




*Enhancing Accountability*

 <b>THE NATIONAL ASSEMBLY</b> PADOCS T AID	
<b>REPORT</b>	
DATE: 14 MAR 2023	
DAY: TUES DAY	
TABLED BY:	DEPUTY MAJORITY PARTY LEADER
CLERK OF THE-TABLE:	INZOFU MWALE

**THE AUDITOR-GENERAL**

**ON**

**STATE DEPARTMENT FOR PLANNING**

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





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

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2022**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The State Department for Planning was formed through Presidential Executive Order No. 1 of 2018 under The National Treasury and Planning. The mandate of the State Department broadly covers issues of National and Sectorial Development Planning for Socio economic development.

**Vision**

A centre of excellence in national development planning for high quality of life for all Kenyans

**Mission**

To provide leadership in national and Sectoral planning for advancing Kenya's transformative agenda.

**Mandate and Functions**

The State Department's mandate and functions broadly cover issues of national and sectoral development planning. According to the Executive Order No. 1 of 14<sup>th</sup> January 2020 revised in May, 2020 on Organization of the Government of the Republic of Kenya, the functions of the State Department are:

- i. National and Sectoral Development Planning;
- ii. Management of the National Government Constituency Development Fund;
- iii. National Statistics Management;
- iv. National Census and Housing Surveys;
- v. Population Policy Management;
- vi. Liaison with Economic Commission for Africa;
- vii. Monitoring and Evaluation of Economic Trends;
- viii. Coordination of Implementation, Monitoring and Evaluation of Sustainable Development Goals (SDGs); and
- ix. Public Investment Policy and Oversight.

**Core Values**

The State Department shall uphold the following core values:

- i. **Transparency and Accountability:** The State Department shall conduct its business and offer services to its stakeholders in a transparent and accountable manner.
- ii. **Professionalism and Ethical Practices:** All staff shall uphold high moral standards and professional competence in service delivery.
- iii. **Teamwork:** The State Department shall promote collaborative efforts of all actors to achieve a common goal.
- iv. **Passion for Results:** The State Department shall relentlessly pursue timely attainment of targeted results at all levels through high level of coordination, and networking.
- v. **Customer Centered:** The State Department is committed to uphold customer driven and focused service delivery.
- vi. **Participatory Approach and Inclusiveness:** The State Department is committed to consultations, joint and comprehensive partnership in all its affairs.

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**(b) Key Management**

The State Department for planning day-to-day management is under the following key organs:

- i. Directorate of Macro Economic Policy and Planning
- ii. Directorate of Social & Governance
- iii. Directorate of Monitoring and Evaluation
- iv. Directorate of Economic Development Coordination
- v. Directorate of Enablers Coordination
- vi. Directorate of Public Investment Management
- vii. National Economic Council

**(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	Principal Secretary, Planning	Saitoti Joel Torome CBS
2	Senior Chief Finance Officer	John Munywoki
3	Head Accounting Unit	Veronica Kamau

**(d) Fiduciary Oversight Arrangements**

**Budget Implementation Committee**

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

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

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**(e) Entity Headquarters**

State Department for Planning  
P.O. Box 30005-00100  
Treasury Building  
Harambee Avenue  
Nairobi, KENYA

State Department for Planning Contacts  
Telephone: (254) 020 - 225229  
E-mail: [ps@planning.go.ke](mailto:ps@planning.go.ke)  
Website: [www.planning.go.ke](http://www.planning.go.ke)

**(f) Entity Bankers**

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

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

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**2. STATEMENT BY THE CABINET SECRETARY**

The State Department for Planning's mandate and functions broadly cover issues of National and Sectorial Development Planning. According to the Executive Order No. 1 of January 2020 (Revised in May 2020) on Organization of the Government of the Republic of Kenya, the State Department's functions are:

1. National and Sectoral Development Planning.
2. Management of the National Government Constituency Development Fund.
3. National Statistics Management.
4. National Census, and Housing Surveys.
5. Population Policy Management.
6. Liaison with Economic Commission for Africa.
7. Monitoring and Evaluation of Economic Trends.
8. Coordination of Implementation and Monitoring and Evaluation of Sustainable Development Goals (SDGs).
9. Public Investment Policy and Oversight.

The State Department is also responsible for the following Semi-Autonomous Government Agencies: Kenya Institute for Public Policy Research and Analysis, Vision 2030 Board, National Government Constituency Development Fund, Kenya National Bureau of Statistics, National Council for Population and Development, Vision 2030 Delivery Secretariat (VDS), National Social and Economic Council (NESC), and New Partnership for Africa's Development (NEPAD)/African Peer Review Mechanism (APRM).

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

1. To strengthen planning and policy formulation at national and county levels of government.
2. To strengthen linkages between planning, policy formulation and budgeting.
3. To improve coordination and provision of advisory on economic and social affairs.
4. To enhance evidence-based decision making for socioeconomic development.
5. To enhance preparation, appraisal, management and tracking of development policies, strategies, programmes and projects.
6. To improve efficiency and effectiveness in service delivery.

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**AMB. UKUR YATANI,EGH**  
**CABINET SECRETARY**

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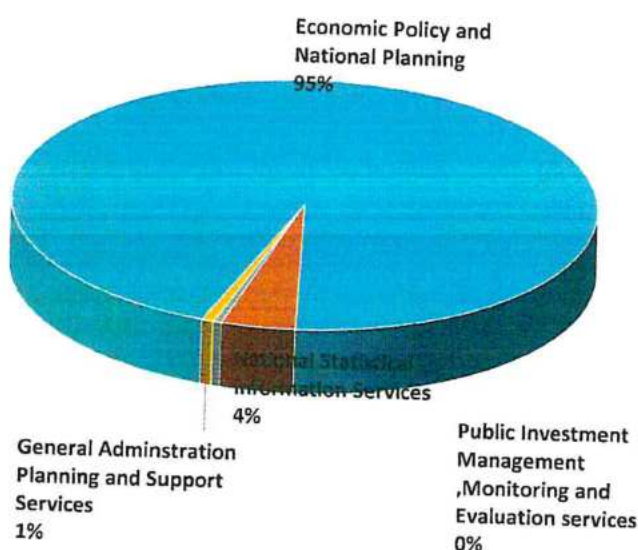
**3. STATEMENT BY THE PRINCIPAL SECRETARY**

**BUDGET ALLOCATION**

In the Financial Year 2021/22, the State Department for Planning had an approved Gross Budget of **Kshs. 51,633,588,581** that was made up of **Kshs. 3,981,885,262** and **Kshs. 47,651,703,319** for both Recurrent and Development vote respectively. Out of the gross allocation, the Department spent **Kshs. 48,581,901,200** representing an absorption rate of 94%.

The state Department of Planning expended the above resources under the following programmes and Sub-programmes.

