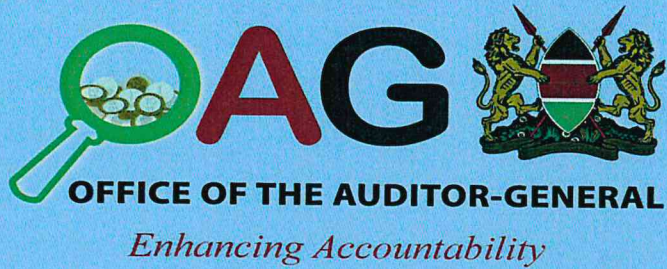


REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 APR 2022	DAY: <u>TUES</u>
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REPORT

OF

THE AUDITOR-GENERAL

ON

MINISTRY OF FOREIGN AFFAIRS

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



Telephone: +254 20 318888
Fax: +254 20 2240066/34195/344333
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Website: www.mfa.go.ke
When replying please quote Ref. No. and date



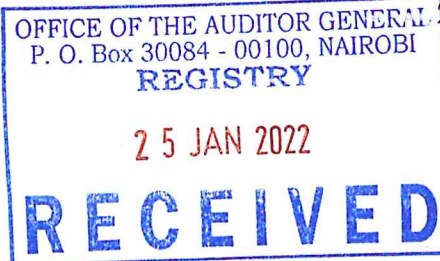
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P.O. Box 30551 - 00100
NAIROBI, KENYA

MINISTRY OF FOREIGN AFFAIRS

MFA/FIN.2/4 Vol.IX

Ref. No.....

Office of the Auditor-General
Anniversary Towers
P. O. Box 30084-00100
NAIROBI



20th January, 2022

**RE: FINAL REVISED REPORTS AND FINANCIAL STATEMENTS FOR THE
PERIOD ENDING 30TH JUNE 2021**

Forwarded herewith please find the above Revised Financial Statements from this Ministry.

Amb. Macharia Kamau, CBS
PRINCIPAL SECRETARY

Encls.

Copy to: Dr. Julius Muia, CBS
Principal Secretary
The National Treasury
NAIROBI

Telephone: +254 20 318888
Fax: +254 20 2240066/34195/344333
Email: communication@mfa.go.ke
Website: www.mfa.go.ke
When replying please quote Ref. No. and date



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NAIROBI

20th January, 2022

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

25 JAN 2022

RECEIVED

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Amb. Macharia Kamau, CBS
PRINCIPAL SECRETARY

Encls.

Copy to: Dr. Julius Muia, CBS
Principal Secretary
The National Treasury
NAIROBI



MINISTRY OF FOREIGN AFFAIRS

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

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1. KEY MINISTRY OF FOREIGN AFFAIRS INFORMATION AND MANAGEMENT

(a) Background Information.

The Ministry of Foreign Affairs was formed in May, 2016 vide Executive order No.1/2016. At cabinet level, the Ministry of Foreign Affairs is represented by the Cabinet Secretary, who is responsible for the general policy and strategic direction of the Ministry of Foreign Affairs.

The mandate of the Ministry of Foreign Affairs is to pursue Kenya's Foreign policy in accordance with the Constitution of Kenya, with overarching objectives of protecting and promoting the nation's interest abroad.

Vision

A peaceful, prosperous and globally competitive Kenya.

Mission

To project, promote and protect Kenya's interests and image globally through innovative diplomacy, and contribute towards a just, peaceful and equitable world.

Core Values

Customer focus: We shall treat our customers with courtesy, respect and promptness.

Patriotism: Our staff shall exercise loyalty and uphold allegiance to the Republic of Kenya at all times.

Team spirit: We shall promote teamwork to enhance service delivery. The Ministry will further inculcate a sense of shared and collective responsibility for the execution of the Ministry's mandate.

Professionalism: Our members of staff shall exercise high level of professional competence and confidentiality in all their work.

Ethics and Integrity: We will embrace transparency and accountability in all operations of the Ministry.

Equity and fairness: We shall promote justice, impartiality and diversity in all our dealings

MINISTRY OF FOREIGN AFFAIRS
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(b) Key Management

The Ministry of Foreign Affairs day-to-day management is under the following key organs:

- Principal Secretary;
- Political and Diplomatic Secretary;
- Secretary, Administration;
- Directors and;
- Heads of Departments

(c) Fiduciary Management

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

NO	DESIGNATION	NAME
1.	Cabinet Secretary	Amb. Raychelle Omamo, SC, EGH
2.	Chief Administrative Secretary	Hon. Ababu P. Namwamba, EGH
3.	Principal Secretary	Amb. Macharia Kamau, CBS
4.	Director General -Bilateral and Political Affairs	Amb. Galma Boru
5.	Director General-Multilateral &International Affairs	Amb.Salim Salim Mohamed
6.	Director General -International Conferences, Media Events and Communications	Amb.Isaiah Kabira
7.	Director General Management	Mr. Chimwaga Mongo
8.	Director, Human Resource Management & Development	Mr. John Gitu
9.	Director, Supply Chain Management	Mr. Kenneth Njoroge Mwangi
10.	Director, Central Planning & Project Monitoring	Mr. Macharia Ndugire
11.	Ag.Chief Of Protocol	Ms.Betty Cherwon

MINISTRY OF FOREIGN AFFAIRS

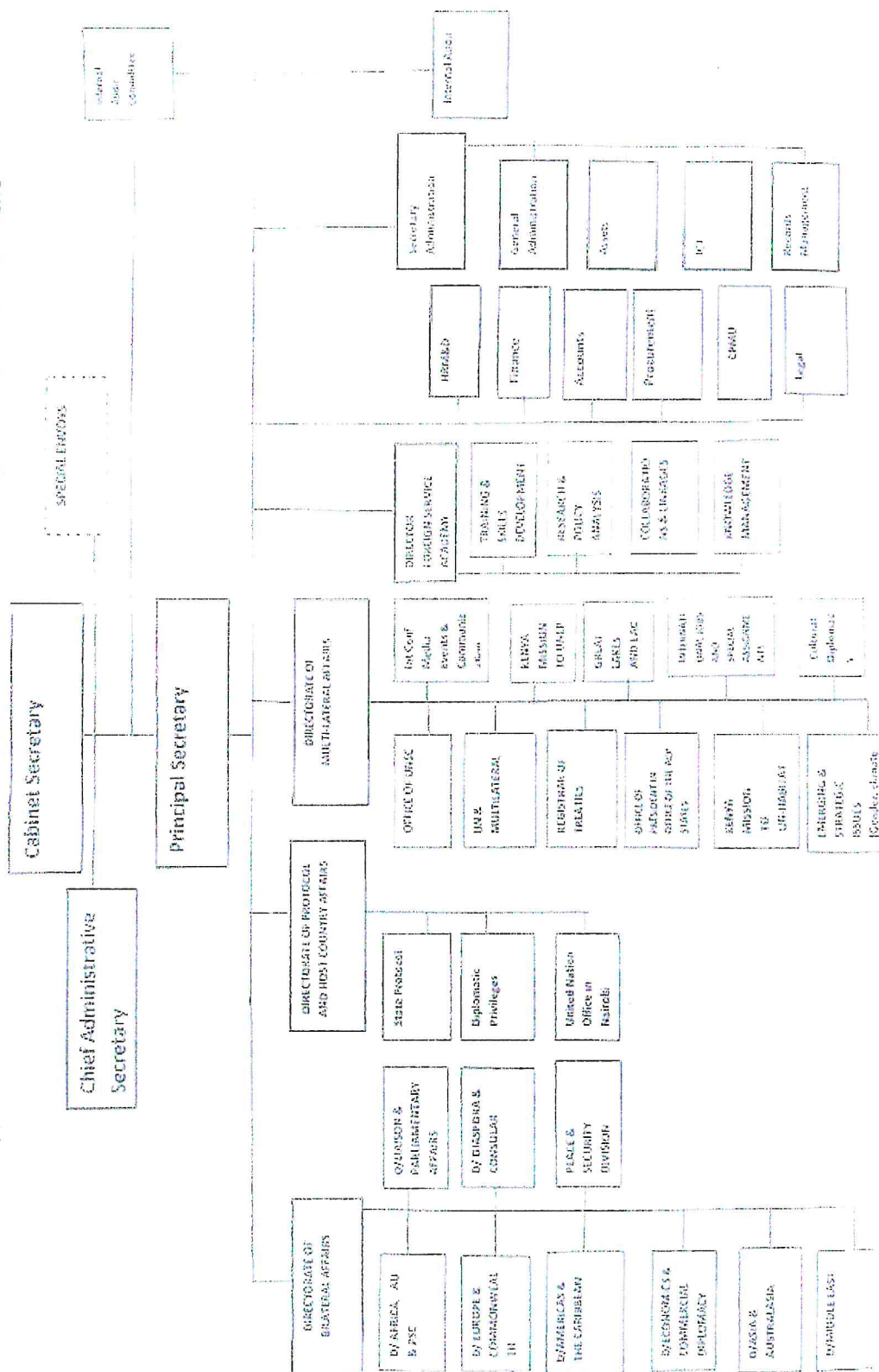
Reports and Financial Statements

For the year ended June 30, 2021.

12.	Head, Global Asset Management	Amb.Dr. Margaret Gachuru
13.	Head, Finance	Mr. James Aboka Aloyo
14.	Head, Accounts	Mr. Vincent L. Kirwa
15.	Head of Internal Audit	Ms. Serah Lutta

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Appendix I: APPROVED ORGANIZATIONAL STRUCTURE FOR THE MINISTRY OF FOREIGN AFFAIRS



MINISTRY OF FOREIGN AFFAIRS
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TOP MANAGEMENT MINISTRY OF FOREIGN AFFAIRS



**AMBASSADOR RAYCHELLE OMAMO SC, EGH
CABINET SECRETARY, MINISTRY OF FOREIGN
AFFAIRS**

Ambassador Raychelle Awuor Omamo SC, EGH was appointed Cabinet Secretary, Ministry of Foreign Affairs of the Republic of Kenya on 14th January 2020. Prior to her appointment she served as Cabinet Secretary of Defence and Chairperson of the Defence

Council between April, 2013 and January, 2020. In 2015, she also served as the Acting Cabinet Secretary of Labour and Social Protection.

An astute diplomat, Ambassador Omamo represented Kenya as her Ambassador to France with accreditation to Spain, Portugal, the Holy See and Serbia and as Permanent Representative to UNESCO during the period 2003 and 2009.

Ambassador Omamo is a lawyer by profession having received her training at the University of Kent at Canterbury in the United Kingdom and at the Kenya School of Law. She is a Senior Counsel and as a practitioner she served as Chairperson of the Law Society of Kenya and the Vice President of the East Africa Law Society. She was also the recipient of the ICJ (K) Jurist of Year award in 2002.

Ambassador Omamo has served on a number of Kenya Government taskforces and commissions related to the advancement of the rule of law such as the Task Force on Landlord and Tenant Law; the Task Force on the Establishment of the Truth and Reconciliation Commission; and as Counsel to the Commission of Inquiry into the Illegal/Irregular Allocation of Public Land (The Ndung'u Commission).

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TOP MANAGEMENT MINISTRY OF FOREIGN AFFAIRS-(continued)



**HON. ABABU NAMWAMBA, EGH CHIEF
ADMINISTRATIVE SECRETARY, MINISTRY OF
FOREIGN AFFAIRS**

Hon. Ababu Namwamba, EGH, has served as the Chief Administrative Secretary (CAS), Ministry of Foreign Affairs since January 2018. He holds a Master of Laws (LLM) Degree from American University, Washington College of Law, Washington D.C. He also has a Diploma in Legal Practice, Kenya School of Law, and a Bachelor of Laws (LLB) Degree from the University of Nairobi. He previously served as a Member of Parliament (MP) for Budalangi Constituency in the 10th and 11th Parliament. During the two terms in Parliament, he chaired the Justice and Legal Affairs Committee, the Public Accounts Committee (PAC) and served as the vice chair of the Parliamentary Select Committee on Constitutional Review. Hon. Namwamba also served as Minister for Sports and Youth Affairs of the Republic of Kenya

MINISTRY OF FOREIGN AFFAIRS
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TOP MANAGEMENT MINISTRY OF FOREIGN AFFAIRS-(continued)



**AMB. MACHARIA KAMAU, PRINCIPAL
SECRETARY, MINISTRY OF FOREIGN
AFFAIRS OF THE REPUBLIC OF KENYA**

Amb. Macharia Kamau, CBS, was appointed as the Principal Secretary in the Ministry of Foreign Affairs in February 2018. He is a career diplomat with rich experience. Before the appointment, he had served as Kenya's Permanent Representative to the United Nations in New York since 2010.

As Kenya's Permanent Representative to the United Nations, Amb. Kamau was instrumental in developing the Sustainable Development Goals and the 2030 Agenda for Sustainable Development as Co-Chair and Co-Facilitator respectively. He also served as Chair of the Peace Building Commission, President of the UNICEF Board, President of the Conference of State Parties to the Convention on the Rights of Persons with Disabilities and President of the United Nations Forest Forum, among other responsibilities.

Prior to that, he served as Kenya's Permanent Representative to Kenya Mission to the United Nations Office in Nairobi, the United Nations Environment Programme and United Nations HABITAT. Ambassador Kamau has a cross section of expertise and skills built in excess of 36 Years in areas dealing with Political, Development and Policy Work, Strategic Planning, Negotiation and UN Reform.

He has served at middle and senior levels across a number of the UN agencies including UNDP, UNICEF, GF and UN Transition Assistance Group, all undertaken across several regions in Africa, Europe, Latin America and the Caribbean as well as North America.

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He served for 16 Years in Senior Country Leadership and Management at UNDP and UNICEF; 7 Years as the United Nations Resident Coordinator and UNDP Representative (Botswana and Rwanda);



6 Years as the United Nations Children Fund Representative (Eastern Caribbean and South Africa); 3 Years as the Chief, UN and External Relations, Office of Executive Director, UNICEF HQ, New York among others.

He has also demonstrated exemplary leadership in global negotiations and has been credited with the super consensus building during his co-chairing and co-facilitator of the negotiations that concluded the Sustainable Development Goals as well as co-chairing the Ad Hoc Group on Forest Financing. He also chaired the UN Peace building Commission and served as a member of the Senior Advisory Group to the UN Secretary-General on UN Troop Contributing Countries. Amb. Kamau also served as Special Envoy of the President of the General Assembly on Climate Change and UN Secretary General on El Niño and Climate.

Amb. Macharia Kamau was also an International Consultant to the Bill and Melinda Gates Foundation and the United Nations AIDS. He is the recipient of several awards and medals including the Elizabeth Haub Award, Gold Medal, for Environmental Diplomacy in 2014, and Moran of the Burning Spear by the President of the Republic of Kenya in 2012.

He holds an undergraduate degree in History and Economics from College of Wooster and Masters Degree in Social Policy and Planning from Harvard University.

Amb. Macharia Kamau has authored several articles and is the co-author a book titled: Transforming Multilateral Diplomacy: the inside story of the Sustainable Development Goals.

MINISTRY OF FOREIGN AFFAIRS
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(d) Fiduciary Oversight Arrangements

The key fiduciary oversight arrangements for the Ministry of Foreign Affairs are the following:

- Defence and Foreign relations committee
- Audit and finance committee activities
- Parliamentary committee activities
- Development partner oversight
- Other oversight activities

(e) Ministry of Foreign Affairs Headquarters

P Old Treasury Building
Harambee Avenue
Nairobi, KENYA

(f) Ministry of Foreign Affairs Bankers

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

(g) Independent Auditors

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

MINISTRY OF FOREIGN AFFAIRS
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NAIROBI, KENYA

(h) Principal Legal Adviser

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

MINISTRY OF FOREIGN AFFAIRS
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2. FORWARD BY THE CABINET SECRETARY

It is my great honour and privilege to present the Ministry's report and financial statements for the Financial Year ending 30th June 2021. In this particular year, the Ministry was allocated a total budget of Ksh. 17.332 billion out of which Ksh16.203 billion was recurrent vote and Ksh. 1.129billion development vote.

