorities. The diverse species of trees planted are expected to restore degraded landscapes, improve soil health and enhance biodiversity. The campaigns also aimed to raise awareness about the importance of environmental conservation and the role of trees in mitigating climate change.

9. Statement of Management Responsibilities

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

The Accounting Officer in charge of the State Department for Cabinet Affairs is responsible for the preparation and presentation of the State Department for Cabinet Affairs financial statements, which give a true and fair view of the state of affairs of the State Department for Cabinet Affairs for and as at the end of the financial year ended on June 30, 2025 This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for Cabinet Affairs (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the State Department for Cabinet Affairs; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for Cabinet Affairs accepts responsibility for the State Department for Cabinet Affairs financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *State Department for Cabinet Affairs* financial statements give a true and fair view of the state of State Department for Cabinet Affairs transactions during the financial year ended June 30, 2025, and of the State Department for Cabinet Affairs financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the *MDA*, which have been relied upon in the preparation of the State Department for Cabinet Affairs financial statements as well as the adequacy of the system of internal controls.

State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025

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

Approval of the financial statements

The State Department for Cabinet Affairs financial statements were approved on 28th August, 2025 and signed by:



.....
Dr. Idris Salim Dokota, PhD, CBS
Principal Secretary

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 STATE DEPARTMENT FOR CABINET AFFAIRS FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of State Department for Cabinet Affairs as set out on pages 1 to 40, which comprise of the

statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of the State Department for Cabinet Affairs 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 (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional 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 page iv to xxli which comprise Key information and Management, Profile of Accounting Officer and Key Management, Statement by the Accounting Officer, Statement of Performance against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the State Department for Cabinet Affairs financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of

this Other Information, I am required to report that fact. I have nothing to report in this regard.

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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Staffing in Excess of Approved Establishment

The State Department has an approved staff establishment of seventy-seven (77) positions. Review of the current staff complement against the approved establishment revealed an excess of forty-one (41) employees in certain cadres. Management explained that the variance arose from staff postings made prior to the development of the organizational structure and authorization of the establishment. However, no evidence of efforts by Management to regularize the anomaly was provided.

In the circumstances, the State Department's staffing levels are not in compliance with the approved staff establishment.

2. Non-Compliance with the Public Procurement Capacity Building Levy Order

Review of the Annual Procurement plan and other procurement records revealed that the State Department procured goods and services at estimated cost of Kshs.68,809,574 for the financial year under review. However, there was no evidence that the entity deducted and remitted the prescribed levy rate of 0.03% to the Public Procurement Regulatory Authority. This was contrary to Paragraph 3(1) of the Public Procurement Capacity Building Levy Order, 2023 (The Levy Order, 2023) which requires all procuring entities to deduct and remit to the Authority a levy of 0.03% of the value of the signed contracts between the supplier and procuring entity exclusive of all applicable taxes.

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 on whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities which 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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Audit Committee and Weakness in the Internal Audit Function

During the year under review and as previously reported, the State Department for Cabinet Affairs did not have an active Audit Committee. This was contrary to the provisions of Section 73(5) of the Public Finance Management Act, 2012 which requires every national government public entity to establish an Audit Committee, whose composition and functions shall be prescribed by the regulations. The State Department therefore did not benefit from an Audit Committee oversight.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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 money is applied in an effective manner.

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

16 December, 2025

11. Statement of Financial Performance for the year ended 30 June 2025

	Notes	Period Ended 30 th June, 2025
		Kshs
Revenue from non-exchange transactions		
Transfers from Exchequer	6	221,480,145
Total		221,480,145
Expenses		
Employee costs	7A	71,944,619
Use of goods and services	8A	115,325,703
Depreciation and amortization expense	9	16,852,917
Total expenses		204,123,240
Surplus/Deficit for the year		17,356,905
Net Surplus/Deficit		17,356,905

The Financial Statements set out on pages 1 to 39 were signed by:



.....
Dr. Idris Salim Dokota, PhD, CBS
Principal Secretary



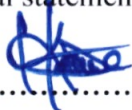
.....
Margaret Nyaywera
Head of Accounting Unit
ICPAK M/No. 5429

State Department for Cabinet Affairs
Annual Report and Financial Statements for the year ended June 30, 2025.