**BUDGET ALLOCATION BY PROGRAMMES**



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

The objective of this programme is to strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030. The programme comprise of the following seven (7) sub-programmes. This programme was allocated **Kshs. 48,931,695,929** and has several sub-programmes, which include Clarity of sub-programmes

- i. SP 1.1: Economic Planning Coordination Services
- ii. SP 1.2: Community Development
- iii. SP1.3:Economicpolicyplanningand regional integration
- iv. SP 1.4: Policy Research
- v. S.PI.5: Population Management Services
- vi. SP 1.6: Infrastructure, Socioeconomic Policy and Planning
- vii. S.PI.7: Coordination of Vision 2030

**II. Programme 2: National Statistical Information Services**

The objective of this programme is to provide and disseminate comprehensive, integrated, accurate and timely national statistics for policy formulation, research, planning and monitoring national development. This programme was allocated **Kshs. 2,113,312,503** and has two sub-programmes, which include:

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- i. S.P 2.1: Census and Surveys
- ii. S.P 2.2: Surveys

**III. Programme 3: Monitoring and Evaluation Services**

The objective of this programme is to improve tracking of implementation of development policies, strategies and programmes. This programme was allocated **Kshs 242,956,542** and has one sub-programme, namely;

- i. Sub-programme 3.1: National Integrated Monitoring and Evaluation

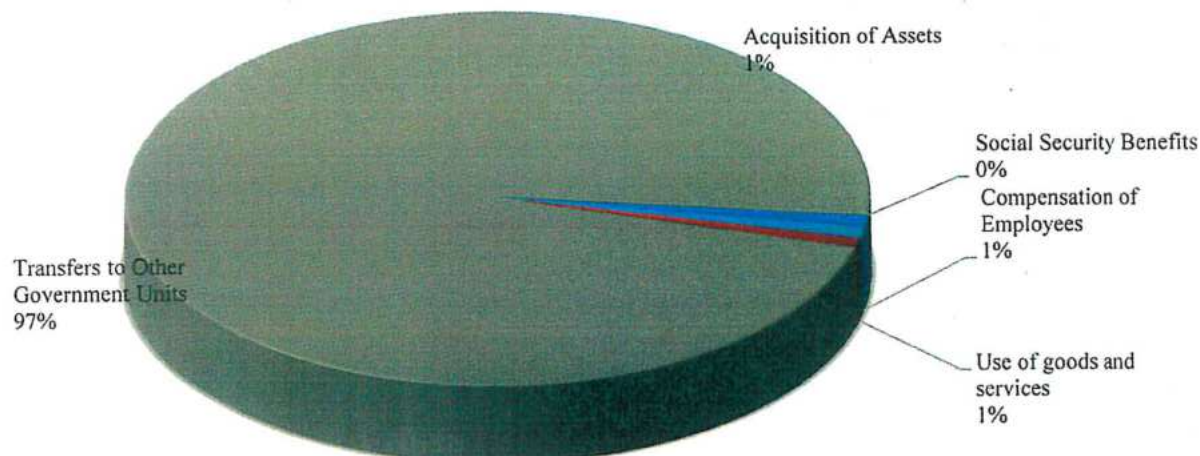
**IV. Programme 4: General Administration, Planning and Support Services-for State Department of Planning**

The objective of this programme is to provide leadership, support services and policy direction for effective service delivery. This programme was allocated **Kshs.345,623,607** and has three sub programmes, which include:

- i. SP 4.1: Human Resource and Support Services
- ii. SP 4.2: Financial Management Services
- iii. SP 4.3: Information Communication Services

**BUDGET UTILIZATION**

**Budget Utilisation as Per Economic Items**



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**Key Achievements in 2021/2022**

1. Reviewed the County Integrated Development Planning guidelines.
2. Provided technical support to county governments on development planning.
3. Established and coordinated National Government County Planning offices.
4. Provided technical support in preparation of National Government, county service delivery plans
5. Funded constituency projects/programmes.
6. Trained officers from MDACs on public investment management.
7. Mainstreamed SDGs into Planning Frameworks at both levels of government.
8. Developed SDGs Acceleration framework.
9. Held SDGs annual National Stakeholders Forum.
10. Convened the annual CPPMUs' forum.
11. Finalized the Knowledge Management Policy for Kenya.
12. Developed Knowledge Management Norms and Standards.
13. Initiated the preparation of the 9<sup>th</sup> Kenya National Human Development Report (KNHDR).
14. Finalized and disseminated the Revised Guidelines on Social Budgeting and Social Intelligence Reporting.
15. Finalized and disseminated the Manual for the Conduct of Social Budgeting and Social Intelligence Reporting.
16. Coordinated Kenya's representation and participation in regional and international economic development partnerships forums and followed up on their resolutions/recommendations implementation.
17. Prepared Agenda 2063 Country implementation Report.
18. Spearheaded the implementation of OACPS-EU partnership
19. Coordinated the implementation of the Millennium Challenge Corporation Threshold Programme for Kenya.
20. Drafted the Fourth Medium Term Plan 2023-2027 and its Sector Plans.
21. Prepared Biannual Status of Kenya Economy Reports.
22. Undertook Mid –Term Review of Third Medium Term Plan.
23. Supported 8 counties to undertake County Peer Review Mechanism (CPRM).
24. Conducted targeted review for Kenya on the Big Four Agenda under the APRM.
25. Prepared the Annual National Governance Report for Kenya.
26. Tracked and reported progress of PIDA-PICI project (LAPSSET).
27. Facilitated the establishment of LAPSSET Corridor Regional Coordination Mechanism/ legal framework.
28. Prepared and disseminated the Kenya Vision 2030 flagship project report and Annual Progress Report.
29. Undertook surveys on various topical issues such as KDHS, among others.
30. Produced Basic Census Reports, and disseminated statistical publications and reports
31. Rolled out the electronic National Integrated Monitoring and Evaluation System (e-NIMES) to MDACs.
32. Prepared the Third Annual Progress Report of MTPIII.
33. Held the Annual National M&E Conference.
34. Prepared report on compliance with National cohesion, values and principles in line with the Constitution 2010

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**Emerging Issues/Challenges**

Inadequate financial resources, office space and working tools affected the Department in implementing planned programmes and projects.



**SAITOTI TOROME, CBS**  
**PRINCIPAL SECRETARY**  
**STATE DEPARTMENT FOR PLANNING**

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**4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2021/2022**

**Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

**The key development objectives of the MDA's 2018-2022 plan are to:**

- To coordinate National and Sectorial Planning and policy formulation
- To track and report on implementation of policies and programs
- To strengthen the department to deliver on its mandate

**Progress on Attainment of Strategic Development Objectives**

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

Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
SP 1.1: Economic Planning Coordination Services	To coordinate economic developmen t at both levels of government	County Development Plan guidelines and Frameworks developed and disseminated	No. of County Development Planning frameworks/ guidelines developed and disseminated	CIDP guidelines reviewed	CIDP guidelines issued to counties to kick start the process of preparing the CIDPs
		Technical support to county governments on development planning provided	% of counties provided with technical assistance upon request on development planning	Offered technical support to county governments (on demand basis)	Technical support to counties is an ongoing process
SP 1.2: Community Developmen t	To promote sustainable developmen t	Funded constituency projects/ programmes	Amount Kshs. 43.7B disbursed to NG-CDF	Support to Constituencies	Key education and security projects implemented
		Review of SDGs at High level summits	No. of reports	SDGs Voluntary National report	Kenya reports after every two

