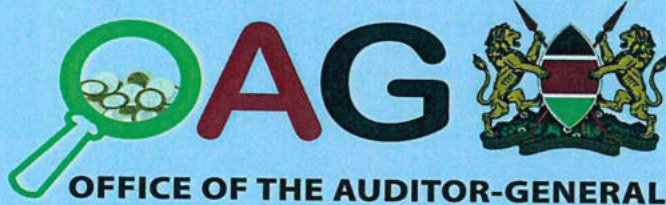



REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 15 MAR 2023	DAY: Wednesday
TABLED BY:	Leader of the Majority Party
CLERK-AT THE-TABLE:	Getrude Chebet

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MICRO FINANCE SECTOR SUPPORT  
CREDIT PROJECT (CREDIT NO. CKE 3004  
01E AND CKE 6010 01E)**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**THE NATIONAL TREASURY**



Revised Template 30<sup>th</sup> June 2022



---

**MICRO FINANCE SECTOR SUPPORT CREDIT**

Implemented by

Budget Fiscal and Economic affairs Department

The National Treasury

PROJECT GRANT/CREDIT NUMBER CKE 3004 01E, CKE 6010 01E

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

---

*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

(leave page blank)



<b>Table of Contents</b>	<b>Page</b>
1. Key Entity Information and Management.....	iv
2. Statement By The Cabinet Secretary.....	viii
3. Statement By The Principal Secretary / Accounting Officer.....	xx
4. Statement of Performance Against Predetermined Objectives for FY 2021/21 .....	xxvii
5. Environmental and Sustainability Reporting.....	xxviii
6. Statement of Management Responsibilities .....	xxx
7. Report of the Independent Auditors on Micro Finance Sector Support Credit.....	xxxii
8. Statement Of Receipts And Payments For The Year Ended 30 <sup>th</sup> June 2022 .....	1
9. Statement Of Assets And Liabilities As At 30 <sup>th</sup> June 2022.....	3
10. Statement Of Cash Flows For The Year Ended 30th June 2022.....	4
11. Statement Of Comparison Of Budget And Actual Amounts For FY2021/22.....	6
12. Notes to the Financial Statement.....	13
13. Annexes.....	45

## 1. Key Entity Information and Management

### 1.1 Project Information

<b>Project Start Date:</b>	The project start date is 25/05/2005
<b>Project End Date:</b>	The project end date is 31/12/2014 (as per amendment no 002) The Project has requested the office of the OAG to perform the final Audit with a view of winding up.
<b>Project Manager:</b>	The project manager is Mr Albert K Mwenda, HCS, Ag. Director General, Directorate of Budget, Fiscal and Economic Affairs.
<b>Project Sponsor:</b>	The project sponsor is Agence Francaise de Development (AFD)

### 1.2 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Directorate of Budget, Fiscal and Economic Affairs, the National Treasury
Project number	CREDIT NO. CKE 3004 01E; CKE 6010 01E
Strategic goals of the project	The overall goal of the of the Programme is to contribute to the reduction of poverty in the rural areas of Kenya
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Access to credit (ii) Creating a vibrant and globally competitive financial sector that create jobs and promote savings.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Financial inclusion (ii) Access to credit
Project duration	The project started on 25/05/2015 and was expected to run until 31/12 2014

**(a) Background information**

Micro Finance Sector Support Credit was initiated and implemented at the Directorate of Budget, Fiscal and Economic Affairs in the National Treasury. At Cabinet Level, Micro Finance Sector Support Credit is represented by the Cabinet Secretary for The National Treasury, who is responsible for the general policy and strategic direction of the Micro Finance Sector Support Credit programme.

**Vision**

Excellence in economic and public financial management, and development planning

**Mission**

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

**Core Values**

The National Treasury and Planning is committed to providing quality services to all and is guided by the following Core Values;

**i. Customer focus**

We put our customers first and continuously provide timely and quality services that match or exceed their expectations

**ii. Results oriented**

The National Treasury and Planning shall relentlessly pursue timely attainment of targeted results at all levels.

**iii. Stakeholder participation**

We adopt a participatory approach to policy formulation, planning, budgeting, monitoring and evaluation to facilitate inclusiveness, ownership and consensus

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

---

**iv. Professionalism and Ethical Practices**

All staff shall uphold high moral standards and professional competence in service delivery

**v. Transparency and Accountability**

We uphold transparency and accountability in service delivery

**vi. Teamwork and commitment**

We embrace team work and commitment through collaborative efforts of all actors to achieve common goals.

**(b) Key Management**

Micro Finance sector support credit day-to-day management falls under the Directorate of Budget, Fiscal and Economic Affairs in the National Treasury

- ...

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary	Ukur Yatani,EGH
2	Accounting Officer	Julius Muia,PhD, CBS
3	Director General Budget Fiscal and Economic affairs, Project Manager	Albert Mwenda, MBS

**(d) Fiduciary Oversight Arrangements**

During the financial year ended 30<sup>th</sup> June 2022 the project did not have a fiduciary oversight arrangements as the activities of the project had come to an end and there was no budget allocation.



**(e) ENTITY HEADQUARTERS**

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

**Entity Contacts**

Telephone: (254) 20 2252299  
E-mail: pstreasury01@gmail.com  
Website: www.treasury.go.ke

**(f) Entity Bankers (all banks)**

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

**(g) Independent Auditors**

Auditor - General  
Office of The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 – 00100, GPO  
**NAIROBI, KENYA**

**(h) Principal Legal Adviser**

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

*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

Statement By The Cabinet Secretary

**1. NATIONAL TREASURY INFORMATION AND MANAGEMENT**

**(a) Background Information**

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

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

**Vision**

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

**Mission**

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

**Core Values**

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

**(b) Mandate of the National Treasury**

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

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

- Formulate, implement and monitor macro-economic policies involving expenditure and revenue;
- Manage the level and composition of national public debt, national guarantees and other financial obligations of national government;
- Formulate, evaluate and promote economic and financial policies that facilitate social and economic development in conjunction with other national government entities;
- Mobilize domestic and external resources for financing national and county government budgetary requirements;
- Design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting.
- In consultation with the Accounting Standards Board, ensure that uniform accounting standards are applied by the national government and its entities;

- Develop policy for the establishment, management, operation and winding up of public funds;
- Prepare the annual Division of Revenue Bill and the County Allocation of Revenue Bill;
- Strengthen financial and fiscal relations between the national government and county governments and encourage support for county governments;
- Assist county governments to develop their capacity for efficient, effective and transparent financial management;
- To prepare the National Budget, execute/implement and control approved budgetary resources to MDAs and other Government agencies/entities; and
- Coordination and integration of public ports, railway and pipeline services.

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

The National Treasury is mandated by law to:

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

#### **(c) Key Management**

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

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

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

##### **Organizational structure of the National Treasury**

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

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

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

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

### **Directorate of Accounting Services and Quality Assurance**

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

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

### **Directorate of Portfolio Management**

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

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

### **Directorate of Public Debt Management Office**

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

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

### **Directorate of Public Private Partnership Unit**

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

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

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



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

core to the National Treasury but offer critical support services to the National Treasury. The functions include:

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

**(C) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

NO.	Designation	Name
1.	Principal Secretary	FCPA Dr. Julius Muia, CBS
2.	Principal Administrative Secretary	Mr. Amos Gathecha, EBS
3.	Director General, BFEA	Mr. Albert Mwenda, MBS
4.	Director General, Accounting Services	Mr. Bernard Ndung'u, MBS
5.	Director General, PIPM	Eng. Stanley Kamau, EBS
6.	Director General, PDMO	Dr. Haron Sirma, EBS
7.	Director General, PPP	Mr. Christopher Kirigua, MBS
8.	Director, Macro and Fiscal Affairs Department	Mr. Musa Gathanje, MBS
9.	Director, Budget Department	Mr. Francis Anyona, OGW
10.	Director, Financial and Sectoral Affairs Department	Prof. Galgalo Barako, OGW
11.	Director, Public Procurement Department	Mr. Eric Korir
12.	Director, Intergovernmental Fiscal Relations Department	Mr. Albert Mwenda, MBS
13.	Deputy Internal Auditor General	Ms. Jane Micheni
14.	Ag Director, Government Accounting Services Department	Mr. Jona Wala
15.	Ag Director, National Sub County Treasuries	Mr. Francis Kariuki, OGW
16.	Director, Financial Management Information System	Mr. Stanley Kamanguya, MBS
17.	Director, National Assets and Liability Management	Mrs. Veronica Okoth
18.	Director, Government Investment and Public Enterprises	Mr. Kennedy Ondieki
19.	Director, Pensions Department	Mr. Michel Kagika, EBS
20.	Director, Resource Mobilization Department	Mr. Moses Kanagi
21.	Director, Debt Policy, Strategy & Risk Management Department	Mr. Daniel Ndolo, MBS
22.	Ag Director, Debt Recording and Settlement Department	Mr. George Kariuki
23.	Secretary Administration	Mr. Hiram Kahiro, MBS
24.	Head, Accounts Division	Mr. Nemwel Motanya
25.	Head, Finance	Mr. Ambrose Ogango

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

26.	Head, SCM	Mr. Aggrey Kituyi
27.	Head, Internal Audit Unit	Mr. Esther Ngeru
28.	Director, Human Resource Management and Development	Ms. Susan Mucheru
29.	Director, Information Communication and Technology	Mrs. Lynn Nyongesa
30.	Head, Central Planning and Project Monitoring Unit	Mr. Antony Muriu, HSC
31.	Head, Public Communications	Ms. Catherine Njoroge
32.	Programme Coordinator, Public Financial Management Reform Secretariat	Mr. Julius Mutua

**(d) Fiduciary Oversight Arrangements**

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

**Internal Audit Unit**

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

**Audit Committees**

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

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

**Project Implementation Committee**

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

**Parliamentary Activities**

In order to effectively manage the parliamentary activities relating to the Ministry, the National Treasury has established a committee and designated a liaison officer to coordinate the activities

under the Office of the Cabinet Secretary in consultation with the Office of the Chief Administrative Secretary.