With reference to absorption of the allocated funds, the Ministry was able to utilize Ksh 15.936 billion for both recurrent and development votes translating to an overall absorption rate of 92% as demonstrated in the table below;

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	8,322,339,995	8,043,766,604	278,573,391
Use of goods and services	6,813,911,875	6,058,055,005	755,856,870
Transfers to Other Government Units	144,707,240	142,862,928	1,844,312
Other grants and transfers	770,625,547	616,042,042	154,583,505
Social Security Benefits	10,437,083	11,126,115	(689,032)
Acquisition of Assets	1,270,283,581	1,064,835,738	205,447,843
Total Payments	17,332,305,321	15,936,688,431	1,395,616,890

The absorption rate was relatively steady due to effective coping mechanisms that the Ministry employed to counter the COVID-19 pandemic constraints faced during implementation of the planned activities. However, non-release of exchequer by the National Treasury continued to affect the absorption rate, leading the Ministry to accrue pending bills of at least Ksh. **240,949,540.00** at the close of the Financial Year under review.

The financial report and statements provide an opportunity to elaborate how the funds allocated to the Ministry in a particular Financial Year were appropriated towards delivery of Foreign Policy goals and strategic objectives as outlined in the Strategic Plan 2018/19-2022/23. It is with great satisfaction I note that in the 2020/21 Financial Year, the Ministry continued to execute its core mandate of projecting, promoting, & protecting Kenya's national interests across the world

MINISTRY OF FOREIGN AFFAIRS
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as specified in the Executive Order No. of May 2020 and subsequently recorded an excellent performance.

The highlights of the key achievements are as indicated below:

1. Peace Diplomacy

Global and regional peace, security and stability remains a central tenet of Kenya's Foreign Policy as it underscores the critical correlation between peace & security and development. As such, Kenya has maintained her role as an anchor state and guarantor of regional peace and security especially with regard prevention and resolution of conflicts, peace negotiations, peace-building, peace keeping, humanitarian response as well as post-conflict reconstruction. During the period under review, the Ministry effectively coordinated and advanced Kenya's peace and security agenda within regional and international mechanisms such as the East African Community (EAC), Common market for Eastern and Southern Africa (COMESA), International Conference on the Great Lake Region (ICGLR), Inter-Governmental Authority on Development (IGAD), African Union (AU) and the United Nations Organization (UN).

2. High Level Diplomacy

Diplomatic engagement at the highest level remains instrumental in nurturing close ties with countries with significant global influence and fostering engagements that support the Kenyan economy especially on the Big Four Agenda, social development, global & regional peace, security and stability. In an endeavour to consolidate Kenya's relevance internationally and grow the value of engagements at bilateral, regional and multilateral levels, the Ministry successfully coordinated 17 outbound and 17 inbound state and official visits during Financial Year.

3. Conference Diplomacy and Promotion of Nairobi as a multilateral diplomatic & economic hub

It is noteworthy that conference diplomacy has today become a major tool in addressing global problems, identifying innovative solutions and engaging in unconventional strategies aimed at

achieving sustainable development. In this regard, the Ministry continued to successfully promote the presence of United Nations Office in Nairobi (UNON) as the ideal location for UN agencies and other regional organizations, as well as their Service Centre by lobbying for the modernization of the UNON complex.

4. Environmental Diplomacy & Climate Change

Climate variability and change continues to pose serious challenges to Africa's socio-economic development. As such, Kenya was not left behind in the debate on climate change as a way of supporting the global environmental agenda. During the period under review, the Ministry successfully represented Kenya in the various international forums/events working to mitigate the negative effects of global climate change and environmental degradation. To support Kenya's commitment to environmental security and sustainability, the Ministry in organized a tree planting session at the Ngong forest in May 2021.

5. Economic & Commercial Diplomacy

Kenya recognizes that Economic Diplomacy has to-date become an important tool that deals with the nexus between power and wealth in international affairs hence very key in securing investment opportunities. In this regard, the Ministry coordinated Kenya's engagement in the following bilateral and multilateral cooperation: AfCFTA; ACP-Post Cotonou negotiations; IORA; COMESA; EAC; TICAD; COMESA-EAC-SADC; AGOA as well as UNESC. However, due to the Covid-19 Pandemic constraints in most countries it was not feasible to facilitate some planned trade/investment promotion missions.

6. Candidature Diplomacy

Country Candidatures that the Ministry lobbied for during 2020/21 Financial Year include Lobbying for the election of Kenya into international policy-making organs including UNSC,



UNESCO; UNWTO; IMO; ECOSOC; UNHABITAT, and CND. The Ministry also lobbied for the election of Kenyans into international policy-making organs including: Executive Secretary-ICGLR; Member ICH; Fisheries Expert ACP; Political Expert ACP; Executive Secretary-EAKC; VP-UNWTO; and Member CRPD, Secretary-General to the Africa Telecommunication Union (ATU) and Board member of the AU - Advisory Board.

This is against the background of Kenya having been elected as a non-permanent member of the United Nations Security Council (UNSC) for the period 2021-2022. Besides confirming that Kenya is a safe and dependable pair of hands, the UNSC seat gives the Country the opportunity to build consensus across regional and global matters that affect Africa.

7. Cultural Diplomacy and protection of Natural Heritage

With reference to statutory meetings of the UNESCO, the Ministry participated in the activities of the World General Assembly of the State Parties to the World Heritage Convention and those of the World Cultural Heritage respectively. The Ministry continued to promote Cultural Exchanges as well as Partnerships and facilitated participation by Kenyan artists in international cultural festivals, fairs and exhibitions. However, due to the Covid-19 Pandemic constraints in most countries it was not feasible to facilitate some planned cultural diplomacy activities.

8. Public Diplomacy and Stakeholder Engagement

To enhance engagement with our stakeholders, the Ministry institutionalized the Cabinet Secretary quarterly briefings for Diplomatic Corps based in Nairobi as well as the members of

the fourth estate. The briefings aim at informing the public and members of the Diplomatic Corps on the direction of Kenya's foreign Policy and outcomes of our diplomatic engagements.

MINISTRY OF FOREIGN AFFAIRS
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For the year ended June 30, 2021.

Besides provision of various liaison services, the Ministry effectively facilitated the Diplomatic Corps and foreign governments' engagements with County Governments. Further, the Ministry prepared, published and shared quarterly Diplomacy Newsletters with stakeholders.

In order to inform the public on the progress made in fulfilling Kenya's international obligations, the 8th President's Annual Report was prepared, published and submitted to the National Assembly as required. On the same note, the Ministry prepared and submitted to the National Assembly the 5th Edition of the Annual Cabinet Secretary's Report. The Cabinet Secretary Report aims at informing the public on the treaties that Kenya has ratified and which may in any way bind the Country to specific actions.

Additionally, the Ministry organized and coordinated quarterly presentation of credentials by Ambassadors and High Commissioners designate accredited to Kenya.

9. Expansion of Diplomatic Footprint

In an endeavour to expand Kenya's global footprint in line with changing global dynamics to advance our national interests, seize emerging opportunities for realizing the Country's aspirations for increased growth, the Ministry Coordinated the operationalization / establishment of four (4) fully-fledged diplomatic Missions in; Accra (Ghana), Dakar (Senegal), Djibouti (Djibouti) and Bern (Switzerland) and Honorary Consulates in; Jakarta (Indonesia), Guangzhou (China), Goma (DRC), Arusha (Tanzania), Hargeisa (Somalia) and Maputo (Mozambique). The Ministry also facilitated appointment of Honorary Consuls in various cities namely: Jerusalem (Israel), Monaco (France), Toronto (Canada), Kolkata (India), Lahore (Pakistan) and Istanbul (Turkey).

10. Engagement of Diaspora & Provision of Consular Services

In recognition of the Kenyan Diaspora's key role in national development, the Ministry has continued to strengthen its engagement with Kenyans in the diaspora through diaspora

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For the year ended June 30, 2021.

investment conferences, meetings, and engagements during state visits. The Ministry continued to provide various consular services including authentication of documents; issuance of visas, passports and emergency travel documents.

11. Resource Mobilization and Global Solidarity in the Fight Against COVID-19

To support the Ministry of Health and other relevant Agencies involved in the fight against novel coronavirus, the Ministry managed to backstop Kenya's efforts to source for COVID-19 vaccines, medical supplies and financial resources from Kenya's bilateral and multilateral development partners. Humanitarian and vaccine support to mitigate the Pandemic was received from our valued bilateral and multilateral development partners.

The Ministry further facilitated High-Level virtual engagements on the fight against COVID-19.

12. Asset Acquisition and Management

With reference to assets acquisition and management, the purchase of Chancery in Geneva was completed and occupied by the Mission during FY2020/21. The Ministry completed repairs of the Ambassador's residence in Addis Ababa; and completed repair of staff houses in Lusaka Zambia. Further, there is ongoing upgrading and renovation of Ambassador's residence and Staff house in London and a chancery and staff houses in Washington DC. Others: Rome: completed overhaul of the gas system at the Residence; New York: On going partitioning and renovation of Chancery; Washington DC: On going Renovation of Chancery; Lusaka: Completed renovation of two staff houses; and Dar-es-Salaam: Renovation of office block, Chancery and two staff.

13. Service Delivery and performance management

To enhance good governance, transparency and accountability in the management of financial resources, the Ministry strengthened business process by introducing controls and close

MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended June 30, 2021.

supervision in alignment to the Public Finance Management Act. This was further supported by establishment of the Budget Implementation Committee, Project Management Committee, Audit Taskforce as well as Corruption Prevention Committee. To enhance service delivery and institutionalize performance management in Missions abroad, an integrated Monitoring & Evaluation (M&E) was carried out in 26 stations during the 2020/21 Financial Year. The Ministry did also review/update and published the Citizens' Service Delivery Charter.

14. Emerging Issues

a) Changing Geopolitical Landscape

The foreign policy environment that Kenya operates in is dynamic, to the extent that global interests are constantly shifting and influencing decisions being made at bilateral, regional and multilateral levels. This has resulted to an increasingly growing demand for Kenya to strengthen its strategic direction and engagement at the level of the President, Cabinet Secretary, Principal Secretary and Ambassadors abroad. This is clearly demonstrated by the expectations to respond to increasing threats of trans-national crimes such as terrorism, human trafficking, money laundering and drug smuggling. Moreover, with the Great Lakes region internal conflicts are intensifying especially in the neighbouring fragile states. This coupled with the ongoing instability in the Middle East presents a national security challenge to Kenya considering that Yemen borders Somalia which neighbours Kenya especially with regards to illicit arms movements and terrorism.

In Latin America, Europe and North America, the increase of nationalistic tendencies amongst the ruling elite is presenting a significant challenge since these countries have been reliable development partners of Kenya since 1963.

b) Emerging Mega Trading Blocs

Presently, three Major Regional Trading Agreements (MRTAs) are envisaged: The Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States;

MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

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the recently concluded Trans-Pacific Partnership (TPP) between the United States and eleven other nations across the Pacific Rim; and the Regional Comprehensive Economic Partnership (RCEP) between sixteen economies from Asia and the Pacific. If these agreements are implemented, they would considerably modify the world trade landscape with systemic challenges for the multilateral trading system. In particular, MRTAs tend to be ahead on numerous issues discussed within the WTO framework and have contributed to divert talks away from traditional Doha Round matters, which are particularly essential to many developing countries.

c) BREXIT:

The exit of UK from the EU is not expected to have a significant direct impact on emerging markets like Kenya in macro-economic terms. However, the UK is an important trading partner, a source of investments and provider of funding and this may have an impact on Kenya's economic growth. Lower economic vibrance in the EU following BREXIT, may have broader effects on Kenya. BREXIT creates an opportunity and poses uncertainties as well. It presents options for structural reforms that could strengthen the competitiveness of Kenya.

d) The Visegrad Group: The Czech Republic, Hungary, Poland and Slovak.

These are Eastern Europe countries that are gradually shaping their development cooperation especially in Africa. The countries have largely shifted to self-described "illiberal democracies"

that mark a turn away from political liberalism, with some countries consolidating extraordinary government prerogatives and limiting constitutional provisions that once nurtured an environment promoting the rule of law and a free and open society. This perspective is shaping Kenya's relations with this group.

e) The shift of dominance in the Black Sea:

The Black Sea region has gradually evolved into a unit of analysis, a sort of framework under which certain power dynamics call for analysis by policy-makers in today's Kenya's Foreign Policy.

f) Litigation by Local Staff in Kenya Missions Abroad

Kenya Missions abroad have been employing local staff to compliment the home-based officers and to optimize on the scarce resources. The staff are employed on local terms as defined by the local labour laws in the respective receiving countries. However, the process of terminating the local staff employment either through retirement or redundancy has led to civil cases being filed against Kenya Missions in Tehran, London, Brussels, and Paris among others.

g) Country Boundary Disputes and Cross Border Conflicts

Kenya and its neighbouring countries have been involved in struggle over the diminishing resources, which have often resulted in boundary related disputes between Kenya and neighbouring countries.

With regards to Somalia, the country has filed a case at the International Court of Justice at The Hague against Kenya where it is disputing maritime boundary delimitation in the Indian Ocean which had been agreed between the countries. The case is currently ongoing.

With Uganda, the dispute over Migingo Island in Lake Victoria which is fish breeding ground seems to revolve around fish conservation on Lake Victoria.

With Ethiopia, there is disagreement on how to manage trans-boundary flow of water from River Omo in Ethiopia that provides the largest quantity of water into Lake Turkana. Ethiopia's Government is currently constructing Gibe I, II, III and IV on River Omo which might impact negatively on water flow into Lake Turkana which is a UNESCO heritage site.

h) Conflict in the Neighbouring Countries

Regional states, especially Kenya, are concerned that the repercussions from the prolonged conflict could compromise regional security, peace and stability, thus undermining their

MINISTRY OF FOREIGN AFFAIRS

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For the year ended June 30, 2021.

economic, political and security interests. Being a close neighbor on the northern frontier, a protracted conflict in South Sudan and Somalia is still affecting Kenya in terms of trade and investment, infrastructure projects and influx of refugees.

i) Kenya/Somalia maritime dispute case at The Hague

The ongoing Kenya/Somalia maritime dispute case at The Hague will require participation and this requires resources for Ministry to attend the sessions where necessary.

j) The Ilemi Triangle:

This is a disputed territory, which is claimed by Sudan, Kenya and Ethiopia. The dispute arose from the 1914 treaty in which a straight parallel line was used to divide territories that were both part of the British Empire. Following numerous efforts to demarcate the area over the last 100 years, Ethiopia, Kenya and Sudan have all made conflicting de jure and de facto claims. Kenya now has de facto control of the area. The perceived economic marginality of the land as well as decades of Sudanese conflicts are two factors that have delayed the resolution of the dispute.

k) The dynamics of political situation in The Sudan, which is an IGAD Member State, requires substantial funding as Kenya, through IGAD and as an individual state, continues to play a leading role to ensure full implementation of the agreement between the military council and the civilian led coalition.

l) COVID-19 Pandemic

Ever since the WHO declared COVID-19 a pandemic on 11th March 2020, no country or region has been left untouched in one way or another by this pandemic. The COVID-19 Pandemic is not solely a health problem but one that also poses an existential threat to the development and stability of all of humanity, and one that calls for a concerted global response. The virus has managed to alter socio-political and economic conditions that are manifest internationally.

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The COVID-19 situation has proffered unique challenges to the execution of Kenya's Foreign Policy objectives and goals. The Sub-sector continues to adapt accordingly by leveraging on innovation and technology to continue Kenya's engagement with the community of nations.

The Ministry continues to monitor and assess the global risks caused by the COVID-19 pandemic, develop strategic partnerships to mitigate its impact on health and economic security and re-engineer its business process in light of the threats embodied by the COVID-19 global pandemic. There is also need for collaboration and strategic partnerships in dealing with other menaces including locust invasion and perennial flooding which adversely affect food security and by extension peace in the region.

