

REPUBLIC OF KENYA



REPUBLIC OF KENYA



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REPORT

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OF

DATE: 25 FEB 2026

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Wednesday

THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR  
ECONOMIC PLANNING

FOR THE YEAR ENDED  
30 JUNE, 2025

TABLED

Majority Party Whip

CLERK-AT  
THE-TABLE:

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REPUBLIC OF KENYA



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**THE NATIONAL TREASURY  
STATE DEPARTMENT FOR ECONOMIC PLANNING**

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

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**Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements**

**STATE DEPARTMENT FOR ECONOMIC PLANNING**  
**Annual Report and Financial Statements for the year ended June 30, 2025.**

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**1. Acronyms and Definition of Key Terms**

**A: Acronyms and Abbreviations**

AIE	Authority to Incur Expenditure
AU	African Union
ACP-EU	African Caribbean and Pacific European Union
APRM	African Peer Review Mechanism
CAADP	Comprehensive Africa Agricultural Development Programme
CPRM	County Peer Review Mechanism
EAC	East African Community
ECA	Economic Commission for Africa
ECOSOC	Economic and Social Council
IPPD	Integrated Personnel and Payroll Database
IPSAS	International Public Sector Accounting Standards
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
MDAs	Ministries, Departments and Agencies
NEPAD	New Partnership for Africa's Development
NG-CDF	National Government- Constituencies Development Fund
NPoA	National Plan of Action
OACPS	Organization of African, Caribbean and Pacific States
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PICI	Presidential Infrastructure Champion Initiative
PIDA	Programme for Infrastructure Development in Africa
SDEP	State Department for Economic Planning
SDGs	Sustainable Development Goals
TICAD	Tokyo International Conference on African Development
TVET	Technical and Vocational Education & Training
VNR	Voluntary National Review

**B: Definition of Key Terms**

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

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**2. Key State Department for Economic Planning Information and Management**

**(a) Background information**

The State Department for Economic Planning (SDEP) was established through the Presidential Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya. At the Cabinet level, the SDEP is represented by the Cabinet Secretary for The National Treasury who is responsible for the general policy and strategic direction of the State Department. The State Department is domiciled in Kenya and has offices in 18 counties.

**(b) Mandate**

The SDEP's mandate and functions broadly cover issues of National and Sectoral Development Planning. According to the Presidential Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya, the functions of the SDEP are:

- i. National and Sectoral Development Planning;
- ii. National Statistics Management;
- iii. National Census, Economic and Housing Surveys;
- iv. Population Policy Management;
- v. Public Policy Research, Analysis and Economic Forecasting;
- vi. Liaison with Economic Commission for Africa;
- vii. Monitoring and Evaluation of Economic Trends;
- viii. Facilitation and administration of the National Government Constituencies Fund;
- ix. Management of National Integrated Monitoring and Evaluation System;
- x. Integration of County Development Planning with National Development Planning;
- xi. International Economic Partnerships and Framework Coordination; and
- xii. Coordination of Implementation, Monitoring and Evaluation of Sustainable Development Goals.

***Vision***

A centre of excellence in National Development Planning for high quality of life for all Kenyans.

***Mission***

To provide leadership in National and Sectoral Development Planning by coordinating the formulation, implementation, review, tracking and reporting of development plans, policies, and strategies to advance Kenya's socio-economic transformative agenda.

***Core Values***

The SDEP shall uphold the following core values:

1. Transparency and Accountability: The SDEP shall conduct its business and offer services to its stakeholders in a transparent and accountable manner;
2. Professionalism and Ethical Practices: All staff shall uphold high moral standards and professional competence in service delivery;
3. Teamwork: The SDEP shall promote collaborative efforts of all actors to achieve a common goal;

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4. Passion for Results: The SDEP shall relentlessly pursue timely attainment of targeted results at all levels through high level of coordination, and networking;
5. Customer Centred: The SDEP is committed to upholding customer driven and focused service delivery; and
6. Participatory Approach and Inclusiveness: The SDEP is committed to consultations, joint and comprehensive partnership in all its affairs.

**(c) Key Management**

The State Department for Economic Planning day-to-day management is led by the Principal Secretary under the Cabinet Secretary for National Treasury. The following are the key organs in the State Department:

- Development Planning and Policy Directorate;
- Strategy, Coordination and Management Directorate;
- International Economic Partnerships and Frameworks Directorate;
- Monitoring, Evaluation and Public Investment Management Directorate; and
- Administrative Services Directorate.

**(d) Fiduciary Management**

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

No.	Designation	Name	Date of Appointment
1	Cabinet Secretary, The National Treasury	John N. Mbadi	08/08/2024
2	Principal Secretary/Accounting Officer	James Muhati Bonface Makokha	02/01/2022 17/04/2025
3	Senior Deputy Accountant General	Elijah Gathuthi	15/09/2023
4	Senior Chief Finance Officer	Julia Ng'ang'a	06/03/2023
5	Director of Administration Senior Deputy Secretary	Kennedy Kimuyu Hezron Nyamberi	01/07/2024 09/04/2025
6	Director, Macroeconomic Planning & International Economic Partnership	James Maina Benson Kiringa	08/07/2020 01/07/2024
7	Director, Social and Governance	Leah Chirchir	20/07/2023
8	Director, Economic Development Coordination	Leah Chirchir	20/07/2023
9	Director, Infrastructure, Science, Technology and Innovation	Pamela Ongwae	20/07/2023
10	Director, Monitoring and Evaluation	David Kiboi	08/07/2020
11	Director, Sustainable Development Goals Coordination	Festus Wangwe	08/07/2020

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12	Director, Human Resource Development and Management	Stephen Khaemba	18/04/2024
13	Director, Central Planning and Project Monitoring	Benson Kimani Terry Kimonye	08/08/2020
14	Director, Supply Chain Management	Enid Moraa	01/11/2023
15	Senior Assistant Internal Audit General	Joseph Karomo	15/03/2023

**(e) Fiduciary Oversight Arrangements**

***Ministerial Audit Committee***

The State Department for Economic Planning shares the Ministerial Audit Committee with the National Treasury. The main functions of the audit committee are:

- i. Evaluate whether processes are in place to address key roles and responsibilities in relation to risk management;
- ii. Evaluate the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended;
- iii. Perform an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process;
- iv. Monitor the effectiveness of the Ministry Performance Information and Compliance with the performance management framework and performance reporting requirements;
- v. Evaluate the quality of the internal audit function, particularly in the areas of planning, monitoring and reporting;
- vi. Follow up on the implementation of the recommendations of internal and external auditors; and
- vii. Review the effectiveness of how the Ministry monitors compliance with relevant legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

***Public Finance Management Standing Committee***

The Standing Committee shall generally be responsible for:

- i. Corrective measures to ensure 100% achievement of Zero Fault Audit Status;
- ii. Ensuring that there is prioritization on resources allocated to a national government entity for the smooth implementation of the entities mission, strategy, goals, risk policy plans and objectives;
- iii. Regularly reviewing, monitoring budget implementation and advice on the entity's accounts, major capital expenditures and reviewing performance and strategies at least on a quarterly basis;
- iv. Identifying risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the entity;
- v. Reviewing on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines;

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- vi. Establishing and implementing a system that provides necessary information to the stakeholders including stakeholder communication policy for the entity in line with Article 35 of the Constitution;
- vii. Monitoring the effectiveness of the corporate governance practices under which the entity operates and proposes revisions as may be required, from time to time;
- viii. Monitoring timely resolution of audit issues;
- ix. Any other matter referred to it from time to time by the responsible Cabinet Secretary; and
- x. Submitting a quarterly report of its work including any recommendations to the responsible Cabinet Secretary or in case of Parliament, Judiciary, Independent Offices and Commissions, to the head of that entity.

***Budget Implementation Committee***

This is the committee charged with the responsibility of implementation of the ministerial budget and its prudent management. The duties of the committee include the following:

- i. Review and consider the cash flow plans;
- ii. Review the utilization of the cash limits and consider any changes as may be;
- iii. Review the utilization of the donor funds voted for the ministry;
- iv. Advise the Accounting Officer on the challenges related to the budget implementation;
- v. Review and recommend the reallocation of expenditures;
- vi. Review and approve the submission of the expenditure returns, IPPDs, pending bills and A-I-A returns for the ministry and recommend actions to be taken;
- vii. Participate in Sector Working Groups; and
- viii. Prepare budget in consultation with the Heads of Departments

***Senior Management Committee***

The State Department for Economic Planning exercises the functions of a Senior Management Committee through the heads of department meetings held monthly. The meeting deliberates on all cross-cutting issues affecting the State Department.

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- (f) **SDEP Headquarter**  
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Nairobi, Kenya
- (g) **SDEP Contacts**  
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E-mail : ps@planning.go.ke  
Website: www.planning.go.ke
- (h) **SDEP 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 Cabinet Secretary



**Hon. FCPA John Mbadi Ng'ongo, EGH**

Hon. John Mbadi is the Cabinet Secretary (CS) for The National Treasury. Before his appointment, Hon. Mbadi had an extensive career in public service, having served as a nominated Member of Parliament (MP) and the Chairperson of the Public Accounts Committee in the National Assembly.

The CS has a rich history in legislative leadership, having served as the elected MP for Suba South Constituency, Suba Constituency, and Gwassi Constituency. His experience extends to roles such as Assistant Minister in the Office of the Prime Minister and Leader of Minority in the National Assembly. Notably, he was also a member of the Legislative Taskforce responsible for drafting the Public Finance Management Act of 2012.

In addition to his political and legislative accomplishments, the CS is a seasoned finance professional with 29 years of experience. He has held the position of an Accountant at the University of Nairobi and served as the Chair of Medair East Africa. Hon. Mbadi holds a Bachelor of Commerce degree with a specialization in Accounting from the University of Nairobi and is a registered member of the Institute of Certified Public Accountants of Kenya (ICPAK). His professional affiliations extend to the Architectural Association of Kenya (AAK), the Institute of Quantity Surveyors of Kenya, and the Chartered Institute of Arbitration.

His skills span planning, budgeting, financial analysis, accounting, economics, and community development, complemented by strong leadership, effective communication, and interpersonal skills.

#### 4. Profile of Accounting Officer and Key Management

##### Accounting Officer



**Bonface B. Makokha**

Bonface B. Makokha, is the Principal Secretary, for the State Department for Economic Planning in the National Treasury. With over fifteen (15) years of experience, PS. Makokha has served in various technical and advisory capacities within regional and international institutions including: the United Nations Office of the Special Envoy for the Great Lakes Region; the International Conference on the Great Lakes Region; and the Levy Mwanawasa Regional Centre for Democracy and Good Governance.

PS. Makokha has a wealth of experience in: intergovernmental coordination; strategic policy alignment; evidence based and results oriented planning frameworks; institutional reforms; resource mobilization; governance systems; and human resource management.







PS Makokha led and supported capacity-strengthening programs for Election Management Bodies (EMBs), Parliamentary Gender Committees, and Political Parties across 12 ICGLR Member States (Angola, Burundi, Central African Republic, Congo, Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda, and Zambia)-advancing regional efforts toward gender parity, electoral integrity, and representative democracy.

A distinguished development practitioner, PS. Makokha has mobilised and managed over USD 14 million in development financing from USAID, the European Union, the African Development Bank, and multiple United Nations agencies, supporting interventions in peacebuilding, natural resource governance, public sector reform, and gender-responsive programming.

PS Makokha holds a Bachelor of Education (Science) degree, a Master of Arts in Monitoring and Evaluation degree, a Master of Science in Physics degree and a Diploma in Project Management. PS Makokha holds a PhD (a.cf) in Mediation and Conflict Resolution and an Honorary Doctorate in Theology in recognition for his contribution to ethical leadership and inclusive governance.