### **Development Partner Oversight**

To effectively manage Official Development Assistance to the Government, the National Treasury has under the Public Debt Management a department responsible for all matters relating to Development Partners. The Department has various Units that coordinate different development partner activities in the Country.

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

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

To monitor the implementation of the Ministry's programmes and performance, the National Treasury has appointed Top Management Committee comprising of Director Generals. The Committee receives reports from departments, builds consensus on National Treasury responses to emerging issues, challenges and risks and ensures that the decisions made are implemented in a timely manner. Additionally, the Treasury constituted Ad hoc Committees to handle specific assignments in the Financial Year 2021/22.

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

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

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

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

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

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

*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

**Budget Implementation Ministerial Committee**

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

**Monitoring and Evaluation**

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



**The National Treasury Headquarters**

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

**The National Treasury Contacts**

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

**The National Treasury Bankers**

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

**Independent Auditors**

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

**Principal Legal Adviser**

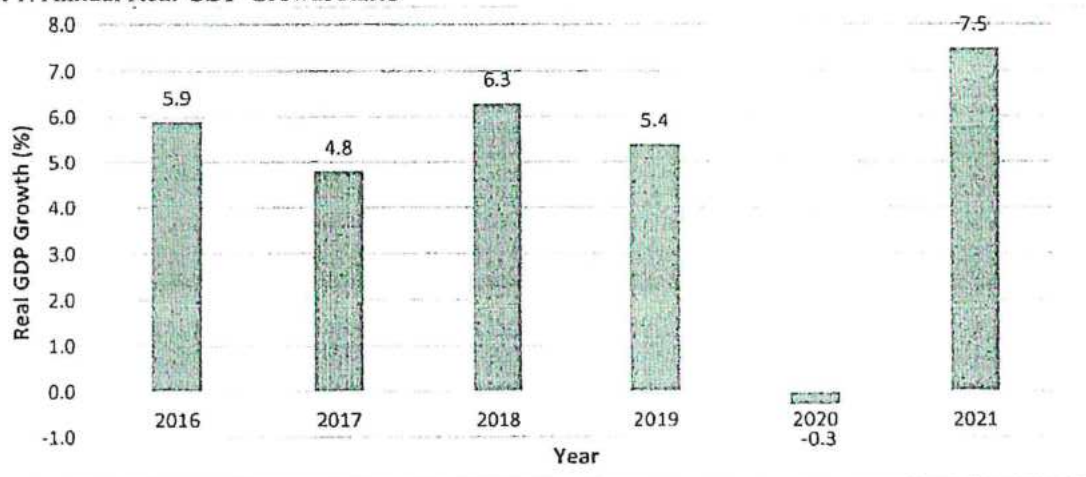
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

## 2.1. FOREWORD BY THE CABINET SECRETARY

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

The Kenyan economy demonstrated remarkable resilience to the COVID-19 shock and expanded by 7.5 percent in 2021, a much stronger level from a contraction of 0.3 percent in 2020 (Chart 1). This economic recovery was mainly supported by the recovery in the service and industry sectors despite the subdued performance in the agricultural sector.

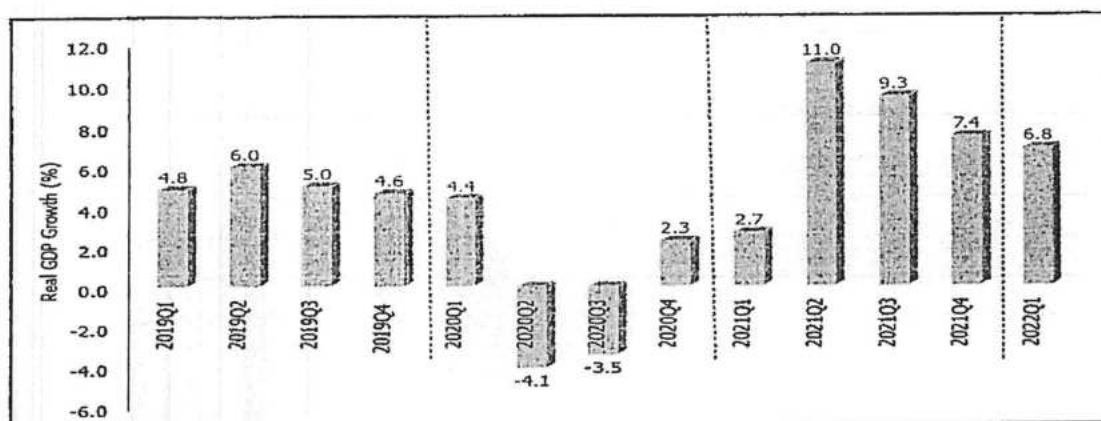
Chart 1: Annual Real GDP Growth Rates



*Data Source: National Treasury: Quarterly Economic and Budgetary Review, September, 2022*

In the first quarter of 2022, the economy expanded further by a remarkable 6.8 percent compared with a growth of 2.7 percent in a similar quarter in 2021 (Chart 2). The strong performance was supported by continued recovery in manufacturing, transport and storage, accommodation and food services, wholesale and retail trade, Professional, administration and support services and financial and insurance sectors.

Chart 2: Quarterly Real GDP Growth Rates



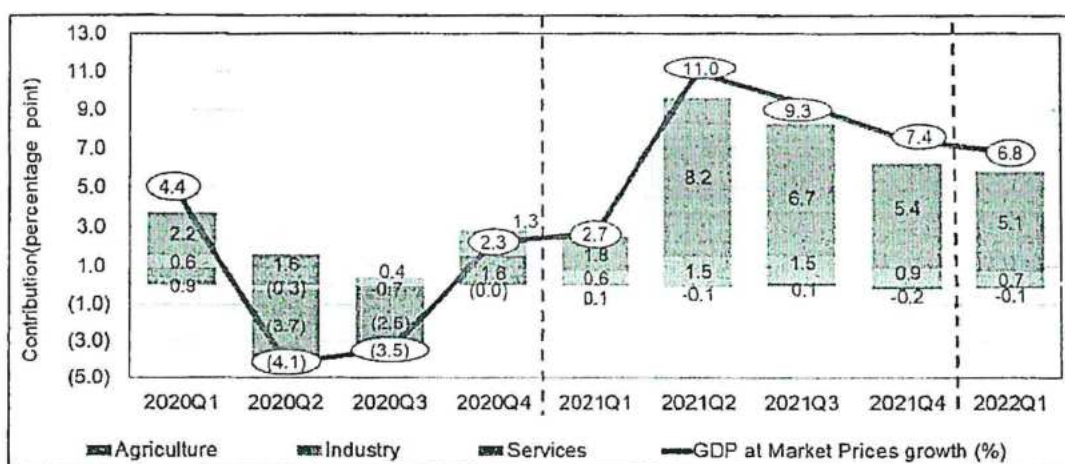
Data Source: National Treasury: Quarterly Economic and Budgetary Review, September, 2022

### Sectoral Growth rates

Activities in agriculture, forestry and fishing sector remained subdued in the first quarter of 2022 mainly attributed to depressed rainfall during the fourth quarter of 2021 as well as delayed onset of rains during the first quarter of 2022, thereby leading to reduced agricultural production. The sector is estimated to have contracted by 0.7 percent in the first quarter of 2022 compared to 0.4 percent growth in the first quarter of 2021. The poor performance of the sector was mainly due to the significant decline in horticultural exports and tea production. The sector's performance was however cushioned from a steeper slump by the increase in production of cane, milk, and coffee. The sector's contribution to GDP growth was -0.1 percentage points in the first quarter of 2022 compared to 0.1 percentage points contribution in the same quarter in 2021 (Chart 3).

The biggest contribution to the growth was recorded in the Services Sector. The recovery of activities in the services sector continued in the first quarter of 2022. The sector grew by 9.1 percent in the first quarter of 2022 compared to a growth of 3.2 percent in the same quarter in 2021. The strong growth was largely characterized by significant recovery in transportation and Storage (8.1 percent), accommodation and food services (56.2 percent) and Professional, Administrative and Support Services (14.9 percent). The sector was also supported by strong growths in financial and insurance services (14.4 percent), and wholesale and retail trade (8.7 percent). The services sector contributed 5.1 percentage point to real GDP growth in the first quarter of 2022 compared to the 1.8 percentage point contribution in the same quarter in 2021.