15. Challenges

a) The COVID-19 Pandemic

The COVID-19 pandemic has affected the operations and hence performance of the entire Government. The containment measures have resulted in lockdowns which included the closure of the airspaces for a period of time hence stoppage of international travel, postponement and in some cases cancelation of international meetings; rapid shift to virtual/online digital formats which exposed the gaps in technology; and working in shifts which interfered with the work flow and led to shortage of staff hands-on-deck.

b) Non-release and Late Receipt of Exchequer

Late financing of the Ministry's requisitions to the National Treasury for exchequer hampers sending of money to spending units which has led to low budget absorption and huge pending bills in the Ministry. Delayed exchequer releases limit the Sub-sector's ability to implement its programs within the planned timelines. The Ministry's programmes and activities are to a large extent dictated by internal calendars and schedules while projects contracts are implemented

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foreign laws and regulation some of which are very strict. Any delay therefore may have far reaching implications.

c) Reduction in Appropriation-In-Aid Collected by Missions

Introduction of E-Citizen as a platform applied in collection of Immigration and other Consular Fees in Missions and direct remittance of the Collections to the National Treasury Account at the Central Bank coupled with the Covid -19 Pandemic has resulted to a decrease in the amount of AIA collected in Missions. The amounts collected were previously applied by missions to supplement Exchequer Provision. Missions therefore are not able to meet their obligations as they do not receive an equivalent exchequer amount.

d) Foreign Exchange Losses/Gains

The Ministry's Budget is done in Kenya Shillings while the spending units utilize the funds in different currencies depending on the Currency in use in host Countries. In transferring the funds to the Missions, multiple translations are done initially from Kenya Shillings to the currency of remission and then to the currency of the recipient country. As a result, Missions bear huge foreign exchange losses which reduce the actual amounts available for spending.

e) Budgetary loss due to negative charge levied by banks deposits abroad

Some missions especially in Europe there are budgetary losses occasioned by punitive bank charges. Some countries in Europe for example, by law, customers who include our missions are charged a levy of 0.75% per month by banks on Bank accounts having 2,000,000 CHF (Kshs. 270,000,000) and above. Taken cumulatively from all the mission accounts the amount is substantive given that Missions budget are run through those banks. This translates to loss of budget for the ministry.

f) Budget Cuts and critically underfunding of programmes due to Austerity Measures during budget implementation

There are numerous ad hoc budgetary cuts/Austerity measures which negatively impacts on implementation of the Ministry's core programmes. This results to delays in carrying out the planned projects and failure to achieve the Ministry's Mandate. Further, it results to escalation of project costs occasioned by the lack of funding as initially planned. Further, budgetary constraints have led to partial or non-implementation of the planned Sub-sector's programs and activities. The Sub-sector's actual budgetary allocation has not been equal to the actual financial resource requirements.

g) High rental/leasing costs in Kenyan Missions

Most missions do not own properties hence end up leasing. Rents and leases account for approximately 20 per cent of the total budget in Kenya Missions abroad. This leads to loss of large sum of money in rental expenditure for diplomatic property. In addition, inadequate funding for maintenance and repairs of government owned properties abroad have resulted in gradual dilapidation of these properties and the need for redevelopment.

h) Inadequate transport, representational vehicles and high vehicle maintenance costs –

The Ministry has a large fleet of old vehicles hence increased maintenance costs. In addition, unlike other international airports, JKIA does not have protocol cars stationed within the tarmac area/airside to facilitate VVIPs and VIPs on arrival and departure (boarding and disembarking). This is because the Ministry does not have appropriate vehicles for the purpose. There is also inadequate dedicated transport for senior officer, local errands and to ferry staff and goods which hampers service delivery of the Ministry.

i) Lack of Integrated Financial Management Information System (IFMIS) in Missions Abroad

Due to budgetary constraints, Kenya Missions abroad are not connected to IFMIS and hence financial data is captured manually. As a result, there are delays in collecting information on the status of Budget implementation in the Missions in real time.

j) Inadequate infrastructure

Shortage of equipment such as printers, scanners photocopiers and working stations; and lack of modern cameras, documents verification machines and videography instruments greatly hampers the Sub-sector's optimum performance. In addition the ministry does not have suitable guesthouses for high-level dignitaries visiting the country. This has led to over-reliance and dependency on hotel accommodation and which do not ensure security and confidentiality and has its own risks and budgetary implications.

16) Measures in Place to Address the Challenges and Constraints

- a) Delays in release of Exchequer:** Timely financing of exchequer requested as per the approved cash flow projections and budgetary provision by the National Treasury. The National Treasury working with other relevant institutions such as the Controller of Budget and Parliament should improve on exchequer releases on a timely basis to minimize service delivery disruptions. In addition, supplementary budgets should be passed in good time to allow appropriate planning and budget implementation. For missions with on-going projects, lump sum release of budgets is important to avoid delays in making payments.

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- b) **Lack of IFMIS in Missions:** The Ministry intends to fast track rolling out of IFMIS in various Missions. In this regard the National Treasury should ensure sufficient budgetary allocation for this purpose through the sector resource bidding.
- c) **Reduction of A-in-A collections:** The Ministry is negotiating with the National Treasury to have the amount of A-in-A provided for in the budget reduced. Further the Ministry has requested to be issued with an additional Exchequer to supplement the A-in-A deficit and/or remitted to Central Bank.
- d) **Foreign Exchange Losses/Gains and losses occasioned by bank charges on deposits abroad:** The Ministry is requesting for creation of Foreign Exchange Loss assumption facility to quell the losses suffered by Missions.
- e) **Budget Cuts during Budget Implementation:** The Ministry continues to seek for exemptions from such austerity cuts and also pursues the option of having Strategic Interventions for its critical projects.

f) High Cost of Rent:

The Ministry proposes construction of Residential and Non-residential buildings in Missions where the land is owned. This can be done through;

- **Use of capital proceeds from sale of properties that have ceased to be viable**
Some of the existing diplomatic properties have ceased to be viable for a number of reasons including; changing neighbourhoods that become unsuitable for diplomatic use, or heightened insecurity, relocation of government administrative capitals, dilapidation. Such properties can be sold and the proceeds be utilized in acquisition of other properties in new locations.
- **Funding through Public Private Partnership (PPP) arrangement**
This can be done in Missions where Government of Kenya owns land. The proposal entails that Private sector develops properties to be co-owned by the companies and

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the Missions. The co-ownership terminates when the private companies recoups their investment in terms construction and the property reverts to the Government.

g) Protocol matters

The Ministry intends to acquire protocol/ceremonial vehicles – Specifics for vehicles to include provision for flag pendants. In addition the Ministry seeks to facilitate availability of protocol vehicles to be stationed on the air side for use in the movement of VVIPs and VIPs from flights to lounges and protocol officers during the meet and greet duty. Further the Ministry seeks to acquire suitable guesthouses for high-level dignitaries visiting the country.

This will cut costs of hotel accommodation and ensure there is always availability of accommodation and reduce dependency on hotels. This will also ensure security and confidentiality.

h) Equipment and staff transport.

Through budgetary resource bidding and incremental improvement of asset stock the Ministry has been increasing its equipment gradually. The Ministry also seeks to enter into the vehicle leasing programme run by the National Treasury to enhance its vehicle fleets.

i) The COVID-19 Pandemic containment Measure

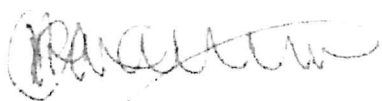
To ensure that the COVID-19 pandemic does not adversely affected the operations and performance of the Sub-sector entire staff, provide sanitizer and ensure social distance. The Ministry will also negotiate with its international partners in ensuring that the country receives adequate assistance in the covid -19 containment. Further the Ministry will continue building capacity in terms of virtual meetings and e-learning and equipment like computers, web-cams, and digital white-boards tailored to Sub-sector needs to help cope with the new-normal

17. Conclusion

Although the outbreak of COVID-19 pandemic compelled the Ministry to scale down most of its core activities earmarked for implementation in the fourth quarter of the Financial Year, the period under review was instrumental in improving Kenya's global image and diplomatic engagements.

The commendable performance was achieved through firstly, the great leadership of H.E. the President, who is Kenya's top diplomat and secondly, teamwork from my colleagues in the Ministry as we all pulled together in the same direction. I am confident that together we will continue to constantly project, pursue and protect our national interests globally while at the same time driving new arrangements that are transparent and in consonant with our values.

AMB. RAYCHELLE OMAMO SC, EGH



Sign

CABINET SECRETARY
MINISTRY OF FOREIGN AFFAIRS

3. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Introduction

The Ministry of Foreign Affairs is mandated to pursue Kenya's Foreign Policy objectives in accordance with the Constitution of Kenya. The main objective of the Policy is to constantly protect and pursue our national interests while at the same time driving new arrangements that are transparent and consonant with Kenya's values. The underlying principles of Kenya's Foreign Policy have been strong advocacy for a rule-based International System, environmental sustainable, equitable development and secure world. Currently, Kenya's diplomacy is largely oriented towards: protection of sovereignty and territorial integrity; global and regional peace, security and stability; enhancing regional integration; promotion of the Big Four Agenda and Sustainable Development Goals (SDGs); expanding economic diplomacy; and championing cultural diplomacy.

The Ministry's strategic objectives as per the Strategic Plan for FY 2018/19 – 2022/23 are to: -

- (a) Protect Kenya's sovereignty and Territorial integrity;
- (b) Promote national, regional and international peace, security and stability;
- (c) Promote economic cooperation, trade and investments;
- (d) Promote and safeguard Kenya's interests abroad;
- (e) Promote Kenyan diaspora engagement and enhance consular services;
- (f) Enhance public diplomacy and stakeholders' engagement, and
- (g) Strengthen policy, legal and institutional capacity.

Progress on Attainment of Strategic Objectives

For purposes of implementing the above development objectives, during the period 2018/19 – 2020/21, the Ministry implemented four programmes and ten sub programmes. The programmes are General Administration, Planning and Support Services; Foreign Relations and Diplomacy; Economic and

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Commercial diplomacy; and Foreign Policy Research, Capacity Development and Technical Cooperation

Outlined below are major achievements in the delivery of planned outputs during the period under review. The achievements are outlined by programmes and sub-programmes as highlighted below:

Programme 1: General Administration, Planning and Support services

During the period under review, the Ministry undertook the following under the General Administration, Planning and Support services programme: -

Sub- Programme 1: Administration Services

- (i) Developed and/or reviewed policies and legal frameworks
- (ii) Strengthened Human Resource Management and Development
- (iii) Purchased representational, utility vehicles and replaced protocol vehicles
- (iv) Undertook Payment of Rents and Utilities
- (v) Strengthened Results-Based Management
- (vi) Enhanced performance management, procurement, and financial management services
- (vii) Managed telephone and communication services at the headquarters and the missions
- (viii) Strengthened records management at the headquarters and the Missions
- (ix) Strengthened knowledge management at the headquarters and the Missions
- (x) Improved work environment & service delivery
- (xi) Implemented Presidential directives
- (xii) Undertook physiological, psychological, and physical Wellness programmes

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(xiii) Strengthened ICT capacity, infrastructure and security

(xiv) Commenced construction of new Ministry HQ Building and undertook renovations

Programme 2: Foreign Relations and Diplomacy

During the period under review, the ministry undertook the following under the Foreign Relations and Diplomacy:-

Sub-Programme 1: International Relations and Cooperation

- (i) Established strategic partnerships in the implementation of the Big 4 Agenda
- (ii) Strengthened Kenya's Foreign Relations by facilitating high level state and official functions
- (iii) Strengthened collaboration with MDAs and other stakeholders to safeguard Kenya's sovereignty and territorial integrity
- (iv) Promoted International Environmental Governance
- (v) Promoted regional peace, security, and stability
- (vi) Managed the Treaty Making and Ratification Process for landmark Treaties that were ratified by Kenya
- (vii) Deepened engagement of Kenyans abroad in national development and enhanced provision of consular services
- (viii) Protected Kenya Cultural Heritage
- (ix) Enhanced Kenya's presence, profile and influence in international organizations
- (x) Enhanced Kenya's bilateral relations
- (xi) Articulated Kenya's position in international meetings
- (xii) Promoted international cooperation and a rule based multilateral system
- (xiii) Expanded Kenya's Diplomatic footprint through opening of new Diplomatic Missions, Consulates and Liaison Offices

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Sub-Programme 2: Management of International Treaties, Agreements and Conventions

- (i) Fulfilled Constitutional Obligations on the fulfilment of Kenya's international obligations
- (ii) Fulfilled Statutory Obligations on Treaties Ratified by Kenya:
- (iii) Participated in Negotiation Proceedings to adopt and execute Kenya's Bilateral Agreements, MOUs and Host Country Agreement.
- (iv) Participated in the Digitization of the Government's Register of MOUs and International Commitments
- (v) Facilitated the Legislative Adoption of the Foreign Service Bill, 2021
- (vi) Implemented the AU-UNDP joint project on Acceleration of Ratification and Domestication of Africa Union Treaties in Kenya:
- (xiv) Managed the Treaty Making and Ratification Process for landmark Treaties that were ratified by Kenya
- (xv) Enhanced public diplomacy and stakeholders' engagement

Sub-Programme 3: Coordination of Protocol

- (i) Promoted Kenya as a premier destination for international conferences and events
- (ii) Coordinated and facilitated inbound and outbound State/Official visits
- (iii) Facilitated Presentation of Credentials to H.E. the President for Ambassadors/High Commissioners Designate.

SubProgramme 4: Management of Diaspora and Consular Affairs

- (i) Enhanced Diaspora role in economic development, provided consular services and enhanced protection of Kenyans
- (ii) Engaged the Kenyan Diaspora through conferences and side events.
- (iii) Facilitated the registration of Kenyans abroad under National Integrated Information Management System (NIIMS).

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- (iv) Sensitized/created awareness against irregular labour migration/human trafficking.
- (v) Protected and promoted the interests of Kenyan nationals abroad through providing consular services

Sub-Programme 5: Infrastructure development and Maintenance in Kenya Missions

- (i) Kenya's image and prestige enhanced through infrastructure development and Maintenance in Kenya Missions
- (ii) Acquired properties in the missions
- (iii) Undertook upgrading, renovation and repair works at the HQs and in Missions
- (iv) Continued in completing ongoing projects in various Missions

Programme 3: Economic and Commercial Diplomacy

During the period under review, the ministry undertook the following under Economic and Commercial Diplomacy: -

Sub-Programme 1: Economic Cooperation and Commercial Diplomacy

- (i) Strengthened bilateral, regional, and multilateral economic cooperation
- (ii) Promoted exports for Kenyan goods
- (iii) Promoted Foreign Direct Investments
- (iv) Promoted Economic and Trade Cooperation
- (v) Deepened private Sector Engagement

Sub-Programme 2: Regional Integration and Multilateral Economic Cooperation

Negotiations. Regional integration to deepen market access, investment and free movement of key factors of production

- (i) Participated in trade negotiations at the regional and multilateral levels.