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**Key Management**

No	Management	Qualification
1	 <b>Bonface B. Makokha</b> Principal Secretary	Holds B.Ed. (Science) degree, MA in Monitoring and Evaluation, MS in Physics degree and a Diploma in Project Management and PhD (a.cf) in Mediation and Conflict Resolution.
2	 <b>Dr. Haron C. Komen, PhD</b> Secretary Administration	PhD holder at the University of Nairobi; Master's Degree (MBA) from the University of Nairobi and Bachelors of Arts degree from Kenyatta University. Member of the Institute of Certified Secretaries (ICS) and Institute of Human Resource Management (IHRM).
3	 <b>Timothy Gakuu</b> Economic Planning Secretary	Holds a Master of Arts in Economics from the University of Nairobi and a Bachelor of Arts (Economics) and Strategic Leadership Development.
4	 <b>Elijah Gathuthi</b> Senior Deputy Accountant General	MBA-Finance Kenyatta University (MBA); Bachelor Economic and Mathematics - Moi University; CPA (K); and Strategic Planning and Leadership.
5	 <b>Julia Ng'ang'a</b> Senior Chief Finance Officer	Holds an MBA in Finance and a Bachelor's degree in Economics from the University of Nairobi; She is also a Certified Public Accountant and a member of ICPAK.
6	 <b>Moraa Nyamwaro</b> Senior Deputy Director Supply Chain Management	Holds a Master of Science degree in Procurement and Logistics, Bachelor of Arts degree (Economics), Graduate Diploma in Purchasing and Supplies and is a Certified Public Accountant Finalist. member of KISM.

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**5. Statement by the Cabinet Secretary**

The mandate of the National Treasury is to formulate, implement and monitor prudent economic and financial policies at national and county levels of government. As the Cabinet Secretary, it is my responsibility to provide the required leadership in formulating suitable plans and strategies that will contribute to sustainable and transformative growth, and sustainable socio-economic development of the country.

The following are the strategic objectives of the National Treasury:

- i. To strengthen economic planning through policy formulation;
- ii. To contribute to national competitiveness through regional and international economic partnerships;
- iii. To foster and maintain a stable macroeconomic environment for accelerated economic growth;
- iv. To strengthen tracking, evaluation and reporting on implementation of policies, projects and programmes;
- v. To formulate and implement the national budget;
- vi. To strengthen public investment management framework;
- vii. To enhance the efficiency and effectiveness of planning and project monitoring;
- viii. To strengthen tracking, evaluation and reporting on implementation of policies, projects and programmes; and
- ix. To enhance awareness and implementation of Sustainable Development Goals (SDGs)

My Office will continue to support the mandate and functions of the State Department for Economic Planning to ensure efficiency and effectiveness in implementation of various policies, programmes and projects.

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**Cabinet Secretary**

**The National Treasury**

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**6. Statement by the Accounting Officer**

**6.1 Introduction**

The State Department for Economic Planning's mandate and functions broadly cover issues of National and Sectorial Development Planning. According to the Executive Order No. 1 of 2025 on Organization of the Government of the Republic of Kenya, the SDEP's functions are:

- i. National and Sectorial Development Planning;
- ii. National Statistics Management;
- iii. National Census, Economic and Housing Surveys;
- iv. Population Policy Management;
- v. Public Policy Research, Analysis and Economic Forecasting;
- vi. Liaison with Economic Commission for Africa;
- vii. Monitor and Evaluate Economic Trends;
- viii. Facilitation and administration of the National Government Constituencies Fund;
- ix. Management of National Integrated Monitoring and Evaluation System;
- x. Integration of County Development Planning with National Development Planning;
- xi. International Economic Partnerships and Framework Coordination; and
- xii. Coordination of Implementation, Monitoring and Evaluation of Sustainable Development Goals.

The SDEP is also responsible for the following Semi-Autonomous Government Agencies: Kenya Institute for Public Policy Research and Analysis (KIPPRA); National Government Constituencies Development Fund (NG-CDF); Kenya National Bureau of Statistics (KNBS); National Council for Population and Development (NCPD); Kenya Vision 2030 Board; and New Partnership for Africa's Development (NEPAD)/African Peer Review Mechanism (APRM).

The following are the key strategic objectives of the State Department for Economic Planning:

- i. To strengthen planning and policy formulation at national and county levels of government;
- ii. To strengthen linkages between planning, policy formulation and budgeting;
- iii. To improve coordination and provision of advisory on economic and social affairs;
- iv. To enhance evidence-based decision making for socioeconomic development;
- v. To enhance preparation, appraisal, management and tracking of development policies, strategies, programmes and projects; and
- vi. To improve efficiency and effectiveness in service delivery.

**6.2 The Current Year's Budget allocation and expenditure**

In the Financial Year 2024/25, the State Department for Economic Planning had an approved Gross Budget of Kshs. 74,237,848,484 that was made up of Kshs.3,417,756,803 and Kshs. 70,820,091,681 for Recurrent and Development votes respectively. Out of the gross budget, the Department expended Kshs. 74,048,611,738 representing an absorption rate of 99.75%.

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The State Department expended the FY 2024/25 budget under the following Programmes and Sub-programmes:

**Programme 1: Economic Policy and National Planning**

The objective of this programme is to strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030. The programme comprises of the following seven (7) sub-programmes. This programme was allocated Kshs. 70,128,358,604 and has several sub-programmes, which include:

- SP 1.1: Economic Planning Coordination Services
- SP 1.2: Community Development
- SP 1.3: Economic policy planning and regional integration
- SP 1.4: Policy Research
- SP 1.5: Population Management Services
- SP 1.6: Infrastructure, science, technology and innovation
- SP 1.7: Sectoral Policy and Planning

**Programme 2: National Statistical Information Services**

The objective of this programme is to provide and disseminate comprehensive, integrated, accurate and timely national statistics for policy formulation, research, planning and monitoring national development. This programme was allocated Kshs. 3,353,772,000 and has one sub-programmes:

- SP 2.1: Census and Surveys

**Programme 3: Public Investment Management, Monitoring and Evaluation Services**

The objective of this programme is to improve tracking of implementation of development policies, strategies and programmes. This programme was allocated Kshs. 489,531,875 and has two sub-programme namely:

- SP 3.1: National Integrated Monitoring and Evaluation
- SP 3.2: Project Evaluation

**Programme 4: General Administration, Planning and Support Services-for State Department of Planning**

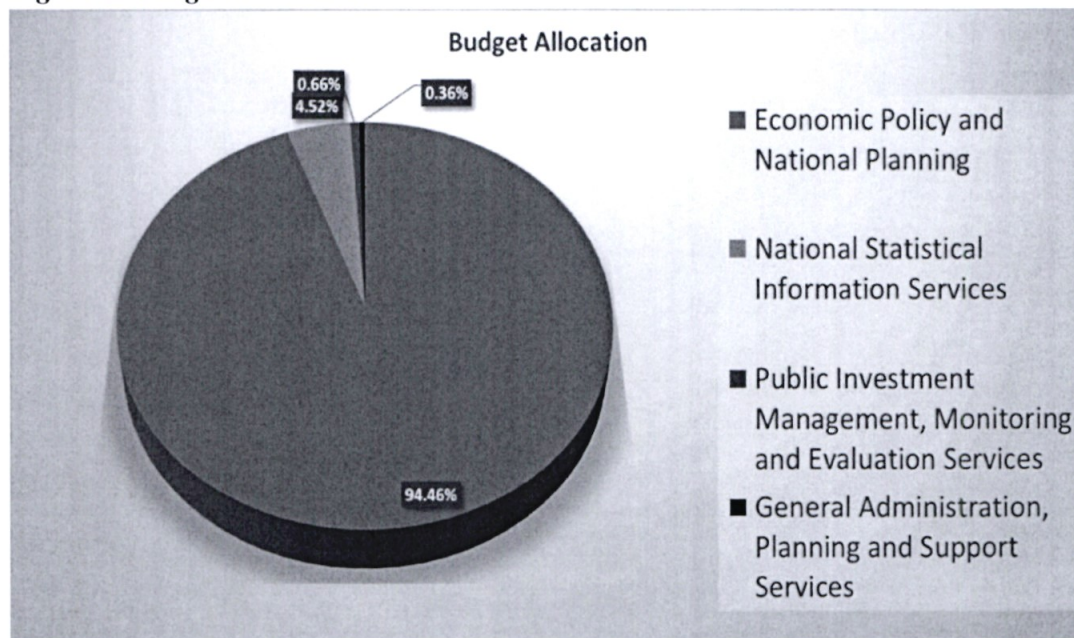
The objective of this programme is to provide leadership, support services and policy direction for effective service delivery. This programme was allocated Kshs. 266,186,005 and has three sub-programmes, which include:

- SP 4.1: Human Resource and Support Services
- SP 4.2: Financial Management Services
- SP 4.3: Information Communication Services

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The budget performance against actual amounts for current year is also shown as follows:

**Figure 2: Budget Allocation**



**6.3 Key Achievements in FY2024/2025**

1. Prepared and launched: Kenya Economic Survey 2024 and Kenya Economic Report 2024;
2. Upgraded the KIPPRA-Treasury Macro Model (KTMM) and capacity-built 132 officers on macro-modelling and forecasting to support evidence-based decision making;
3. Prepared the Third Voluntary National Reporting (VNR) Report in 2024 which focuses on the assessment of the institutional and policy environment for implementing SDGs;
4. Prepared Draft Economic Planning Policy and Economic Planning Bill drafting instructions to anchor the economic planning function;
5. Prepared Country Position Papers/Reports that informed Kenya's effective participation in International Economic Partnerships namely: United Nations Commission on Population and Development on International Conference on Population and Development; OACPS-EU joint parliamentary assembly and OACPS council of Ministers under the Samoa Partnership Agreement; Tokyo International Conference on African Development (TICAD); United Nations Economic and Social Council (UN-ECOSOC); United Nations Economic Commission for Africa (UNECA); East African Community (EAC) and other regional and international economic partnerships;
6. Capacity built 42 technical officers from 21 Central Planning and Project Monitoring Departments (CPPMDs) across Ministries were capacity built on project evaluation; Six (6) counties were trained on the use of e-CIMES; 170 officers on Risk Management and Practices; 66 officers on Tax Administration; 31 officers on Monitoring & Evaluation on Public Investments; 161 staff on Performance Enhancement and Appraisal; 4397 persons 28 Young Professionals, 3453 students through the KIPPRA Mentorship Programme for Universities

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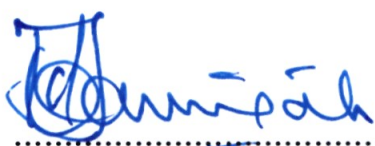
- and TVETs, 916 officers from National and County Governments in the public policy making process;
7. Convened the Annual KIPPRA Conference 2024/25 based on the theme: “Job Creation”;
  8. Strengthened Social Budgeting and Social Intelligence Reporting (SIR) Operationalization of 8 County Social Budgeting Observatories in Mombasa, Kilifi, Nakuru, Kakamega, Isiolo, Garissa, Wajir and Mandera;
  9. Prepared and disseminated statistical publications and reports that include: Statistical Abstracts, Quarterly Balance of Payment (BOP) reports, Quarterly Gross Domestic Product (GDP) and Producer Price Index reports, monthly Leading Economic Indicators, Consumer Price Index and Quarterly Labour Force Reports;
  10. Prepared Annual State of Kenya Population Reports, Population Policy briefs and Advisory Papers to guide population issues;
  11. Prepared and disseminated the 5<sup>th</sup> ICPD Annual Progress Report;
  12. Prepared Q4 – FY 2023/24, Q1, Q2, and Q3 Status of Kenya 2024-2025 Economy Reports;
  13. Strengthened county development planning by: preparation and dissemination of County Integrated Development Guidelines; and provision of technical support to counties on development planning;
  14. Provided technical support to 18 County Governments (West Pokot, Turkana, Uasin Gishu, Taita Taveta, Kwale, Lamu, Bomet, Kericho, Homabay, Nakuru, Baringo, Embu, Kiambu, Kirinyaga, Laikipia, Murang’a, Nyandarua, Tharaka Nithi). in County Peer Review Mechanism (CPRM). Additionally, ten (10) County Self-Assessment Reports were developed;
  15. Trained 916 National and County Officers in Public Policy Making Process; in the Public Sector in 47 Counties;
  16. Provided technical support to 84 MDAs during preparation and review of their Strategic Plans to ensure alignment to the Revised Guidelines issued in July 2023 and BETA;
  17. Strengthened implementation and reporting on Sustainable Development Goals (SDGs) through convening the Annual SDGs and Agenda 2063 Multi-stakeholder Conference;
  18. Undertook 6,212 projects under Education Sector, 412 projects under Security Sector, 1,195,272 students awarded bursaries; 8,342 elderly persons provided with medical cover through NG-CDF;
  19. Provided technical advice in various East African Council (EAC) organs and institutions including the Sectoral Councils and Council of Ministers for Finance and Administration as well as EAC Affairs and Planning;
  20. Provided technical input to MTEF budget making process through co-convening of MTEF sectors to ensure alignment of budgets to Medium-Term Plans;
  21. Provided technical support in the review of the ongoing Foreign Policy;
  22. Conducted six (6) Surveys/Researches on population issues that have informed advocacy and 14 strategies; and
  23. Revitalized and strengthened Central Projects Planning and Monitoring Units across MDAs by deployment, transfer and rationalization of staff.