**Chart 3: Sectoral contributions to Real GDP Growth**



Data Source: National Treasury: *Quarterly Economic and Budgetary Review, September, 2022*

Additionally, activities in the manufacturing sub-sector were more vibrant in the first quarter of 2022 compared to the same quarter in 2021. The sub-sector grew by 3.7 percent in the first quarter of 2022 compared to a 2.1 percent growth in 2021. The improved performance was supported by both the food and non-food components. The food component that registered substantial growth was processing of coffee while the non-food component growth was supported by substantial growth in cement production.

### **Inflation**

The year-on-year inflation rate increased to 7.9 percent in June 2022 (slightly above the 7.5 percent upper bound) from 6.3 percent in June 2021 mainly due to higher food and fuel prices. Notwithstanding this, the increase was moderated by Government measures to stabilize fuel prices, lower electricity tariffs and subsidies on fertilizer prices. Additionally, the recent waiver of import duties and levies on white maize, the subsidy on retail prices of sifted maize flour, and the reduction in VAT on LPG will further moderate domestic prices. Overall annual average inflation remained within Government target range at 6.3 percent in June 2022 compared to the 5.3 percent recorded in June 2021.

### **Exchange Rates**

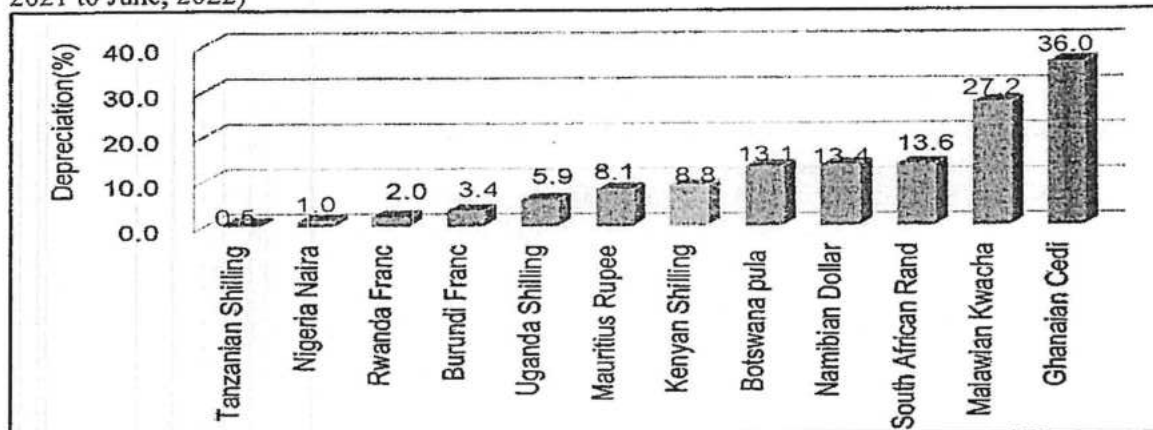
The foreign exchange market has largely remained stable despite the tight global financial conditions attributed to strengthening of the US Dollar. The Kenya Shilling to the US Dollar exchanged at KSh. 117.3 in June 2022 compared to KSh. 107.8 in June 2021. Over the same period, the Euro exchanged at KSh. 124.1 compared to KSh. 130.1 while the Sterling Pound exchanged at KSh. 144.8 compared to KSh. 151.5.

In comparison to most Sub-Saharan Africa currencies, the Kenya Shilling has remained relatively stable weakening by 8.8 percent against the US Dollar (Chart 4). The depreciation rate



of the Kenya Shilling was lower than that of Botswana pula, Namibian Dollar, South African Rand, Malawi Kwacha and Ghanaian Cedi. The stability in the Kenya Shilling was supported by increased remittances, adequate foreign exchange reserves and improved exports.

Chart 4. Performance of Selected Sub-Saharan Countries Currencies against the US Dollar (June, 2021 to June, 2022)



Data Source: National Treasury: Quarterly Economic and Budgetary Review, September, 2022

Overall, leading economic indicators including interest rates, Foreign Exchange Reserves balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the COVID-19 pandemic.

Going forward, the National Treasury is committed to promoting Growth enabling investments through the implementation of the Economic Recovery Strategy. Specifically, the National Treasury will:

1. Scale-up the COVID-19 response;
2. Reduce debt vulnerabilities through revenue-driven fiscal consolidation plan that target to stabilize the debt to GDP ratio and subsequently put it on a downward path;
3. Support structural and governance reforms while addressing weaknesses in state-owned enterprises; and,
4. Strengthen monetary policy framework and support financial stability.

HON. (AMB.) UKUR YATANI, EGH  
CABINET SECRETARY  
THE NATIONAL TREASURY AND PLANNING

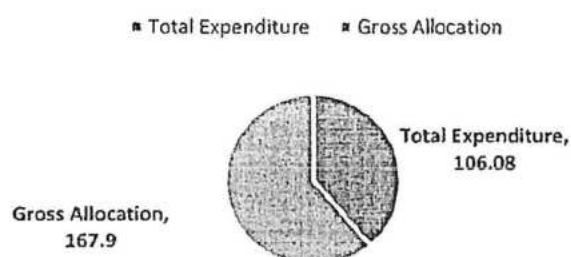
### 3. Statement By The Principal Secretary / Accounting Officer

#### **Budget performance**

The National Treasury expenditure for the FY 2021/22 stood at KSh. 106.08 billion against an approved budget of KSh. 167.9 billion translating to an overall absorption rate of 63 percent as demonstrated in that pie chart below.

Chart 5: Total Allocation against Total Expenditure (KSh. Billion)

#### **Total Allocations against Total Expenditure (KSh. Billions)**



The National Treasury implemented the 2021/22 budget within five economic classifications/programmes. These were General Administration, Planning and Support Services, Public Financial Management, Economic and Financial Policy Formulation and Management, Market Competition and Creation of an Enabling Business Environment, Government Clearing Services, Rail Transport and Marine Transport. The latter two programmes were transferred to the National Treasury by an executive directive that merged the ports, rail and pipeline services.

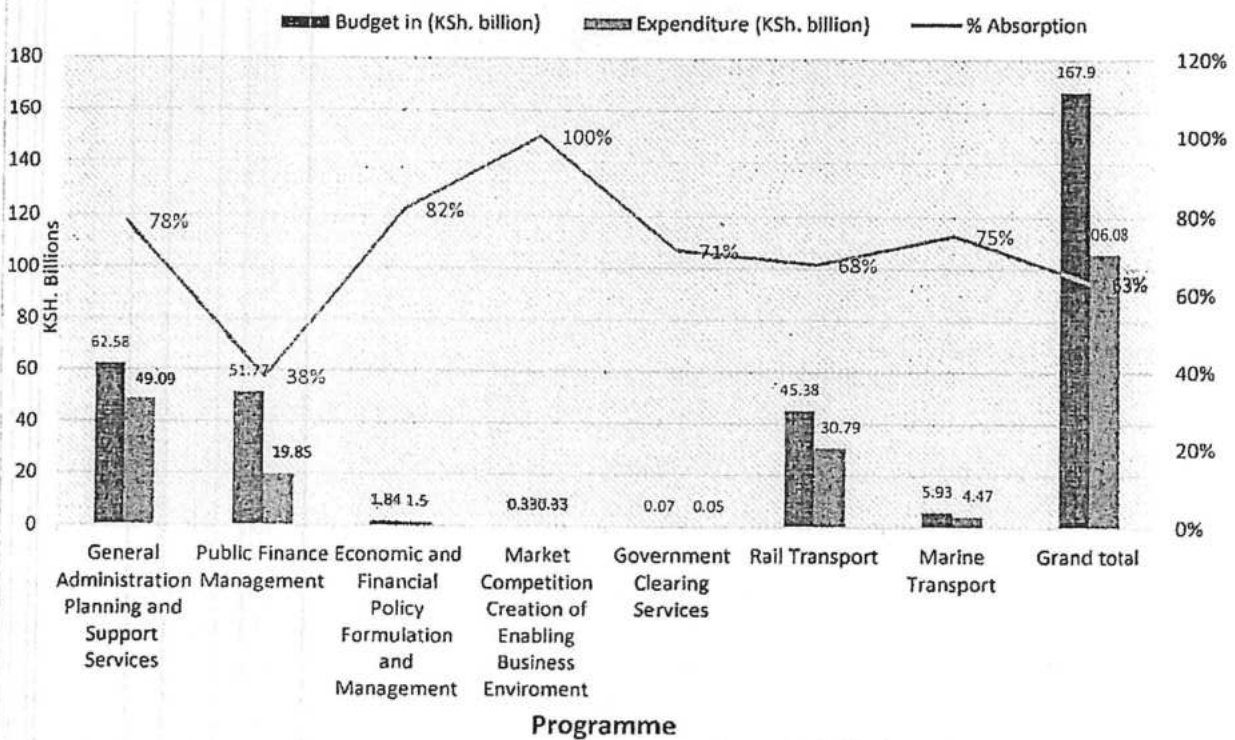
As demonstrated in the bar chart below, Market Competition and Creation of Enabling Business Environment Programme had the highest absorption at 100 percent followed by Economic and Financial Policy Formulation and Management at 82 percent, General Administration at 78 percent, Marine Transport 75 percent, Government Clearing Service at 71 percent, Rail Transport at 68 percent, and Public Financial Management at 38 percent. The 100 percent absorption rate in Market Competition and Creation of an Enabling Business Environment programme is attributed to transfers to Semi Autonomous Government Agencies (SAGAs) under the National Treasury which implemented this programme.