12. Statement of Financial Position as at 30 June 2025

	Notes	Period Ended 30 th June, 2025	Opening Statement 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	10A	9,710,729	3,193,028
Total Current Assets		9,710,728	3,193,028
Non-Current Assets			
Property, Plant and Equipment	11A	74,112,817	89,896,735
Total Non- Current Assets		74,112,817	89,896,735
Total Assets (a)		83,823,545	93,089,762
Liabilities			
Current Liabilities			
Trade Payables	12	1,610,314	29,709,348
Refundable Deposits	13	2,900,041	2,900,041
Current Provision-Gratuity	14	1,768,901	-
Total Current Liabilities		6,279,256	32,609,389
Non-Current Liabilities			
Non-Current Provisions-Gratuity	14	2,796,005	2,796,005
Total Non- Current Liabilities		2,796,005	2,796,005
Total Liabilities (b)		9,075,261	35,405,394
Net Assets (a-b)		74,748,284	57,684,369
Represented by:			
Accumulated Surplus		74,748,287	57,684,369
Net Assets		74,748,287	57,684,369

The financial statements set out on pages 1 to 39 were signed by:



.....
Dr. Idris Salim Dokota, PhD, CBS
Principal Secretary



.....
Margaret Nyaywera
Head of Accounting Unit
ICPAK M/No. 5429

13. Statement of Changes in Net Assets for the year ended 30 June 2025

	Accumulated Surplus	Reserves	Total
Fund balance as at 30th June 2024	292,987	-	292,987
Adjustments (to recognize assets and liabilities)			
Property, Plant and Equipment	89,896,735		89,896,735
Pending Bills-Trade Payables	(29,709,348)	-	(29,709,348)
Provision-Gratuity	(2,796,005)	-	(2,796,005)
As at July 1, 2024	57,684,369	-	57,684,369
Return to Exchequer	(292,987)	-	(292,987)
Surplus/ deficit for the year	17,356,905	-	17,356,905
As at June 30, 2025	74,748,287	-	74,748,287

14. Statement of Cash Flows for the year ended 30 June 2025

		<i>Period Ended 30th June, 2025</i>
	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	221,480,145
Total receipts		221,480,145
Payments		
Employee costs	7B	70,175,718
Use of goods and services	8B	134,578,285
Total payments		204,754,003
Net cash flows from/(used in) operating activities		16,726,142
Cash flows from investing activities		
Purchase of Property Plant Equipment	11C	(9,915,452)
Net cash flows from/(used in) investing activities		(9,915,452)
Cash flows from financing activities		
Return to Exchequer		(292,987)
Net cash flows from financing Activities		(292,987)
Net increase/(decrease) in cash & Cash equivalents		6,517,703
Cash and cash equivalents at 1 July	10A	3,193,028
Cash and cash equivalents at 30 June	10B	9,710,731

15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Recurrent and Development Combined

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Exchequer releases	275,136,014	(53,425,582)	221,710,432	221,480,145	230,287	100%
Total Receipts	275,136,014	(53,425,582)	221,710,432	221,480,145	230,287	100%
Payments						
Compensation of employees	82,000,000	(6,961,811)	75,038,189	70,175,718	4,862,471	94%
Use of goods and services	178,834,374	(42,237,131)	136,597,243	134,420,002	2,177,241.50	98%
Acquisition of assets	14,301,640	(4,226,640)	10,075,000	10,073,738	1,262.15	100%
Total Payments	275,136,014	(53,425,582)	221,710,432	214,669,458	7,040,974	97%
Surplus				6,810,687		

The entity financial statements were approved on 28th August,2025 and signed by:

.....
Dr. Idris Salim Dokota, PhD, CBS
Principal Secretary

.....
Margaret Nyaywera
Head of Accounting Unit
ICPAK M/No. 5429

Budget Reconciliation to the Statement of Cash Flows

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	6,810,687
1	Cash and cash equivalent at the start of the period	3,193,028
2	Return to exchequer	(292,987)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	9,710,728

Budget Execution by programmes and Sub-Programmes for FY 2024/2025

Programmes and Sub-Programmes	Original Budget	Adjustments	Final Budget	Actual Expenditure	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Cabinet decision and presidential directives	81,198,446	(25,213,211)	55,985,235	54,463,725	1,521,510
Co-ord. of Dev. Partners & impl. of Special Govt. Initiative	53,243,241	(15,052,100)	38,191,141	34,843,968	3,347,173
Public Sector Reforms	23,067,782	(3,836,932)	19,230,850	16,252,015	2,978,835
General Admin, Planning and Support Services	117,626,545	(9,323,339)	108,303,206	104,542,309	3,760,897
TOTAL	275,136,014	(53,425,582)	221,710,432	210,102,018	11,608,414