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**6.4 Emerging Issues/Challenges**

1. Institutional Framework: Lack of legal framework to guide the economic planning function and support a one-stop-shop for data management as well as weak monitoring and evaluation system slows down access and delivery of services;
2. Budgetary constraints: occasioned by inadequate funding compounded by austerity measures which affected the implementation of planned programmes and projects;
3. Climate change and global supply chain shocks: Due to climate change and global supply chain shocks, the country was not able to meet its tax revenue targets to finance the planned programmes and projects;
4. Some roles previously performed by officers deployed in the National Planning Offices at the counties were assigned to the Government Delivery Services through a circular from the Office of the Prime Cabinet Secretary on Guidelines on the Coordination and Implementation of National Government Policies, Programmes and Projects of March, 2023. This is likely to be a hindrance to efficient and effective delivery of the National Planning function at the counties.



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**Principal Secretary**  
**State Department for Economic Planning**

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**7. Statement of Performance Against Predetermined Objectives for FY2024/25**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the State Department.

**Introduction**

The key development objectives of the State Department’s Strategic Plan for FY 2024-2025 are to:

1. Coordinate National and Sectorial Planning and policy formulation
2. Track and report on implementation of policies and programs
3. Strengthen the department to deliver on its mandate

The State Department’s Annual Budget and Performance Contract have been informed by the above objectives.

**Progress on the attainment of Strategic Objectives through Performance Contracting**

For purposes of implementing and cascading the 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 in performance measurement. Below we provide the progress on attaining the stated objectives:

**Table 2: Progress on the attainment of Objectives**

Programme	Key Outputs	Key Performance Indicators	Performance
<b>Programme 1</b>	: Economic Policy and National Planning		
Strategic Objective	: To coordinate economic development at both levels of government		
Outcome	: Improved National and Sectoral Planning for Socio-Economic Development		
SP 1.1: Economic Planning Coordination Services	County Development Planning Guidelines reviewed, revised and disseminated	No. of County development guidelines prepared	1
	Reports on best practices, utilization and conformity to issued CADP guidelines Assessed.	Report on best practices	0
	Sub-national/Regional forums on development planning convened	No. of Sub-national/Regional forums	0
	National Planning Offices at counties established and operationalized	No. of operational offices	18
		No. of Officers capacity built on integrated development planning	168
	Draft Economic Planning Policy finalized.	Economic Planning Policy	Economic Bill drafting Instructions and Draft Policy in Place
	Economic Planning Bill finalized.	Economic Planning Bill	
Tracking of SDEP priorities coordinated	No. of Performance Contract implementation progress reports	4	

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Programme	Key Outputs	Key Performance Indicators	Performance
		No. of MTP-MTEF Alignment Sector Reports	9
SP 1.2: Community Development	Schools/colleges facilities constructed	No of institutional facilities	6,212
	Security infrastructure developed	No of Security facilities	412
	Bursary awarded	No of beneficiaries (students)	1,195,272
	Medical cover provided to elderly persons through NHIF	No of elderly persons	8,342
	SDGs mainstreamed into planning frameworks at both levels of Government	No. of MDACs trained on SDGs mainstreaming	124
	Stakeholder's engagement and partnership Strengthened	Annual SDGs Multi-Stakeholders Conference and Awards Ceremony	1
		Annual SDGs Knowledge Sharing Forum Report	1
	Advocacy and Sensitization on SDGs Improved	Documented SDGs good practices	1
	SDGs implementation tracked and reported	No. Status Reports (Voluntary National Review)	1
		Reviewed National SDGs Indicator Framework	1
		SDGs factsheet developed	1
	Forum for SDGs data users and producers	1	
SP 1.3: Macroeconomic Planning and International Relations	Economic Planning Manual developed and disseminated	Economic Planning Manual	Draft Manual in place
	Conceptual framework for post 2030 long term development plan developed	Conceptual framework	Draft Framework
	Key Investment Opportunities in Kenya developed, reviewed and disseminated	Key Investment Opportunities Document	1
	Status of the economy reports prepared	Quarterly Status of the Economy Reports	4
	MDAs officers' capacity built on Macroeconomic modelling	No. of MDAs officers	118
	Implementation of AU Agenda 2063 10-year Plan tracked	Country Report	1
	Reviewed strategic planning guidelines	Guidelines	1
	MDAs supported in the preparation of Strategic Plans	Proportion of MDAs supported	100
	Country Position Papers on Kenya's International Economic Partnerships (TICAD, UNECOSOC, ACP-EU, UNECA, UNGA, EAC and South-South Triangular Cooperation) prepared	No. of Country Position Papers/ Reports/executive briefs	6
	Position papers/briefs on AU Summits and NEPAD statutory committee meetings prepared	Position papers/briefs	2
	Status report on implementation and monitoring of Skills Initiative for Africa	No. of Status reports	4

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Programme	Key Outputs	Key Performance Indicators	Performance
	(SIFA), Midwifery Energize Africa programmes prepared		
	South-South and triangular cooperation institutionalised and Centre of excellence established	Status reports/ Centre of excellence	1
	LAPSSET coordination framework implemented	Status report	2
	Reports on response on Governance indices prepared	No. of response reports	1
	Kenya's National Governance Report developed, launched and disseminated	No. of National Governance Reports	1
	County Peer Review Mechanism implemented	No. of county review reports	10
	National Programme of Action (NPoA) aligned to policies and plans and monitored	No. of progress reports	1
	Kenya Vision 2030 Flagship projects Progress Report prepared and disseminated	Kenya Vision 2030 Flagship projects Progress Report	1
	Kenya Vision 2030 Programmes and Projects Implementation Accelerated	No. of flagship projects fast-tracked	30
	Technical support to county governments on long term development planning (Vision 2030, BETA, County Visions) provided	% of counties supported	87
SP 1.4: Policy Research	Government and private sector officers' capacity built on public policy research and analysis	No. of National and County Officers capacity built in Public Policy Making Process	916
		No. of Persons capacity built through KIPPRA Mentorship Programme for Universities	3,453
		No. of Young Professionals graduated	28
	Thematic and Institute-Wide Interdisciplinary Research Conducted	Kenya Economic Report	1
		No. of thematic research reports published	389
		Institute-wide interdisciplinary survey reports	1
	Public Policy Research findings disseminated	No. of hard copies shared with stakeholders.	2,900
		No. of Dissemination Workshops convened with stakeholders	70
		No. of KIPPRA Annual Regional Conferences Convened	1
	Dialogue and exchange of views on emerging public policy issues	No. of policy roundtable	32
No. of monthly policy seminars		31	

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Programme	Key Outputs	Key Performance Indicators	Performance
SP 1.5: Population Management Services	Public Policy publications disseminated	No. of publications shared	2,900
	Strategies on topical Population issues prepared and disseminated	No. of Strategies	14
	Surveys and Researches on Topical Population issues undertaken and disseminated	Survey/research report	1
		Further Analysis on Demographic trends (2022 KDHS data sets)	5
	Advocacy and sensitization forums on Topical population and development issues undertaken	No. of forum reports	54
	Public education on Population Development issues	No. of stakeholders reached	154,955
	ICPD25 Kenya Country Commitments and Population Policy Implementation Status Reports prepared	No. of status reports	1
	Information on population, data search and Kenya National Population Program M&E Framework	Operationalized population data management system/centre of excellence	1
Kenya National Population Program (KNPP) M&E Framework		1	
SP 1.6: Infrastructure Science Technology and Innovation	ST&I Mainstreaming Strategy domesticated	ST&I Mainstreaming Strategy	1
	Research on topical and emerging issues in Kenya conducted and Reports Disseminated	No of Research Reports	2
	Status of Infrastructure, Science, Technology and Innovation projects Monitored.	Annual Status report	1
	ST&I Stakeholders engagement forums convened.	Report	1
	National Values and Principles of Governance Report prepared	No. of reports	5
	Productivity index for SDEP prepared	Productivity mainstreaming reports	5
SP 1.7: Sectoral policy and Planning	Strengthen social budgeting and social intelligence reporting (SIR) by: constituting and operationalizing 5 county social budgeting observatories (CSBOs)	No. of county CSBOs operationalized	8
		No. of county SIR reports	8
	Knowledge Management (KM) practices institutionalized in MDACs	No. of National Technical Committee (NTC) meetings	1
		No. of KM Interagency committee meetings	1
	SDEP staff capacity built on KM	No. of officers trained	30
<b>Programme 2</b>	: National Statistical Information Services		
Strategic Objective	: To provide and disseminate comprehensive, integrated, accurate and timely national statistics for policy formulation, research, planning and monitoring national development.		
Outcome	: Enhanced Evidence-Based Decision Making for Socio-Economic Development		
SP 2.1: Census and surveys (Population and Socio-	Annual, Quarterly and monthly Statistical publications and reports prepared	No. of statistical publications and reports	35

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<b>Programme</b>	<b>Key Outputs</b>	<b>Key Performance Indicators</b>	<b>Performance</b>
<i>Economic Censuses, Statistical Releases and Surveys</i>	Medium, Small and Micro Enterprises (MSME) survey Report	Survey report	0
	Kenya Household Master Sample Frame (K-HMSF) developed	No. of clusters created	2,589
<b>Programme 3</b> : Monitoring and Evaluation Services Strategic Objective : To improve tracking of implementation of development policies, strategies and programmes. Outcome : Improved Efficiency and Effectiveness of Programmes, Projects and Strategies for Socio-Economic Development			
SP 3.1: National Integrated Monitoring and Evaluation	Enhancement in e-NIMES and e-CIMES	Report on e-NIMES/CIMES business process mapping and re-engineering	1
	M&E reports on implementation of Programs and projects prepared	M&E Progress Reports	2
	Technical backstopping on M&E provided to MDACs	Percentage of MDACs provided with technical backstopping	100
	MDACs sensitized on the new modules/ enhancements in e-NIMES and e-CIMES	No of MDACs trained on e-NIMES	78
	MDACs officers' capacity built on conducting evaluations	No. of officers	105
SP 3.2: Project Evaluations	Evaluation of priority projects in the KNEP conducted	Evaluation report	0
<b>Programme 4</b> : General Administration, Planning and Support Services Strategic Objective : To provide leadership and support services and policy direction for effective service delivery. Outcome : Enhanced Institution Efficiency and Effectiveness in Service Delivery			
SP 4.1: Human Resources and Support Services	Staff trained on promotional courses as per the Career Progression Guidelines and sensitized on performance appraisal	No. of officers trained	354
	Sensitization on Cross-Cutting issues conducted	No. of officers sensitized	268
SP 4.2: Financial Management Services	Budget implementation reports prepared	Budget implementation report	10
	Statutory reports prepared	No. of Statutory Reports	17
		No. of Public Accounts Committee Reports	1
SP 4.3: Information Communication Services	Website developed, maintained and content uploaded	No. Operational websites	3

## **8. Governance Statement**

### ***8.1 The key leadership structure***

The State Department for Economic Planning is headed by Cabinet Secretary for the National Treasury. The Principal Secretary for Economic Planning is the Accounting Officer and is in-charge of day-to-day operations of the State Department. The State Department is organized into four (4) technical directorates headed by Secretaries of Economic Planning (SEP), namely:

- Development Planning and Policy;
- Strategy, Coordination and Management;
- International Economic Partnerships and Frameworks; and
- Monitoring, Evaluation and Public Investment Management

The technical directorates are supported by the Administrative Services Directorate which comprises of:

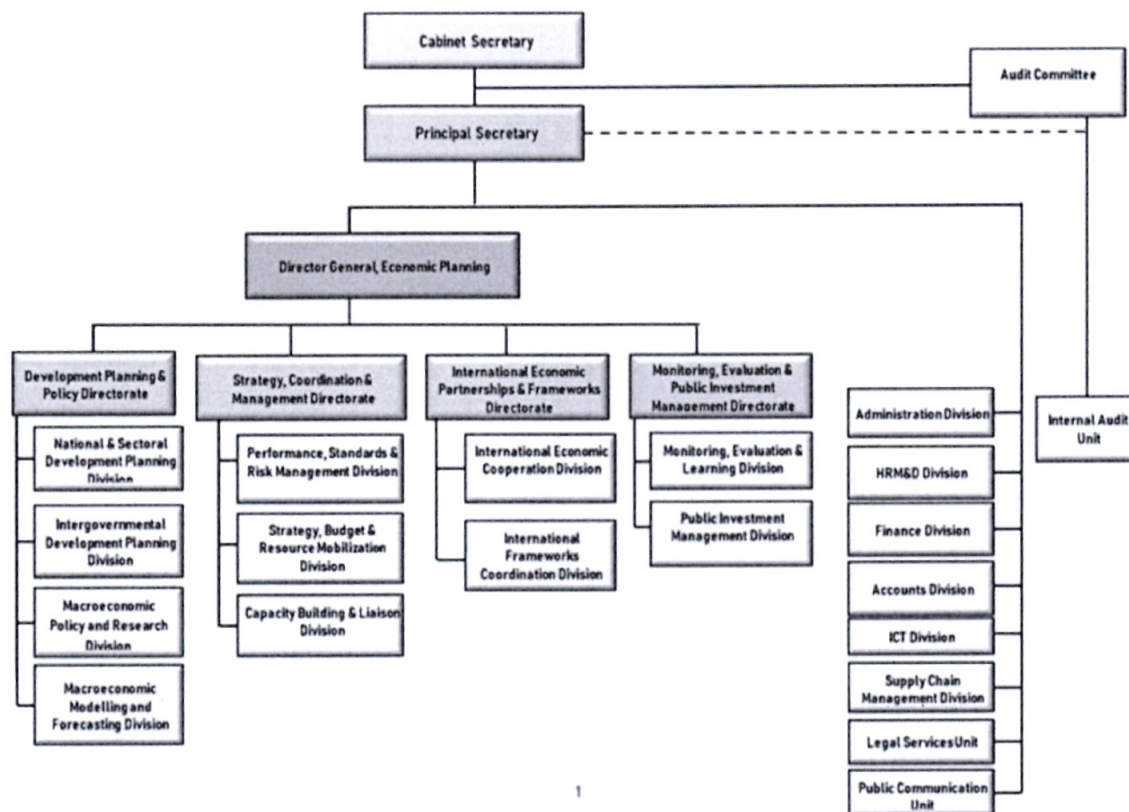
- i. Finance Division;
- ii. Accounting Division;
- iii. Human Resources Management and Development Division;
- iv. Information Communication and Technology Division;
- v. Supply Chain Management Division;
- vi. Public Communications Division; and
- vii. The Internal Audit Unit that reports directly to the Principal Secretary.

The Administrative Services Directorate is coordinated by the Secretary Administration.

The Mandate of the State Department is also implemented through six semi-autonomous government agencies as shown below:

- i. Kenya Institute for Public Policy Research and Analysis (KIPPRA);
- ii. National Government Constituencies Development Fund (NG-CDF);
- iii. Kenya National Bureau of Statistics (KNBS);
- iv. National Council for Population and Development (NCPD);
- v. Kenya Vision 2030 Board; and
- vi. New Partnership for Africa's Development (NEPAD)/African Peer Review Mechanism (APRM).

Figure 1: Current Organizational Structure



## 8.2 Management Committees

### Budget Implementation Committee

This is the committee charged with the responsibility of implementation of the ministerial budget and its prudent management. The duties of the committee include the following:

- i. Review and consider the cash flow plans;
- ii. Review the utilization of the cash limits and consider any changes as may be;
- iii. Review the utilization of the donor funds voted for the ministry;
- iv. Advise the Accounting Officer on the challenges related to the budget implementation;
- v. Review and recommend the reallocation of expenditures;
- vi. Review and approve the submission of the expenditure returns, IPPDs, pending bills and A-I-A returns for the ministry and recommend actions to be taken;
- vii. Participate in Sector Working Groups; and
- viii. Prepare budget in consultation with the Heads of Departments

### Senior Management Committee

The State Department for Economic Planning exercises the functions of a Senior Management Committee through the heads of department meetings held monthly. The meetings deliberate on all cross-cutting issues affecting the state department.

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*Ministerial Audit Committee*

The State department for Economic Planning shares the Ministerial Audit Committee with the National Treasury. The functions of the Ministerial Audit Committee are:

- i. Evaluate whether processes are in place to address key roles and responsibilities in relation to risk management;
- ii. Evaluate the adequacy of the control environment to provide reasonable assurance that the systems of internal control are of a high standard and functioning as intended;
- iii. Perform an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process;
- iv. Monitor the effectiveness of the Ministry performance information and compliance with the performance management framework and performance reporting requirements;
- v. Evaluate the quality of the internal audit function, particularly in the areas of planning, monitoring and reporting;
- vi. Follow up on the implementation of the recommendations of internal and external auditors; and
- vii. Review the effectiveness of how the Ministry monitors compliance with relevant legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

***8.3 Risk management, compliance, conflict of interest***

The State Department for Economic Planning developed a Risk Management Policy Framework in the Financial Year 2023/2024. The Risk Management Policy Framework was developed to assist in identifying, analysing, and managing risk. It ensures compliance and adherence to the risk policies and avoidance of conflict of interest in SDEP.

***8.4 Recent training and development in governance for those in key leadership***

Top management and technical officers were trained on Risk Management and Practices; Monitoring and Evaluation of Public Investments; and Macro modelling and Forecasting and Performance Enhancement. Administrative services were trained on Tax Administration and Performance Management and ICT Practices. SDEP is committed to continuous capacity strengthening of technical and administrative staff across all cadres.

***8.5 Public participation activities***

The State Department for Economic Planning involved various stakeholders in the development of the Fourth Medium Term Plan (MTP IV) 2023-2027 and the National Reporting Indicator Handbook of the MTP IV, as well as the National Treasury and Economic Planning Strategic Plan, 2023-2027. Additionally, the SDEP undertook County Dissemination of the MTP IV during the Financial Year 2023/24.

The Stakeholders included: the public; Ministries, Departments and Agencies; Council of Governors; County Governments; Parliament; the UN Agencies; private sector; civil society organizations; research institutions and academia, among others.

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***8.6 Compliance with Laws and Regulations***

The State Department for Economic Planning is in compliance with all laws and the attendant regulations. The Supreme law being the Kenya Constitution of 2010. SDEP is also in compliance with The Public Finance Management Act, 2012, The Public Procurement and Asset Disposal Act, 2015; The Public Audit Act, 2015 amongst others.

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**9. Management Discussion and Analysis**

The approved total budgetary allocation decreased from Kshs. 51,633.59 million in FY 2021/22 to Kshs. 51,453.33 million in FY 2022/23, increased to Kshs. 64,104.35 million in FY 2023/24 and increased to Kshs.74,237.85 million in FY 2024/25. The actual expenditure for the Sub-sector was Kshs. 48,581.90 million in FY 2021/22, Kshs. 51,140.36 million in FY 2022/23, Kshs. 50,070.65 million in FY 2023/24 and Kshs. 74,048.61 million in FY 2024/25. The absorption rates over the period under review were 94.1%, 99.5%, 78.0% and 99.75% in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively.

The approved *recurrent budget* was Kshs. 3,981.89 million in FY2021/22, Kshs. 3,881.33 million in FY2022/23, Kshs. 4,389.66 million in FY 2023/24 and 3,417.57 million in FY 2024/25. The actual expenditure was Kshs. 3,951.22 million in FY2021/22, Kshs. 3,711.95 million in FY2022/23, Kshs. 4,271.79 million in FY 2023/24 and Kshs. 3,380.56 million in FY 2024/25, translating to absorption rates of 99.2%, 96.3%, 97.6% and 98.9% in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively.

**Table 1: Analysis of Recurrent Expenditure (FY 2021/22 – 2024/25) (Kshs. Million)**

Economic Classification	APPROVED BUDGET				ACTUAL EXPENDITURE			
	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
<b>Gross</b>	<b>3,981.89</b>	<b>3,881.33</b>	<b>4,389.66</b>	<b>3,417.57</b>	<b>3,951.23</b>	<b>3,711.95</b>	<b>4,271.79</b>	<b>3,380.56</b>
AIA	71.00	71.00	271.20	240.90	71.00	71.00	196.01	202.09
<b>NET</b>	<b>3,910.89</b>	<b>3,810.33</b>	<b>4,118.46</b>	<b>3,176.67</b>	<b>3,880.23</b>	<b>3,640.95</b>	<b>4,075.78</b>	<b>3,582.65</b>
Compensation to Employees	476.28	440.78	432.94	413.23	465.31	437.81	430.27	419.57
Transfers	2,878.84	2,704.40	3,105.10	2,404.50	2,878.84	2,633.40	3,030.11	2,163.59
Other Recurrent	626.77	665.15	851.62	434.53	606.66	596.67	811.41	436.57

Source: *Approved Budget Estimates for FY 2021/22 - 2024/25*

The *development approved budget* was Kshs. 47,651.70 million in FY2021/22, Kshs. 47,571.99 million in FY2022/23 and Kshs. 59,714.69 million in FY2023/24. The actual expenditure was Kshs. 44,630.68 million in FY 2021/22, Kshs. 47,428.64 million in FY 2022/23, Kshs. 45,798.86 million in FY2023/24 and Kshs. 70,820.09 million in FY 2024/25. The absorption rates were 93.7%, 99.7%, 77% and 99.7% in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively. Deviation between the approved and actual expenditure was due to donors not fully honouring their commitments.

**Table 2: Analysis by Category of Expenditure: Development ((KShs. Million)**

Description	APPROVED BUDGET				ACTUAL EXPENDITURE			
	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
<b>Gross</b>	<b>47,651.70</b>	<b>47,571.99</b>	<b>59,714.69</b>	<b>70,820.09</b>	<b>44,630.68</b>	<b>47,428.64</b>	<b>45,798.86</b>	<b>70,650.47</b>
GOK	47,188.62	47,388.64	59,414.69		44,284.58	47,419.37	45,785.13	70,650.47
Loans	0.0	0.0	0.0	00	0.0	0.0	0.0	00
Grants	463.08	183.65	300.00	30.00	348.46	9.28	13.73	11.56

Source: *Approved Budget Estimates for FY 2021/22 - 2024/25*

The *approved budget* allocation to Economic Policy and National Planning Programme increased from Kshs. 48,931.70 million in FY2021/22 to Kshs. 49,432.98 million in FY2022/2, Kshs. 60,887.24 million in FY 2023/24 and Kshs. 70,128.36 million in FY 2024/25. The actual expenditure showed a

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similar trend increasing from Kshs. 45,969.08 million in FY2021/22 to Kshs. 49,311.36 million in FY2022/23 but decreased in FY 2023/24 to Kshs. 47,237.61 million then increased to Kshs.70,124.15 million in FY 2024/25. This was mainly driven by a decrease in the absorption rate for the Sub-programme- Community Development from 100% in FY 2022/23 to 77.6% in FY 2023/24 and increased to 99.9% in FY 2024/25.

The approved budget allocation to the National Statistical Information Services Programme was KShs. 2,113.31 million in FY2021/22 decreasing to Kshs. 1,593.35 million in FY2022/23, increasing to Kshs. 2,833.07 million in FY 2023/24 and increasing to Kshs. 3,353.77 million in FY 2024/25. The actual expenditure for the programme exhibited a similar trend: Kshs. 2,044.26 million, Kshs. 1,371.04 million, Kshs. 2,484.12 million and Kshs. 3,210.07 million in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively. The absorption rates were 96.7% in FY2021/22, 90.1% in FY2022/23, 87.7% in FY2023/24 and 95.7% in FY 2024/25.

The approved budget allocation to the Public Investment Management, Monitoring and Evaluation Services Programme was Kshs. 242.96 million in FY2021/22, Kshs. 151.83 million in FY2022/23, Kshs. 110.62 million in FY 2023/24 and Kshs. 489.53 million in FY 2024/25. The actual expenditure was Kshs. 235.56 million in FY2021/22, Kshs. 132.64 million in FY2022/23, Kshs. 93.45 million in FY2023/24 and Kshs. 466.25 million in FY 2024/25. The absorption rates were 96.9%, 86.8%, 87.2% and 95.2% in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively.