The low absorption rate in Public Financial Management programme relates to lower than anticipated execution on the following sub-programmes; Resource Mobilization, Budget Formulation, Coordination and Management, and Government Investment and Assets. The underperformance in Resource Mobilization sub-programme is attributed to a number of factors relating to implementation of externally funded projects. These include delay in granting of letter of 'no objection' from Development Partner funding Aid Effectiveness project, delay in restructuring and signing of contracts under the Infrastructure Finance for Public Private Partnerships project, lengthy procurement processes relating to Global Fund commodities, and

delay in approval of County Allocation of Revenue Act 2021 to enable execution of budget under the Kenya Financing Locally-led Climate Action Programme.

Under Budget formulation sub-programme, the Equalization Fund budgetary allocation for FY 2021/22 of KSh. 6,825,317,433 was not transferred to the Equalization Fund bank account due to lack of an appropriate legal framework that enable disbursement of funds to beneficiaries counties. Under the Government Investments and Assets sub-Programme, Kenya Airways did not place a request for the transfer of KSh. 13.9 billion initially earmarked for the entity by the closure of the Financial Year.

**Chart 6: Budget Execution (KSh. Billions) and proportion (%) by Programme**  
**Budget Execution (KSh. Billions) and Absorption (%) by Programmes**



**Key Achievements**

**Enhanced Revenue Collection**

*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

The economic recovery underway coupled with improved business environment resulted to a strong rebound in revenue collection. As at end June 2022, ordinary revenues amounted to Ksh.1.919 trillion recording an above target collection of Ksh 67.5 billion. This performance is a growth of 22.9 percent over the previous year

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

- i. Developed the Draft National Tax Policy to guide tax administration and revenue collection. The policy sets out broad parameters on tax policy and related tax matters in Kenya, with the objectives of providing policy guidance on the collection, enforcement and administration of tax laws; the basis for review and development of tax laws; guidelines to stakeholders including investors on tax policy matters; guiding principles for the Kenyan tax system; and a legal framework for granting tax incentives to various sectors of the economy;
- ii. Developed the draft information security (PFM Systems) policy to provide guidelines for the holistic management of information security risks within PFM systems operational environment including but not limited to Information Security governance, cyber security management, systems and applications security, communication security and human resource security;
- iii. Facilitated the National Police Service by leasing 3,400 vehicles towards enhancing security;
- iv. Developed the processes and procedures manual for Credit Guarantee Scheme;
- v. Mobilized over KSh. 10 billion for HIV, TB and Malaria interventions;
- vi. Developed the debt risk management framework;
- vii. Mobilized external resources amounting to Kshs.14 billion for the purposes of financing COVID 19 vaccine acquisition, procurement, deployment and other related health interventions aimed at mitigating the effects of COVID 19 Pandemic;
- viii. Developed the e- Government Procurement System.

**Emerging Issues**

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

- Transition to new Government will require re-alignment of the existing plans and strategies to accommodate Emerging Priorities under the new administration.
- Leveraging on ICT innovations in the delivery of services to the citizenry.
- Change in Government Policies that led to adjustment in the implementation of planned programmes and projects.
- Eastern Europe Conflict: - the ongoing conflict in Eastern Europe, has presented global shocks and challenges in the form of rising global energy, fertilizer and food prices.

## **Challenges**

Some of the challenges the National Treasury faced while implementing the 2021/22 budget include:-

- **Inflationary pressures**

The country experienced inflationary shocks that pushed the year-on-year inflation rate above the upper bound target due to higher food and fuel prices occasioned by global increases in prices of imported commodities.

- **Shortage of Key Technical Staff**

Despite recruitment of staff across certain cadres such as Economists and Accountants, the National Treasury continues to experience staff shortage across all cadres. This is mainly attributed to natural attrition. The planned recruitment and promotion of staff by the appointing authorities has been slow hence affecting service delivery and succession management initiatives.

- **Shortage of office space especially for key technical staff; and,**
- **Inadequate resourcing of the Monitoring and Evaluation function;**

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

- Continued to implement borrowing policy that provides for domestic borrowing to plug the financing gap created by non-performing revenue,
- The effects of the Eastern Europe Conflict on inflation and cost of living were moderated by the Government's interventions including:
  - i) Subsidizing fuel pump prices;
  - ii) Waiving of taxes, fees and charges on maize and animal feeds imported into the country;
  - iii) Setting aside KSh. 3.0 billion in April-June, 2022 for a fertiliser subsidy to support farmers during the last planting season, with a further KSh. 2.7 billion set aside for the next planting season in October, 2022.
  - iv) Reducing electricity tariffs by 15 percent to lower the cost of power.
- Continued to implement succession planning towards progressively filling in staff shortage, continued training and timely promotions.
- Engaged other development partners for concessional loans and grants as well as pursued strategies to finance government projects.



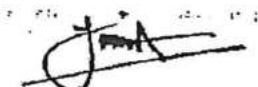
*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

**Recommendations**

- Increasing allocation to the National Treasury to facilitate effective mobilization of resources to finance public expenditure particularly towards facilitation and implementation of post COVID-19 Economic Recovery Strategy and emerging Government priorities;
- Reforms in Public Financial Management and taxation shall be sustained to enable the National Treasury to mobilize adequate financial resources and enhance absorption capacity;
- Sustained implementation of succession planning, especially with respect to recruitment of key technical staff;
- Strengthening Monitoring and Evaluation Framework and capacity;
- Continued leveraging on ICT to ensure timely delivery of targets;
- Enhancing working environment and sustained refurbishment of offices to provide accommodation of staff.
- Prioritization of ongoing projects and fast tracking to ensure timely completion.

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



JULIUS M. MUIA, PhD, CBS  
PRINCIPAL SECRETARY/NATIONAL TREASURY

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

The National Treasury's core values include customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Guided by the above principles, we undertaken the following:

##### 4.1 Sustainability Strategy and Profile

To ensure economic sustainability, the National Treasury has put in place several measures geared towards protecting the economy. Some of them include; National Tax Policy to guide tax administration and revenue collection. The policy sets out broad parameters on tax policy and related tax matters in Kenya, with the objectives of providing policy guidance on the collection, enforcement and administration of tax laws; the basis for review and development of tax laws; guidelines to stakeholders including investors on tax policy matters; guiding principles for the Kenyan tax system; and a legal framework for granting tax incentives to various sectors of the economy; Going forward into the medium term, the Government will continue in its fiscal consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined in the Budget Policy Statement (BPS). A Debt risk Management Framework was also developed

information security of the PFM Systems, a draft information security (PFM Systems) policy has been developed. The Policy provides guidelines for operational environment including but not consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined

information security of the PFM Systems, a draft information security (PFM Systems) policy has

been developed. The Policy provides guidelines for operational environment including but not balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

information security of the PFM Systems, a draft information security (PFM Systems) policy has been developed. The Policy provides guidelines for operational environment including but not balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

information security of the PFM Systems, a draft information security (PFM Systems) policy has been developed. The Policy provides guidelines for operational environment including but not balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

Departments of the Ministry to oversee all matters relating to environmental sustainability. The Committee has since developed a ministerial policy on the same in line with the National Policy balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

Departments of the Ministry to oversee all matters relating to environmental sustainability. The Committee has since developed a ministerial policy on the same in line with the National Policy balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

Departments of the Ministry to oversee all matters relating to environmental sustainability. The Committee has since developed a ministerial policy on the same in line with the National Policy balance of payments and, money and credit for the fourth quarter of 2021 and the first quarter of 2022 recorded stable performance and point to strong recovery from the adverse impact of the

#### **4.3 Employee Welfare**

Employee welfare is critical for effective implementation of the programmes and projects of an organization. Noting the importance of human resources, the National Treasury has a Department established to handle Human Resources Management and Development. The Ministry has also established a Human Resource Management Advisory Committee and Departmental Training Committees that processes all the promotions, discipline, training, appraisal and general employee matters in line with the Public Service guidelines and procedures. In addition, a committee on occupational safety and health has been established to follow up of the safety conditions in the work place. In order to attract and retain competent officers, the National Treasury conducted capacity building for the staff in various technical subjects and recruited officers at the entry grade to fill skills gaps and enhance human resource capacity. In addition, the National Treasury continued to implement succession management plan by declaring vacant posts to be filled by the Public Service Commission. Further, the National Treasury has continued to build the capacity on the online staff appraisal management system in collaboration with the Public Service Commission to ensure seamless implementation of the system.

#### **4.4 Market Place Practices**

The National Treasury is responsible for promoting fair trade practices in the economy. To ensure effective implementation of this function assigned by the Constitution, one of the programmes implemented by the Treasury is ensuring that existing market structures encourage competition and orderly conduct of business in order to support high productivity and competitive markets. This is undertaken mainly by the Competition Authority of Kenya, a State Corporation under the National Treasury.