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Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
				prepared and presented in July 2021	years. A VNR will be prepared in 2023
		SDGs mainstreamed into Planning Frameworks at both levels of government	No. of MDA and Counties trained on SDGs mainstreaming held	47	
			No. of frameworks	SDGs acceleration framework developed	Framework is expected to be mainstreamed into the fourth MTP and the 3rd generation CIDPs
		SDGs awareness to stakeholder conducted	No. of SDGs Stakeholders Engagement Forums held	1 SDGs Stakeholders Engagement forum held	This has strengthened the SDGs implementation in Kenya
		SDGs Data users and Producers forums held	No. of SDGs forums	1 SDGs Data users and Producers forum held	
SP 1.3: Economic policy planning and regional integration	To enhance economic Planning and International Cooperation	Macroeconomic policies and development plans developed	No. of Economic Policy briefs	10 Economic Policy briefs prepared	These have strengthened the link between plans, policies and budgets
		Regional and International Economic cooperation agenda implemented	No. of progress reports on implementation of TICAD	2 progress reports on implementation of TICAD prepared	
			No. of Economic cooperation reports (ACP/ACP-EU, ECOSOC, ECA, EAC, South-South and Triangular	5 Economic cooperation reports (ACP/ACP-EU, ECOSOC, ECA, EAC, South-South	

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Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
			Cooperation) prepared	and Triangular Cooperation) prepared	
		Counties supported to undertake County Peer Review Mechanism (CPRM)	Number of Counties supported	8 counties supported	This is expected to enhance governance at the county level
		Annual National Governance Report for Kenya prepared	No. of NGRs	1 NGR prepared	
SP 1.4: Policy Research	To strengthen Policy formulation and analysis	Public Policy Research and Analysis publications produced and disseminated	No. of Policy Research Papers and Reports	Various Policy Research Papers, articles and Reports	These have strengthened the link between plans, policies and budgets
		Kenya Economic Report prepared	Kenya Economic Report	Kenya Economic Report prepared	
		Capacity building on Public Policy Formulation	No. of Young Professionals trained	40 Young Professionals trained	
S.P 1.5: Population Management Services		Policies/briefs/position papers /Strategies/Guidelines/ plans on Population issues including DD Coordination Strategy for Kenya developed and disseminated	Number of Policies/briefs/position papers /Strategies/Guidelines/ plans on Population issues including DD Coordination Strategy for Kenya	Various policies/briefs/position papers /Strategies/Guidelines/ plans on Population issues including DD Coordination Strategy for Kenya developed and disseminated	
		Advocacy and sensitization fora held on Population and Development issues	Number of forums on Advocacy and sensitization fora held on Population	30 advocacy and sensitization fora held on Population and	

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Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
			and Development issues	Development issues	
SP 1.6: Infrastructure, Socioeconomic Policy and Planning	To institutionalize Knowledge Management in both levels of government	Knowledge Management institutionalized at both levels of Government	No. of KMA policies developed	KMA policy finalized	This is a key tool towards a knowledge based economy
		Annual CPPMU forum convened	No. of CPPMUs forums held	Annual CPPMU forum convened	The state department coordinated planning within Ministries and rely on these units
		Infrastructure projects under the MTPs status reports prepared	No of Reports	Infrastructure projects under the MTPs status reports prepared	These reports provide key information and statistics for reprogramming
		Research on topical and emerging issues conducted	No of reports and policy briefs	2 research papers and 2 policy briefs prepared	These have strengthened the link between plans, policies and budgets
S.P 1.7: Coordination of Vision 2030	To coordinate the implementation of the Kenya Vision 2030	Kenya Vision 2030 flagship project report prepared	No of Reports	Flagships Progress Report Prepared and disseminated	
<b>National Statistical Information Services</b>					
<b>Objective:</b> To provide and disseminate comprehensive, integrated, accurate and timely national statistics for policy formulation, research, planning and monitoring national development					
SP 2.2: Surveys	To provide disaggregated data for planning and policy	Statistical publications and reports	Number of Annual, quarterly and monthly statistical reports and publications.	Annual, quarterly and monthly statistical reports and	These have strengthened the link between plans,

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Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
	formulation purposes			publications prepared and disseminated	policies and budgets
SP 2.1: Census and surveys		2019 Kenya Population and Housing Census analytical reports produced and disseminated	No. of census reports produced and disseminated	2019 Kenya Population and Housing Census analytical reports produced and disseminated	This has ensured availability of data for evidence based policy formulation
		Various surveys conducted and reports disseminated	No. of survey reports	Survey reports produced and disseminated	
		Citizen Generated Data supportive framework developed	No. of frameworks	Kenya Quality Assurance Framework developed and disseminated	
<b>Monitoring and Evaluation Services</b>					
<b>Objective:</b> To improve tracking of implementation of development policies, strategies and programmes					
SP 3.1: National Integrated Monitoring and Evaluation	To entrench monitoring and evaluation in both levels of government	M&E reports and guidelines prepared and disseminated	No. of Annual Progress Reports (APR) for MTPIII	Annual Progress Report (APR) for MTPIII prepared	M&E of government programmes and projects is key ingredient in enhancing accountability and economic use of resources
			No of counties sensitized on CIMES Guidelines	15 counties sensitized on CIMES Guidelines	
			Evaluation Guidelines	Evaluation guidelines finalized	
		Annual National M&E Conference held	No, of conferences held	Annual National M&E	

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Programme	Objective	Outcome	Indicators	Performance	Comments
<b>Economic Policy and National Planning</b>					
<b>Objective:</b> To strengthen policy formulation, planning, budgeting and implementation of Kenya Vision 2030					
				Conference held	
<b>General Administration, Planning and Support Services-for State Department of Planning</b>					
<b>Objectives:</b> To provide leadership, support services and policy direction for effective service delivery					
SP 4.1: Human Resource and Support Services	Administration	To entrench performance management	No. of officers trained on promotional courses	Various officers trained on promotional courses	Employee capacity development is part of intrinsic motivators
			No. of online staff performance appraisals conducted	100% of staff on SPAS	
		National cohesion, values and principles in line with the Constitution 2010 Promoted	No. of Reports	1 report on National cohesion, values and principles in line with the Constitution 2010 prepared	This is part of enhancing compliance with Article 10 of the constitution
SP 4.2: Financial Management Services	Finance management services	Timely release of available funds to all spending units in the Ministry	No. of days	Available funds released to all spending units in the department within 7 days	
SP 4.3: Information Communication Services	ICT Unit	Improved ICT infrastructures in place	Staff to computer ratio	1.8:1	This is slightly above the 1:10 ratio
			Internet access reliability	97%	

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**5. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

**a) Sustainability Strategy and Profile**

To the State Department for Planning, sustainability is key. Towards this, the Department will continue to implement schemes of service and ensure fair and timely promote staff across all cadres. It will also continuously update its Human Resource Plans to ensure timely remedial actions as related to staff. To reduce the existing gaps, mostly in the technical areas, the Department will progressively recruit and seek for waivers in areas where there are succession gaps. As much as possible, efforts will be made to motivate and retain staff. Annual bonding sessions are planned.

The State Department has also established National Government County Planning Offices in 18 counties so as to strengthen the link between National and County Policies, Plans and Budgets. The offices have been strengthened to offer services to both level of government.

The Department has continued to review its organization structure vis-à-vis the Authorized Establishment to ensure optimality and clear reporting structure.