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- (ii) Promoted Nairobi as a diplomatic and economic hub and a center for international conferences and events:

Programme 4: Foreign Policy Research, Capacity Development and Technical Cooperation

During the period under review, the ministry undertook the following under Foreign Policy Research, Capacity Development and Technical Cooperation: -

- (i) Strengthened Foreign Service Academy (FSA) into a center of excellence in training and Foreign Policy research and analysis
- (ii) Strengthened Regional Technical Cooperation
- (iii) Implemented government executive commitments in the region

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Table 2.1. Below gives a detailed analysis of programme targets and actual achievements during the period under review

	Key Output	Key Performance Indicators	Planned Target	Achieved Targets	Reason for Variance
			2020/21	2020/21	
	Ministry of Foreign Affairs				
	Programme 1: General Administration, Planning and Support Services				
	Sub programme 1: Administration Services				
	Ministry's network infrastructure and Video conferencing Facility upgraded	Level (%) of network infrastructure video conference facility upgraded	50	50	Video conference done but infrastructure not upgraded due to financial constraints
	Utility /Representation vehicles procured	Number of utility/representational vehicles procured	10	2	Target not achieved due to insufficient funds
	Seamless correspondence between headquarters and Missions abroad through the Diplomatic bag	Number of Diplomatic bags	5,000	5,027	
	Training and Capacity building of Ministry staff conducted.	No of staff trained on leadership development and career progression programmes.	25	23	
	Career management undertaken	No. of officers promoted	-	575	Promotions were occasioned by implementation of succession management plan.
	Internships/ industrial attachments opportunities offered	No. of youths engaged	130	152	
	Staff welfare activities conducted	No. of wellness activities conducted	3	1	five (5) bi-annual Ministerial Wellness days were held staff clinics on testing for HIV/AIDs, checks on blood pressure and sugar and dietary advisory
	Ministerial Wellness strategy developed and implemented	Ministerial wellness strategy	1	1	
	Staff sensitized on HIV and AIDS, Cancer and stress management	No.of sensitizations done	1	1	

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Staff trained and sensitized on cross cutting issues	Number of staff sensitized and trained	200	300	
Foreign Service Bill and foreign service Regulations developed	Number of Foreign Service Bill and Foreign Service Regulations	1	1	Finalized the Foreign Service Regulation and Representational bill. It is awaiting tabling in Parliament. Treaty Making and Ratification Amendment Bill, 2019 has also been drafted.
IFMIS installed in Kenya Missions abroad	No. of Missions covered	20	0	The IFMIS installation was not done due to covid-19 pandemic and lack of funds
Telephone sets upgraded from analogue to IP sets	Level (%) of telephone sets upgraded	50	40	
ICT infrastructure needs assessment for Missions conducted	No. of Missions where the Needs Assessment was conducted	15	21	
Officers sensitized on Information Security	No. of officers Trained	100	149	
Fleet management system developed	Number of fleet management system developed	1	0	The development of the system involves other MDAs and due to covid 19 pandemic the Ministry could not commence the process
Records in missions Abroad appraised, destroyed and repatriated	Number of Missions where records were appraised and destroyed	10	6	Not achieved due to covid 19 restrictions on international travels
Records Management Units established	Number of records management units Established	4	3	Not achieved due to covid 19 restrictions on international travels
Develop and implement Ministerial Health and Safety Policy, Risk Mitigation Plan, Records Procedure Manual and Records retention schedule	Number of policies, manuals and Schedules developed	4	1	Corruption Risk assessment and Mitigation Plan (CRA&MP) done. Records Procedure Manual and Records retention schedule are in draft form and will be finalized during FY2021/22
Citizens Service delivery Charter reviewed by the Ministry and Missions abroad	Level (%) of reviewed service charter	100	100	
Transport Policy, ICT Policy, Gift Policy, Records Management reviewed and finalized	Number of policies reviewed and finalized	4	1	ICT Policy has been reviewed. Review of Transport & Safety policy and Records Management Policy is ongoing
Youth Mainstreaming and engagement enhanced	Number of forums	2	0	This was not achieved due to Covid -19 pandemic

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Improved work environment at the Ministry Headquarters.	Status Report	1	1	The renovation works included painting of the offices at the HQ, Installation of fire alarm, refurbishment of washrooms, marking of the parking space at the Head Quarters. To decongest the offices at the HQ the Ministry acquired more space at the 316 Upper hill Chambers.
Missions connected to IP telephony	Number of Missions	10	0	Lack of funding and covid -19 pandemic hindered performance
Programme 2: Foreign Relations and Diplomacy				
Sub-Programme 2.1: International relations and cooperation				
Diplomatic footprint expanded	Number of New Missions, Consulates and Liaison Offices opened	6	6	Coordinated establishment of four (4) fully-fledged diplomatic Missions in; Accra (Ghana), Dakar (Senegal), Djibouti (Djibouti) and Bern (Switzerland) and Honorary Consulates in; Jakarta (Indonesia), Guangzhou (China), Goma (DRC), Arusha (Tanzania), Hargeisa (Somalia) and Maputo (Mozambique). The Ministry also facilitated appointment of Honorary Consuls in various cities namely: Jerusalem (Israel), Monaco (France), Toronto (Canada), Kolkata (India), Lahore (Pakistan) and Istanbul (Turkey).
Enhanced public diplomacy and stakeholders' engagement	Number of Missions that hosted national day celebrations	58	13	Not achieved because of Covid restrictions. A few Missions held a virtual celebration
	Number of quarterly Ministerial bulletins published	4	4	
	Number of quarterly briefings with the diplomatic Corps organized	4	4	
Kenya/Kenyan candidates lobbied for	Number of country candidatures lobbied for	6	12	Lobbied for the election of Kenya into international policy-making organs including UNSC, UNESCO; UNWTO; IMO; ECOSOC; UNHABITAT, and CND

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Sub-Programme 2.2: Management of International Treaties, Agreements and Conventions					
Host country agreements that Government of Kenya has signed with international organizations reviewed	No. of Host Country Agreements reviewed and/or signed.	6	4		
The President's annual Report on fulfillment of Kenya international obligations prepared and published.	Number of reports	1	1		The President's annual Report on fulfillment of Kenya international obligations prepared and published pursuant to Article 132 of the constitution.
Cabinet Secretary's annual Report listing treaties ratified by Kenya within a financial year and the obligations thereof prepared and published.	Number of reports	1	1		Cabinet Secretary's annual Reports listing treaties ratified by Kenya within a financial year and the obligations thereof prepared and published pursuant to section 15 of the treaty making and ratification act.
A modern Treaty Registry established, equipped and operationalised	A Modern Treaty Registry	1	0		Not undertaken because of insufficient funds
Sensitization and Public Awareness on the treaty making process conducted.	Outreach activities conducted for various arms of the National and County Governments	1	1		
Multilateral treaties database established and maintained	Operational online database	Update	Updated		Established and maintained the first online treaty database to enhance public access to information.
Kenya boundary demarcation and reaffirmation meetings with neighboring countries coordinated/participated.	Reports of the meeting.	2	3		The Ministry participated in 32nd Session of the Kenya-Ethiopia Joint Border Commissioners'/ Administrators' meeting held on 12th-14th February 2019; Joint Technical Committee (JTC) meeting in Dar-es-Salaam, Tanzania in Feb 2019. Also participated in bilateral negotiation meetings with neighbouring countries (South Sudan, Tanzania, and Uganda).
Bilateral Investment Treaties, BASA and Double Taxation Avoidance Agreements facilitated and negotiated.	No. of signed BIT, DTA and BASA	2	1		11 Agreements in BASA/BIT/DTA were signed during the review period

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Sub-Programme 2.3: Management of Diaspora and Consular Affairs					
Kenya's diaspora integrated into the national development agenda		Number of Diaspora conferences held	3	0	The Ministry organized International diaspora conferences hosted by Kenyan Missions in South Africa, Botswana, Canada, Australia, and Namibia. Hosted a Diaspora side event during Sustainable Blue Economy Conference and Diaspora side event during TICAD VI in Nairobi and during TICAD VII in Japan. For FY2020/21, none was held due to covid 19 pandemic since the conferences were expected to be physically attended.
Consular services provided		Number of Kenyans assisted	3,500	8,210	In addition to regular consular services offered at the Ministry Headquarters and Missions abroad, Facilitated the repatriation of over 5000 distressed Kenyans from various countries who were affected by COVID-19 related job losses, lockdowns and travel restrictions in 2020 - 2021. Also, facilitated the repatriation of the mortal remains of 210 Kenyans from all over world during the three-year review period.
Diaspora Investment Expos organized/attended		Number of Honorary Consuls appointed	1	0	Honorary Consulates were established in Lahore (Pakistan) and Istanbul, (Turkey). There are delays due to lengthy vetting procedures. No appointments were made in FY2020/21 due to covid-19 pandemic challenges
Diaspora web portal upgraded		Number of Diaspora Investment Expos	3	0	Target not achieved because of covid restrictions
National Integrated Information Management System (NIMS) registration undertaken in Kenya Missions abroad		Upgraded Diaspora Web Portal	Update	Updated	The portal is aimed at enhancing engagement with the diaspora for national development.
		Number of Missions	-	-	56 Missions were facilitated.

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Negotiations and conclusion of bilateral labour agreements facilitated	No of Bilateral Agreements/MOUs initiated/signed	4	Coordinated the signing of Bilateral Labour Agreements (BLA) with Saudi Arabia and Bahrain. Also, spearheaded the process of developing a common position on the pending Draft Bilateral Labour Agreements (BLAs) between Kenya and countries in the Gulf Region (Qatar, Saudi Arabia, Oman and Kuwait).
Bills/Plans/Strategies finalized	No of Bills/Plans/Strategies	-	Coordinated drafting of Kenya National Evacuation Plan in March 2018 but finalized and adopted by stakeholders in March 2020.
Sub-Programme 2.4: Coordination of Protocol			
Luncheons/ dinners for Ambassadors/ High Commissioners organized	Number of luncheons	30	Organized 88 luncheons/ dinners for Ambassadors/ High Commissioners at the end of their tours of duty and visiting VVIPs and VIPs. The underachievement was occasioned by covid 19 restrictions
State and/or Official visits facilitated	Number of outbound State/Official visits coordinated	20	During the review period, The Ministry facilitated 75 outbound state and official visits. State visits are unpredictable.
	Number of inbound State/Official visits coordinated	15	During the review period, The Ministry facilitated 50 inbound State and official visits. State visits are unpredictable.
	No of bilateral agreements/ MOUs signed	21	82 agreements covering various sectors signed during the inbound and outbound state and official visits
Quarterly Presentation of credentials by Ambassadors/ High Commissioners designate accredited to Kenya facilitated.	No. of presentation ceremonies organised	4	The Ministry organized 12 presentations of credentials by newly appointed envoys accredited to Kenya to H.E the President. The presentation of credentials is done quarterly.
Diplomatic Corps facilitated to participate in National Day celebrations and other state functions	No. of National Functions	5	FY2020/21 labour day celebration was undertaken virtually from state house

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		No. of Chanceries and official residences constructed	1	1	The Ministry completed construction of the Ambassador's residence in Pretoria in FY2018/19 and 2019/20; Finalized construction of ambassador's residence in Mogadishu which finalized and occupied by December 2019. The Chancery in Geneva was completed and occupied by the Mission during FY2020/21
		No. of Staff houses constructed/purchased	4	4	The Ministry constructed 4 staff houses in Pretoria and finalized construction of staff houses (4 one bedrooms and 16 single rooms) in Mogadishu during FY2018/19/FY2019/20.
	Asset Management Plan developed and implemented.	Asset Management Plan	Implementation of AMP	Draft prepared and gathering of views from external stakeholders ongoing	The engagement with external stakeholders for purposes of finalizing the draft delayed due to challenges of Covid-19
Programme 3: Economic and Commercial Diplomacy					
Sub-Programme 3.1: Economic Cooperation and Commercial Diplomacy					
	Increased Trade, Investment, and exports	Number of business forums/bilateral meetings coordinated and participated	15	9	The emergence of COVID-19 pandemics affected some planned activities
		Number of investment Missions facilitated.	15	6	Due to the Covid-19 Pandemic constraints in most countries it was not feasible to facilitate some initiated investment missions
		No. of Trade fairs/exhibitions coordinated	10	6	Due to the Covid-19 Pandemic constraints in most countries it was not feasible to hold some of the targeted exhibitions
		Number of Markets secured/Agreements signed	5	2	The emergence of COVID-19 pandemics affected some planned activities

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Joint bilateral frameworks and meetings (JTCs, JECs, etc.), coordinated/ participated in	No. of Country position papers adopted	4	4	Due to the Covid-19 Pandemic most countries preferred carrying out the JTC, JCC, JEC virtually
Sub-Programme 3.2: Regional Integration, Bilateral and multilateral Economic Cooperation				
Trade negotiations at the OACPS, AfCFTA, EAC, IORA, COMESA, Kenya-US FTA, Kenya-UK Trade arrangements, AGOA, Post 2020 ACP-EU Negotiations, and WTO level coordinated/attended	No. of Country position papers prepared	20	14	Some targeted meetings/negotiations didn't take place because of covid pandemic restrictions
Programme 4: Foreign Policy Research, Capacity Development and Technical Cooperation				
Sub-Programme 4.1: Foreign Policy Research and Analysis				
Functional International Advisory Board (IAB) of FSA	Level (%) of operationalization of IAB	50	0	The International Advisory Board is operational however the Academy did not convene meetings following the outbreak of Covid-19 pandemic.
A functional Kenya Council on Global Affairs (KCGA) with five (5) operational centres operationalised	No. of Operational KCGA centres	2	0	The Kenya Council on Global Affairs (KCGA) and its 5 affiliate centers is not operational due to budgetary constraints.
	No. of research/policy papers concluded	12	4	
Foreign Service training and development curriculum revised and implemented	Revised Foreign Service training and development curriculum	1	0	The FSA training curriculum and syllabi is in draft, The Academy had, scheduled a stakeholder's workshop to review the first draft however due to covid-19 pandemic the workshop was cancelled.
	Level (%) of implementation	-	50	
Teaching and research staff recruited and placed	No. of appropriately recruited and placed teaching and research staff	3	0	The Ministry continues to rely on outsourced teaching staff, due to low budgetary allocation.
Officers trained and skills developed (Entry, Junior, Middle, senior and Strategic Levels)	No. of officers trained	100	60	The Ministry facilitated training in collaboration with UNITAR on the following topics: Climate Change Diplomacy, Digital Diplomacy and Cyber Security, Women Peace and Security.
Ambassadors and posted officers/attaches inducted	No. of newly appointed ambassadors and posted officers/attaches	100	158	
Regional diplomats and technical experts trained	No. of regional diplomats and technical experts	100	0	The training on Regional Diplomats was not conducted due to Covid-19 pandemic and subsequent budgetary cuts.

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Officers trained in UN and other foreign languages	No. of officers	74	57	In collaboration with the Embassy of Portugal facilitated training in Portuguese language. Training in Spanish language was rescheduled to FY2021/22
State & public officers inducted on Protocol, Etiquette Matters and Kenya's Obligations	No. of state & public officers inducted	100	25	Facilitated training on Protocol and Etiquette for Senior Management Staff of the Communication Authority of Kenya. Target not achieved due to Covid-19 pandemic restrictions. The nature of training required practical demonstrations
Outreach activities undertaken	No. of collaboration frameworks signed with think-tanks, research institutions and diplomatic training institutions	5	2	Signed MoUs with Burundi and India.
	No. of colloquiums	1	1	Due to budgetary constraints, the Ministry managed to hold one colloquium per year
	No. of thematic discussions held	2	1	
	No. of Exchange programs facilitated	1	0	In bound visit by the Chinese Delegation did not take place following the outbreak of the Covid-19 pandemic.
Management of scholarships from Foreign Friendly Governments	No. of scholarships from friendly partners processed and awarded	377	600	The Ministry processed scholarships from Egypt, UK, India, Thailand, China, Russia, Romania, Slovakia, Brazil, Chile among others
Sub-Programme 4.2: Regional Technical Cooperation				
Technical Professional support to bilateral and multilateral institutions provided	No. of technical officers seconded to multi-lateral institutions and fora	20	0	Target not achieved due to inadequate capititation occasioned by austerity measures.
Regional Diplomats and Specialists trained in multilateral organizations	No. of regional diplomats and experts working in multilateral institutions trained	20	19	
AMANI forum for Peace building in the region revived	Functional AMANI forum	1	0	Planned activities did not take off because of covid restrictions and austerity measures

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kenya plays and will continue to play a significant role in the international arena majorly due to its relatively extensive diplomatic presence and representation through its Missions abroad. Similarly, Kenya is an active member of both regional and international organizations such as the EAC, COMESA, IGAD, AU and the United Nations among others. These organizations provide a platform for the Ministry to address and shape the international opinion aligned to the interests and values that Kenya as a sovereign state stands for.

In this regard, the ministry has six strategic issues, with corresponding strategic objectives and specific strategies to address them. The strategic issues include: Kenya's Sovereignty, Territorial Integrity, Peace, Security and Stability; Kenya's interests globally; Economic Cooperation, International Trade and Investment; Diaspora Engagement and Consular Services; Public Diplomacy, Cultural Heritage and Stakeholder Engagement; and Policy, Legal and Institutional Capacity.

It is further evident that human rights is an that cuts across all the above six strategic issues and indeed is increasingly taking centre-stage both within the country as well as in the international context having been mainstreamed within the United Nations Sustainable Development Goals (SDGs). It is therefore important for Kenya to demonstrate adherence to human rights principles and practices, in its endeavour to achieve its strategic goals as well as contribute towards a just, peaceful and equitable society both internally and globally.

At the heart of all the Ministry's operations is the desire to deliver on the expectations of the Kenya Citizens and its customers. Below is a brief highlight of the corporate social responsibility/sustainability activities conducted in the year:

a. Engaging with Kenya Diaspora

The Ministry through the Kenya Missions abroad:

- Engaged with Kenyans abroad during high-level visits through organizing meetings with Kenyan diaspora during various high-level visits.