#### **4.5 Community Engagements**

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

**4. Statement of Performance Against Predetermined Objectives for FY 2021/21**

<b>Program</b>	<b>Strategic Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>	<b>Comments</b>
Micro Finance Sector Support Credit	Was to contribute to the reduction of poverty in kenya	To bring about financial inclusion by providing access to credit	Number of Institutions were lent money which in turn trickled down to common man	In FY 21/22 activities of the project had already come to an end as per the financing agreement	The project is on course of being winded up

## **5. Environmental and Sustainability Reporting**

The National Treasury exists to transform lives. This is our purpose; the driving force behind everything we do by putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of the sustainability activities conducted in the year):

### **a) Sustainability strategy and profile**

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

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

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

### **c) Employee welfare**

Give account of the policies guiding the hiring process and whether they consider the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal, and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).



**d) Operational practices**

The organisation should outline its efforts to:

**i. Responsible Supply chain and supplier relations**

explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

**e) Community Engagements-**

Give evidence of community engagement including charitable giving (cash & material), Community Social Investment and any other forms of community.

## **6. 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 Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Micro Finance Sector Support Credit is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. 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 entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Micro Finance Sector Support Credit accepts responsibility for the Micro finance sector support credit 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 Micro Finance Sector Support Credit financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the Micro Finance Sector Support Credit further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

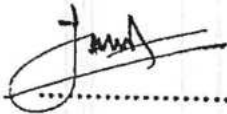
*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

---

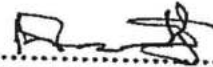
The Accounting Officer in charge of the Micro Finance Sector Support Credit confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants, and the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Micro Finance Sector Support Credit 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 Micro Finance Sector Support Credit financial statements were approved and signed by the Accounting Officer on 29<sup>th</sup> Sept. 2022.



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



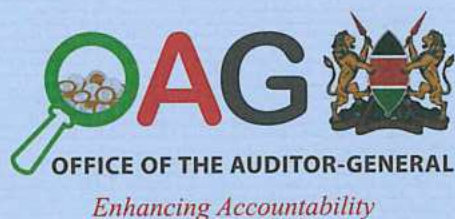
.....  
NEMWEL MOTANYA  
HEAD OF ACCOUNTING  
UNIT  
ICPAK M/No 2367





# REPUBLIC OF KENYA

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



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

## REPORT OF THE AUDITOR-GENERAL ON MICRO FINANCE SECTOR SUPPORT CREDIT PROJECT (CREDIT NO. CKE 3004 01E AND CKE 6010 01E) FOR THE YEAR ENDED 30 JUNE, 2022 – THE NATIONAL TREASURY

---

### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in 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

#### Opinion

I have audited the accompanying financial statements of Micro Finance Sector Support Credit Project (Credit No. CKE 3004 01E and CKE 6010 01E) set out on pages 1 to 44,

---

*Report of the Auditor-General on Micro Finance Sector Support Credit Project (Credit No. CKE 3004 01E and CKE 6010 01E) for the year ended 30 June, 2022 – The National Treasury*



which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Micro Finance Sector Support Credit Project as at 30 June, 2022, 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 Credit Facility Agreement No. CKE 3004 01E and Financing Agreement No. CKE 6010 01E dated 25 May, 2005 and 21 September, 2007 respectively between the Republic of Kenya and Agence Francaise Development (AFD) , and the Public Finance Management Act, 2012.

In addition, the special account statements present fairly, transactions for the year and the closing balance has been reconciled with the books of account.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Micro Finance Sector Support Credit Project 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 opinion.

### **Emphasis of Matter**

#### **Amount Withdrawn but Unclaimed**

As reported in the previous year, Part B of the statement of special (designated) account reconciliation for the project reflects Euro 1,152,653.73 (Kshs.142,952,115.59) at the then exchange rate of 1 Euro at Kshs.124.02 as withdrawn but unclaimed as at 30 June, 2022. The amount represents cumulative funds transfers to the local project bank account but whose expenditure returns had not been submitted to The National Treasury by close of the financial year ended 30 June, 2022. Further, an additional Euro 30,000 (Kshs.3,720,600) cash advance to the project reflected in the list of advances which ought to have been justified by 31 December, 2015 was yet to be justified as at 30 June, 2022 under the Grant Facility CKE 6010.

My opinion is not modified in respect of the effects of the above matter.



## **Key Audit Matters**

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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**

#### **Failure to Close the Project**

According to Clause 10 of the Financing Agreement, the Project was to end on 31 October, 2010 but the closing date was later extended to 31 December, 2014. However, as reported in the previous year, the Project Management is yet to formally prepare and submit the Project closure report. Consequently, the existence of the project is therefore not hinged on any formal agreement with Agence Francaise Development (AFD) and the outstanding balance risk being diverted to other purposes.

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 governance were not effective.

### **Basis for Conclusion**

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Agence Francaise de Development (AFD), I report based on my audit that: -

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its 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 Project or cease operations.

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

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

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

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

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 noncompliance. 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 Project'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 Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project 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

03 November, 2022



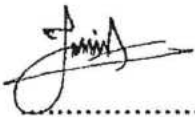
8. Statement Of Receipts And Payments For The Year Ended 30<sup>th</sup> June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Receipts</b>			
Social Security Contributions	1	-	-
Proceeds From Domestic and Foreign Grants	2	-	-
Exchequer Releases	3	-	-
Transfers From Other Government Entities	4	-	-
Proceeds From Domestic Borrowings	5	-	-
Proceeds From Foreign Borrowings	6	-	-
Proceeds From Sale of Assets	7	-	-
Reimbursements And Refunds	8	-	-
Other Receipts	9	-	-
<b>Total Receipts</b>		-	-
<b>Payments</b>			
Compensation Of Employees	10	-	-
Use Of Goods and Services	11	-	-
Subsidies	12	-	-
Transfers To Other Government Entities	13	-	-
Other Grants and Transfers	14	-	-
Social Security Benefits	15	-	-
Acquisition Of Assets	16	-	-
Finance Costs, Including Loan Interest	17	-	-
Repayment Of Domestic & Foreign Borrowing	18	-	-
Other Payments	19	-	-
<b>Total Payments</b>		-	-
<b>Surplus/Deficit</b>		-	-

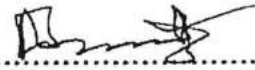
*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

---

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Micro Finance Sector Support Credit financial statements were approved on 29<sup>th</sup> Sept 2022 and signed by:



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




.....  
NEMWEL MOTANYA  
HEAD OF ACCOUNTING  
UNIT  
ICPAK M/No 2367

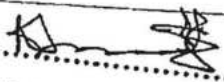
*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**9. Statement Of Financial Assets as at 30<sup>th</sup> June 2022**

Description	Note	2021-2022	
		Kshs	Kshs
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>			
Bank balances			
Cash balances	20A	90,491,999	90,491,999
<b>Total cash and cash equivalent</b>	20B	-	-
		<b>90,491,999</b>	<b>90,491,999</b>
Imprests and advances			
<b>Total financial assets</b>	21	-	-
		<b>90,491,999</b>	<b>90,491,999</b>
<b>Financial liabilities</b>			
Third party deposits and retention			
<b>Net financial assets</b>	22	-	-
		<b>90,491,999</b>	<b>90,491,999</b>
<b>Represented by</b>			
Fund balance b/fwd.			
Prior year adjustment	23	90,491,999	90,491,999
<b>Surplus/Deficit for the year</b>	24	-	-
<b>Net financial position</b>		-	-
		<b>90,491,999</b>	<b>90,491,999</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Micro Finance Sector Support Credit financial statements were approved on 29<sup>th</sup> Sept 2022 and signed by:

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

  
.....  
NEMWEL MOTANYA  
HEAD OF ACCOUNTING  
UNIT  
ICPAK M/No 2367

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

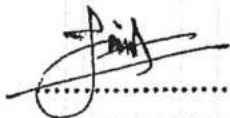
**10. Statement Of Cash Flows For The Year Ended 30th June 2022**


Description	Notes	2021-2022 Kshs	2020-2021 Kshs
<b>Receipts for Operating Income</b>			
Social security contributions	1	-	-
Proceeds from domestic and foreign grants	2	-	-
Exchequer releases	3	-	-
Transfers from other government entities	4	-	-
Reimbursements and refunds	8	-	-
Other receipts	9	-	-
<b>Payments For Operating Expenses</b>			
Compensation of employees	10	-	-
Use of goods and services	11	-	-
Interest payments	17	-	-
Subsidies	12	-	-
Transfers to other government units	13	-	-
Other grants and transfers	14	-	-
Social security benefits	15	-	-
Finance costs including loan interest	17	-	-
Other payments	19	-	-
<b>Adjusted For:</b>			
Adjustments during the year			
Decrease/(Increase) in accounts receivable	25	-	-
Increase/(Decrease) in deposits and retention	26	-	-
Prior year adjustments	24	-	-
		-	-
<b>Net Cash Flow from Operating Activities</b>			
<b>Cash flow From Investing Activities</b>			
Proceeds from sale of assets	7	-	-
Acquisition of assets	16	-	-
		-	-
<b>Net Cash Flows from Investing Activities</b>			
<b>Cash flow From Borrowing Activities</b>			
Proceeds from domestic borrowings	5	-	-
Proceeds from foreign borrowings	6	-	-
Repayment of principal on domestic and foreign borrowing	17	-	-