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

16. Notes to the Financial Statements

1. Establishment

The State Department for Cabinet Affairs is established by and derives its authority and accountability from Executive Order No. 1 of 2023. The State Department for Cabinet Affairs is wholly owned by the Government of Kenya and is domiciled in Kenya. The State Department for Cabinet Affairs principal activity is to oversee the implementation of Cabinet Decisions, Strategic Government Initiatives, and Public Sector Reforms, through effective coordination for transformative and inclusive growth.

2. Statement of Compliance and Basis of Reporting

Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the Accrual Basis of Accounting Method Under International Public Sector Accounting Standards (IPSAS) on Transitional IPSAS.

The State Department for Cabinet Affairs will take the phase approach for transition to accrual in line with IPSAS 33 as follows; -

- a) **FY 2024/2025 – 30TH June 2025**; The State Department in the first year of accrual included in the financial Statements, the financial assets and financial liabilities. Where financial assets included were cash and cash equivalent, receivables and prepayment, while financial liabilities include payables-commonly referred to as pending bills and third-party deposits. However, in the year under review the State Department did not have receivables and prepayments.
- b) **FY 2025/2026 – 30TH June 2026**; The State Department in the second year of accrual will include in the financial statements all financial assets and financial liabilities and all inventories.
- c) **FY 2026/2027 – 30th June 2027**; The State Department will comply fully to IPSAS Accrual financial statements by including all assets and all liabilities, including fixed assets and non-financial assets and liabilities if there will be any.

For the purpose of these financial statements, the *Ministry/Department/Agency* has been categorized as a Schedule 1 national government The State Department for Cabinet Affairs in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions

State Department for Cabinet Affairs

Annual Reports and Financial Statements for the year ended June 30, 2025.

and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

Notes to the financial statements

Reporting period

The use of public resources by State Department of Cabinet Affairs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 28th August, 2025

The reporting period for these financial statements is for the period ended 30th June, 2025.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of *State Department for Cabinet Affairs* for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgement is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The *State Department for Cabinet Affairs* pursues a number of policy targets and outcomes. However the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the *State Department for Cabinet Affairs* is clear on the cost it intends to incur, when payment will be made, and to whom and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the *State Department for Cabinet Affairs* policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the *MDAs* future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. *MDAs* commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the *State Department for Cabinet Affairs* as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs since the Department has no Non-Current asset held for sale.</i></p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard.</p>

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Standard	Effective date and impact:
	<p>IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs since the Department has no Heritage assets.</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs.</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs since the Department has no revenue.</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and</p>

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Standard	Effective date and impact:
	<p>cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs since the Department has no transfer expenses.</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>This Standard has no impact to the State Department for Cabinet Affairs for financial year 2024/2025.</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>This Standard has no impact to the State Department for Cabinet Affairs since the Department has no Exploration for & Evaluation of Mineral Resources.</i></p>

iii) Early adoption of standards

The State Department for Cabinet Affairs did not early – adopt any new or amended standards in the financial year because the items/roles that are applicable to the new or amended Standards were not within the mandate of the State Department in the financial year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The State Department for Cabinet Affairs recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the State Department for Cabinet Affairs and the fair value of the asset can be measured reliably. However, the State Department for Cabinet Affairs did not have such revenues in financial year 2024/2025.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the State Department for Cabinet Affairs and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The State Department for Cabinet Affairs recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for FY 2024/2025 was approved by the National Assembly on 28th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the State Department for Cabinet Affairs upon receiving the respective approvals in order to conclude the final budget. Accordingly, the State Department for Cabinet Affairs recorded additional appropriations on the 2024/2025 budget following the governing body's approval. The State Department for Cabinet Affairs budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section xxx of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an xx-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the State Department for Cabinet Affairs recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the State Department for Cabinet Affairs incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the State Department for Cabinet Affairs expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The State Department for Cabinet Affairs recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the MDA; the State Department for Cabinet Affairs controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criteria is not met, the State Department for Cabinet Affairs discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. An MDA shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the MDA. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The State Department for Cabinet Affairs also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the State Department for Cabinet Affairs will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

h) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

i) Research and development costs

The State Department for Cabinet Affairs expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the State Department for Cabinet Affairs can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The State Department for Cabinet Affairs does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).* A financial instrument is any contract that gives rise to a financial asset of one State Department for Cabinet Affairs and a financial liability or equity instrument of another MDA. At initial recognition, the State Department for Cabinet Affairs measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The State Department for Cabinet Affairs classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the State Department for Cabinet Affairs management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an State Department for Cabinet Affairs has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the State Department for Cabinet Affairs classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the State Department for Cabinet Affairs manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The State Department for Cabinet Affairs assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The State Department for Cabinet Affairs recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The State Department for Cabinet Affairs classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

k) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *State Department*.

l) Provisions

Provisions are recognized when the State Department for Cabinet Affairs a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the State Department for Cabinet Affairs expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Notes to the Financial Statements (Continued)

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The State Department for Cabinet Affairs recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the State Department for Cabinet Affairs will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

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

o) Contingent assets

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

p) Nature and purpose of reserves

The State Department for Cabinet Affairs creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

The State Department for Cabinet Affairs recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Employee benefits

Retirement benefit plans

The State Department for Cabinet Affairs provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which MDA pays fixed contributions into a separate MDA(a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

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

u) Related parties

The State Department for Cabinet Affairs regards a related party as a person or an MDA with the ability to exert control individually or jointly, or to exercise significant influence over the State Department for Cabinet Affairs, or vice versa. Members of key management are regarded as related parties and comprise Principal Secretary and senior managers.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Service concession arrangements

The State Department for Cabinet Affairs analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the State Department for Cabinet Affairs recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the State Department for Cabinet Affairs also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

x) Comparative figures

In preparing these financial statements, the State Department for Cabinet Affairs has elected to apply paragraph 79 of IPSAS 33, which allows for the election by the State Department for Cabinet Affairs to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the State Department for Cabinet Affairs
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 14.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

6. Transfers from Exchequer

Nature of transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended 30 th June 2025
	Kshs	Kshs	Kshs
Recurrent	221,480,145	-	221,480,145
Development	-	-	-
Total	221,480,145	-	221,480,145

7. A Employee Costs-Statement of Financial Performance

Description	Period Ended 30 th June,2025
	Kshs
Basic salaries of permanent employees	46,858,997
Personal allowances – part of salary	23,316,722
Other social benefit -Gratuity	1,768,901
Employee costs	71,944,619

7 B. Employee Costs –Statement of cash flow

Description	Period ended 30 th June,2025
	Kshs
Employee cost statement of performance	71,944,619
Less; Provision for Gratuity	(1,768,901)
Employee costs- Statement of Cash flow	70,175,718

State Department for Cabinet Affairs

Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

8. A. Use of Goods and Services- Statement of Financial Performance

Description	IFMIS	Prior year Trade payables paid during the year Year	Trade payables for the Current Year	Adjustment	ADJUSTED USE OF GOODS
	KSH	KSH	KSH	KSH	KSH
Utilities, supplies and services					
Communication, supplies and services	3,697,322				3,697,322
Domestic travel and subsistence	28,564,831	802,450	261,200		28,023,581
Foreign travel and subsistence	8,608,566		-		8,608,566
Printing, advertising, and information supplies & services	700,088		485,620		1,185,708
Rentals of produced assets	-				-
Training expenses	11,892,456				11,892,456
Hospitality supplies and services	27,627,006	13,501,926	458,000		14,583,080
Insurance costs	-				-
Specialized materials and services	508,200				508,200
Bank Charges	-				-
Office and general supplies and services	15,883,402	6,558,520	-	541,883	9,866,765
Fuel Oil and Lubricants	8,298,935		-		8,298,935
Routine maintenance – vehicles and other transport equipment	3,279,774		405,494		3,685,268
Routine maintenance – other assets	591,600			383,600	208,000
Other operating expenses	24,767,822				24,767,822
Total Use of Goods and Services	134,420,002	20,862,896	1,610,314	158,283	115,325,703

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

8. B. Use of Goods and Services -statement of cash flow

Description	KSH
use of goods-statement of performance	115,325,703
Less: trade payables for the current year	(1,610,314)
Add: Trade payables for the prior year	20,862,896
Use of goods as per statement of cash flow	134,578,285

9. Depreciation and Amortization Expense

Description	Period ended 30th June,2025
	Kshs
Property, plant and equipment	16,852,917
Total	16,852,917