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- Assisted families to repatriate remains of Kenyans who passed on abroad through transfer of requisite documentation and correspondence with next of kin/family members.
- Assisted families to repatriate remains of Kenyans who had passed on abroad.
- Facilitated emergency assistance to Kenyans in countries facing a public safety crisis through liaison with host government, provision of information and preparation for evacuation in extreme circumstances.
- Carried out visits to Kenyans in distress such as those in prisons and hospitals.

□

b. National Cohesion and Values

The Ministry worked towards enhanced collaboration between the two levels of government to entrench sharing and devolution of power by facilitating:

- Participation of County governments in regional and international fora.
- Appointments between National/County governments, and Diplomatic Corps.

c. Gender mainstreaming and youth empowerment

The Ministry:

- Developed and launched a Ministerial Youth Action Plan
- Participated in the International Youth Week
- Participated in training for Sexual and Gender Based Violence (SGBV) for Multi-Sectoral Professionals International Conference on Great Lakes Region
- Submitted data on two third representation on appointments, employment and promotion in the Ministry

d. Youth Internships/ Industrial Attachments/ Apprenticeships

The Ministry:

- Offered internship/attachment opportunities to youths by providing industrial attachment to students and deploying interns recruited by the Public Service Commission

e. Disability Mainstreaming

The Ministry implemented affirmative actions for persons with disabilities by:

- Developing and submitting disability mainstreaming annual work plan to NCPWD
- Reconstituting and operationalizing the disability mainstreaming committee.

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- Training disability mainstreaming committee and senior management; and sensitizing staff on disability.
- Ensuring that at least 5% of new employees/interns/attaches are persons with disabilities
- Carrying out accessibility and usability audit and submitting the report to NCPWD
-
- Increasing equal and easy access of products and services/programmes to PWDs

f. Protection of the environment

The Ministry sought to enhance the protection of the environment by securing riparian lands, water towers, improving the national forest cover and other measures to facilitate sustainable development through:

- Tree planting session held at Ngong' Forest – 1,100 trees planted
- Facilitation of Kenya's participation in regional and international conferences on Environmental issues.

g. Safety and Security Measures

The Ministry put in place the following mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters:

- Conducted staff training on fire fighting and safety measures
- Carried out one fire drill.
- Replenished of first aid kits and fire extinguishers in the Ministry headquarters.

h. Employee Welfare

The Ministry undertook the following towards prevention of HIV and AIDS Infections:

- Disseminated and implemented HIV and AIDs Work Pace Policy
- Reconstituted and operationalized HIV and AIDS Control Unit (ACU) based on NACCs recommended threshold.
- Developed an Annual Work Plan and allocate resources for HIV programmes.
- Promoted attainment of Universal Health Coverage (UHC) at the workplace through offering services for disease prevention and wellness promotion for at least 80% of staff and family members with the following screening package and referrals: HIV, Blood pressure, Blood sugar and BMI

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- Promote a comprehensive HIV and AIDS knowledge by reaching 80% of all staff and family members with sensitization on cancer (Breast, Cervical and prostate), stress management and mental health.
- Carried out condom promotion or stand-alone sensitizations on chastity, Abstinence and Being faithful (AB).

5. 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 Ministry of Foreign Affairs shall prepare financial statements in respect of that Ministry of Foreign Affairs. 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 Ministry of Foreign Affairs is responsible for the preparation and presentation of the Ministry of Foreign Affairs's financial statements, which give a true and fair view of the state of affairs of the Ministry of Foreign Affairs for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Ministry of Foreign Affairs; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Ministry of Foreign Affairs; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Foreign Affairs accepts responsibility for the Ministry of Foreign Affairs's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *Ministry of Foreign Affairs's* financial statements give a true and fair view of the state of Ministry of Foreign

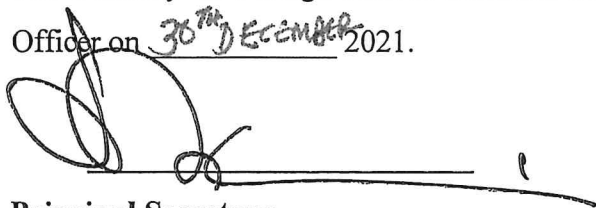
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Affairs's transactions during the financial year ended June 30, 2021, and of the Ministry of Foreign Affairs's financial position as at that date. The Accounting Officer charge of the *Ministry of Foreign Affairs* further confirms the completeness of the accounting records maintained for the *Ministry of Foreign Affairs*, which have been relied upon in the preparation of the Ministry of Foreign Affairs's financial statements as well as the adequacy of the systems of internal financial control.

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

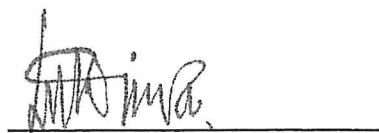
Approval of the financial statements

The Ministry of Foreign Affairs financial statements were approved and signed by the Accounting Officer on 30th DECEMBER 2021.



Principal Secretary

Amb. Macharia Kamau, CBS



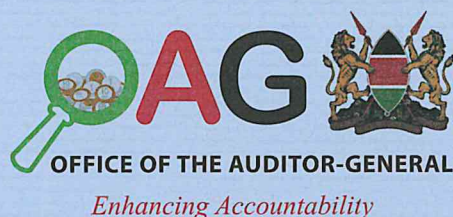
Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF FOREIGN AFFAIRS FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Ministry of Foreign Affairs set out on pages 51 to 80, which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statements of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Ministry of Foreign Affairs as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with international Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Cash and Cash Equivalents

As disclosed in Notes 10A and 10B to the financial statements, the statement of assets and liabilities as at 30 June, 2021 reflects cash and cash equivalents balance of Kshs.1,345,509,377. However, the cash book balances for the headquarters recurrent vote and some missions varies with the ledger balances supporting the financial statements as indicated below:

	Cash Book Balance (Kshs.)	Ledger Balance (Kshs.)	Variance (Kshs.)
Los Angeles	143,328	108,898	34,430
Washington	44,908	3,353,710	(3,308,802)
Headquarter's Recurrent Vote	51,168	26,900	24,268

As a result of the above unexplained and unreconciled variances, the accuracy of the cash and cash equivalents balance of Kshs.1,345,509,377 as at 30 June, 2021 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Pending Bills

Note 17 to the financial statements reflects pending accounts payable of Kshs.264,979,240 as at 30 June, 2021. The bills were not paid during the year under review but were instead carried forward to the financial year 2021/2022.

Failure to settle bills during the year to which they relate distorts the budget implementation of the subsequent year as the outstanding bills form a first charge on resources available.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Overdrawing of Deposits Cash Book and Irregular Charge of Expenditure

During the financial year 2018/2019, the Ministry received contributions amounting to Kshs.746,577,947 from various stakeholders in support of Sustainable Blue Economy Conference (SBEC). The amount was received and paid into the Ministry's deposits bank account. In that year, an amount of Kshs.487,681,149 was spent on SBEC activities leaving a balance of Kshs.258,896,798. In the financial year 2019/2020, an amount of Kshs.319,661,265 was also spent toward the SBEC activities thereby overdrawing the deposits cash book by Kshs.60,764,467.

The deposits cash book remained overdrawn by Kshs.60,764,467 until the financial year 2020/2021 when the Ministry refunded the full amount to the deposits account by irregularly charging the expenditure in respect of SBEC activities to recurrent vote under compensation of employees Kshs.48,850,000 and use of goods and services Kshs.11,896,467. However, there were no budgetary provisions for SBEC activities in the financial year 2020/2021. The expenditure was, therefore, incurred in contravention of Regulation 43(b) of the Public Finance Management (National Government) Regulations, 2015, which requires the Accounting Officer to ensure that public funds entrusted to his care are properly safeguarded and are applied only for the purposes for which they were intended and appropriated by the National Assembly.

The Management was, therefore, in breach of the law.

2. Government Properties

Audit inspection of some of the Kenyan Missions abroad in November, 2021 revealed several unsatisfactory matters in relation to use, maintenance, security and management of government properties as indicated below.

2.1 Failure to Insure Government Properties in New York

The Government of Kenya owns five properties in New York. One of the properties is housing the chancery and the consulate while the other four are residential properties. However, the properties did not have any insurance cover to mitigate against losses in case of disaster.

The foregoing omission is contrary to Section 79(2)(c) of the Public Finance Management Act, 2012 which requires a public officer, within his area of responsibility, to ensure that adequate arrangements are made for the proper use, custody, safeguarding and maintenance of public property including application of best efforts to prevent any damage from being done to the financial interests of the national government.

2.2 Kenya House - New York

The property in New York sits on approximately two (2) acres of land and has a residential building known as Kenya House – New York. The property is the designated official residence of the Kenyan Ambassador to the United Nations in New York.

The house has been vacant for over ten (10) years despite being the designated official residence while the Ambassador lives on a leased property for which the Government is paying an annual rent of Kshs.23,310,000. In addition, the Mission incurs annual maintenance expenses of Kshs.120,000 and an estimated annual utility cost of Kshs.868,289 on the unoccupied property.

As a result, the Government has been incurring avoidable expenses or losses totalling approximately Kshs.24,298,289 per annum due to failure to ensure that the official residence is occupied by the Ambassador.

2.3 Washington DC

The Kenya Government owns five properties in Washington DC as indicated below:

	Occupant	Nature
1	Embassy Office - Chancery	Non-Residential
2	Ambassador's Residence	Residential
3	Vacant	Residential
4	Finance Attaché	Residential
5	Vacant	Residential

The Kenya Mission in Washington DC has eleven (11) home-based staff. The Ambassador and the Finance Attaché are officially housed while the Deputy Chief of Mission is living in his own house. The other eight (8) members of staff are housed in leased premises where the Mission pays a monthly rent ranging between US \$3,100 (Kshs.310,000) and US \$3,750 (Kshs.375,000) per month for each house.

The two vacant residential houses are six bed roomed house which has remained unoccupied for three (3) months and a three bed roomed house which has been unoccupied for more than one year. In addition, the Mission incurs approximated expenditure of US \$ 88,926.89 (Kshs.8,892,689) per annum on utility and cleaning of the compounds.

Had the vacant properties been fully utilized, the Government would have saved a total of Kshs.13,842,689 comprising of rent of Kshs.3,720,000 per annum being paid for one of the local staff who should have occupied the three bed roomed house and rent for three months of Kshs.1,230,000 paid for the Deputy Ambassador had he occupied the six bed roomed house and expenditure of Kshs.8,892,689 on utility and cleaning of the compounds.

2.4 Purchase of Chancery – Geneva

The Kenyan Mission in Geneva entered into an agreement with Pi Morillon SA in the year 2020 for purchase of land at Swiss CHF 4, 641,765 (Kshs.547,728,270) and building at Swiss CHF 11,208,235 (Kshs.1,322,571,730). The valuation report done by the Ministry of Lands and Physical Planning dated 5 April, 2019 had the following wrong details regarding the property:

Description	Valuation Report	Actual Position
Title Number	Plot No. 5785, Mission 5	Plot No. 5816, Mission 6
Size of Land	1500 Square Metres	2,150 Square Metres
Services Quoted	(i).Gas Pipeline (ii).Twenty-four hour security	None existence of the services on the ground
Land	Plot on a level ground	Plot is on a hilly ground
Plot Boundaries	Marked with masonry wall fence	No masonry wall fence
Proposed Construction	Five double storey house	One single storey house
Market value	Sales comparable to valuation	No document for the market value

In addition, the address of the Chancery was not indicated in the valuation report. In view of the errors noted in the valuation report in relation to the actual position observed, the accuracy and reliability of the report could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Ministry to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 March, 2022

MINISTRY OF FOREIGN AFFAIRS
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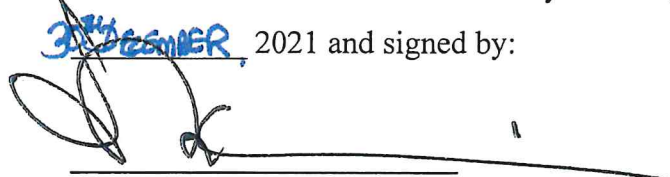
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
RECEIPTS			
Tax Revenues	1	22,163,393	17,532,666
Transfers from National Treasury	2	14,906,169,108	15,541,478,580
Other Revenues	3	191,295,112	470,125,642
		15,119,627,613	16,029,136,888
TOTAL REVENUES			
PAYMENTS			
Compensation of Employees	4	8,043,766,604	7,097,854,421
Use of goods and services	5	6,058,055,005	7,467,927,775
Transfers to Other Government Units	6	142,862,928	259,602,706
Other grants and transfers	7	616,042,042	632,149,088
Social Security Benefits	8	11,126,115	50,627,665
Acquisition of Assets	9	1,064,835,738	857,494,192
TOTAL PAYMENTS		15,936,688,431	16,365,655,845
SURPLUS/DEFICIT		(817,060,818)	(336,518,957)

Note: The Deficit of Ksh.817,060,818 is as a result of reported Mission's Expenditure funded from the Cashbook balances held as at 30th June,2021 . The comparative significant decrease in Cash balances as at 30th June,2021 is clearly illustrated in Statement of Assets and Liabilities.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Foreign Affairs financial statements were approved on

30th December, 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS



Senior Deputy Accountant General

Mr. Vincent L. Kirwa

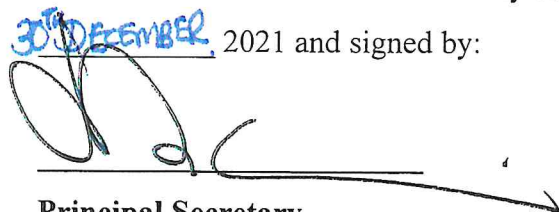
ICPAK Member Number: 10999

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8. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10A	1,345,484,690	2,177,403,862
Cash Balances	10B	24,687	394,809
Total Cash And Cash Equivalents		1,345,509,377	2,177,798,671
Accounts Receivables - Outstanding Imprest and Clearance Accounts	11	1,024,448	8,110,157
TOTAL FINANCIAL ASSETS		1,346,533,825	2,185,908,828
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	12	222,507,822	237,063,665
NET FINANCIAL ASSETS		1,124,026,002	1,948,845,163
REPRESENTED BY			
Fund balance b/fwd	13	1,948,845,163	2,385,663,130
Surplus/deficit		(817,060,818)	(336,518,957)
Prior year adjustments	14	(7,758,343)	(100,299,009)
NET FINANCIAL POSSITION		1,124,026,002	1,948,845,163

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Foreign Affairs financial statements were approved on 30TH DECEMBER, 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS



Senior Deputy Accountant General

Mr. Vincent L. Kirwa

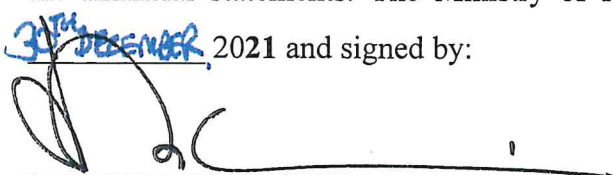
ICPAK Member Number: 10999

MINISTRY OF FOREIGN AFFAIRS
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9. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2020-2021	2019-2020
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Tax Revenues	1	22,163,393	17,532,666
Transfers from National Treasury	2	14,906,169,108	15,541,478,580
Other Revenues	3	191,295,112	470,125,642
		15,119,627,613	16,029,136,888
Payments for operating expenses			
Compensation of Employees	4	8,043,766,604	7,097,854,421
Use of goods and services	5	6,058,055,005	7,467,927,775
Transfers to Other Government Units	6	142,862,928	259,602,706
Other grants and transfers	7	616,042,042	632,149,088
Social Security Benefits	8	11,126,115	50,627,665
		14,871,852,693	15,508,161,656
Adjusted for:			
Changes in receivables		7,085,709	(3,309,728)
Changes in payables		(14,555,843)	46,368,570
Adjustments during the year	12	(7,758,343)	(100,299,009)
Net cashflow from operating activities		232,546,443	463,735,065
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(1,064,835,738)	(857,494,192)
Net cash flows from Investing Activities		(1,064,835,738)	(857,494,192)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(832,289,294)	(393,759,127)
Cash and cash equivalent at BEGINNING of the year		2,177,798,671	2,571,557,796
Cash and cash equivalent at END of the year	8	1,345,509,377	2,177,798,671