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalent		-	-
<b>Cash &amp; Cash Equivalent at Start of The Year</b>	20	<b>90,491,999</b>	<b>90,491,999</b>
<b>Cash &amp; Cash Equivalent at End of The Year</b>	20	<b>90,491,999</b>	<b>90,491,999</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Micro Finance Sector Support Credit financial statements were approved on 29<sup>th</sup> sept. 2022 and signed by:

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

  
.....  
**NEMWEL MOTANYA**  
**HEAD OF ACCOUNTING**  
**UNIT**  
**ICPAK M/No 2367**



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**11. Statement Of Comparison Of Budget And Actual Amounts For FY2021/22**


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference c-e-d	% of Utilization f=d/c %
Tax receipts						
Social security contributions	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Exchequer releases	-	-	-	-	-	-
Transfers from other government entities	-	-	-	-	-	-
Proceeds from domestic borrowings	-	-	-	-	-	-
Proceeds from foreign borrowings	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Reimbursements and refunds	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-

*micro finance sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Receipt/Expense Item	Original Budget	Adjustments	Unit Budget	Comparable Basis	Utilizable Difference	% of Utilization
Acquisition of assets	-	-	-	-	-	-
Finance costs including loan interest	-	-	-	-	-	-
Repayment of domestic & foreign borrowing	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total Payments</b>	-	-	-	-	-	-
<b>Surplus/ Deficit</b>	-	-	-	-	-	-

The project did not have a budget during the financial period under review.

The entity financial statements were approved on 29<sup>th</sup> July 2022 and signed by:

  
.....

**JULIUS MUIJA, PHD, CBS**  
**PRINCIPAL SECRETARY**

  
.....

**NEMWEL MOTANYA**  
**HEAD OF ACCOUNTING UNIT**  
**ICPAK M/No. 2367**.....

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**11 (a) Summary Statement of Appropriation: Recurrent for FY2021/22**

Receipt/Expense Item	Original Budget: a	Adjustments: b	Final Budget: c=a+b	Actual on Comparable Basis: d	Budget Utilization Difference: e=c-d	% of Utilization: f=d/c %
<b>Receipts</b>						
Social security contributions	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Exchequer releases	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Proceeds from domestic borrowings	-	-	-	-	-	-
Proceeds from foreign borrowings	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Reimbursements and refunds	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>						
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to other Government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-
Finance costs including loan interest	-	-	-	-	-	-




*micro finance sector support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Comparable Basis	Utilization Difference	% of Utilization
Repayment of domestic & foreign borrowing	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total Payments</b>	-	-	-	-	-	-
<b>Surplus/Deficit</b>	-	-	-	-	-	-

There was no variances or re-allocations during the financial year under review.

The entity financial statements were approved on 29th sept. 2022 and signed by:

.....  
  
**JULIUS MUIJA, PhD, CBS**  
**PRINCIPAL SECRETARY**

.....  
  
**NEMWEL MOTANYA**  
**HEAD OF ACCOUNTING UNIT**  
**ICPAK M/No. 2367**.....

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

11 (b) Summary Statement of Appropriation: Development for FY2021/22

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c = a + b	Actual on Comparable Basis d	Budget Utilization Difference e = c - d	% of Utilization f = d/c %
<b>Receipts</b>						
Social security contributions	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Exchequer releases	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Proceeds from domestic borrowings	-	-	-	-	-	-
Proceeds from foreign borrowings	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Reimbursements and refunds	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	-
Use of goods and services	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-
Transfers to other Government entity	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of assets	-	-	-	-	-	-



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Comparable Basis	Utilization Difference	% of Utilization
Finance costs including loan interest	-	-	-	-	-	-
Repayment of domestic & foreign						
Borrowing	-	-	-	-	-	-
Other payments	-	-	-	-	-	-
<b>Total Payments</b>	-	-	-	-	-	-
<b>Surplus/Deficit</b>	-	-	-	-	-	-

There was no variances or re-allocations during the financial year under review.

The entity financial statements were approved on 29<sup>th</sup> Sept. 2022 and signed by:

.....  
  
 JULIUS MUIJA, PhD, CBS

PRINCIPAL SECRETARY

.....  
  
 NEMWEL MOTANYA

HEAD OF ACCOUNTING UNIT

ICPAK M/No. 2367

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

11 (c) Budget Execution by Programmes and Sub-Programmes for FY2021/22

Programme/Sub-programme	Final Budget 2022 Kshs	Indicators	Outcomes	Actual on comparable basis 2012 Kshs	Budget utilization difference Kshs
Programme Micro Finance Sector Support credit	-	None	None	-	-

## **12. Notes to the Financial Statement**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the Micro finance sector support credit encompass the reporting entity as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity.

### **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.

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

---

**Significant Accounting Policies (Continued)**

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by Micro Finance Sector Support Credit for all the years presented.

**a) Recognition of Receipts**

The Micro Finance Sector Support Credit recognises all receipts from the various sources when the event occurs, and the related cash has been received.

**(i) Transfers from the Exchequer**

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

**(ii) External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans are recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2022, there were no external assistance and there were no instances of non-compliance with terms and conditions which might result in cancellation of external assistance loans.

**Significant Accounting Policies (Continued)**

**(iii) 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. During the financial year ended June 2022 there were no other receipt.

**b) Recognition of payments**

Micro Finance Sector Support Credit recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

**i) Compensation of Employees**

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

**ii) Use of Goods and Services**

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

**iii) Interest on Borrowing**

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

**iv) Principal on borrowing**

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



**Significant Accounting Policies (Continued)**

**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.

**vi) In-kind contributions**

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

**vii) 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.

**Significant Accounting Policies (Continued)**

**c) 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.

**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.

There were no other restrictions on cash during the year.

**d) Imprests and advances**

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 Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. During the financial year there were no outstanding imprests.

**Significant Accounting Policies (Continued)**

**e) Third party deposits and retention**

There were no third party deposits and retentions during the financial year under review

**f) 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. When the pending bills are finally settled, such payments should be included in the Statement of Receipts and Payments in the year in which the payments are made. There were no Pending bills during the financial period under review.

**g) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. There were no budget during the financial year under review.

**Significant Accounting Policies (Continued)**

**h) Comparative Figures**

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

**i) Subsequent Events**

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.

**j) Prior Period Adjustment**

During the year, there were no prior year adjustments.

**k) Related Party Transactions**

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.



*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

**Significant Accounting Policies (Continued)**

**1) Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities during the financial period under review.

**Notes to the Financial Statements**

**1 Social Security Contributions**

Description	2021-2022	2020-2021
	Kshs	Kshs
Receipts for Health Insurance Contribution	-	-
Entity contribution to pension scheme(superannuation fund)	-	-
<b>Total</b>	-	-

**There were no social contributions during the financial year ended 30<sup>th</sup> June 2022**

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Notes to the Financial Statements (Continued)

2 Proceeds from Domestic and Foreign Grants

Name of Donor	Date received	Indicate whether it was a direct payment	Amount in foreign currency	2021-2022 Kshs	2020-2021 Kshs
Grants received from Bilateral Donors (Foreign Governments)					
Agence Francaise de Development	-	-	-	-	-
Grants received from Multilateral Donors (International Organizations)					
Agence Francaise de Development	-	-	-	-	-
Total	-	-	-	-	-

There were no proceeds from Domestic or foreign grants

*Notes to the Financial Statements (Continued)*

**3 Exchequer releases**

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer releases for quarter 1	-	-
Total Exchequer releases for quarter 2	-	-
Total Exchequer releases for quarter 3	-	-
Total Exchequer releases for quarter 4	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

During the financial period under review the project did not receive any Exchequer releases.

**4 Transfers from other Government Entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers from Central government entities	-	-
Transfers from Counties	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

During the financial year ended 30<sup>th</sup> June 2022 there were no transfers from other Government entities.