**b) Environmental performance**

The Department has continued to adhere to the environmental policy guidance as provided by NEMA and other agencies. Towards implementation, the Department has been in the forefront in implementing the presidential trees for jobs programme.

**c) Employee Welfare**

The Department's major strength is in its staff establishment and capacity. In recognition of this and as initial start, the Department has prepared/updated a three (3) year HRM/D plan to guide human resource development and management. A major strategic focus has been to build staff capacity and provide the environment necessary for their productive service delivery. The Department has ensured continuous training of staff in order to impart them with the relevant knowledge and skills as well as regular staff promotions and filling of vacant positions as and when necessary. Towards this, the Department undertook a Training Needs Assessment (TNA) and developed training interventions to address identified needs. The Department has progressively adhered to the training policy requirement of allocating at least 2 per cent of recurrent budget towards training.

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

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

**d) Operational Practices**

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

**i) Responsible Supply Chain and Supplier relations**

The management had been using competitive procurement methods basing decisions on market surveys. All the awarded firms were registered with the State Department. The Department honoured all its contractual obligations in terms of paying suppliers and service providers for the year under review in a timely manner. The Department had no pending bills for the 2021/2022 financial year.

**e) Community Engagements**

As guided by the Executive Order, the State Department has been coordinating the National Government Constituencies Development Fund (NGCDF). Through the fund, various community development programmes and projects have been implemented. The Department has also coordinated the implementation of the Sustainable Development Goals (SDGs) and has ensured that they are mainstreamed into planning frameworks at both levels of government for the benefit of communities. In the 2021/22 Financial Year, the State Department prepared and disseminated the SDGs acceleration framework, which is expected to be mainstreamed into the 4<sup>th</sup> MTP and the 3<sup>rd</sup> generation CIDPs.

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**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 State Department for planning 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 State Department for Planning accepts responsibility for the State Department's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department's financial statements give a true and fair view of the state of State Department's transactions during the financial year ended June 30, 2022, and of the State Department's financial position as at that date. The Accounting Officer in charge of the State Department for Planning further confirms the completeness of the accounting records maintained for the State Department, which have been relied upon in the preparation of the State Department's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for planning confirms that the State Department has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State Department'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 State Department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

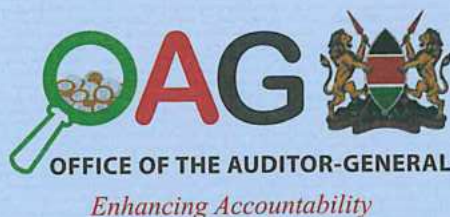
The State Department's financial statements were approved on 21<sup>TH</sup> SEPTEMBER 2022 and signed by:

  
Saitoti Torome CBS  
Principal Secretary

  
Veronica Kamau  
Head Accounting Unit  
ICPAK Member Number: 10669

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR PLANNING FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **PREAMBLE**

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

- A. Report on the Financial Statements which considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations, which 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 State Department for Planning set out on pages 1 to 43, which comprise of the statement of financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, statement of comparison of budget and actual amounts, summary statement of

appropriation - recurrent, summary statement of appropriation - development, budget execution by programmes and sub-programmes 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 State Department for Planning 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 Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Planning 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.

### **Key Audit Matter**

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

### **Other Matter**

#### **1. Pending Bills**

As disclosed in Note 17.2 and Annex 1 to the financial statements, the State Department had pending bills amounting to Kshs.2,789,002 that were not settled during the year under review but were instead carried forward to the 2022/2023 financial year.

The pending bills lacked the relevant supporting documentation including requisitions, local purchase/service orders, invoices and delivery notes.

No plausible explanation was provided for non-payment of the pending bills before the end of the financial year. This is contrary to Section 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that debt service payments shall be a first charge in the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

Failure to settle bills during the year in which they relate to adversely affects the budgetary provisions for the subsequent year to which they have to be charged.

## **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Effectiveness of internal controls, Risk Management and Governance. Management has indicated that the issues have been responded to. However, the issues remained unresolved as Parliament has not met to deliberate on the same.

### **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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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.

#### **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 which 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 State Department's ability to continue sustaining its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the State Department 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 State Department's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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 which 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 which govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls,

which 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 which 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 which 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, which may cast significant doubt on the State Department'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 State Department 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the State Department 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 controls which are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

11 November, 2022

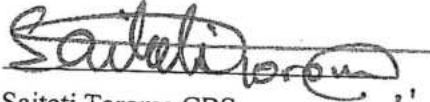
**STATE DEPARTMENT FOR PLANNING**  
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**For the year ended 30, June 2022**


**8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Proceeds from Domestic and Foreign Grants	1	62,651,241	26,924,204
Exchequer releases	2	48,484,634,443	58,894,203,577
Other Receipts	3	71,000,000	71,000,000
<b>TOTAL RECEIPTS</b>		<b>48,618,285,684</b>	<b>58,992,127,781</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	465,309,214	375,059,248
Use of goods and services	5	380,034,201	270,333,519
Transfers to Other Government Entities	6	47,220,459,367	58,095,378,258
Social Security Benefits	7	1,880,683	1,696,400
Acquisition of Assets	8	514,217,736	247,860,484
<b>TOTAL PAYMENTS</b>		<b>48,581,901,201</b>	<b>58,990,327,908</b>
<b>SURPLUS/DEFICIT</b>		<b>36,384,483</b>	<b>1,799,872</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The State Department's financial statements were approved on 27<sup>TH</sup> SEPTEMBER 2022 and signed by:

  
Saitoti Torome CBS  
Principal Secretary

  
Veronica Kamau  
Head Accounting Unit  
ICPAK Member Number: 10669



**STATE DEPARTMENT FOR PLANNING**  
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**9. STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE 2022**

	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	9A	40,825,363	10,477,984
Cash Balances	9B	-	-
<b>Total Cash and cash equivalent</b>		<b>40,825,363</b>	<b>10,477,984</b>
Imprests and Advances	10	8,791,059	27,168,348
<b>TOTAL FINANCIAL ASSETS</b>		<b>49,616,422</b>	<b>37,646,332</b>
<b>FINANCIAL LIABILITIES</b>			
Third Party deposits and Retentions	11	11,570,559	9,747,822
<b>NET FINANCIAL ASSETS</b>		<b>38,045,863</b>	<b>27,898,510</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	12	27,898,510	31,493,052
Prior year adjustment	13	(26,237,131)	(5,394,415)
<b>Surplus/Deficit for the year</b>		36,384,483	1,799,872
<b>NET FINANCIAL POSSITION</b>		<b>38,045,862</b>	<b>27,898,509</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The State Department's financial statements were approved on 27<sup>TH</sup> SEPTEMBER 2022 and signed by:

  
Saitoti Torome CBS  
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Veronica Kamau  
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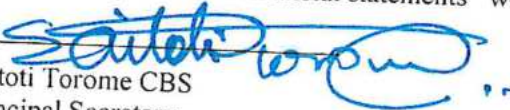
**STATE DEPARTMENT FOR PLANNING**  
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**10. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022**