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Ministry of Foreign Affairs financial statements were approved on 30TH DECEMBER 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS



Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999

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10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Tax Receipts	137,427,000	22,677,000	160,104,000	22,163,393	137,940,607	14%
Exchequer releases	9,853,744,337	6,788,650,132	16,642,394,469	14,906,169,107	1,736,225,362	90%
Other Receipts	255,450,252	274,356,601	529,806,852	191,295,112	338,511,740	36%
Total Receipts	10,246,621,589	7,085,683,733	17,332,305,321	15,119,627,612	2,212,677,709	87%
Payments						
Compensation of Employees	4,783,314,995	3,539,025,000	8,322,339,995	8,043,766,604	278,573,391	97%
Use of goods and services	3,741,798,452	3,072,113,424	6,813,911,875	6,058,055,005	755,856,870	89%
Other grants and transfers	415,629,167	354,996,380	770,625,547	616,042,042	154,583,505	80%
Social Security Benefits	5,218,542	5,218,542	10,437,083	11,126,115	(689,032)	107%
Transfers to Other Government Units	86,353,620	58,353,620	144,707,240	142,862,928	1,844,312	99%
Acquisition of Assets	1,214,306,814	55,976,768	1,270,283,581	1,064,835,738	205,447,843	84%
Grand Total	10,246,621,589	7,085,683,733	17,332,305,321	15,936,688,431	1,395,616,890	92%
Surplus/Deficit	-	-	-	(817,060,819)	817,060,819	

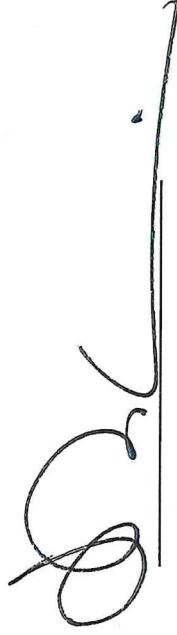
Notes

- Tax Receipts-These are majorly collections from issuance of visas fees experienced low collections due to the COVID-19 pandemic that resulted to travel restrictions.*
- Exchequer Releases- The Utilization of 89% does not take into consideration the significant cash balances held at the Missions*
- Other Receipts- Collection of A-I-A was greatly hampered by the Covid-19 pandemic which affected most of the key Missions*
- Use of good and services- Slowed level of activities due to Covid-19 pandemic and significant fall in exchequer releases*

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- v. Other grants and transfers- The bulk of the budget relates to scholarships and education benefit for children for officers in Mission, during the Covid-19 pandemic the absorption was slow since most of the schools were on lock down
- vi. Acquisition of Assets- This was due to the global Covid-19 pandemic, slowed general procurement of goods / assets and relatively long delays in exchequer releases.

The Ministry of Foreign Affairs financial statements were approved on 30th DECEMBER, 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS



Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999 :

MINISTRY OF FOREIGN AFFAIRS
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11. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
RECEIPTS						
Tax Receipts	24,427,000	22,677,000	47,104,000	22,163,393	24,940,607	47%
Exchequer releases	8,837,344,337	6,788,650,132	15,625,994,469	13,933,278,164	1,692,716,305	89%
Other Receipts	255,450,252	274,356,601	529,806,852	191,295,112	338,511,740	36%
Total Receipts	9,117,221,589	7,085,683,733	16,202,905,321	14,146,736,669	2,056,168,652	87%
PAYMENTS						
Compensation of Employees	4,783,314,995	3,539,025,000	8,322,339,995	8,043,766,604	278,573,391	97%
Use of goods and services	3,741,798,452	3,072,113,424	6,813,911,875	6,058,055,005	755,856,870	89%
Transfers to Other Government Units	58,353,620	58,353,620.00	116,707,240	115,627,907	1,079,334	99%
Other grants and transfers	415,629,167	354,996,380.00	770,625,547	616,042,042	154,583,505	80%
Social Security Benefits	5,218,542	5,218,541.50	10,437,083	11,126,115	(689,032)	107%
Acquisition of Assets	112,906,814	55,976,768	168,883,581	109,463,370	59,420,211	65%
Grand Total	9,117,221,589	7,085,683,733	16,202,905,321	14,954,081,042	1,248,824,279	92%
Surplus/Deficit				(807,344,373)	807,344,373	

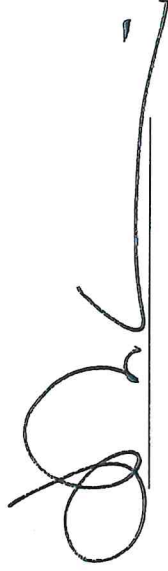
Notes

- Tax Receipts-** These are majorly collections from issuance of visas fees experienced low collections due to the **COVID-19** pandemic that resulted to travel restrictions.
- Exchequer Releases-** The Utilization of 89% does not take into consideration the significant cash balances held at the Missions
- Other Receipts-** Collection of A-I-A was greatly hampered by the Covid-19 pandemic which affected most of the key Missions
- Use of good and services-** Slowed level of activities due to Covid-19 pandemic and significant fall in exchequer releases

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- v. *Other grants and transfers- The bulk of the budget relates to scholarships and education benefit for children for officers in Mission, during the Covid-19 pandemic the absorption was slow since most of the schools were on lock down*
- vi. *Acquisition of Assets- This was due to the global Covid-19 pandemic, slowed general procurement of goods / assets and relatively long delays in exchequer releases.*

The Ministry of Foreign Affairs financial statements were approved on 20 December, 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS



Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999

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12. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Tax Receipts	113,000,000	-	113,000,000	-	113,000,000	0%
Exchequer releases	1,016,400,000	-	1,016,400,000	972,890,943	43,509,057	96%
Total Receipts	1,129,400,000	-	1,129,400,000	972,890,943	156,509,057	86%
Payments						
Transfers to Other Government Units	28,000,000	-	28,000,000	27,235,022	764,979	97%
Acquisition of Assets	1,101,400,000	-	1,101,400,000	955,372,367	146,027,633	87%
Grand Total	1,129,400,000	-	1,129,400,000	982,607,389	146,792,611	87%
Surplus/Deficit	-	-	-	(9,716,446)	9,716,446	

Notes



- i. Late exchequer disbursements made in the 4th quarter to fund the on-going projects also affected the absorption to some extent.
- ii. Late exchequer disbursements made in the 4th quarter to fund the on-going projects also affected the absorption to some extent.

The Ministry of Foreign Affairs financial statements were approved on 30 December, 2021 and signed by:



Principal Secretary

Amb. Macharia Kamau, CBS

Senior Deputy Accountant General

Mr. Vincent L. Kirwa

ICPAK Member Number: 10999

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13. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
714000000		General Administration Planning and Support	1,873,180,306	1,827,297,963	32,382,343
	714010000	Administration services	1,873,180,306	1,827,297,963	32,382,343
715000000		Foreign Relation and Diplomacy	15,232,474,320	13,899,391,039	1,333,083,281
	715010000	Management of Kenya missions abroad	13,194,043,511	12,039,689,603	1,154,353,908
	715020000		1,061,000,000	916,823,050	144,176,950
	715030000		22,749,085	19,984,222	2,764,863
	715040000		799,559,001	785,623,598	13,935,403
	715050000		14,437,468	13,802,350	635,118
	715060000		140,685,255	123,468,216	17,217,039
741000000		Economic and Commercial Diplomacy	48,692,947	45,089,957	3,602,990
	741010000		48,692,947	45,089,957	3,602,990
742000000		Foreign Policy Research, Capacity Dev and	177,957,748	164,909,472	13,048,276
	742010000		149,957,748	137,674,451	12,283,297
	742020000		28,000,000	27,235,022	764,979
		Grand Total	17,332,305,321	15,936,688,431	1,382,116,890

14. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Ministry of Foreign Affairs

The financial statements are for the Ministry of Foreign Affairs. The financial statements encompass the reporting Ministry of Foreign Affairs as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Ministry of Foreign Affairs for all the years presented.

a) Recognition of Receipts

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

i) Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

ii) Transfers from the Exchequer

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

iii) External Assistance

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

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

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

During the year ended 30th June 2021, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

iv) Other receipts

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

b) Recognition of payments

The Ministry of Foreign Affairs recognises all payments when the event occurs, and the related cash has been paid out by the Ministry of Foreign Affairs.

i) Compensation of Employees

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

ii) Use of Goods and Services

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

iii) Interest on Borrowing

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

iv) Repayment of Borrowing (Principal Amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fixed asset register is maintained by each public Ministry of Foreign Affairs and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

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

6. Third Party Payments

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

7. Cash and Cash Equivalents

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

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2021, this amounted to Kshs. 222,507,822 compared to Kshs 237,063,665 in prior period as indicated on note 12. There were no other restrictions on cash during the year.

8. Accounts Receivable

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

9. Accounts Payable

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

10. Pending Bills

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

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the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

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

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

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

16. Contingent Liabilities

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

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Ministry of Foreign Affairs does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Note 19 and Annex III of this financial statement is a register of the contingent liabilities in the year.

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15. NOTES TO THE FINANCIAL STATEMENTS

1 Tax Receipts

	2020-2021	2019-2020
	Kshs	Kshs
Taxes on Goods and Services	22,163,393	17,532,666
TOTAL	22,163,393	17,532,666

Note: Increase in the revenue is because of easing of the lockdowns by most of the countries where most of our Missions are domiciled abroad.

2 Exchequer Releases

Description	2020-2021	2019-2020
	Kshs	Kshs
Total Exchequer Releases for quarter 1	3,862,001,524	696,842,826
Total Exchequer Releases for quarter 2	2,216,349,367	3,945,392,858
Total Exchequer Releases for quarter 3	3,570,189,780	6,653,298,918
Total Exchequer Releases for quarter 4	5,257,628,437	4,245,943,978
TOTAL	14,906,169,108	15,541,478,580

3 Other Receipts

Description	2020-2021	2019-2020
	Kshs	Kshs
Rents on land, houses and buildings	73,249,772	132,622,648
Other Property Income collected as AIA	1,302,000	-
Administrative Fees and Charges	2,721,743	-
Administrative Fees and Charges collected as AIA	114,021,597	337,502,995
TOTAL	191,295,111.65	470,125,642

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 Compensation of Employees

	2020-2021	2019-2020
	Kshs	Kshs
Basic salaries of permanent employees	961,833,343	778,729,868
Basic wages of temporary employees	1,861,256,355	1,857,869,626
Personal allowances paid as part of salary	4,538,990,611	3,913,846,726
Personal allowances paid as reimbursements	311,954,606	246,039,358
Personal allowances provided in kind	10,544,542	10,545,311
Pension and other social security contributions	74,924,821	59,954,268
Employer Contributions Compulsory national social security schemes	265,378,718	220,057,666
Employer Contributions Compulsory national health insurance schemes	18,883,607	10,811,598
TOTAL	8,043,766,604	7,097,854,421

Note: Increase in Personnel Emoluments is due to Promotions of officers, additional staff posted to Missions

5 Use of Goods and Services

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	406,626,613	387,896,051
Communication, supplies and services	211,432,228	260,952,866
Domestic travel and subsistence	169,647,411	255,676,923
Foreign travel and subsistence	1,169,228,757	1,817,986,728
Printing, advertising and information supplies & services	21,192,271	27,692,717
Rentals of produced assets	2,441,520,217	2,377,177,472
Training expenses	9,198,217	17,165,195
Hospitality supplies and services	303,052,515	827,706,607
Insurance costs	79,598,459	77,966,257
Specialized materials and services	24,783,320	24,155,373
Office and general supplies and services	79,116,993	81,151,281
Fuel Oil and Lubricants	79,073,775	99,784,892
Other operating expenses	901,921,066	1,042,752,763
Routine maintenance – vehicles and other transport equipment	49,406,907	50,832,128
Routine maintenance – other assets	112,256,255	119,030,522
TOTAL	6,058,055,005	7,467,927,775

Note: Covid-19 pandemic slowed down to a great extent the absorption of the budget on the local activities of the Ministries.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 Grants and Transfers to other Government Entities

Description	2020-2021	2019-2020
	Kshs	Kshs
Current Grants to Government Agencies and other Levels of Government	115,627,907	103,467,485
Capital Grants to Government Agencies and other Levels of Government	27,235,022	156,135,221
TOTAL	142,862,928	259,602,706

Note: Covid-19 pandemic slowed down to a great extent the absorption of the budget since most of the Ministry's planned activities were derailed.

It is also worth noting the expenditure incurred on the above expenditure item relates Operational & Maintenance activities for the Foreign Service institute which at the moment is not a Semi-Autonomous entity as currently constituted. In this regard the funds are utilized under the supervision and accountability of the Accounting Office of the Ministry of Foreign Affairs.

7 Other Grants and Transfers

	2020-2021	2019-2020
	Kshs	Kshs
Scholarships and other Educational Benefits	616,042,042	632,149,088
	616,042,042	632,149,088

Notes: Educational benefits for children of officers serving in Missions form the bulk of the expenditure, during the global pandemic of Covid-19 most of the institutions were on lockdown.

8 Social Security Benefits

	2020-2021	2019-2020
	Kshs	Kshs
Government pension and retirement benefits	11,126,115	50,627,665
	11,126,115	50,627,665

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9 Acquisition of Assets

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	319,329,598	397,873,723.05
Refurbishment of Buildings	642,652,644	263,243,630.60
Purchase of Vehicles and Other Transport Equipment	12,999,999	113,949,985.50
Overhaul of Vehicles and Other Transport Equipment	2,851,124	3,615,731.00
Purchase of Household Furniture and Institutional Equipment	55,162,238	41,648,788.80
Purchase of Office Furniture and General Equipment	31,574,760	37,162,333.05
Purchase of Specialized Plant, Equipment and Machinery	265,375	-
TOTAL	1,064,835,738	857,494,192.00

10 A: Bank Accounts

Name of Bank, Account No.	Vote/Currency	2020-2021	2019-2020
		Kshs	Kshs
<i>Central Bank of Kenya, 10001302337</i>	Recurrent- Ksh	26,900	524,746
<i>Kenya Missions Abroad, 6530103</i>	Recurrent- Ksh	965,883,704	1,820,613,050
<i>Central Bank of Kenya, 10001302356</i>	Development- Ksh	8,855,104	134,300
<i>Kenya Missions Abroad, 6540102</i>	Development- Ksh	148,211,160	119,068,101
<i>Central Bank of Kenya, 10001302372</i>	Deposits- Ksh	222,507,822	237,063,665
Total		1,345,484,690	2,177,403,862

10 B: Cash in hand

	2020-2021	2019-2020
	Kshs	Kshs
Cash in Hand	24,687	394,809
TOTAL	24,687	394,809

Cash in hand should also be analysed as follows:

	2020-2021	2019-2020
	Kshs	Kshs
Headquarters, Old Treasury Building, Cashoffice		
Location 1	24,686	394,809
TOTAL	24,686	394,809

(Attached Copes of Board of Survey carried on 1st July,2021)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 : Accounts Receivable

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	990,150	7,099,297
Salary Advance	34,298	1,010,860
TOTAL	1,024,448	8,110,157

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
<i>Wanjiru Nancy Mwangi</i>	15 -Oct-2020	42,000	-	42,000
<i>Lucy Kawira Githinji</i>	15-Dec-2020	19,950	-	19,950
<i>Peris Wangari Kariuki</i>	19-Mar-2021	42,000	-	42,000
<i>Chire Ekari</i>	17-Mar-2021	58,000	-	58,000
<i>Julius Musyoka Simu</i>	18-Nov-2020	94,800	-	94,800
<i>Michemi Muriithi Muthee</i>	14-May-2021	16,800	-	16,800
<i>Moses Murithi Mwenda</i>	01-Feb-2021	716,600	-	716,600
Total		990,150		990,150

12 . Accounts Payable

	2020-2021	2019-2020
	Kshs	Kshs
Deposits	217,987,933	237,063,665
Retention	4,519,889	
TOTAL	222,507,822	237,063,665

Disclosure of Deposit Funds Held by Mission

During the year under review, some Missions held funds that relate to the Ministry of Foreign Affairs. These funds have already been expended and therefore accounted for under expenditure items within the recurrent and development votes appropriately but actuals funds movements have not been effected but held in the deposit account.