The approved budget allocation to the General Administration and Support Services for Planning Programme decreased from Kshs. 345.62 million in FY2021/22 to Kshs. 275.16 million in FY2022/23 to Kshs. 273.43 million in FY 2023/24 and Kshs. 266.18. The actual expenditure for the programme exhibited a similar trend where expenditure decreased from Kshs. 334.71 million in FY 2021/22 to Kshs. 245.06 million in FY2022/23 to Kshs. 255.47 million in FY 2023/24 and Kshs. 247.14 million in FY 2024/25. The absorption rates were 97%, 99%, 93% and 92.8% in FYs 2021/22, 2022/23, 2023/24 and 2024/25 respectively.

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Table 3: Analysis by Category of Expenditure: Programmes (KShs. Million)

PROGRAMME	APPROVED BUDGET				ACTUAL EXPENDITURE			
	2021/22	2022/23	2023/24	2024/25	2021/22	2022/23	2023/24	2024/25
<b>PROGRAMME 1: ECONOMIC POLICY AND NATIONAL PLANNING</b>								
Economic Planning Coordination services	236.36	410.82	717.30	148.11	223.21	379.96	705.91	193.81
Community Development	46,802.76	47,261.87	57,986.80	68,415.97	43,898.55	47,254.95	44,454.51	68,415.32
Macro-Economic policy planning and regional integration	771.23	706.85	712.75	550.26	766.48	689.77	711.73	545.36
Policy Research	598.78	566.47	740.38	549.55	593.78	563.97	665.39	515.53
Population Management Services	401.33	375.33	608.21	-	367.03	326.08	587.22	0
Infrastructure, science, technology and innovation	36.57	28.83	35.02	20.13	36.16	25.46	35.01	19.89
Sectoral Policy and planning	84.67	82.81	86.78	406.11	84.05	71.22	86.17	398.55
<b>Total</b>	<b>48,931.70</b>	<b>49,432.98</b>	<b>60,887.24</b>	<b>70,128.56</b>	<b>45,969.08</b>	<b>49,312.72</b>	<b>47,245.95</b>	<b>70,088.46</b>
<b>PROGRAMME 2: NATIONAL STATISTICAL INFORMATION SERVICES</b>								
Census and Surveys	2,113.31	1,522.35	2,833.07	3,353.77	2,044.26	1,371.04	2,484.12	3,210.07
<b>Total</b>	<b>2,113.31</b>	<b>1,522.35</b>	<b>2,833.07</b>	<b>3,353.77</b>	<b>2,044.26</b>	<b>1,371.04</b>	<b>2,484.12</b>	<b>3,210.07</b>
<b>PROGRAMME 3: PUBLIC INVESTMENT MANAGEMENT, MONITORING AND EVALUATION SERVICES</b>								
National Integrated Monitoring and Evaluation	242.96	151.83	110.62	450.75	235.41	131.82	93.45	436.87
Project Evaluations	-	-	21.73	38.78	-	-	21.26	29.38
<b>Total</b>	<b>242.96</b>	<b>151.83</b>	<b>132.34</b>	<b>489.53</b>	<b>235.41</b>	<b>131.82</b>	<b>115.35</b>	<b>466.25</b>
<b>PROGRAMME 4: GENERAL ADMINISTRATION AND SUPPORT SERVICES FOR PLANNING</b>								
Human Resources and Support Services	279.59	223.07	193.72	217.69	270.01	227.56	182.40	199.23
Financial Management Services	49.53	41.05	42.50	35.66	48.99	36.41	41.86	36.06
Information Communications Services	16.50	11.04	15.69	12.83	16.10	8.42	14.96	11.84
<b>Total</b>	<b>345.62</b>	<b>275.16</b>	<b>251.90</b>	<b>266.19</b>	<b>335.09</b>	<b>272.39</b>	<b>239.23</b>	<b>247.14</b>
<b>TOTAL VOTE 1072</b>	<b>51,633.59</b>	<b>51,382.31</b>	<b>64,104.55</b>	<b>74,237.85</b>	<b>48,583.85</b>	<b>51,087.97</b>	<b>50,084.64</b>	<b>74,046.96</b>

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**Table 4: Analysis of Performance of Capital Projects FY 2021/22 - 2023/24 (Kshs. million)**

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Project code & Project Title	Est Cost of Project (Financing)			Timeline		FY 2021/22				FY 2022/23				FY 2023/24				
	Total Est Cost of Project(a)	GOK	Foreign	Start Date	Expected completion date	Approved GOK Budget	Approved Foreign Budget	Cumulative Expenditure as at 30th June 2022	Completion stage as at 30th June 2022 (%)	Approved GOK Budget	Approved Foreign Budget	Cumulative Expenditure as at 30th June 2023	Completion stage as at 30th June 2023 (%)	Approved GOK Budget	Approved Foreign Budget	Cumulative Expenditure as at 30th June 2024	Outstanding Balance as at 30th June 2024	Completion status as at 30th June 2024 (%)
1072100100 National Integrated Monitoring and Evaluation System (NIMES)	1,945.90	1,945.90	0.00	1/7/11	30/6/30	75.49	-	1,174.33	60.3%	29.00	-	1,203.33	63.3%	57,931.50		1,217	438,439.93	62.5%
1072100300 ACBF Support to Kenya Institute for Public Policy Research & Analysis	857.29	857.29	0.00	1/7/11	30/6/26	68.00	-	503.95	58.8%	37.28	-	541.23	67.5%			587	581.91	68.5%
1072100600 National Government County Planning, Information & Documentation	3,232.39	3,232.39	-	1/7/2009	6/30/2026	133.11	-	2,282.92	70.6%	26.00	-	2,308.92	72.2%	15.49		2,309	1,945.90	71.4%
1072100800 Integration and Coordination with ICPD POA-NCAPD	4,669.00	3,184.70	1,484.30	1/7/11	30/6/2030	22.00	56.37	3,025.52	64.0%	23.27	49.25	3,098.04	66.4%		66.82	3,162	507.00	67.7%
1072100900 Data Collection and Data Base Development	507.00	-	507.00	1/7/12	30/6/2027	-	37.41	190.63	37.6%	-	33.41	224.04	50.8%		14.00	252	110.56	49.7%
1072101000 Strengthening Capacity for Monitoring and Evaluation	110.56	-	110.56	1/7/18	30/6/26	-	6.77	89.62	81.1%	-	7.00	96.62	93.7%	9.00		90	1,400.00	81.1%
1072101100 Social Policy and Statistics (KNBS)	229.71	-	229.71	1/1/10	31/12/26	-	97.46	177.46	77.3%	-	5.00	182.46	81.6%			107	229.71	46.8%
1072101200 Social Policy and Research	440.00	-	440.00	1/1/06	31/12/29	-	5.00	143.47	32.6%	-	5.00	148.47	34.9%			140	213.40	31.8%
1072101300 Social Policy (MED)	213.40	-	213.40	1/1/09	31/12/26	-	4.25	171.09	80.2%	-	3.00	174.09	83.0%			175	850.00	82.1%
1072101500 National Government Constituency Fund (NGCDF)	438,439.93	438,439.93	0.00	1/7/16	30/6/27	46,614.80	-	211,739.73	48.3%	47,189.90	-	258,929.63	69.8%	46.00		236,430	857.29	53.9%

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1072101701 National Dev. Planning and International Economic Partnerships-BETA	1,400.00	531.39	868.61	1/7/15	30/6/26	71.22	-	263.79	18.8%	71.98	-	335.77	29.1%	44.00	775	3,232.39	55.4%
1072101900 Kenya National Bureau of Statistics-Census	850.00	850.00	0.00	1/1/10	31/12/26	100.00	-	480.00	56.5%	7.95	-	487.95	58.3%		505	440.00	59.4%
1072108500 National Information Platform for Food and Nutrition in Kenya - KNBS	437.50	-	437.50	1/1/18	31/12/24	-	140.00	234.03	53.5%	-	70.00	304.03	85.5%		398	437.50	90.9%
1072108600 Child Sensitive Budget Analysis	28.00	-	28.00	1/7/18	30/6/25	-	5.00	-	0.0%	-	2.50	2.50	8.9%		-	28.00	0.0%
1072108700 Making Every Woman and Girl Count	156.24	-	156.24	1/7/19	30/6/22	-	100.83	89.28	57.1%		10.99	100.27	71.2%		23	156.24	14.5%
1072109100 Socio- Economic Policy	981.91	981.91		7/1/13	01/7/2026										534	447.82	54.4%
1072109200 East Africa Regional Statistics Programme For Results	13,700.35	13,700.35	-	1/1/22	30/6/27				0.0%	-	-	-	0.0%		1,000	13,700.35	7.3%
1072109400 Institutional Support to KNBS	600.00		600.00	1/7/23	30/06/28									300.00	14		2.3%
<b>TOTAL</b>	<b>468,799.18</b>	<b>463,723.86</b>	<b>5,075.32</b>			<b>47,084.62</b>	<b>453.08</b>	<b>220,565.82</b>		<b>47,385.38</b>	<b>186.15</b>	<b>268,137.35</b>		<b>58,045.99</b>	<b>380.82</b>	<b>247,717.52</b>	<b>463,578.00</b>

## **10. Environmental and Sustainability Reporting**

### **a) Sustainability Strategy and Profile**

To the State Department for Economic Planning, environmental sustainability is key. With constrained resources, the State Department will develop and implement a stakeholder engagement framework. Further, career and succession management strategy for Economists has been reviewed to incorporate emerging issues. This will ensure continuity of efficient service delivery in the State Department and thus smooth succession in the public service. The State Department will continue to implement schemes of service and ensure fair and timely promotion of staff across all cadres. To reduce the existing gaps, mostly in the technical areas, the State Department will progressively recruit and seek for waivers in areas where there are succession gaps. As much as possible, efforts will be made to attract, motivate and retain staff.

The State Department is implementing the Approved organizational structure to ensure optimality and clear reporting structure.

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

The State Department has continued to adhere to the environmental policy guidance as provided by NEMA and other agencies. Towards implementation, the State Department has been in the forefront in implementing the presidential directives on tree planting. In this regard SDEP has established a Tree Growing Committee that coordinates tree growing activities. The target is 50 million trees by year 2032, translating to 5 million trees per year. The Tree Growing Committee has also undertaken various tree growing initiatives including adoption of Muumando forest in Machakos county, Kericho, Busia Geta Forest in Nyandarua county and Bungoma Counties. The committee has managed to plant 303,209 tree seedlings in FY 2024/2025. The team works closely with KFS, the various community forest associations (CFAs) and other partners. The State Department has also mainstreamed climate change issues in the MTP IV and assist counties in CIDPs.

### **c) Employees welfare**

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. In this regard, optimal staffing levels will be established across all directorates. Programmes to accentuate staff motivation will be implemented in addition to provision of work environment that is safe and conducive. ICT infrastructure will be harnessed and deployed to augment efficacy in back-office operations to support the State Department's processes and other operations.

The State Department prepares a three (3) year HRM/D plan to guide human resource development and management. A major strategic focus has been to build staff capacity and provide the environment necessary for their productive service delivery. The department has ensured continuous training of staff in order to impart them with the relevant knowledge and skills as well as regular staff promotions and filling of vacant positions as and when necessary. The State Department has progressively adhered to the training policy requirement of allocating at least 2 per cent of recurrent budget towards training.

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On work environment, the State Department continues to comply with the Occupational Health and Safety Act, 2007 and has done risk assessment and sensitization on issues of safety from time to time. Interventions include stress management activities, team building activities and initiatives to keep employees safe and healthy at work. It has also developed an internal Work Environment policy to provide guidelines on improving work environment.

The State Department has continued to comply with the Public Service Commission guidelines on Internship in Public Service. Drawing upon this, the State Department is implementing an internship programme, aimed at providing the youth with opportunities to gain experience through hands-on experience; enhance youth development and employability by creating clear linkages between education, training and work; and develop a culture of high-quality life-long learning of positive work habits and attitudes.

**d) Operational practices/ Market place practices**

The State Department for Economic Planning has always conducted its business and offer services to its stakeholders in a transparent and accountable manner. Further, all staff uphold high moral standards and professional competence in service delivery. The State Department promotes collaborative efforts of all actors to achieve a common goal and has relentlessly pursued timely attainment of targeted results at all levels through high level of coordination, and networking. The State Department is committed to uphold customer driven and focused service delivery; to consultations, joint and comprehensive partnership in all its affairs; and promote fair competition among others.

**e) Community Engagements**

As guided by the Executive Order No.1 of 2025, the State Department has been coordinating the National Government Constituencies Development Fund (NG-CDF). Through the fund, various community development programmes and projects have been implemented. The State Department has also coordinated the implementation of the Sustainable Development Goals (SDGs) and has ensured that they are mainstreamed into planning frameworks at both levels of government for the benefit of communities. It has been working with both state and non-state actors. The State Department has also been engaging counties in the development of plants by collecting views through direct engagement and memorandum.