		2021-2022 Kshs	2020-2021 Kshs
<b>Receipts for operating income</b>			
Exchequer Releases	2	48,484,634,443	58,894,203,577
Other Receipts	3	71,000,000	71,000,000
		<b>48,555,634,443</b>	<b>58,965,203,577</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	465,309,214	375,059,248
Use of goods and services	5	380,034,201	270,333,519
Transfers to Other Government Units	6	47,220,459,367	58,095,378,258
Social Security Benefits	7	1,880,683	1,696,400
		<b>48,067,683,465</b>	<b>58,742,467,425</b>
<b>Adjusted for:</b>			
Adjustments during the year			
Decrease/(Increase) in Accounts Receivable	14	18,377,289	(1,069,711)
Increase/(Decrease) in Accounts Payable	15	1,822,737	562,009
Prior Year Adjustments	13	(26,237,131)	(5,394,415)
<b>Net cash flow from operating activities</b>		<b>481,913,873</b>	<b>216,834,035</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	8	(514,217,736)	(247,860,484)
<b>Net cash flows from Investing Activities</b>		<b>(514,217,736)</b>	<b>(247,860,484)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic and Foreign Borrowings	1	62,651,241	26,924,204
<b>Net cash flow from financing activities</b>		<b>62,651,241</b>	<b>26,924,204</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>30,347,377</b>	<b>(4,102,244)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>10,477,984</b>	<b>14,580,228</b>
<b>Cash and cash equivalent at END of the year</b>		<b>40,825,362</b>	<b>10,477,984</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The State Department's financial statements were approved on 27<sup>TH</sup> SEPTEMBER 2022 and signed

by:   
 Saitoti Torome CBS  
 Principal Secretary

  
 Veronica Kamau  
 Head Accounting Unit  
 ICPAK Member Number: 10669

**STATE DEPARTMENT FOR PLANNING**  
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**For the year ended 30, June 2022**

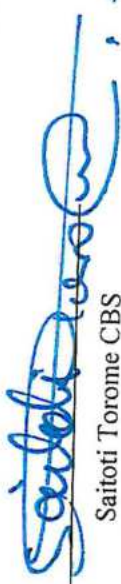
**11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY 2021/22**

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>						
Proceeds from Domestic and Foreign Grants	42,095,400	58,735,534	100,830,934	62,651,241	38,179,693	62%
Exchequer releases	45,872,106,766	5,589,650,881	51,461,757,647	48,484,634,443	2,977,123,204	94%
Other Receipts	71,000,000	-	71,000,000	71,000,000	-	100%
<b>TOTAL RECEIPTS</b>	<b>45,985,202,166</b>	<b>5,648,386,415</b>	<b>51,633,588,581</b>	<b>48,618,285,684</b>	<b>3,015,302,897</b>	<b>94%</b>
<b>PAYMENTS</b>						
Compensation of Employees	430,580,000	45,700,000	476,280,000	465,309,214	10,970,786	98%
Use of goods and services	413,416,764	(18,405,733)	395,011,031	380,034,201	14,976,830	96%
Transfers to Other Government Units	44,671,227,816	5,559,476,148	50,230,703,964	47,220,459,367	3,010,244,598	94%
Social Security Benefits	812,065	1,800,000	2,612,065	1,880,683	731,382	72%
Acquisition of Assets	469,165,521	59,816,000	528,981,521	514,217,736	14,763,785	97%
<b>TOTAL PAYMENTS</b>	<b>45,985,202,166</b>	<b>5,648,386,415</b>	<b>51,633,588,581</b>	<b>48,581,901,200</b>	<b>3,051,687,381</b>	<b>94%</b>
<b>Surplus/ Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,384,484</b>	<b>(36,384,484)</b>	

- The underutilization of 62% on proceeds from domestic and foreign grants was due to lack of funding by the donor within the year.
- The underutilization of 72% on social security benefits was as a result of few contracted officers during the year

**STATE DEPARTMENT FOR PLANNING**  
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The State Department's financial statements were approved on 27<sup>th</sup> SEPTEMBER 2022 and signed by:

  
Saitoti Torome CBS  
Principal Secretary



Veronica Kamau  
Head Accounting Unit  
ICPAK Member Number: 10669

**STATE DEPARTMENT FOR PLANNING**  
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**11(a) SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR FY 2021/22**

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>						
Exchequer releases	3,527,045,950	383,839,312	3,910,885,262	3,910,885,262	-	100%
Other Receipts	71,000,000	-	71,000,000	71,000,000	-	100%
<b>TOTAL RECEIPTS</b>	<b>3,598,045,950</b>	<b>383,839,312</b>	<b>3,981,885,262</b>	<b>3,981,885,262</b>	<b>-</b>	<b>100%</b>
<b>PAYMENTS</b>						
Compensation of Employees	430,580,000	45,700,000	476,280,000	465,309,214	10,970,786	98%
Use of goods and services	413,416,764	(18,405,733)	395,011,031	380,034,201	14,976,830	96%
Transfers to Other Government Units	2,595,700,000	283,138,645	2,878,838,645	2,878,838,645	1	100%
Social Security Benefits	812,065	1,800,000	2,612,065	1,880,683	731,382	72%
Acquisition of Assets	157,537,121	71,606,400	229,143,521	225,162,888	3,980,633	98%
<b>TOTAL PAYMENTS</b>	<b>3,598,045,950</b>	<b>383,839,312</b>	<b>3,981,885,262</b>	<b>3,951,225,630</b>	<b>30,659,632</b>	<b>99%</b>
<b>Surplus/Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,659,632</b>	<b>(30,659,632)</b>	

i. The underutilization of 72% on social security benefits was as a result few contracted officers during the year

The State Department's financial statements were approved on 27<sup>th</sup> SEPTEMBER 2022 and signed by:

  
Saitoti Torome CBS  
Principal Secretary

  
Veronica Kamau  
Head Accounting Unit  
ICPAK Member Number: 10669

**STATE DEPARTMENT FOR PLANNING**  
**Annual Reports and Financial Statements**  
**For the year ended 30, June 2022**

**11 (b) SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY 2021/22**

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>						
Proceeds from Domestic and Foreign Grants	42,095,400	58,735,534	100,830,934	62,651,241	38,179,693	62%
Exchequer releases	42,345,060,816	5,205,811,569	47,550,872,385	44,573,749,181	2,977,123,204	94%
<b>TOTAL RECEIPTS</b>	<b>42,387,156,216</b>	<b>5,264,547,103</b>	<b>47,651,703,319</b>	<b>44,636,400,422</b>	<b>3,015,302,897</b>	<b>94%</b>
<b>PAYMENTS</b>						
Transfers to Other Government Units	42,075,527,816	5,276,337,503	47,351,865,319	44,341,620,722	3,010,244,597	94%
Acquisition of Assets	311,628,400	(11,790,400)	299,838,000	289,054,848	10,783,152	96%
<b>TOTAL PAYMENTS</b>	<b>42,387,156,216</b>	<b>5,264,547,103</b>	<b>47,651,703,319</b>	<b>44,630,675,570</b>	<b>3,021,027,749</b>	<b>94%</b>
<b>Surplus/Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,724,852</b>	<b>(5,724,852)</b>	

a. The underutilization of 62% on proceeds from domestic and foreign grants was because of lack of funding by the donor during the year.