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Below is a summary;

Mission	MFA Deposit Balance as at 30th June , 2021
Ottawa	2,533,095.00
Mogadishu	2,199,153.30
Vienna	20,580,897.00
Rome	2,445,872.03
New York	22,724,428.23
Geneva	15,896,398.39
Washington	43,913,085.65
Pretoria	107,228,446.50
The Hague	3,119,102.63

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13 Fund Balance Brought Forward

	2020-2021	2019-2020
	Kshs	Kshs
Bank accounts	2,177,403,862	2,570,708,636
Cash in hand	394,809	849,160
Receivables - Outstanding Imprests	8,110,157	4,800,429
Payables - Deposits	(237,063,665)	(190,695,095)
TOTAL	1,948,845,163	2,385,663,130

14 . Prior Year Adjustments

	Balance b/f FY 2019/2020 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	2,177,403,862	(659,046)	2,178,062,908
Cash in hand	394,809		394,809
Receivables	8,110,157	- 7,099,297.00	15,209,454
Accounts Payables	(237,063,665)		(237,063,665)
	1,948,845,163	(7,758,343)	1,956,603,506

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15 (Increase)/ Decrease in Receivable

	2020-2021	2019-2020
	KShs	KShs
Receivables as at 1 st July 2020	8,110,157	4,800,429
Receivables as at 30 th June 2021	1,024,448	8,110,157
Increase)/ Decrease in Receivables	7,085,709	(3,309,728)

16 Increase/ (Decrease) in Accounts Payable

	2020-2021	2019-2020
	Kshs	Kshs
Payables as at 1 st July 2020	237,063,665	190,695,095
Payables as at 30 th June 2021	222,507,822	237,063,665
Increase/ (Decrease) in payables	(14,555,843)	46,368,570

17 Pending Accounts Payable (See Annex I)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of civil works	-	35,370,046	-	35,370,046
Supply of goods	180,829,673	142,708,783	180,829,673	142,708,783
Supply of services	63,786,593	86,900,411	63,786,593	86,900,411
Total	244,616,266	264,979,240	244,616,266	264,979,240

18 Contingent Liabilities

Contingent Liabilities	2020-2021	2019-2020
	Kshs	Kshs
Court cases against the Ministry of Foreign Affairs	162,075,887	-
TOTAL	162,075,887	-

(Details- Annex II -Contingent liabilities register)

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14. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
325	<p>CASH AND CASH EQUIVALENT</p> <p>Query</p> <p>The statement of assets and Liabilities as at 30 June, 2020 reflects cash and cash equivalents balance of Kshs. 2,177,798,670 which includes Bank balances of Kshs. 2,177,403,861. As disclosed in note 10 A to the Financial Statements, the bank balance of Kshs 2,177,403,861 includes recurrent and development account balances of Ksh.524, 746 and Kshs. 134,300 in Accounts No.1000302337 and No.1000302356 respectively at the Central Bank of Kenya.</p>	<p>It is true that the statement of assets and Liabilities as at 30th June, 2020 reflects cash and cash equivalents balance of Kshs. 2,177,798,670 which includes bank balances of Kshs. 2,177,403,861. As disclosed in note 10 A to the Financial Statements, the bank balance of Kshs 2,177,403,861 includes recurrent and development accounts balances of Kshs.524, 746 and Kshs. 134,300 in Accounts No.1000302337 and No.1000302356 respectively at the Central Bank of Kenya.</p>	Resolved	

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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)
	<p>However, the Central Bank of Kenya certificate of Balances reflects recurrent account and development account balances of Kshs. 21,848,532.61 and Kshs. 299,128.85 while the bank reconciliation statements for 30th June, 2020 reflect balances of Kshs. 65,580,230.56 and Kshs. 667,436.10 under recurrent and development accounts, respectively resulting in differences between the three sets of records.</p> <p>Under the circumstances, the accuracy of the bank balance of Kshs. 2,177,403,861 as at 30th June, 2020 could not be confirmed.</p>	<p>Further, it is true that the Central Bank of Kenya certificate of Balances reflects recurrent account and development account balances of Kshs. 21,848,532.61 and Kshs. 299,128.85 while the bank reconciliation statements for 30th June, 2020 reflect balances of Kshs. 65,580,230.56 and Kshs. 667,436.10 under recurrent and development accounts, respectively resulting in differences between the three sets of records.</p> <p>The Ministry provided initial reconciliation statements with balances as above which had not incorporated items on transit. The Ministry has since prepared revised reconciliation statements and availed the</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)
		same for audit review.		
326	<p>PENDING BILLS</p> <p><i>Query</i></p> <p>As disclosed under Annex 1 to the financial statements, the Ministry had Pending Bills of Kshs.244, 616,266 as at 30 June 2020. The bills were not paid during the year under review but were instead carried forward to the 2020/2021 financial year. Failure to settle bills during the</p>	<p>It is true that outstanding claims from the Ministry (pending bills) stood at Kshs. 244,616,266 as at 30th June, 2020. These bills were processed in IFMIS and loaded into Internet Banking platform awaiting exchequer release. The National Treasury did not release the exchequer by closure of year 2019/2020 Financial Year, thus forcing the Ministry to carry forward the bills to the next financial year 2020/2021.</p>	Resolved	

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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)
	year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.	The Ministry, at the commencement of the 2020/2021 Financial Year, verified the bills and settled them as 1 st charge on the 2020/2021 Financial Year's budget in accordance with the financial regulations. The verified pending bills report and the payment status for the same has been availed for audit review.		
	IRREGULAR PROCUREMENT OF ICT EQUIPMENT <i>Query</i> Examination of records revealed that the Ministry purchased twenty-seven (27) laptops, two (2) desktop computers and twenty-eight (28) printers at a total cost of Ksh. 10,047,119 for business continuity during the Covid-19 pandemic. The Ministry continued to work at minimum effective	It is true that during the year under review the Ministry purchased twenty-seven (27) laptops, two (2) desktop computers and twenty-eight (28) printers at a total cost of Ksh. 10,047,119 for business continuity during the Covid-19 pandemic. The Ministry continued to work at minimum effective	Resolved	

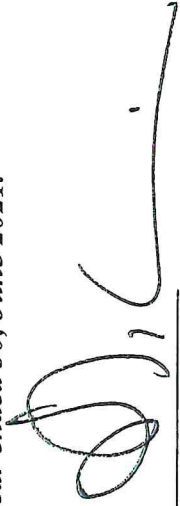
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	printers at a total cost of Kshs. 10,047,119 in the year under review. It was observed that the ICT equipment were delivered before Local Purchase Order were issued.	capacity and therefore there was need to address work related challenges that could be brought about by a possible lockdown. The procurement of these items was done under certificate of emergency as provided for under the Public Procurement and Asset Disposal Act, 2015 section 103 (1)(b) under the environment created by the outbreak of Covid-19 Pandemic. Tender document No. MFA/DP/005.2019-2020 was issued to the suppliers and the bids were opened on 20 th April, 2020. The tenders were then evaluated and the Professional opinion approved by the Accounting Officer soon thereafter, thereby permitting the issuance of the Purchase Orders to the		


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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)
		<p>awarded companies.</p> <p>Due to the Covid-19 pandemic, there was a lot of anxiety as the pandemic had already been declared a global crisis that required emergency response to combat the spread within and outside the Ministry and some officers were required to work from home. To continue the Ministry's operations seamlessly, there was urgent need for immediate delivery of the equipment as the PO's were being processed.</p>		

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Principal Secretary



Principal Accounts Controller

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ANNEXES

ANNEX I - ANALYSIS OF PENDING ACCOUNTS PAYABLE

ANNEX II- CONTINGENT LIABILITIES REGISTER

ANNEX III- SUMMARY OF FIXED ASSET REGISTER

ANNEX IV - REPORTS GENERATED FROM IFMIS

ANNEX V – OTHER REPORTS

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ANNEX I - ANALYSIS OF PENDING ACCOUNTS PAYABLE

[illegible]

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8	15.04.2021	Cherith General Suppliers	7	Computer Accessories	004790	8003	1,115,000.00	Payable
9	26.06.2021	Citadel Prudential Logistics	1053	Television Sets	006718	8314	109,000.00	Payable
10	16.06.2021	Codavesta Ltd	57	Dust Coats	006436	8177	608,780.00	Payable
11	24.06.2021	County Distributors	109	Assorted Gifts		8487	229,200.00	Payable
12	29.06.2021	Dachris Ventures	155	Assorted office equipment	006585	8256	2,001,000.00	Payable
13	30.06.2021	Daleshed General Supplies	251	Assorted goods		8443	512,450.00	Payable
14	29.06.2021	Deep Sea Trading	82	Toners		8344	2,860,000.00	Payable
15	30.06.2021	Dotwians Enterprises	31	Assorted items		8489	217,730.00	Payable
16	28.06.2021	Egma Enterprises	365	Toners	006826	8356	493,000.00	Payable
17	18.06.2021	Elevatus Technologies Limited	802	ICT Equipment		8435	1,888,400.00	Payable
18	29.06.2021	Esma Enterprises	0225	Assorted items		8432	874,950.00	Payable
19	22.06.2021	Famai General Supplies	07	Gift Bags	006360	8402	1,297,400.00	Payable
20	24.06.2021	Fanyamu Agencies	609	HP-Toners	006439	8337	1,435,000.00	Payable
21	29.06.2021	Feroliz Supplies Ltd	3	Face Masks	006686	8473	1,900,000.00	Payable
22	30.06.2021	Fostar Solution	142	Shredders		8431	230,000.00	Payable
23	22.06.2021	Glojan Enterprises	0221	Assorted ICT Items	006444	8403	736,735.00	Payable
24	29.06.2021	Hajaki Investment	005	Toners		8519	670,000.00	Payable
25	26.06.2021	Hekami Ventures Ltd	075	Webcam and headphones		8440	2,210,000.00	Payable
26	30.06.2021	Jaznad Entrprises And General Supply	004	Toners	006688	8520	1,200,000.00	Payable
27	29.06.2021	Jerich Hand Craft	023	Assorted Stationery	006586	8345	678,000.00	Payable
28	18.06.2021	Jocella Investments	002	Assorted Stationery	006448	8324	850,750.00	Payable
29	30.06.2021	Jokib Ventures Ltd	31	500ml sanitizers	N/A	8510	1,790,000.00	Payable
30	25.06.2021	Juthier Investments	188	Toner	006446	8263	1,371,000.00	Payable
31	24.06.2021	Kabet Enterprises Ltd	30	Supply Of Assorted Office Equipments	006440	8329	1,055,140.00	Payable
32	24.06.2021	Kazana Suppliers	1	Banners	006447	8379	350,000.00	Payable
33	30.03.2021	Kicc	1721	Car Park-Comesa Grounds	005148	8371	11,232,000.00	Payable
34	24.05.2021	Kimjoy Ventures	007	Sofa Set	005607	8070	650,000.00	Payable
35	25.06.2021	Klink Network Ltd	161	Branded Gift Bags	006433	8351	645,000.00	Payable
36	18.05.2021	Ladella Enterprises	001	Assorted Flags	006719	8437	59,500.00	Payable
37	23.06.2021	Lareen Enterprises	145	Printing Papers	006316	8346	2,920,000.00	Payable
38	25.06.2021	Lekiju Enterprises	051	Toners	006724	8357	690,000.00	Payable

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39	30.06.2021	Libseo Investments Company Ltd	17	Assorted items		8433	1,665,000.00	Payable
40	22.06.2021	Linmark Technologies	013	Assorted Items	006120	8294	936,000.00	Payable
41	30.06.2021	Lowida Enterprises	80	Supply Of Heavy Duty Photocopier Printer	006819	8424	2,053,200.00	Payable
42	18.06.2021	Mallard Ventures Ltd	2	Supply of Furnitures	006369	8237	1,245,200.00	Payable
43	22.06.2021	Marceno Supplies & Maintenance	214	Assorted Items	006018	8394	618,500.00	Payable
44	29.06.2021	MBM World Wide Ltd	536	Secretarial Phones	006591	8387	1,307,000.00	Payable
45	16.02.2021	MFI Documents Solution	SO-476666	Spare parts for photocopier machines	006824	8475	1,453,408.00	Payable
46	22.06.2021	Midhar Traders	007	Stationery	006322	8259	790,000.00	Payable
47	25.06.2021	Milbern Commercial Enterprises	47	Assorted Office Equipment	006563	8380	1,055,140.00	Payable
48	25.06.2021	Milto Pharma Ltd	58	Face Shield	006588		150,000.00	Payable
49	26.05.2021	Mwireri Maintainers	9641	Security search mirrors	N/A	8515	56,840.00	Payable
50	22.06.2021	Nediza Supplies	001	Assorted Furniture	006445	8375	1,148,200.00	Payable
51	30.06.2021	Omec Options Services	399	Purchase of toners		8428	117,500.00	Payable
52	09.05.2021	Optimum(Ea) International Limited	626	Upgrading Of The Ministry Telephone Systems	006524	8156	812,000.00	Payable
53	30.06.2021	Orivan Agencies Ltd	46	Laptops		8430	1,136,160.00	Payable
54	28.06.2021	Pacific Mercantile Ltd	166	Conqueror Papers	006564	8365	720,000.00	Payable
55	25.06.2021	Peapio Investments Ltd	043	Biro Pens	006429	8349	1,125,000.00	Payable
56	30.06.2021	Premier Streams Solutions	24	Office Table Cards	006764	8471	1,600,000.00	Payable
57	01.07.2021	Prideinn Paradise Beach Resort	N/A	Conference facilities	N/A	8516	885,000.00	Payable
58	30.06.2021	Quiet Investment	2101	Assorted ICT equipment		8438	2,904,608.00	Payable
59	20.05.2021	Rayseed Investments Limited	108	Toners	005448	7999	1,638,000.00	payable
60	16.06.2021	Reapers Enterprises Limited	36	Banners	006430	8522	1,725,000.00	Payable
61	30.06.2021	Reeds Company Ltd	1051	Assorted Furnitures	006721	8088	3,715,700.00	Payable
62	29.06.2021	Ritaxx Enterprises	0057	Toner 410, TK 8725 C		8518	1,685,000.00	Payable
63	10.05.2021	Sage Of Sivana Company	0103	Fax Machine	005180	8119	765,200.00	Payable
64	30.06.2021	Saloja enterprises	1	External hard disk		8364	585,000.00	Payable
65	22.06.2021	Sarabo Enterprises	030	Assorted Items	006118	8292	788,000.00	Payable
66	08.06.2021	Shysnky Enterprises	207	Electronics	005721	8169	847,500.00	Payable
67	25.06.2021	Shysnky Enterprises	209	Office Furniture	006562	8312	1,661,000.00	Payable

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68	24.06.2021	Shysinky Enterprises		208	Assorted Items	006191	8295	752,140.00	Payable
69	30.06.2021	Spurtex enterprises		003	Toners		8362	470,800.00	Payable
70	30.06.2021	Tenaki Enterprises		1	Toners		8006	450,800.00	Payable
71	22.06.2021	Tomlitz Agencies		003	Face Masks	006314	8310	1,020,000.00	Payable
72	25.06.2021	Tujuandre Supplies		222	TonerSamsung 1063	N/A	8359	1,060,000.00	Payable
73	14.06.2021	University Of Nairobi Enterprises		28580	Library Books	006509	8392	1,564,303.00	Payable
74	02.06.2021	Wincomp Services Ltd		375	Assorted Stationery	006589	8350	560,000.00	Payable
75	30.06.2021	Yandex International Logistics		56	Toners		8472	985,000.00	Payable
76	30.06.2021	Alpha Core Ventures		1011	Assorted items		8434	1,959,500.00	Attach inspection certificate
77	30.06.2021	Comprehensive Developments Ltd			Toners		8343	1,214,000.00	Attach inspection certificate
78	30.06.2021	Kivik Tech Solution Ltd			Christmas cards		7913	132,920.00	Attach certificate of service
79		Tridband Enterprises			Toners		8338	587,500.00	Attach inspection certificate
80	23.08.2019	Acts Business System Ltd		MFA02	Assorted Furnitures	006493	8399	4,452,038.00	Payable
81	29.06.2020	Arroser Investments		006	Drinking Water	006725	8442	3,078,000.00	Payable
82	26.08.2019	Blueprint Computer Ltd		4614	Assorted Furnitures	006494	8396	11,110,726.00	Payable
83	10.02.2020	Flumash Momentum Logistics		9	Mobile Phone S20 Ultra Plus	002603	7728	199,200.00	Payable
84	26.08.2019	Learnsoft Business Solution Ltd		53	Assorted Furnitures	006491	8397	10,907,656.10	Payable
85	10.02.2020	Townson Supp Enterprises		175	Assorted Furniture	006490	8398	856,209.35	Payable
86		Capital Premier & Affiliate Agency		N/A	UNSC Campaign materials			12,660,000.00	Not payable (No evidence of supply)
TOTAL								142,708,783.45	

SUPPLY OF SERVICES									
S/NO	DATE	SUPPLIER/CONTRACTOR	DESCRIPTION	PV. NO.	PO.NO.	AMOUNT	REMARKS		
1	28.06.2021	Afri-Ken Grp Ltd	063	006565	8313	2,900,943.00	Payable		
2	24.06.2021	Attic Tours And Travel Ltd	00060331	006469	8457	1,394,400.00	Payable		
3	14.06.2021	Conference Caterers	011868	006729	8502	237,888.00	Payable		
4	04.06.2021	Conference caterers	011861			31,152.00	Payable		
5	21.07.2021	Cube Movers	46074	005924	8157	1,956,000.00	Payable		
6	28.06.2021	Digital Canvas Limited	N/A	006574	8309	307,400.00	Payable		
7	19.04.2021	Enashipai Resort And Spa	73247	006387	8448	147,500.00	Payable		
8		Government Coast	N/A	005087	N/A	79,273.00	Payable		

MINISTRY OF FOREIGN AFFAIRS

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For the year ended 30, June 2021.