10. A Cash and Cash Equivalents

Description	Period ended 30th June,2025	Opening statement 1st July 2024
	Kshs	Kshs
Recurrent Account	6,810,687	292,987
Development Account	-	-
Deposits Account	2,900,041	2,900,041
Total	9,701,728	3,193,028

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

10 B. Detailed Analysis of the Cash and Cash Equivalentents

		Period ended 30th June,2025	Opening statement 1st July 2024
Financial Institution	Account number	Kshs	Kshs
Recurrent Account			
<i>CBK001</i>	1000733691	6,810,687	292,987
Development Accounts			
<i>CBK002</i>	1000733713	-	-
Deposits Accounts			
<i>CBK003</i>	1000733721	2,900,041	2,900,041
Sub- Total		9,710,728	3,193,028
Grand Total		9,710,729	3,193,028

State Department for Cabinet Affairs

Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

11. A Property, Plant, and Equipment

	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Total
Depreciation Rate	12.50%	12.50%	30%	
Cost	Kshs	Kshs	Kshs	Kshs
Opening Bal as 1st July 2024	52,219,529	35,760,289	18,449,134	106,428,952
Additions	-	-	1,069,000	1,069,000
As At June 2024	52,219,529	35,760,289	19,518,134	107,497,952
Depreciation And Impairment				
Opening Balance as at 1 st July,2024 (depreciation)	6,527,441	4,470,036	5,534,740	16,532,217
Depreciation for the current year	6,527,441	4,470,036	5,855,440	16,852,917
As At 30th June,2025	13,054,882	8,940,072	11,390,180	33,385,135
Net Book Values				
Opening Bal as at 1st July 2024	45,692,088	31,290,253	12,914,394	89,896,735
As At 30th June,2025	39,164,647	26,820,217	8,127,954	74,112,817

NOTE

The assets are less donation that are awaiting valuation by the State Department.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

	Cost	Accumulated Depreciation as at 30th June,2025	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	52,219,529	13,054,882	39,164,647
Computers And Related Equipment	19,518,134	11,139,180	8,127,954
Office Equipment, Furniture, And Fittings	35,760,289	8,940,072	26,820,217
Total	107,497,952	33,385,135	74,112,817

11.B. Property plant and Equipment includes the following assets that are fully depreciated

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	52,219,529	6,527,441
Computers and Related Equipment	19,518,134	5,855,440
Office Equipment, Furniture and Fittings	35,760,289	4,470,036
Total	107,497,952	16,852,917

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

11.C. Purchase of PPE- statement of cash flow

	Normal annual depreciation charge
Purchase of PPE relating to prior year that were paid during the year	8,846,452
Purchase of PPE during the year	1,069,000
	-
Total	9,915,452

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Valuation

Items of PPE are valued at Historical cost at the point of recognition in the financial statements. Where historical cost is not available or the item has been acquired at , PPE has been valued at the current operational value which is the amount the State Department for Cabinet Affairs would pay for the remaining service potential of an asset at the measurement date.

12. Trade and Other Payables

Description	Period ended 30 th June,2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	1,610,314		29,709,348	
Total trade and other payables	1,610,314		29,709,348	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	1,610,314	100%	-	%
1-2 years	-	%	29,709,348	100%
Total (tie to above total)	1,610,314	100%	29,709,348	100%

13. Refundable Deposits and Prepayments

Description	Period ended 30 th June,2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	2,900,041		2,900,041	
Total deposits	2,900,041		2,900,041	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	1st July	% of the Total
1-2 years	2,900,041	100%	2,900,041	100%
Total	2,900,041	100%	2,900,041	100%

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

14. Provisions

Description	Gratuity Provision	Total
	Kshs	Kshs
Opening bal 1st July 2024	2,796,005	2,796,005
Additional provisions-Gratuity	1,768,901	-
Total provisions year end	4,564,906	2,796,005
Current Provisions-Gratuity (1 st Jul,2024-30 th Jun 2025)	1,768,901	-
Non-current Provisions-Gratuity (2 nd Dec ,2022-30 th Jun 2024)	2,796,005	-
Total Provision year end	4,564,906	2,796,005

15. Cash Generated from Operations

	Period ended 30 th June,2025
	Kshs
Surplus for the year before tax	17,356,905
Adjusted for:	
Depreciation	16,852,917
Contribution to provisions	1,768,901
Working capital adjustments	
Increase in payables	(19,252,582)
Net cash flow from operating activities	16,726,142