**4a) Transfers from other Government entities**

Description	Recurrent	Development	Total	2021/22
	Kshs	Kshs	Kshs	Kshs
<b>Transfers from Central government entities</b>				
MDA	-	-	-	-
<b>Transfers from Counties</b>				
County	-	-	-	-
Others	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the financial year under review there were no transfers from other government entities



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**5 Proceeds from Domestic Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
Foreign Borrowing – Drawdowns through Exchequer	-	-
Foreign Borrowing - Direct payments	-	-
Foreign Currency and Foreign Deposits	-	-
Other foreign accounts payable	-	-
<b>Total</b>	-	-

**6 Proceeds from Foreign Borrowings**

Description	2021-2022	2020-2021
	Kshs	Kshs
Foreign Borrowing – Drawdowns through Exchequer	-	-
Foreign Borrowing - Direct payments	-	-
Foreign Currency and Foreign Deposits	-	-
Other foreign accounts payable	-	-
<b>Total</b>	-	-

**During the financial year under review there were no proceeds from domestic or foreign borrowings**

**7 Proceeds from Sale of Assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
Receipts from the Sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Receipts from Sale of Certified Seeds and Breeding Stock	-	-
Receipts from the Sale of Strategic Reserves Stocks	-	-
Receipts from the Sale of Inventories, Stocks and Commodities	-	-

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Disposal and Sales of Non-Produced Assets	-	-
<b>Total</b>	-	-

*Notes to the Financial Statements (Continued)*

**8 Reimbursements and Refunds**

Description	2021-2022	2020-2021
	Kshs	Kshs
Refund from World Food Programme (WFP)	-	-
Reimbursement of Audit Fees	-	-
Reimbursement on Messing Charges (UNICEF)	-	-
Reimbursement from World Bank – ECD	-	-
Reimbursement from Individuals and Private Organizations	-	-
Reimbursement from Local Government Authorities	-	-
Reimbursement from Statutory Organizations	-	-
Reimbursement within Central Government	-	-
Reimbursement Using Bonds	-	-
Reimbursements and refunds-other (Budget)	-	-
<b>Total</b>	-	-

**During the financial period under review the project did not receive any reimbursement or refunds**

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**9 Other Receipts**

Description	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Profits and Dividends	-	-
Rents	-	-
Other Property Income e.g. leases, rates	-	-
Sales by Market Establishments	-	-
Receipts from Administrative Fees and Charges	-	-
Receipts from Administrative Fees and Charges - AIA	-	-
Receipts from Incidental Sales by Non-Market Establishments	-	-
Receipts from Sales by Non-Market Establishments	-	-
Receipts from Sale of Incidental Goods	-	-
Fines, Penalties and Forfeitures	-	-
Receipts from voluntary transfers other than grants	-	-
<b>Total</b>	-	-

**During the financial year under review the project did not receive other receipts**

**10 Compensation to Employees**

Description	2021-2022	2020-2021
	Kshs	Kshs
Basic salaries of permanent employees	-	-
Basic wages of temporary employees	-	-
Personal allowances paid as part of salary	-	-
Personal allowances paid as reimbursements	-	-
Personal allowances provided in kind	-	-
Pension and other social security contributions	-	-
Employer contributions to compulsory national social security schemes	-	-
Employer contributions to compulsory national health insurance schemes	-	-
<b>Total</b>	-	-

**During the financial year under review there were no compensation to employees**



*Notes to the Financial Statements (Continued)*

**11 Use of Goods and Services**

Description	2021-2022 Kshs	2020-2021 Kshs
Utilities, supplies and services	-	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Foreign travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	-	-
Fuel Oil and Lubricants	-	-
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Exchange rate losses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**There were no use of goods and services during the period under review.**

**12 Subsidies**

Description	2021-2022 Kshs	2020-2021 Kshs
<b>Subsidies to Public Corporations/Institutions*</b>		
None	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>
<b>Subsidies to Private Enterprises **</b>		
None	-	-
<b>Sub- total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

**There were no subsidies during the financial year under review**



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

---

**13 Grants and Transfers to other Government Entities**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Transfers to National Government entities</b>		
Current grants to government agencies and other level of govt	-	-
Capital grants to government agencies and other level of govt	-	-
Current grants to development projects	-	-
Capital grants to development projects	-	-
Other Current transfers grants and subsidies	-	-
Other Capital transfers grants and subsidies	-	-
<b>Transfers to other levels of Government - Counties</b>		
None	-	-
<b>Total</b>	-	-

*Notes to the Financial Statements (Continued)*

**12 b: Transfers to self – reporting entities in the year**

Description	Recurrent Kshs	Development Kshs	Total Kshs	2021-2022 Kshs
<b>Transfers to SAGAs and SCs</b>				
Entity :None	-	-	-	-
<b>Transfers to County Governments</b>				
County : None	-	-	-	-
<b>Transfers to Projects-GoK counterpart funding</b>				
Project : None	-	-	-	-
<b>Total</b>	-	-	-	-

During the financial year ended 30th June 2022 there were no transfers to self reporting entities

**14 Other Grants and Transfers**

Explanation	2021-2022 Kshs	2020-2021 Kshs
Membership dues and subscriptions to international organizations	-	-
Scholarships and other educational benefits	-	-
Emergency relief and refugee assistance	-	-
Grants to small businesses, cooperatives, and self employed	-	-
Grants to foreign government	-	-
Relief to the disabled, the sick, unemployed	-	-
<b>Total</b>	-	-

During the period under review there were no other Grants and Transfers

*Micro Finance Sector Support Credit*  
*Annual Report and Financial Statements for the year ended 30th June 2022*

---

*Notes to the Financial Statements (Continued)*

**15 Social Security Benefits**

	2021-2022	2020-2021
	Kshs	Kshs
Government pension and retirement benefits	-	-
Social security benefits in cash and in kind	-	-
Employer Social Benefits in cash and in kind	-	-
Social Benefits to the aged (above 70 years)	-	-
<b>Total</b>	-	-

**During the financial period under review no social benefits were paid**

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**16 Acquisition of Assets**

Non-Financial Assets	2021-2022		2020-2021	
	Kshs		Kshs	
Purchase of Buildings	-	-	-	-
Construction of Buildings	-	-	-	-
Refurbishment of Buildings	-	-	-	-
Construction of Roads	-	-	-	-
Construction and Civil Works	-	-	-	-
Overhaul and Refurbishment	-	-	-	-
Purchase of Vehicles and other Transport Equipment	-	-	-	-
Overhaul of Vehicles and other Transport Equipment	-	-	-	-
Purchase of Household Furniture and Institutional Equipment	-	-	-	-
Purchase of Office Furniture and General Equipment	-	-	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-	-	-
Purchase of ICT Equipment, Software and other ICT Assets	-	-	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-	-	-
Purchase of Certified Seeds, Breeding Stock and Live Animals	-	-	-	-
Research, Studies, Project Preparation, Design & Supervision	-	-	-	-
Rehabilitation of Civil Works	-	-	-	-
Acquisition of Strategic Stocks and commodities	-	-	-	-
Acquisition of Land	-	-	-	-
Acquisition of Intangible Assets	-	-	-	-
<b>Sub-total</b>	-	-	-	-
<b>Financial Assets</b>				
Domestic Public Non-Financial Enterprises	-	-	-	-
Domestic Public Financial Institutions	-	-	-	-
Foreign financial Institutions operating Abroad	-	-	-	-
Other Foreign Enterprises	-	-	-	-
<b>Sub-total</b>	-	-	-	-
<b>Total</b>	-	-	-	-

There were no acquisition of any assets

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**17 Finance Costs, Including Loan Interest**

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Interest Payments on Foreign Borrowings	-	-
Interest Payments on Guaranteed Debt Taken over by Govt	-	-
Interest on Domestic Borrowings (Non-Govt)	-	-
Interest on Borrowings from Other Government Units	-	-
<b>Total</b>	-	-

**18 Repayment of Principal on Domestic Lending and On-Lending**

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Principal repayments on domestic loans	-	-
Principal repayments on Guaranteed Debt taken over by Govt	-	-
Repayments on borrowings from other domestic creditors	-	-
Repayment of Foreign Lending & On – Lending	-	-
<b>Total</b>	-	-

**19 Other Expenses**

Explanation	2021-2022	2020-2021
	Kshs	Kshs
Budget Reserves	-	-
Civil Contingency Reserves	-	-
Other expenses not classified elsewhere	-	-
<b>Total</b>	-	-



Notes to the Financial Statements (Continued)

20 Cash and Bank Accounts

20A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether: current, Development, deposit etc.	Exempt (if in foreign currency)	2021-2022 Kshs	2020-2021 Kshs
Central Bank of Kenya A/C No 10001887506 (kshs)	90,491,999	Development	-	90,491,999	90,491,999
<b>Total</b>				<b>90,491,999</b>	<b>90,491,999</b>

20B: Cash on hand

Description	2021-2022 Kshs	2020-2021 Kshs
Cash in hand – Held in domestic currency	-	-
Cash in hand – Held in foreign currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Detailed Cash is as follows:

Description	2021-2022 Kshs	2020-2021 Kshs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**21 : Imprests and Advances**

<i>Description</i>	<i>2021-2022</i>	<i>2020-2021</i>
	<i>Kshs</i>	<i>Kshs</i>
Government Imprests	-	-
Salary advances	-	-
District suspense	-	-
Clearance accounts	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken Kshs</i>	<i>Amount Surrendered Kshs</i>	<i>Balance Kshs</i>
None	N/A	-	-	-
<b>Total</b>		-	-	-

During the financial year under review there were no imprests or Advances

**22 Third party deposits and retention**

<i>Description</i>	<i>2021-2022</i>	<i>2020-2021</i>
	<i>Kshs</i>	<i>Kshs</i>
Retention	-	-
Deposits	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

During the period under review there were no third party retentions

Notes to the Financial Statements (Continued)

23 . Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Accounts	90,491,999	90,491,999
Cash in hand	-	-
Accounts Receivables	-	-
Accounts Payables	-	-
<b>Total</b>	<b>90,491,999</b>	<b>90,491,999</b>

24 Prior Year Adjustments

Description of the error	Balance b/f	Adjustments	Adjusted
	LY 2020/2021 as per audited financial statements	during the year relating to prior periods	Balance b/f LY 2021/2022
	Kshs	Kshs	Kshs
Bank Account Balances	90,491,999	-	90,491,999
Cash In Hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (Specify)	-	-	-
<b>Total</b>	<b>90,491,999</b>	<b>-</b>	<b>90,491,999</b>

There were no prior year adjustments



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**25 (Increase)/ Decrease in Advances and Imprests**

Description	2021-2022	2020-2021
	Kshs	Kshs
Receivables As At 1 <sup>st</sup> July (A)	-	-
Receivables As At 30 <sup>th</sup> June (B)	-	-
(Increase)/ Decrease in Receivables (C=(B-A))	-	-

During the financial period under review there were no increase or decrease in imprest or advances

**26 Increase/ (Decrease) in Retention and Third-Party Deposits**

Description	2021-2022	2020-2021
	Kshs	Kshs
Payables As At 1 <sup>st</sup> July	-	-
Payables As At 30 <sup>th</sup> June	-	-
Increase/ (Decrease) In Payables	-	-

During the financial period under review there were no increase or decrease in retention or third party Deposits.