9	18.06.2021	Agencies	Institute of human recourse Mngt	72974	Charges for annual HR Congress				Payable
10	13.05.2021	Jemtech Systems		749	Servicing And Repairs Of Ministry ICT Equipments	005011	7776	348,000.00	Payable
11	30.06.2021	Jeomog General Supplies		39	Hire of transport services	006744	8511	2,397,472.00	Payable
12	24.05.2021	Juneirah Safaris Ltd		2077	Hire Of Transport Services	006162	8238	304,000.00	Payable
13	07.06.2021	Kabro Enterprises		1118	Repairs of motor vehicles		8476	250,000.00	Payable
14	08.06.2021	Kenya School of Government		00606	Pre-retirement training			150,000.00	Payable
15	11.06.2021	Lake Naivasha		047-21	Conference Facilities	006143	8514	852,600.00	Payable
16	25.06.2021	Lake Naivasha Resort Ltd		2364	Conference Facilities	006730	8299	997,000.00	Payable
17	10.06.2021	Laprisen System &Supplies		007	Office Furnitures	006433	8501	324,000.00	Payable
18	12.04.2021	Levant Tours And Travel Ltd		88	Air tickets		8351	648,408.70	Payable
19	30.06.2021	Libsco Investments Co Ltd		015	IP Phone Installation	000257	7534	224,500.00	Payable
20	14.06.2021	Liquid Telecommunications Kenya Ltd		61777	Internet services at upperhill chambers	006723	8470	2,652,000.00	Payable
21	30.06.2021	Lordstown Travel Grp Ltd		1662	Air tickets	N/A	8240	870,580.00	Payable
22	26.06.2021	Lordstown Travel Grp Ltd		1653	Air tickets	006773	8504	3,214,400.00	Payable
23	12.06.2021	Mfi Documents Solutions		6183644	Servicing And Repairs Of Kyocera Machines	006774	8508	2,515,632.00	Payable
24	29.06.2021	Movenpick Caterers Ltd		2021035	Catering services	005691	8327	678,237.00	Payable
25	15.06.2021	Mr. Harry Kathurima		N/A	Payment of Rent	N/A	N/A	3,240,000.00	Payable
26	26.06.2021	Nairobi Serena Hotel		508591/508590/508530/	Accommodation and catering	006182	N/A	1,890,000.00	Payable
27	30.06.2021	NAS Airport Services		6202104	Catering Services	N/A	8503	2,699,723.00	Payable
28	30.06.2021	Nation media group		99988001	Advertisement Services			96,075.00	Payable
29	25.05.2021	Nation Media Group Ltd		183831	Advertisement Services	006538	8479	183,280.00	Payable
30	16.04.2021	National Media Group		9945	Advertisement Services	005693	8368	320,160.00	Payable
31	03.06.2021	Ostrwa Ltd			Hire of Transport Services	005951	8372	417,600.00	Payable
32	07.06.2021	Ostrwa Ltd		9	Hire of Transport Services	006495	8336	713,000.00	Payable
33	23.06.2021	Qishlaq Enterprises Ltd		00016	Hire Of Transport	006714	8444	342,500.00	Payable
						006713	8486	399,000.00	Payable

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34	25.05.2021	Safaricom Kenya Ltd	BI-20062082403B	Provision Of Internet Services	006508	8241	2,326,680.00	Payable
35	21.09.2020	Sarova Whitesands	N/A	Accommodation and catering	004936	7723	46,366.00	Payable
36	23.06.2021	Sentinel Africa Consulting Ltd	000700	Provision of Consultancy Services	006728	8513	1,599,999.00	Payable
37	25.06.2021	Serena Hotels	508921	Accommodation and catering			111,000.00	Payable
38	28.01.2021	Technology Dimension	TD00472	Installation Of Telephone Extension	005467	8243	338,882.00	Payable
39	01.12.2020	Teleposta towers	2021150878	Rent	005195	N/A	14,492,501.40	Payable
40	Various	Telposta Towers	various	Parking Charges	005194	8456	3,052,764.95	Payable
41	20.05.2021	The Travel Lounge	4914	Air tickets			2,950,160.00	Payable
42	21.06.2021	Toyota Kenya Limited	various	Servicing and repairs of motor vehicle		8485	448,339.00	Payable
43	01.05.2021	Toyota Kenya Limited	various	Servicing and repairs of motor vehicle			51,830.00	Payable
44	23.06.2021	Toyota Kenya Limited	70344919/3001074087	Servicing and repairs of motor vehicle		8326	319,136.00	Payable
45	04-06.2021	Toyota Kenya Limited	91551867/70340956/3001070798	Servicing and repairs of motor vehicle			32,528.00	Payable
46	16.06.2021	Toyota Kenya Limited	3001088599	Servicing and repairs of motor vehicle		8464	32,826.00	Payable
47	09.03.2021	Toyota Kenya Limited	91520030	Servicing and repairs of motor vehicle	005796	7965	383,671.00	Payable
48	22.06.2021	Trenad Auctioneers	0068	Auction Services	006333	8426	379,552.00	Payable
49	11.06.2021	Vitas Limited	91/102/184	Rent Payment	005950	8405	1,800,000.00	Payable
50	29.06.2021	Wahato Investments	63	IP Phone Installation	006720	8389	2,652,000.00	Payable
51	30.06.2021	Conference Caterers		Catering Services	006683	8500	568,524.00	Attach requisition memo, certificate of service
52	30.06.2021	Conference Caterers		Catering Services	006684	8497	233,640.00	Attach requisition memo, certificate of service
53	12.05.2021	DT Dobie and Company K. Kenya	16190957/2024	Repairs And Servicing Of Motor Vehicle	005612	8228	194,735.00	Attach invoice
54	01.07.2021	Movenpick Caterers Ltd	2021036	Catering services	N/A	N/A	47,790.00	Certificate of service not signed
55	17.06.2021	Movenpick Caterers Ltd	2021016	Catering services	N/A	N/A	63,720.00	Attach requisition memo, certificate of service
56	30.06.2021	Omec Options Services	399	Servicing and repairs of mac book		8439	225,000.00	Attach inspection certificate
57	31.08.2020	PTG Travel Limited	20963	Hire of Transport	N/A	8334	75,000.00	Attach requisition memo
58	21.06.2022	Toyota Kenya Limited		Servicing and repairs of motor		8407	82,431.00	Amount on P.O. not corresponding to invoice

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				vehicle					
59	5.02.2020	Fly High Agency	3201	Air tickets				62,820.00	Payable
60	various	Intercontinental Hotel	various	Accommodation and catering				1,862,240.36	Payable
61	2015-2019	Kone Kenya Ltd	Various	Servicing of the lift				2,214,792.25	Payable
62	18.10.2019	Libken Agencies	19100049	Air tickets				466,212.00	Payable
63	22.07.2019	Libken Agencies	19070050	Air tickets				284,770.00	Payable
64	24.07.2019	Libken Agencies	19070051	Air tickets				177,115.00	Payable
65	27.11.2019	Libken Agencies	19110054	Air tickets				294,908.00	Payable
66	28.11.2019	Libken Agencies	19110064	Air tickets				999,704.00	Payable
67	10.04.2019	Markways Enterprises	1093	Installation of siren	008105	4804		178,000.00	Payable
68	16.06.2018	The Travel Lounge	1145	Air tickets				36,650.00	Payable
69	20.08.2018	The Travel Lounge	1486	Air tickets				2,172,295.00	Payable
70	12.11.2018	The Travel Lounge	2032	Air tickets				660,060.00	Payable
71	14.11.2018	The Travel Lounge	1997	Air tickets				662,615.00	Payable
72	28.02.2019	The Travel Lounge	2487	Air tickets				978,330.00	Payable
73	03.04.2019	The Travel Lounge	2668	Air tickets				974,980.00	Payable
74	09.04.2019	The Travel Lounge	2667	Air tickets				268,380.00	Payable
75	29.04.2019	The Travel Lounge	2760	Air tickets				442,500.00	Payable
76	24.06.2019	The Travel Lounge	3082	Air tickets				2,076,080.00	Payable
77	26.07.2019	The Travel Lounge	3198	Air tickets				488,750.00	Payable
78	29.07.2019	The Travel Lounge	4316	Air tickets				234,670.00	Payable
79	30.10.2019	The Travel Lounge	4284	Air tickets				593,440.00	Payable
80	27.11.2019	The Travel Lounge	3829	Air tickets				2,670,570.00	Payable
81	04.02.2020	The Travel Lounge	4317	Air tickets				802,780.00	Payable
82	25.02.2020	The Travel Lounge	4271	Air tickets				716,400.00	Payable
83	17.06.2020	Libken Agencies	20060001	Air tickets				289,550.00	Not payable (the officer used an evacuation flight)
				TOTAL				86,900,410.66	

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements
For the year ended 30, June 2021.

ANNEX II- CONTINGENT LIABILITIES REGISTER

S/NO.	Details of the Award	Date of Award	Amount	Payment to date
1.	<p>Esther Deh Versus Government of Kenya.</p> <p>Claim for compensation for null and void dismissal filed on 31 May 2017.</p> <p>The Government of Kenya was ordered to pay Mrs Esther Deh for statutory dismissal and compensation for invalid dismissal.</p>	17 th May 2018	<p>Euros: 109,149.9</p> <p>Legal Fees: Euros 1,800</p> <p>Total: Euro. 110,949</p> <p>Kshs. 14,305,764</p>	Euro 1,800 in respect of legal fees
2.	<p>Khair Alsaid Alfred Khair Alsaid (former Chancery landlord) and Embassy of Kenya in South Sudan</p> <p>The court order demands the Embassy to pay USD 38,400 rental arrears, USD 20,000 as compensation. Further, bear court and advocate fees 10% of total cost.</p>	30 th April 2021	<p>USD. 64,240</p> <p>Kshs. 6,905,800</p>	Pending
3.	<p>Mr. Zaddock M. Syong'oh</p> <p>Claim of damages for unlawful termination Filled in 2017</p> <p>The consent was entered however the ministry is yet to receive the consent agreement.</p>		Kshs. 12,000,000	None

MINISTRY OF FOREIGN AFFAIRS
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S/NO.	Details of the Award	Date of Award	Amount	Payment to date
4.	Mr. Jackson Nyachati Orina v/s Ministry of Foreign Affairs, The Attorney General & Francis Mudasia Dagisi. The suit arose following an accident that occurred involving a Ministry's vehicle. The Ministry was ordered to pay the decretal sum		Kshs. 1,048,779.00	None
5.	Bramwel Waliuka Kisuyu Claim of terminal benefits & Service gratuity Matter has been settled out of court. The Parties have agreed on a consent, they are scheduled to sign the consent and there are no additional costs.		Approximately Ksh. 2,201,231	None
6.	Lesego Poonyane v/s High Commissioner of Kenya, Gaborone & Attorney General Case No. CVHGB 3554 -2015 Suit for wrongful dismissal and claimed damages. The Plaintiff was awarded a default judgement. This was contested by		Kshs. 1,276,040 Legal Fees: 1,011,072 Total: Kshs. 2,287,112	None

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S/NO.	Details of the Award	Date of Award	Amount	Payment to date
	the defendant and the judgement was set aside. The case is on-going. It is expected that legal fees will continue to be paid as the case progresses.			
7.	Ms. Mercy Mutai versus Government of Kenya Case No. RG F 14/05656. Suit for judicial termination, retirement savings, paid leave, back pay from April 2014 – April 2017 and severance indemnity. Statutory interest to be paid from date of notification of judgement until payment of the amount. The statutory interest rate is not given in the judgement	20 TH March 2017	Euros. 69,475.27 Legal Fees: Euros 11,100 Total: 80,575.27 Kshs. 10,389,375	None
8.	Mr. John Omeno Omusula Claim by the Mission to pay legal fee balances for the Missions legal representative in the case- PC Moore & Company Solicitors The Mission had requested for an approval to pay the balance to the legal firm however, since the AG had not given approval for the procurement of the legal representative, they requested for further particulars in the matter before issuing their recommendation.		Euros 3,499.00 Kshs. 451,161	Pending
	SUB TOTAL		Kshs. 49,589,222	

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S/NO.	Details of the Award	Date of Award	Amount	Payment to date
PENDING CASES WITH FINANCIAL OBLIGATION				
1.	Linda Tumwa versus Government of Kenya Case RG No. F 15/14727 Claim for compensation for unfair dismissal among others filed on 22 December 2015 The Mission appealed against the judgement	7 th February 2020	Euros 27,772.72 Legal Fees: Euro 3,396 Total: Euro 31,168.72 Kshs. 4,018,895	None
2.	Ms. Jacinta Onyango Versus Government of Kenya Claim for compensation for unfair dismissal among others filed on 22 December 2015 The judgement is yet to be communicated with the mission	7 th February 2020	Euro: 353,445.36 Legal Fees: 2,532.00 Total: Euro 355,977.36 Kshs. 45,899,721	None
3.	Ms. Pauline Lusweti versus Government of Kenya. Claim for compensation for unfair dismissal among others filed on 11 th January 2016 The Mission appealed against the judgement	8 th December 2020	Euro: 138,556.76 Legal Fees: Euro 5,520 Total: Euro 144,076.76 Kshs. 18,577,257	Euro. 5,520 in respect of legal fees
4.	Merlyn Magno & Reuben Magno Claim based on unfair dismissal, racial discrimination and non-	N/A	Not quantified as yet	None

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S/NO.	Details of the Award	Date of Award	Amount	Payment to date
	remission of pensions from 2016 – 2020			
	The Mission is supposed to file a notice of appearance and defence and intends to settle the matter out of court as it relates to statutory non-payments.			
5.	Claims from five (5) former employees of Kenya Embassy Brussels following lack of contribution by the embassy toward security funds.	N/A	Euro: 347,205	None
			Kshs. 43,990,792	
	SUB TOTAL		Kshs. 112,486,665	
	GRAND TOTAL		Kshs. 162,075,887	

MINISTRY OF FOREIGN AFFAIRS
Annual Report and Financial Statements
For the year ended 30, June 2021.

ANNEX III – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2020/21
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment					
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total					

AS PER THE ATTACHED SCHEDULES

MINISTRY OF FOREIGN AFFAIRS

Reports and Financial Statements

For the year ended 30, June 2021.

ANNEX IV- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

ANNEX V – OTHER REPORTS

- i. Exchequer Issues – Recurrent and Development votes for FY 2020/2021
- ii. Missions' Cashbook balances – Recurrent and Development
- iii. Board of Survey reports – Rec, Dev and Deposit Votes
- iv. Certificate of Balances – Rec, Dev and Deposit Bank accounts
- v. Copies of Recoveries of balances by the National Treasury
- vi. Deposit Bank Account analysis