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**11. 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 Department shall prepare financial statements in respect of that Department. 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 Economic Planning is responsible for the preparation and presentation of the Department's transitional IPSAS financial statements, which give a true and fair view of the state of affairs of the Department for and as at the end of the financial year (period) 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 Department, (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 Department; (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 Economic Planning accepts responsibility for the Department's transitional IPSAS 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 Department's financial statements give a true and fair view of the state of SDEP's transactions during the financial year ended June 30, 2025, and of the SDEP's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Department, which have been relied upon in the preparation of the SDEP's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the State Department for Economic Planning confirms that the Department has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Department's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

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for. Further the Accounting Officer confirms that the SDEP's transitional IPSAS 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's financial statements were approved on 27<sup>th</sup> Nov. 2025 and signed by:



.....  
**Bonface B. Makokha**  
**Accounting Officer**

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR ECONOMIC PLANNING THE YEAR ENDED 30 JUNE, 2025**

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### PREAMBLE

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

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

An Unmodified Opinion 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 Economic Planning set out on pages 1 to 31, 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 State Department For Economic Planning 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 Economic Planning 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Emphasis of Matter and Report on Effectiveness of Internal Controls, Risk Management and Governance. The issues as detailed in **Appendix I** remain unresolved as Parliament has not deliberated on the same.

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxxiv which comprise of Key State Department Information and Management, Profile of Cabinet Secretary, Profile of Accounting Officer and Key Management, Statement by the Cabinet Secretary, 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's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of the 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 governance.

In preparing the financial statements, 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 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**02 December, 2025**

## Appendix I

### Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Observation
	<b>Report on the Financial Statements</b>
1	Inaccuracies in Additions of the Fixed Assets
2	Unsupported Training Expenses
	<b>Emphasis of Matter</b>
1	Pending Accounts Payables
2	Budgetary Control & Performance
	<b>Report on Effectiveness of Internal Controls, Risk Management and Governance</b>
	Un-updated Fixed Assets Register

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

	Notes	2024-2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from Exchequer	6	73,830,848,737
Transfers from Domestic and Foreign Partners	7	11,556,587
<b>Total</b>		<b>73,842,405,324</b>
<b>Revenue from exchange transactions</b>		
Other income	8	202,093,053
<b>Total revenue</b>		<b>74,044,498,377</b>
<b>Expenses</b>		
Employee costs	9	419,570,732
Use of goods and services	10	575,723,528
Transfers to other Government Entities	11	73,027,728,030
Depreciation and amortization expense	16	44,586
<b>Total expenses</b>		<b>74,023,066,876</b>
<b>Other gains</b>		
Disposal of assets	12	2,287,480
<b>Total gains</b>		<b>2,287,480</b>
<b>Net Surplus</b>		<b>23,718,981</b>

The Financial Statements set out on pages 1 to 7 were signed by:



.....  
**Bonface B. Makokha**  
**Accounting Officer**



.....  
**Elijah Gathuthi**  
**Head of Accounting Unit**  
**ICPAK M/No. 7153**

**STATE DEPARTMENT FOR ECONOMIC PLANNING**  
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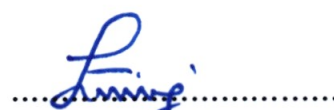
**14. Statement of Financial Position as at 30 June 2025**

	Notes	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	13	15,004,761	86,023,071
Inventories	15	11,172,591	-
<b>Total Current Assets</b>		<b>26,177,352</b>	<b>86,023,071</b>
<b>Non-Current Assets</b>			
Receivables from Non-Exchange Transactions	14	39,470	212,950
Property, Plant and Equipment	16	12,634,703	-
<b>Total Non- Current Assets</b>		<b>12,674,173</b>	<b>212,950</b>
<b>Total Assets (a)</b>		<b>38,851,525</b>	<b>86,236,021</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	17	13,592,270	13,677,437
Refundable Deposits	18	15,004,761	9,941,823
<b>Total Current Liabilities</b>		<b>28,597,031</b>	<b>23,619,260</b>
<b>Non-Current Liabilities</b>			
<b>Total Non- Current Liabilities</b>		-	-
<b>Total Liabilities (b)</b>		<b>28,597,031</b>	<b>23,619,260</b>
<b>Net Assets (a-b)</b>		<b>10,254,494</b>	<b>62,616,761</b>
<b>Represented by:</b>			
Reserves		-	-
Accumulated Surplus/ Deficit		10,254,494	62,616,761
Capital Fund			-
<b>Net Assets</b>		<b>10,254,494</b>	<b>62,616,761</b>

The financial statements set out on pages 1 to 7 were signed by:



.....  
**Bonface B. Makokha**  
**Accounting Officer**



.....  
**Elijah Gathuthi**  
**Head of Accounting Unit**  
**ICPAK M/No. 7153**

**STATE DEPARTMENT FOR ECONOMIC PLANNING**  
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**15. Statement of Changes in Net Assets for the year ended 30 June 2025**

	Accumulated Surplus	Reserves	Capital Fund	Total
<b>Fund balance as at 30<sup>th</sup> June 2024</b>	<b>76,294,199</b>	-	-	<b>76,294,199</b>
<b>Adjustments</b>				
Recognition of Assets- PPE	-	-	-	-
Recognition of Liabilities- Payables	(13,677,437)			(13,677,437)
<b>As at July 1, 2024</b>	<b>62,616,761</b>	-	-	<b>62,616,761</b>
Return to Exchequer	(76,081,248)	-	-	(76,081,248)
Surplus for the year	23,718,981	-	-	23,718,981
Capital funds for the year	-	-	-	-
<b>As at June 30, 2025</b>	<b>10,254,494</b>	-	-	<b>10,254,494</b>

STATE DEPARTMENT FOR ECONOMIC PLANNING  
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16. Statement of Cash Flows for the year ended 30 June 2025

		2024-2025
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from exchequers		73,830,848,737
Transfers from other governments entities		11,556,587
Other Income		207,155,991
<b>Total receipts</b>		<b>74,049,561,315</b>
<b>Payments</b>		
Employee costs		419,397,252
Use of goods and services		586,981,287
Transfers to other Government Entities		73,027,728,030
<b>Total payments</b>		<b>74,034,106,569</b>
<b>Net cash flows from/ (used in) operating activities</b>	20	<b>15,454,746</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE		(12,679,289)
Proceeds from sale of PPE		2,287,480
<b>Net cash flows from/ (used in) investing activities</b>		<b>(10,391,809)</b>
<b>Cash flows from financing activities</b>		
Return to Exchequer		(76,081,248)
<b>Net cash flows from financing Activities</b>		<b>(76,081,248)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>(71,018,310)</b>
Cash and cash equivalents at 1 July 2024	13	86,023,071
<b>Cash and cash equivalents at 30 June 2025</b>	13	<b>15,004,761</b>

STATE DEPARTMENT FOR ECONOMIC PLANNING  
Annual Report and Financial Statements for the year ended June 30, 2025.

17. 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 %
<b>Receipts</b>						
Exchequer releases	66,481,033,355	7,483,427,649	73,964,461,004	73,830,848,737	133,612,267	100%
Proceeds from domestic and foreign grants	60,000,000	(30,000,000)	30,000,000	11,556,587	18,443,413	39%
Proceeds from sale of assets	200,000	2,287,480	2,487,480	2,287,480	200,000	92%
Miscellaneous receipts	240,900,000	-	240,900,000	202,093,053	38,806,947	84%
<b>Total Receipts</b>	<b>66,782,133,355</b>	<b>7,455,715,129</b>	<b>74,237,848,484</b>	<b>74,046,785,887</b>	<b>191,062,627</b>	<b>100%</b>
<b>Payments</b>						
Compensation of employees	460,105,379	(46,878,832)	413,226,547	419,570,732	(6,344,185)	102%
Use of goods and services	218,724,000	215,807,280	434,531,280	436,571,133	(2,039,853)	100%
Transfers to other government entities	66,031,448,976	7,187,141,681	73,218,590,657	73,027,728,030	190,862,627	100%
Acquisition of assets	71,855,000	99,645,000	171,500,000	163,089,442	8,410,558	95%
<b>Total Payments</b>	<b>66,782,133,355</b>	<b>7,455,715,129</b>	<b>74,237,848,484</b>	<b>74,046,959,337</b>	<b>190,889,147</b>	<b>100%</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,480)</b>		

Variance analysis:

- Proceeds from foreign grants at 39% utilization due to non-remittance of some funds by donors.
- 85% on the miscellaneous receipts was due to under collection of AIA by some SAGAs.
- Compensation of employees is at 102% due to budget cut after salary had been paid.

The entity financial statements were approved on 27<sup>th</sup> Nov. 2025 and signed by:



Bonface B. Makokha  
Accounting Officer



Elijah Gathuthi  
Head of Accounting Unit  
ICPAK M/No. 7153

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**Budget Reconciliation to the Statement of Cash Flows**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	<b>(173,480)</b>
1	Cash and cash equivalents at the start of the period	86,023,071
2	Return to exchequer	(76,081,248)
3	Decrease in receivables	173,480
4	Increase in Refundable Deposits	5,062,938
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>15,004,761</b>

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**Budget Execution by Programmes and Sub-Programmes for FY 2024-25**

<b>Programme/Sub-programme</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on comparable basis</b>	<b>Budget utilization difference</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Economic Policy and National Planning</b>	<b>70,128,358,604</b>	-	<b>70,128,358,604</b>	<b>70,122,496,632</b>	<b>5,861,972</b>
Economic Coordination Services	148,109,593	-	148,109,593	193,812,931	(45,703,338)
Community Development	68,415,972,019	-	68,415,972,019	68,415,315,410	656,609
Macro-Economic policy planning and regional integration	550,255,014	-	550,255,014	545,372,307	4,882,707
Policy Research	549,545,102	-	549,545,102	515,535,643	34,009,459
Coordination of Vision 2030	406,910,000	-	406,910,000	398,551,733	8,358,267
Infrastructure, Science, technology and innovation	20,133,522	-	20,133,522	19,885,871	247,651
Other	37,433,354	-	37,433,354	34,022,737	3,410,617
<b>National Statistical Information Services</b>	<b>3,353,772,000</b>	-	<b>3,353,772,000</b>	<b>3,210,074,587</b>	<b>143,697,413</b>
Census and surveys	3,353,772,000	-	3,353,772,000	3,210,074,587	143,697,413
<b>Public Investment Management, Monitoring and Evaluation Services</b>	<b>489,531,875</b>	-	<b>489,531,875</b>	<b>466,249,403</b>	<b>23,282,472</b>
National Integrated Monitoring and Evaluation	450,752,875	-	450,752,875	436,867,043	13,885,832
Project Evaluations	38,779,000	-	38,779,000	29,832,361	9,396,639
<b>General Administration Planning and Support Services</b>	<b>266,186,005</b>	-	<b>266,186,005</b>	<b>247,139,835</b>	<b>19,046,170</b>
Human Resource and Support Services	217,687,303	-	217,687,303	199,233,870	18,453,433
Financial Management Services	35,664,755	-	35,664,755	36,063,093	(398,338)
Information Communication Services	12,833,947	-	12,833,947	11,842,872	991,075
<b>Public Service Transformation</b>	-	-	-	<b>998,880</b>	<b>(998,880)</b>
<b>Total</b>	<b>74,237,848,484</b>	-	<b>74,237,848,484</b>	<b>74,046,959,337</b>	<b>190,889,147</b>

**18. Notes to the Financial Statements**

**1. Establishment**

The State Department for Economic Planning is established by and derives its authority and accountability from Presidential Executive Order No. 2 of 1st November 2023 on Organization of the Government of the Republic of Kenya. The State Department is wholly owned by the Government of Kenya and is domiciled in Kenya. The SDEP's mandate and functions broadly cover issues of National and Sectoral Development Planning. According to the Presidential Executive Order No. 2 of 1<sup>st</sup> November 2023 on Organization of the Government of the Republic of Kenya, the functions of the SDEP are:

- i. National and Sectoral Development Planning;
- ii. National Statistics Management;
- iii. National Census and Housing Surveys;
- iv. Population Policy Management;
- v. Liaison with Economic Commission for Africa;
- vi. Monitoring and Evaluation of Economic Trends; and Coordination of Implementation, Monitoring and Evaluation of Sustainable Development Goals

**2. Statement of Compliance and Basis of Reporting**

**Statement of compliance**

**Statement of compliance**

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS). The department has taken advantage of the transitional provisions under IPSAS 33 and therefore this 1<sup>st</sup> year financial statements are transitional financial statements and Fixed Assets figures acquired in the current financial year have been recognised in the financial statement as the department is progressively analysing all assets taking advantage of the transition provisions outlined in IPSAS 33. The state department has also recognized all the inventories in the current financial year.