The State Department's financial statements were approved on 27th SEPTEMBER 2022 and signed by:



Saitoti Torome CBS  
Principal Secretary



Veronica Kamau  
Head Accounting Unit  
ICPAK Member Number: 10669

**STATE DEPARTMENT FOR PLANNING**  
*Annual Reports and Financial Statements*  
*For the year ended 30, June 2022*

**11(c) BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR FY 2021/22**

Programme/Sub-programme	Approved Budget 2022	Actual on comparable basis 2022	Budget utilization difference
	Kshs.	Kshs	Kshs
<b>Economic Policy and National Planning</b>	<b>48,931,695,929</b>	<b>45,969,257,219</b>	<b>2,962,438,710</b>
Economic Planning Coordination Services	236,355,739	223,207,971	13,147,768
Community Development	46,802,756,498	43,898,550,036	2,904,206,462
Macro Economic Policy Planning and Regional Integration	771,227,187	766,480,823	4,746,364
Policy Research	598,780,000	593,780,000	5,000,000
Coordination of vision 2030	401,332,816	367,026,361	34,306,455
Infrastructure, science, technology and innovation	36,571,545	36,162,082	409,463
Sectoral Policy and Planning	84,672,144	84,049,947	622,197
<b>National Statistical Information Services</b>	<b>2,113,312,503</b>	<b>2,042,374,361</b>	<b>70,938,142</b>
Census and Surveys	2,113,312,503	2,042,374,361	70,938,142
Surveys	0	0	0
<b>Public Investment Management Monitoring and Evaluation services</b>	<b>242,956,542</b>	<b>235,563,959</b>	<b>7,392,583</b>
National Integrated Monitoring and Evaluation	242,956,542	235,563,959	7,392,583
<b>General Administration Planning and Support Services</b>	<b>345,623,607</b>	<b>334,705,661</b>	<b>10,917,946</b>
Human Resource and Support Services	279,587,341	270,009,776	9,577,565
Financial Management Services	49,531,315	48,986,171	545,144
Information Communications Services	16,504,951	15,709,715	795,236
<b>Total</b>	<b>51,633,588,581</b>	<b>48,581,901,200</b>	<b>3,051,687,381</b>

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**12. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**2. Reporting Entity**

The financial statements are for the State Department for Planning.. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and currently there no projects implemented by the State Department

**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.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the State Department for all the years presented.

**a) Recognition of Receipts**

The State Department recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the State Department.

**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 shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient 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.

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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.

**b) Recognition of payments**

The State Department 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.

**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.

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

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**vi) In-kind contributions**

In-kind contributions are donations that are made to the State Department 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 State Department 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.

**c) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2022, this amounted to Kshs. 11,570,559 compared to Kshs 9,747,822 in prior period as indicated on note 11; 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 that are were not surrendered or accounted for at the end of the financial year 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. Other accounts receivables are disclosed in the financial statements.

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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Third party deposits and retention**

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

**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 to provide a sense of the overall net cash position of the State Department at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

In the books of State Department and as detailed in Annex I to the financial statements are historical (long outstanding) pending bills for five (5) suppliers amounting to Kshs.2,789,002 as summarized below;

No.	Supplier	Period	Amount (Kshs)
1	Facts Travel Agencies	2016/17 and 2017/18	712,380
2	Burch's Resort	2016/17	262,500
3	CMC Motors	2013/14 and 2015/16	115,107
4	Vercelli Tours & Travel	2017/18	685,420
5	Ride on Agencies Ltd	2016/17 and 2017/18	1,013,595
	<b>Total</b>		<b>2,789,002</b>

During the year under review, the accounting officer appointed a pending bills taskforce vide Memo Ref: TNTP/SDP/VOL.III/12/11/67 dated 13 September 2021, which looked into authenticity of the pending bills. The taskforce undertook the exercise of verification of pending bills and issued a report on the same on 11 January 2022. As per the report of the Committee, the pending bills amounting Kshs. 2,789,002 lacked the relevant supporting documentation including requisitions, local purchase/service orders, invoices and delivery notes. The State Department, though the Supply Chain Management Unit has continued to follow the respective suppliers for the support documents. As per guidelines for implementation of budget and Medium-Term Budget, the pending bills carried over from the FY2021/22 and prior years have priority on settlement once all supporting documents are provided.

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**g) Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by Law and there were two supplementary adjustments to the original budget during the year.

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

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

**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 subsequent to 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, errors that have been corrected are disclosed under note 13 explaining the nature and amounts.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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**13. NOTES TO THE FINANCIAL STATEMENTS**

**1 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

Name of Donor		2021-2022	2020-2021
		Kshs	Kshs
Proceeds from domestic and foreign grants (UN-WOMEN)	Direct Payment	62,651,241	26,924,204
<b>Total</b>		<b>62,651,241</b>	<b>26,924,204</b>

The increase in the proceeds from domestic and foreign grants resulted from increased donor support for UN-Women activities.

**2 EXCHEQUER RELEASES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer Releases for quarter 1	11,428,001,117	14,970,920,985
Total Exchequer Releases for quarter 2	12,963,994,257	4,755,287,708
Total Exchequer Releases for quarter 3	15,080,298,885	14,709,656,396
Total Exchequer Releases for quarter 4	9,012,340,184	24,458,338,488
<b>Total</b>	<b>48,484,634,443</b>	<b>58,894,203,577</b>

**Budgeted Exchequer: Ksh. 51,461,757,647**

**Received Exchequer: Ksh. 48,484,634,443**

The exchequer received during the period was less than the previous year as the budget for the period was also lower.

**3 OTHER RECEIPTS**

Description	2021-2022	2020-2021
	Kshs	Kshs
Receipts from Administrative Fees and Charges - Collected as AIA	71,000,000	71,000,000
<b>Total</b>	<b>71,000,000</b>	<b>71,000,000</b>

- i. The KNBS collected Kshs.99,609,117 as the actual A.I.A against a budget of Kshs 71,000,000 in the year 2021/2022.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 COMPENSATION OF EMPLOYEES**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	269,637,039	244,428,613
Basic wages of temporary employees	2,302,889	2,562,813
Personal allowances paid as part of salary	193,369,286	128,067,822
<b>Total</b>	<b>465,309,214</b>	<b>375,059,248</b>

The increase in compensation of employees was attributed to recruitment of economists at entry level, advancement/promotions of officers across different cadres, transfers of officers to the State Department from other MDA's and recruitment of staff at entry level by other scheme administrators.