Notes to the Financial Statements (Continued)

16. Financial Risk Management

The State Department for Cabinet Affairs activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The State Department for Cabinet Affairs overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The State Department for Cabinet Affairs does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The State Department for Cabinet Affairs financial risk management objectives and policies are detailed below:

i) Credit risk

The State Department for Cabinet Affairs has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the State Department for Cabinet Affairs management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the State Department for Cabinet Affairs maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing
	Kshs	Kshs
As at at 30 June 2025		
Bank balances	9,710,728	9,710,728
Total	9,710,728	9,710,728

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the State Department for Cabinet Affairs has recognised in the

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

financial statements is considered adequate to cover any potentially irrecoverable amounts. The State Department for Cabinet Affairs has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the State Department for Cabinet Affairs credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the State Department for Cabinet Affairs directors, who have built an appropriate liquidity risk management framework for the management of the State Department for Cabinet Affairs short, medium and long-term funding and liquidity management requirements. The State Department for Cabinet Affairs manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by State Department for Cabinet Affairs under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Over 5 months	Total
	Kshs	Kshs
As at 30 June 2025		
Trade payables	1,610,314	1,610,314
Provisions-Gratuity	4,564,906	4,564,906
Total	6,175,220	6,175,220

iii) Market risk

The State Department for Cabinet Affairs has put in place an internal audit function to assist it in assessing the risk faced by the State Department for Cabinet Affairs on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the State Department for Cabinet Affairs income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The State Department for Cabinet Affairs Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the State Department for Cabinet Affairs exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The State Department for Cabinet Affairs has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The State Department for Cabinet Affairs manages has no foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the State Department for Cabinet Affairs financial condition may be adversely affected as a result of changes in interest rate levels. The State Department for Cabinet Affairs has no interest rate risk that arises from bank deposits. This exposes the State Department for Cabinet Affairs to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the State Department for Cabinet Affairs deposits, which the State Department has no.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The State Department for Cabinet Affairs analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20XX: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20XX – KShs xxx).

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *State Department for Cabinet Affairs* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The State Department for Cabinet Affairs considers relevant and observable market prices in its valuations where possible.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the State Department for Cabinet Affairs capital risk management is to safeguard the State Department for Cabinet Affairs ability to continue as a going concern.

17. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the State Department for Cabinet Affairs include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the State Department for Cabinet Affairs, holding 100% of the State Department for Cabinet Affairs equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the MDA, both domestic and external.

Other related parties include:

- i) The Office of the Deputy President
- ii) The National Treasury
- iii) Key management.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

	Period ended 30th June,2025
	Kshs
Transactions with related parties	
a) Grants /transfers from the government	
Grants from national govt	221,480,145
Donations in kind-ICT Equipment	-
Total	221,480,145
b) Expenses incurred on behalf of related party	
Payments of salaries and wages for State Department for Cabinet Affairs employees	71,944,619
Payments for goods and services for State Department for Cabinet Affairs	115,325,703
Total	187,270,322
c) Key management compensation	
Compensation to key management	38,497,890.95
Total	38,497,890.95

18. Segment Information

The State Department does not operate in different geographical regions or department; therefore, it does not have segment information.

19. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

20. Ultimate And Holding MDA

The State Department for Cabinet Affairs ultimate parent is the Government of Kenya.

21. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

State Department for Cabinet Affairs
Annual Reports and Financial Statements for the year ended June 30, 2025.

17. Appendix

Appendix 1: Implementation Status of Auditor-General'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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Emphasis of Matters				
1.	Budgetary control and performance	Budget reduction emanated from austerity measures imposed by the government	Resolved	
2.	Pending Accounts Payables	Bills will be paid in F/Yr 2025-2026	Resolved	



.....
Dr. Idris Salim Dokota, PhD, CBS

Principal Secretary

Appendix II: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	-	-	-	-	-
Buildings and structures	29,000,410	-	-	-	29,000,410
Transport equipment-Motor Vehicles	52,219,529	-	-	-	52,219,529
Office equipment, furniture and fittings	6,759,879	-	-	-	6,759,879
ICT Equipment	18,449,134	1,069,000	-	-	19,518,134
Machinery and Equipment	-	-	-	-	-
Total	106,428,952	1,069,000	-	-	107,497,952