For the purpose of these financial statements, the Department has been categorized as a Schedule 1 national government MDA 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 and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by MDAs 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 21<sup>st</sup> August, 2025.

**Notes to the financial statements (Continued)**

**Reporting period**

The reporting period for these financial statements is for the period ended 30<sup>th</sup> 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.

**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.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of department 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. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The department 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 department 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 department policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the department's 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.

Notes to the Financial Statements (Continued)

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 MtCO<sub>2</sub>eq. Department's 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 department 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 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: leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those 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. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The IPSAS standard has no impact to the State Department for Economic Planning.</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>The IPSAS standard has no impact to the State Department for Economic Planning</i>

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Standard	Effective date and impact:
<p>IPSAS 45: Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The IPSAS standard has an impact to the SDEP but the department has taken advantage of the transition period while updating PPE values.</i></p>
<p>IPSAS 46: Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The IPSAS standard has no impact to the State Department for Economic Planning</i></p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>The IPSAS standard will have impact to the SDEP while accounting for Revenue from non-exchange transactions starting 1<sup>st</sup> January 2026.</i></p>
<p>IPSAS 48: Transfer Expenses</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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Standard	Effective date and impact:
	<i>The IPSAS standard has no impact to the State Department for Economic Planning.</i>
IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> 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. <i>The IPSAS standard has no impact to the State Department for Economic Planning.</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li data-bbox="459 674 1418 752">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="459 752 1418 875">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.</li> <li data-bbox="459 875 1418 1077">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.</li> </ul> <i>The IPSAS standard has no impact to the State Department for Economic Planning.</i>

***iii) Early adoption of standards***

The department did not early – adopt any new or amended standards in the financial year.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The State Department 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 and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

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

**b) Budget information**

The original budget for FY 2024/25 was approved by the National Assembly on 25<sup>th</sup> 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 department upon receiving the respective approvals in order to conclude the final budget. Accordingly, the department recorded additional appropriations of Kshs. 7,455,715,129 on the 2024/25 budget following the governing body's approval. The department's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. 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 page 6 of these financial statements.

**c) 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 ECONOMIC PLANNING**  
**Annual Reports and Financial Statements for the year ended June 30, 2025.**

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department 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.

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the department. 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 department 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 department 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.

**e) 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.

**f) Research and development costs**

The department expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the department 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.

Notes to the Financial Statements (Continued)

**g) 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 department does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the department's financial statements. A financial instrument is any contract that gives rise to a financial asset of one State Department and a financial liability or equity instrument of another State Department. At initial recognition, the department 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.

**i) Financial assets**

**Classification of financial assets**

The department 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 department's 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 the State Department 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 department 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.

**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.

Notes to the Financial Statements (Continued)

**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 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.

**ii) Financial liabilities**

**Classification**

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

**h) 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 department.

**i) Contingent liabilities**

The department 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.

**j) Contingent assets**

The department 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 department 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**k) Changes in accounting policies and estimates**

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

**l) Employee benefits**

**Retirement benefit plans**

The department provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the State department pays fixed contributions into a separate 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.

**m) Related parties**

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

**n) Service concession arrangements**

The department 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 department 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 department also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**o) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

**p) Comparative figures**

In preparing these financial statements, the department has elected to apply paragraph 79 of IPSAS 33, which allows for the election by department 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.

**q) 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.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

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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 June 2025
	Kshs	Kshs	Kshs
Recurrent	3,174,369,323	-	3,174,369,323
Development	70,656,479,414	-	70,656,479,414
<b>Total</b>	<b>73,830,848,737</b>	<b>-</b>	<b>73,830,848,737</b>

7. Transfers from Domestic and Foreign Partners

Description	2024-2025
	Kshs
Grants in Cash from Multilateral Donors-Statistics Sweden	11,556,587
<b>Total</b>	<b>11,556,587</b>

*Details on Transfers from domestic and foreign partners*

Name Of the Multilateral Donor Sending the Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers 2024-2025
	Kshs	Kshs	Kshs
Statistics Sweden	11,556,587	-	11,556,587
<b>Total</b>	<b>11,556,587</b>	<b>-</b>	<b>11,556,587</b>

8. Other Income

Description	2024-2025
	Kshs
Receipts from Administrative fees and charges - KNBS	71,000,000
Receipts from Administrative fees and charges - KIPPRA	130,990,541
Receipts from Administrative fees and charges - NEPAD	102,512
<b>Total other income</b>	<b>202,093,053</b>

**Note:** The above other income was generated by State Department's SAGAs as AIA and none was directly generated by the SDEP. This other income data was captured in IFMIS to the extent the IFMIS allowed and thus any excess AIA is to be remitted to National Treasury. KNBS generated kshs. 139,809,105 where the state department captured kshs.71,000,000 whereas the excess of kshs.68,809,105 will be remitted to the National Treasury (PFM Regulation 84). KIPPRA and NEPAD did not generate any excess AIA. Thus, the actual AIA generated by under the state department for economic planning is shown as follows:

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<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Receipts from Administrative fees and charges - KNBS	139,809,105
Receipts from Administrative fees and charges - KIPPRA	130,990,541
Receipts from Administrative fees and charges - NEPAD	102,512
<b>Total other income</b>	<b>270,902,158</b>

**9. Employee Costs**

<b>Description</b>	<b>2024-2025</b>
	<b>Kshs</b>
Basic salaries of permanent employees	278,831,400
Personal allowances – part of salary	140,739,332
<b>Employee costs</b>	<b>419,570,732</b>

Note: The employee costs taken to Cashflow Statement is less by (Kshs.173,480) decrease in salary advance during the reporting period.

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**10. Use of Goods and Services**

<b>Description</b>	<b>Period ended June 2025</b>
	<b>Kshs</b>
Utilities, supplies and services	561,307
Communication, supplies and services	3,225,795
Domestic travel and subsistence	26,628,844
Foreign travel and subsistence	8,716,693
Printing, advertising, and information supplies & services	1,427,836
Rentals of produced assets	44,797,276
Training expenses	304,551,217
Hospitality supplies and services	13,178,207
Specialized materials and services	1,712,013
Office and general supplies and services	3,833,349
Fuel Oil and Lubricants	9,525,525
Routine maintenance – vehicles and other transport equipment	4,725,090
Routine maintenance – other assets	1,407,169
Other operating expenses	3,063,103
Research, Feasibility Studies	148,370,104
<b>Total Use of Goods and Services</b>	<b>575,723,528</b>

Note: Expense items charged under acquisition of assets were added to the use of goods figure while the balance of Kshs. 12,679,289 relating to fixed assets were capitalised.

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**11. Transfers to Other Government Entities**

Description	2024-2025
	Kshs
Transfers to NGCDF	68,382,917,681
Transfers to KIPPRA plus AIA	515,535,643
Transfers to NEPAD plus AIA	354,502,512
Transfers to KNBS plus AIA and Grants	3,210,074,587
Transfers to VISION 2030	166,145,874
Transfers to NCPD	398,551,733
<b>Total</b>	<b>73,027,728,030</b>

**12. Proceeds from Disposal of Assets**

Description	2024-2025
	Kshs
Motor Vehicles	2,220,000
ICT Equipment	57,610
Furniture, Fittings & Equipment	9,870
<b>Total Proceeds from disposal</b>	<b>2,287,480</b>

**13. Cash and Cash Equivalents**

Description	2024-2025	Opening statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Recurrent Account	-	96,345
Development Account	-	75,984,903
Deposits Account	15,004,761	9,941,823
<b>Total</b>	<b>15,004,761</b>	<b>86,023,071</b>

**13 (a) Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2024-25	Opening statement 1 <sup>st</sup> July 2024
		Kshs	Kshs
Recurrent Account		-	96,345
<i>CBK001</i>	1000384301		
Development Accounts		-	75,984,903
<i>CBK002</i>	1000384317		
Deposits Accounts		15,004,761	9,941,823
<i>CBK003</i>	1000384328		
<b>Sub- Total</b>		<b>15,004,761</b>	<b>9,941,823</b>
<b>Grand Total</b>		<b>15,004,761</b>	<b>86,023,071</b>

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14. Receivables from Non-Exchange Transactions

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Other debtors (salary advance)	39,470		212,950	
Less: impairment allowance	-		-	
<b>Total receivables from non- exchange transactions</b>	<b>39,470</b>		<b>212,950</b>	
Ageing Analysis- Receivables from non- exchange transactions	2024- 2025	% of the total	Opening Statement 1 <sup>st</sup> July 2024	% of the total
Less than 1 year	39,470	100	212,950	100
Between 1-2 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>39,470</b>		<b>212,950</b>	

14 (a) Ageing analysis for Receivables

Description	2024-2025		Opening statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% of the total	1 <sup>st</sup> July	% of the total
Less than 1 year	39,470	100	212,950	100
Between 1- 2 years	-	-	-	-
Between 2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>39,470</b>	<b>100</b>	<b>212,950</b>	<b>100</b>

15. Inventories

Description	2024-2025	Opening Statement 1 <sup>st</sup> July 2024
	Kshs	Kshs
Consumable stores	11,172,591	-
Goods held for distribution	-	-
Spare parts and meters	-	-
Less: allowance for impairment	-	-
<b>Total</b>	<b>11,172,591</b>	<b>-</b>

Details of Inventories

Description	Period ended June, 2025
Consumable stores:	Kshs
Stationery, tonners & ICT materials	9,312,515
Education and library materials	208,800
Mineral water	459,276
Publishing and printing materials	1,192,000
<b>Total</b>	<b>11,172,591</b>

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Notes to the Financial Statements (Continued)

16. Property, Plant, and Equipment

	Buildings	Motor vehicles	Furniture and fittings	Computers & ICT Equipment	Total
<b>Depreciation Rate</b>	<b>2%</b>	<b>12.5%</b>	<b>12.5%</b>	<b>30%</b>	
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>					
Additions	12,356,900	-	297,889	24,500	12,679,289
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	<b>12,356,900</b>	<b>-</b>	<b>297,889</b>	<b>24,500</b>	<b>12,679,289</b>
<b>Depreciation And Impairment</b>					
Depreciation	-	-	37,236	7,350	44,586
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	<b>-</b>	<b>-</b>	<b>37,236</b>	<b>7,350</b>	<b>44,586</b>
<b>Net Book Values</b>					
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As At June, 2025</b>	<b>12,356,900</b>	<b>-</b>	<b>260,653</b>	<b>17,150</b>	<b>12,634,703</b>

Note:

Depreciation on Buildings @2% is not considered due to the ownership over the right of use by SDEP.

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**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 department would pay for the remaining service potential of an asset at the measurement date.

**17. Trade and Other Payables**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	13,592,270		13,677,437	
Payments received in advance	-		-	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
<b>Total trade and other payables</b>	<b>13,592,270</b>		<b>13,677,437</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>2024-2025</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July</b>	<b>% of the Total</b>
Under one year	13,592,270	100	13,677,437	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>13,592,270</b>		<b>13,677,437</b>	

**18. Refundable Deposits and Prepayments**

Description	2024-2025		Opening Statement 1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Customer deposits	7,168,143		1,950,205	
Prepayments	-		-	
Other deposits	7,836,617		7,991,618	
<b>Total deposits</b>	<b>15,004,760</b>		<b>9,941,823</b>	
<b>Ageing analysis: (Refundable deposits)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>1<sup>st</sup> July</b>	<b>% of the Total</b>
Under one year	5,217,938	34	155,000	2
1-2 years	-	-	47,000	1
2-3 years	47,000	1	60,000	1
Over 3 years	9,739,823	65	9,679,823	96
<b>Total</b>	<b>15,004,761</b>		<b>9,941,883</b>	

**STATE DEPARTMENT FOR ECONOMIC PLANNING**  
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**Notes to the Financial Statements (Continued)**

**19. Employee Benefit Obligations**

The department contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The department's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Other than NSSF the department also has a defined contribution scheme operated by Public Service Superannuation Fund. Employees contribute 7.5% while employers contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

**20. Cash Generated from Operations**

	2024-2025
	Kshs
<b>Surplus for the year before tax</b>	<b>23,718,991</b>
<b>Adjusted for:</b>	
Depreciation	44,586
Non-cash grants received	-
Contributed assets	(2,287,480)
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
<b>Working capital adjustments</b>	
Increase in inventory	(11,172,591)
Decrease in receivables	173,480
Acquisition of Assets	-
Decrease in payables	(85,167)
Increase in payments received in advance	5,062,938
<b>Net cash flow from operating activities</b>	<b>15,454,746</b>

**21. Financial Risk Management**

The department's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The departments 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.