**5 USE OF GOODS AND SERVICES**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	5,934,241	2,073,948
Communication, supplies and services	11,571,135	8,207,543
Domestic travel and subsistence	85,628,610	41,015,186
Foreign travel and subsistence	11,894,595	6,448,784
Printing, advertising and information supplies & services	4,516,483	6,770,229
Rentals of produced assets	79,777,287	79,364,116
Training expenses	28,243,539	12,515,886
Hospitality supplies and services	60,779,745	50,396,137
Specialized materials and services	6,427,038	4,527,866
Office and general supplies and services	36,323,909	19,140,534
Fuel Oil and Lubricants	18,573,800	11,667,639
Other operating expenses	12,248,442	15,754,409
Routine maintenance – vehicles and other transport equipment	12,058,121	10,328,449
Routine maintenance – other assets	6,057,257	2,122,793
<b>Total</b>	<b>380,034,201</b>	<b>270,333,519</b>

The lower expenditure reported in the FY 2020-2021 was as a result of budget cuts. There were no budget cuts in the FY 2021-2022

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6 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 Levels of Government	2,807,838,645	2,408,139,998
Current grants to Government Agencies and other Levels of Government(A.I.A)	71,000,000	71,000,000
Capital grants to Government Agencies and other Levels of Government	44,278,969,481	55,589,314,056
Capital Grants to Government Agencies and other Levels of Government-Direct Payments	62,651,241	26,924,204
<b>TOTAL</b>	<b>47,220,459,367</b>	<b>58,095,378,258</b>

The breakdown of grants to other government entities of Kshs 47,220,459,367 is as below:

Description	Recurrent	Development	Total	2020-2021
	Kshs	Kshs	Kshs	Kshs
<b>Transfers to SAGAs</b>				
Kenya Institute For Public Policy And Research-GOK	525,780,000	68,000,000	593,780,000	414,279,999
NEPAD Kenya Secretariat-GOK	283,268,645	-	283,268,645	210,129,999
Kenya National Bureau Of Statistics-GOK	1,456,620,000	452,103,120	1,908,723,120	1,365,989,157
Kenya National Bureau Of Statistics (A.I.A)	71,000,000	-	71,000,000	71,000,000
Kenya National Bureau Of Statistics Direct Payments-AIA UN-WOMEN		62,651,241	62,651,241	26,924,204
National Council For Population And Development-GOK	322,960,000	44,066,361	367,026,361	362,916,259
Kenya Vision 2030 Delivery Secretariat	219,210,000	-	219,210,000	219,210,000
NG-Constituency Development Fund	-	43,714,800,000	43,714,800,000	55,424,928,640
<b>TOTAL</b>	<b>2,878,838,645</b>	<b>44,341,620,722</b>	<b>47,220,459,367</b>	<b>58,095,378,258</b>

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We have confirmed these amounts with the recipient entities and attached these confirmation and schedule of disbursements as in **Annex 4**

**7 SOCIAL SECURITY BENEFITS**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Government pension and retirement benefits	1,880,683	1,696,400
<b>Total</b>	<b>1,880,683</b>	<b>1,696,400</b>

The Kshs. 1,880,683 relates to gratuity paid to officers employed on contract.

**8 ACQUISITION OF ASSETS**

<b>Non -Financial Assets</b>	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Refurbishment of Buildings	58,702,877	-
Purchase of Vehicles and Other Transport Equipment	15,000,000	-
Purchase of Office Furniture and General Equipment	24,403,505	7,180,278
Purchase of Specialized Plant, Equipment and Machinery	401,140	
Research, Studies, Project Preparation, Design & Supervision	415,710,214	240,680,206
<b>Total</b>	<b>514,217,736</b>	<b>247,860,484</b>

The increase in the acquisition of assets was as a result of MTP IV activities and operationalization of National County Planning Offices

**9A: BANK ACCOUNTS**

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit e.t.c	Exc rate (if in foreign currency)	2021-2022	2020-2021
				<b>Kshs</b>	<b>Kshs</b>
Central Bank of Kenya, 1000384301, Recurent Kes	Kes	Recurrent	1	28,106,713	290,162
Central Bank of Kenya, 1000384317 Development Kes	Kes	Development	1	1,238,092	-
Central Bank of Kenya, 1000495607-Dashboard KShs	Kes	Development	1	-	440,000
Central Bank of Kenya, 1000384328 Deposits Kes	Kes	Deposits	1	11,480,558	9,747,822
<b>Total</b>				<b>40,825,363</b>	<b>10,477,984</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**See Appendix 1**

**9B: CASH IN HAND**

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

There were no cash balances in the State Department during and in the prior year

**10: IMPRESTS AND ADVANCES**

Description	2021-2022	2020-2021
	Kshs	Kshs
Salary advances	1,209,880	789,199
District suspense	7,581,179	26,379,149
<b>Total</b>	<b>8,791,059</b>	<b>27,168,348</b>

- i. The Kshs. **1,209,880** relates to salary advanced to officers which was outstanding as at 30<sup>th</sup> June 2022 as per the supporting schedule attached
- ii. The Kshs. **7,581,179** relates to unspent AIEs issued to CPO in the 2021/2022 financial year as per the supporting schedule attached.

**See Appendix 2**

**11. THIRD PARTY DEPOSITS AND RETENTION**

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention	9,430,996	7,779,259
General Deposits	2,049,563	1,968,563
RD Cheques	90,000	-
<b>Total</b>	<b>11,570,559</b>	<b>9,747,822</b>

The Kshs. **11,570,559** relates monies refundable to third parties and the supporting schedule is attached.

**See Appendix 3**

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**12. FUND BALANCE BROUGHT FORWARD**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	10,477,984	14,580,228
Cash in hand		-
Accounts Receivables	27,168,348	26,098,637
Accounts Payables	(9,747,822)	(9,185,813)
<b>Total</b>	<b>27,898,510</b>	<b>31,493,052</b>

**13. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted Balance b/f FY 2021-2022
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	10,477,984	730,162	9,747,822
Receivables(Salary Advance)	789,199	-	789,199
Receivables(District Suspense)	26,379,149	25,506,969	872,180
Accounts Payables	(9,747,822)	-	(9,747,822)
<b>TOTALS</b>	<b>27,898,510</b>	<b>26,237,131</b>	<b>1,661,379</b>

Ksh.730,162 constitutes of Ksh. 290,162 surrendered to exchequer as unspent balance, and Ksh.440,000 paid back to Unicef for Unicef Dashboards projects for The FY 2020/2021.

Ksh.25,506,969 relates to amounts accounted for in respect of drought mitigation AIEs issued to various Regional Development Authorities in the FY 2016/2017

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**14. (INCREASE)/ DECREASE IN IMPRESTS AND ADVANCES**

Description	2021-2022	2020-2021
	<b>KShs</b>	<b>KShs</b>
Receivables as at 1 <sup>st</sup> July (a)	27,168,348	26,098,637
Receivables as at 30 <sup>th</sup> June (b)	8,791,059	27,168,348
Increase)/ Decrease in Imprests and advances (c=(b-a))	<b>(18,377,289)</b>	<b>1,069,711</b>

**15. INCREASE/ (DECREASE) IN THIRD PARTY DEPOSITS AND RETENTION**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Payables as at 1 <sup>st</sup> July	9,747,822	9,185,813
Payables as at 30 <sup>th</sup> June	11,570,559	9,747,822
Increase/ (Decrease) in Third party deposits and retention	<b>1,822,737</b>	<b>562,009</b>

**16. Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department for Planning.

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.
- v)

**17. Other Important Disclosures**

**17.1 Related party transactions:**

Description	2021-2022	2020-2021
	<b>Kshs</b>	<b>Kshs</b>
Key Management Compensation	<b>117,966,156</b>	<b>95,788,084</b>
<b>Transfers to related parties</b>		
Transfers to the Other Ministries Departments and Agencies-Current Grants	2,807,838,645	2,408,139,998
Transfers to the Other Ministries Departments and Agencies-Current Grants(A.I.A)	71,000,000	71,000,000
Transfers to the Other Ministries Departments and Agencies-Capital Grants	44,278,969,481	55,589,314,056
Transfers to the Other Ministries Departments and Agencies-Current Grants –Direct payments	62,651,241	26,924,204
<b>Total Transfers to Related Parties</b>	<b>47,220,459,367</b>	<b>58,191,166,342</b>