**27 Related Party Disclosures**

The following comprise of related parties to the Micro Finance Sector Support Credit

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officer and the director general Budget Fiscal and Economic Affairs
- ii) Banks such as Equity bank, Coop bank and K-rep

*Notes to the Financial Statements (Continued)*

**28 Other Important Disclosures**

**28.1 Related party transactions:**

Description	2021-2022	2020-2021
	Kshs	Kshs
Key Management Compensation	-	-
<b>Transfers to Related Parties</b>		
Transfers to other MDAs	-	-
Transfers to SCs and SAGAs	-	-
Transfers to Development Project	-	-
Transfers to County Governments	-	-
Transfer to Non -Reporting Secondary /Primary Schools	-	-
Transfer to other Non -Reporting Government Entities	-	-
<b>Total Transfers to Related Parties</b>	-	-
<b>Purchase of Goods and Services</b>		
Purchase of Electricity from KPLC	-	-
Purchase of Water from Govt Service Providers	-	-
Rent paid to Govt. Agencies	-	-
Training Fees paid to Govt Agencies	-	-
Conference Facilities hired from Govt. Agencies	-	-
Others (Specify)	-	-
<b>Total Goods and Services paid to Govt. Agencies</b>	-	-
<b>Transfers from Related Parties</b>		
Transfers from the Exchequer	-	-
Transfers from other MDAs	-	-
(Insert any other Transfers Received from Govt.)	-	-
<b>Total Transfers from Related Parties</b>	-	-



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**28.1: Pending Accounts Payable (See Annex 1)**

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	-	-	-
Construction of Civil Works	-	-	-	-
Supply of Goods	-	-	-	-
Supply of Services	-	-	-	-
<b>Total</b>	-	-	-	-

**28.2: Pending Staff Payables (See Annex 2)**

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Senior Management	-	-	-	-
Middle Management	-	-	-	-
Union Employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-

*Notes to the Financial Statements (Continued)*

**28.3: Other Pending Payables (See Annex 3)**

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government Entities	-	-	-	-
Amounts due to County Government Entities	-	-	-	-
Amounts due to Third Parties	-	-	-	-
<b>Total</b>	-	-	-	-

**28.4 External Assistance**

Description	FY 2021/2022 Kshs	FY 2021/2022 Kshs
External Assistance received in Cash	-	-
External Assistance received as Loans and Grants	-	-
External Assistance received In Kind- as payment by Third Parties	-	-
<b>Total</b>	-	-

**a) External assistance relating loans and grants**

Description	FY 2021/2022 Kshs	FY 2021/2022 Kshs
External Assistance received as Loans	-	-
External Assistance received as Grants	-	-
<b>Total</b>	-	-

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**b) Undrawn external assistance**

	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Loans		-	-
Grants		-	-
<b>Total</b>		-	-

**c) Classes of providers of external assistance**

		FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Multilateral Donors		-	-
Bilateral Donors		-	-
International Assistance Organization		-	-
NGO's		-	-
National Assistance Organization		-	-
<b>Total</b>		-	-

**d) Non-monetary external assistance**

		FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Goods		-	-
Services		-	-
<b>Total</b>		-	-

*Micro Finance Sector Support Credit*

*Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

*e) Purpose and use of external assistance*

Description	FY 2021/2022	FY 2020/2021
	Ksh	Ksh
Compensation to Employees	-	-
Use of Goods and Services	-	-
Subsidies	-	-
Transfers to other Government Units	-	-
Other Grants and Transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs including Loan Interest	-	-
Repayment of Principal on Domestic and Foreign Borrowing	-	-
Other Payments	-	-
<b>Total</b>	-	-



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

*f) External Assistance paid on behalf of (the MDA) by Source*

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
National Government	-	-
Multilateral Donors	-	-
Bilateral Donors	-	-
International Assistance Organization	-	-
NGO's	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**28.5. Payments by third party on behalf of (the MDA)**

*a) Classification by Source*

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

*Notes to the Financial Statements (Continued)*

*b) Classification of payments made by Third Parties by Nature of expenses*

Payments made by Third Parties	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Compensation to Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other payments	-	-
<b>Total</b>	-	-

**28.6 Contingent Liabilities**


Contingent liabilities	2021-2022	2020-2021
	Kshs	Kshs
Court case against Micro Finance Sector Support	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from PPPs	-	-
<b>Total</b>	-	-

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

*Notes to the Financial Statements (Continued)*

**28.7 Progress on follow up of Prior Years Auditor-General's recommendations**  
The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference Number/Issue	Issue	Management comments	Status	Timeframe
external audit/kuwira Auditor	Amount withdrawn and not claimed Failure to close project	All the stake holders including the donors met and a resolution was made to wind up the project	Partly resolved	Resolved/Not resolved (Partial when you expect it to be resolved)

  
JULIUS MUIJA, PhD, CBS  
PRINCIPAL SECRETARY

  
NEMWEL MOTANYA  
HEAD OF ACCOUNTING UNIT  
ICPAK M/No 2367

13. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Date		Amount Paid To-Date	Outstanding Balance 2021/22		Outstanding Balance 2022/23	Comments
	A	B		c	d=a-c		
Construction of buildings	-	-	-	-	-	-	The project does not have ongoing construction
1.							
Sub-Total							
Construction of civil works	-	-	-	-	-	-	The project does not have ongoing construction
2.							
Sub-Total							
Supply of goods	-	-	-	-	-	-	The project does not have pending supply of goods
3.							
Sub-Total							
Supply of services	-	-	-	-	-	-	The project does not have pending supply of services
4.							
5.							
Sub-Total							
Grand Total	-	-	-	-	-	-	



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**Annex 2 - Analysis of Pending Staff Payables**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
		a	b	c	d=a-c		
<b>Senior Management</b>							
1. None		-	-	-	-	-	
<b>Sub-Total</b>		-	-	-	-	-	
<b>Middle Management</b>							
2. None		-	-	-	-	-	
<b>Sub-Total</b>		-	-	-	-	-	
<b>Union Employees</b>							
3. None		-	-	-	-	-	
<b>Sub-Total</b>		-	-	-	-	-	
<b>Others</b>							
4. None		-	-	-	-	-	
<b>Sub-Total</b>		-	-	-	-	-	
<b>Grand Total</b>							

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**Annex 3 - Analysis of Other Pending Payables**

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2022	Outstanding Balance 2021	Commitments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Amounts due to County Govt Entities							
2.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Amounts due to Third Parties							
3.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Others							
4.	-	-	-	-	-	-	
Sub-Total	-	-	-	-	-	-	
Grand Total	-	-	-	-	-	-	

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
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					
<b>Total</b>					

The project did not have fixed Assets

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Annex 5 – List of Projects implemented by Micro Finance Sector Support Credit

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements (Yes/No)
1	N/A	N/A	N/A	N/A

There were no projects implemented by micro finance sector support



*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

Annex 6 – List of SCs, Sagas and Public Funds Under Micro Finance Sector Support

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done? (yes/no)
1	N/A	N/A	N/A	N/A	N/A

There were no SCs, SAGAS and Public Funds Under Micro Finance Sector Support

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**Annex 7 – Contingent Liabilities Register**

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs.	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

**There were no Contingent liabilities**

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**Annex 8: Reporting of Climate Relevant Expenditures**

Name of the Organization  
Telephone Number  
Email Address  
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

Project Name	Project Description	Project Objectives	Project Activities	Source of Funds	Implementing Partners	Q1	Q2	Q3	Q4

*Micro Finance Sector Support Credit  
Annual Report and Financial Statements for the year ended 30th June 2022*

**Annex 9: Disaster Expenditure Reporting Template**

Date:		Year		Quarter	
Entity:					
Period to which this report refers (FY)					
Name of Reporting Officer					
Contact details of the reporting officer:	Email		Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)
					Column VII
					Comments



#### **Annex 10- Reports Generated from IFMIS**

The following financial reports generated from IFMIS should be 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