**Notes to the Financial Statements (Continued)**

The department's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The department 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. 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 department's management based on prior experience and their assessment of the current economic environment.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Accounting Officer, who have built an appropriate liquidity risk management framework for the management of the department's short, medium and long-term funding and liquidity management requirements. The department manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

**iii) Market risk**

The department has put in place an internal audit function to assist it in assessing the risk faced by the department 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 department's 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 department's 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 department's exposure to market risks or the manner in which it manages and measures the risk.

**STATE DEPARTMENT FOR ECONOMIC PLANNING**  
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**Notes to the Financial Statements (Continued)**

**22. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the State Department 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 Department, holding 100% of the Department's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Department, both domestic and external.

**Other related parties include:**

- i) The National Treasury and Economic Planning
- ii) County Governments
- iii) Other MDAs
- iv) SAGAs & SCs
- v) Key management.

**23. Events after the Reporting Period**

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

**24. Ultimate And Holding Ministry**

The department ultimate parent is the National Treasury.

**25. Currency**

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

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**19. 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.

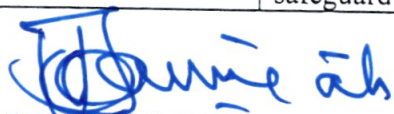
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p><b>Para. 217:</b> Inaccuracies in Additions of the Fixed Assets</p>	<p>Annex 2 of the financial statements reflects summary of fixed asset register amount of Kshs.1,490,942,390 which includes additions of fixed assets amount of Kshs.485,694,015. However, the statement of receipts and payments and Note 8 to the financial statements reflect an amount of Kshs.475,903,403 resulting in an unexplained variance of Kshs.9,790,612. Further, the additions of non-current assets of Kshs.475,903,403 were not included in the assets register. In the circumstances, the accuracy and completeness of the summary of fixed asset register could not be confirmed.</p>	<p>The variance of Kshs. 9,790,612 was explained to the auditor in FY 2024-25. The variance was as a result of expenditure of budgetary items relating to acquisition of assets and use of goods reported under summary of fixed; whereas the statement of receipts and payments amount captured relates to acquisition of assets only. An analysis of all fixed assets has been developed and submitted to auditors for verification.</p>	<p>Resolved</p>	<p>30<sup>th</sup> June 2025</p>
<p><b>Para 218:</b> Unsupported Training Expenses</p>	<p>The statement of receipts and payments reflects use of goods and services amount of Kshs.425,501,357 which includes training expenses amount of Kshs.195,245,580 as disclosed in Note 5 to the financial statements. The training expenses increased by Kshs.185,474,846 from Kshs.9,770,734 reported in the previous year. However, the</p>	<p>The State Department for Economic Planning conducted a Training Needs Assessment (TNA) in the FY 2023-24 that will last for 3 years. The TNA report was submitted to auditors for verification.</p>	<p>Resolved</p>	<p>30th June 2025</p>

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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)
	high increase in expenditure was not supported by training needs assessment and programmes. In the circumstances, the accuracy and occurrence of the training expenses amount of Kshs.195,245,580 could not be confirmed.			
<b>Emphasis of Matter</b>				
<b>Para. 219:</b> Pending Accounts Payables	Note 17.2 to the financial statements reflects pending accounts payable of Kshs.13,677,437 relating to supply of goods and services which were not settled during the year but instead carried forward to 2024/2025 financial year. Management did not explain why the bills were not settled during the year they occurred. Failure to settle bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.	The pending accounts payable Kshs. 13,677,437 have been verified and paid in full. The documents used for payments have been availed to the auditors for verification.	Resolved	30th June 2025
<b>Para.220:</b> Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs. 64,104,350,325 and Kshs. 50,146,737,431 respectively, resulting in under-funding of Kshs.13,957,612,894 or 22% of the budget.	The underfunding of Kshs. 13.5B were subsequently budgeted for and disbursed in the FY 2024-25. The planned activities were subsequently undertaken in the FY 2024-25 and	Resolved	30th June 2025

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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)
	In the circumstances, the underfunding affected the planned activities and may have impacted negatively on service delivery to the public. My opinion is not modified in respect of these matters.	service delivery to the public undertaken.		
Para 222: Un-Updated Fixed Assets Register	Annex 2 of the financial statements reflects summary of fixed asset register amount of Kshs.1,490,942,390. Review of the fixed assets register provided revealed that it was not updated as most of the assets did not have values. Therefore, the amount of Kshs.1,490,942,390 disclosed as total value of assets does not reflect the true and fair view and the status of the assets as at 30 June, 2024. In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed.	The State Department for Economic Planning is in the process of resolving the fixed asset register issue as the accrual basis of accounting. The process of valuation and tagging will be completed in 2 years and the Asset Register fully updated by FY 2026-27.	Not resolved	30th June 2027



Accounting Officer

Date: 27<sup>th</sup> November, 2025.

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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
Buildings and structures	68,138,444	12,356,900	-	-	80,495,344
Transport equipment	43,871,956	-	-	-	43,871,956
Office equipment, furniture and fittings	70,661,438	297,889	-	-	70,959,327
ICT Equipment	13,826,958	24,500	-	-	13,851,458
<b>Total</b>	<b>196,498,796</b>	<b>12,679,289</b>	<b>-</b>	<b>-</b>	<b>209,178,085</b>

Appendix III: Third party Deposits and Retentions

RETENTION				
S/no	Date	Payee	MR. No.	Balance Kshs)
1	30.05.2014	M/S NAMORTUNGA	C 126233	1,849,651.50
2	28.06.2014	M/S CRONION ENTERPRISES	C 5579733	250,446.85
3	16.06.2014	M/S INTERFUSION	C 3768101	817,095.20
4	30.06.2015	M/S BRISMA AFRICA	C 4911747	17,234.45
5	29.05.2014	M/S JAWIWAX CONSTRUCTION	C 4911858	67,612.10
6	28.06.2015	M/S KAMURI BUILDING CONTRACTOR	C 4911735	318,591.60
7	30.06.2015	M/S JUTIKA GENERAL AGENCIES	C 4911741	53,391.35
8	30.06.2015	M/S NJIWA TECHNOLOGIES	C 4911748	101,860.00
9	30.05.2014	M/S HANAMAL	NIL	2,599,801.10
10	10.12.2015	M/S SAKIDOM LTD	C 0329809	234,426.70
11	30.06.2015	M/S OPET ENTERPRISES	C 4911929	8,442.90
12	20.06.2014	M/S KABIRA VENTURES	NIL	1,067,578.25
13	30.06.2014	M/S CHEPTUIYA GENERAL CONTRACTORS	C 4911933	77,891.20
14	30.06.2014	M/S CRYSTAL TRADING	C 4911935	101,631.00
15	21.12.2015	M/S PENDEZA BUILDING CONTRACTORS	C 5979707	150,848.60
16	21.12.2015	M/S KONGORO ENTERPRISES	C 329824	73,113.30

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17	01.09.2021	GEMISCO MANAGEMENT	C 4464667	47,000.90
		<b>Sub-total</b>		<b>7,836,617</b>
<b>GENERAL DEPOSITS</b>				
1	05.02.2019	KCB- TREE PLANTING	C5579767	500,000.00
2	20.06.2019	UNAPPLIED PAYMENT	C 5579770	20,005.00
3	8.07.2019	JEREMIAH OUMA	C 5579772	19,000.00
4	8.07.2019	GEORGE MADARA	C 5579778	5,000.00
5	8.07.2019	TWENTY-ONE TWELVE LTD	C 5579780	1,000.00
6	8.07.2019	LILIAN OMUNYA	C 5579781	600.00
7	02.12.2019	NG-CDF- TREE PLANTING	C 5579787	621,170.00
8	01.07.2020	GAKERA KIRIRA	C5579792	11,000.00
9	01.07.2020	COTNA LOGISTICS	C 5579793	11,000.00
10	01.07.2020	BELROTA HOLDINGS	C 5579795	8,000.00
11	01.07.2020	CATHERINE MUTHONI KAMAU	C 5579796	8,000.00
12	11.09.2020	CONTOUR CONSULTING LTD	C 4464751	15,000.00
13	15.09.2020	CATHERINE MUTHONI KAMAU	C 4464752	119,000.00
14	18.09.2020	GAKERA KIRIRA	C 4464754	324,000.00
15	24.09.2020	PETER WAIHURU	C 4464755	11,000.00
16	28.12.2020	BUNEEL WASHIKE	C 4464757	194,430.00
17	10.05.2021	JOHNSON NGACHA	C 4464651	20,000.00
18	12.05.2021	ELISHA ONEGE	C 4464656	2,000.00
19	18.03.2022	ANDREW WAINAINA WANYUTU	C 4464952	24,000.00
20	18.03.2022	ANDREW WAINAINA WANYUTU	C 4464953	20,000.00
21	18.03.2022	KENETH BENARD OKINA	C 4464954	16,000.00
22	15.08.2024	OMAR PAPA	C4465077	10,000.00
23	15.08.2024	NIXON THUKU NJAU	C4465073	1,500.00
24	27.08.2024	NBK REMITTANCE	C4465093	1,000.00
25	27.08.2024	NBK REMITTANCE	C4465094	5,038,850.35
26	30.06.2025	D.O.M COMBONI	C4465096	166,577.60
		<b>Sub-total</b>		<b>7,168,132.95</b>
		<b>Grand total</b>		<b>15,004,759.95</b>

STATE DEPARTMENT FOR ECONOMIC PLANNING  
Annual Reports and Financial Statements for the year ended June 30, 2025.

Appendix IV: Analysis of Pending Accounts Payable

Supplier of Goods or Services	Date invoiced		Particulars	Original Amount	Comments
<b>Supply of goods</b>					
1. MFI Document solution ltd	08.11.2024	KEGEA-IN-6217824	Supply and Delivery of Toners.	640,240.00	Budget-Cut
<b>Sub-Total</b>				<b>640,240.00</b>	
<b>Supply of services</b>					
2. KICC	01.04.2025	PSINV2501	Parking Services	4,176,000.00	Budget-Cut
3. Government Advertising Agency	29.04.2025	3776	Newspaper Advert.	292,106.25	Budget-Cut
4. Longrock Tours and Travel ltd	07.04.2025	TIN25040095	Air ticket	173,800.00	Budget-Cut
5. Netasam Enterprise Ltd		Various	Catering services	479,240.00	Budget-Cut
6. African Touch Safaris Limited	11.03.2025	TIN012503037	Air ticket	486,135.00	Budget-Cut
7. African Touch Safaris Limited	04.11.2024	TIN0124110016	Air ticket	1,777,915.00	Budget-Cut
8. CFAO	12.08.2024	91999583	Motor vehicle service	29,160.00	Budget-Cut
9. Urysia ltd	26.06.2025	PSI-39166	Motor vehicle service	512,485.00	Budget-Cut
10. CFAO	26.06.2025	70505013	Motor vehicle service	1,589,947.00	Budget-Cut
11. Urysia ltd	21.01.2025	PSI-38731	Mator vehicle service	49,634.46	Budget-Cut
12. Lake Naivasha Resort Limited	20.06.2025	13918	Conference facilities	1,822,500.00	Budget-Cut
13. Lake Naivasha Resort Limited	14.03.2025	13089	Conference facilities	477,000.00	Budget-Cut
14. Crown Motors Group ltd	21.03.2025		Major repairs	51,988.00	Budget-Cut
15. Turkenya Tours and Safaris	25.02.2025	INV-15586	Air ticket	53,200.00	Budget-Cut
16. Sparkling Clean Services Limited	03.04.2025	394	Fumigation Services	743,641.00	Budget-Cut
17. Nadiyah Investments Limited	01.03.2025	13	Cleaning Services	237,278.00	Budget-Cut
<b>Sub-Total</b>				<b>12,952,029.71</b>	
<b>Grand Total</b>				<b>13,592,269.71</b>	