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<b>Purchase of Goods and Services</b>		
Rent charges paid to Government Agencies	16,682,000	78,865,664
Training Fees paid to Government Agencies	991,960	4,776,186
Conferences facilities hired from Government Agencies	21,947,406	25,429,210
<b>Total Goods and Services paid to Govt. Agencies</b>	<b>39,621,366</b>	<b>109,071,060</b>
<b>Transfers from Related parties</b>		
Transfers from Exchequer	48,484,634,443	58,894,203,577
<b>Total transfers from Related parties</b>	<b>48,484,634,443</b>	<b>58,894,203,577</b>

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

Description	Balance b/f FY 2021/2022 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2021/2022 Kshs
Construction of Buildings	5,956,725	-	5,956,725	-
Supply of goods	12,244,296	-	12,244,296	-
Supply of services	9,861,824	-	7,072,822	2,789,002
<b>Total</b>	<b>28,062,845</b>	<b>-</b>	<b>25,273,843</b>	<b>2,789,002</b>

**17.3. External Assistance**

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
External assistance received as grants	62,651,241	26,924,204
Non-monetary external assistance	-	50,532,950
<b>Total</b>	<b>62,651,241</b>	<b>77,457,154</b>

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

	FY 2021-2022	FY 2020-2021
Description	Kshs	Kshs
External assistance received as grants	62,651,241	26,924,204
<b>Total</b>	<b>62,651,241</b>	<b>26,924,204</b>

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**b) Classes of providers of external assistance**

	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
International assistance organization	62,651,241	26,924,204
<b>Total</b>	<b>62,651,241</b>	<b>26,924,204</b>

*The UN Women through Making Every Woman Count Programme main aim is gender equality and empowerment women.*

**c) Non-monetary external assistance**

	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Motor Vehicles	-	50,532,950
<b>Total</b>	<b>-</b>	<b>50,532,950</b>

**d) Purpose and use of external assistance**

	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Other Government Units	62,651,241	26,924,204
<b>TOTAL</b>	<b>62,651,241</b>	<b>26,924,204</b>

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated period within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<b>FY 2018/19</b>					
196	<b>Unsupported District Suspense;</b> A review of expenditure returns from Regional authorities showed an unsupported balance of Ksh.225,040,182 and even though the funds disbursed in 2016/17 were to be utilized in the same year, the regional authorities continued to utilize the funds after the expiry of the execution work plan timelines.	The Regional authorities have accounted for Ksh.632,905,707 leaving a balance of State Department reported that letters requesting the Regional authorities to account for the outstanding AIEs had been written. The Regional Authorities have forwarded additional documents to account for the outstanding and unaccounted AIEs which would be reflected in our books on the verification by the Auditor General. The copies of the forwarding letters has being availed.	State Department for Planning	Resolved	
197	<b>Prior Year Adjustment;</b> Adjustments totalling to Ksh.30,798,591 were not done in line with Paragraph 47(a) of IPSAS Number 3.	The State Department did not restate the prior balances since there was no change in the balances. Note 14 to the financial statements was just explaining the movement in the figures.	State Department for Planning	Resolved	
198	<b>Variances Between Amount of Appropriations-In-Aid (AIA) Presented and Amount Collected:</b>	It is true that note 3 to the financial statement, under the statement of Receipts and Payment reflected a	State Department for Planning	Resolved	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Documents in support of other revenue earned, received, confirmed and reported in the financial statements of the Kenya National Bureau of Statistics (KNBS) amounted to Kshs.279,195,885 against a budget of Kshs.71,000,000. The accounting treatment of the resultant variance of Kshs.208,195,885 has not been explained.	balance of Kshs 71,000,000 as AIA. This figure was based on the approved budget. The Kenya National Bureau of Statistics collected excess AIA of kshs 208,195,885 which they were expected to surrender to the Accounting Officer for onward transmission to the consolidated fund as guided by Regulation 43 (c) of the PFM (National Government) Regulations 2015. The state Department through letter Ref TNTP/SDP/17/82 VOL11(20) has requested the Kenya National Bureau of Statistics to surrender the excess AIA that they collected			
199	<b>Acquisition of Assets:</b> <b>199.1: Unsupported Participants and Other Allowances on MTP III:</b> Included under research, studies, project preparation, design and supervision figure is Ksh.297,981,180 is Kshs.79,016,000 paid as imprests to various officers to facilitate forums in	The dissemination forums were organised by State Department for Planning and since it involved holding the forums in the counties, it was appropriate to involve offices of County Commissioners and offices of Governors. In view of this, the State Department for Planning officially wrote to Principal	State Department for Planning	Resolved	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	the Counties. even though a listing indicating participants' signatures for monies received from the paying officers was produced, details of the venues for the meetings including how the venues were procured and paid for were not availed for audit verifications. In addition, no details on the basis of identification of the participating citizens was availed for audit verification and confirmation as the listing provided had no telephone contacts of the participants	Secretary for Interior informing him of the forums and requesting him to issue a circular to all County Commissioners informing them of the forums. The Circular directed County Commissioners to; Identify and book a suitable venue for 150 participants preferably Government Institutions where appropriate; Identify <b>150 participants</b> from all segments of society in consultation with County Government. It is important to note that proper guidance was provided to County Commissioners in identifying participants to ensure that diverse groups are represented; Provide security in all the Forum venues			
	<b>199.2: Irregular expenditure on refurbishment of buildings:</b> The acquisition of assets figure of Kshs.320,844,976 as reported in the statement of receipts and payments includes an amount of Kshs.20,802,795 in respect of refurbishment of buildings. However, the latter balance includes incorrectly classified payments for internet totaling Kshs.20,000,000, no certificate of inspection and acceptance	There was a pending bill owed to M/s Telkom Kenya Ltd of Kshs. 23,653,841.10 for the supply, delivery and installation of internet services (WI-FI) adapters and related accessories in the 107 sub-counties. The expenditure of Kshs.20,000,000.00 was part payment of the outstanding bill leaving a balance of Kshs.	State Department for Planning	Resolved	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	to show that the service was received as detailed in the contract. Additionally, included in the refurbishment expense is an amount of Kshs.478,885 in respect of payment for retention monies for which the contract under which it accrued and the opening balance was not provided.	3,653,841.10.  We agree with the observation that the expenditure of Kshs 20,000,000 was wrongly charged to refurbishment of buildings. However, the budget allocation for clearance of this pending bill was provided for under the charged budget item.  I wish to clarify that M/s Telkom Kenya Ltd was awarded the contract through open tendering procurement method under tender No. MODP/CEISP8/34/2013/2014 as evidenced by minutes of the Tender Committee  The user department vide memo Ref TNTP/SDP/3/30 dated 15th February 2019 confirmed that the services had been rendered and the outstanding payable amount to M/s Telkom Kenya Ltd			
	<b>199.3 Irregular Charging of Printing Expenses on Refurbishment of building;</b> Include in an amount of Kshs.297,981,180 incurred on research, studies, project preparation, design and	On this matter, I wish to clarify that Kshs.28,354 504 paid to the Government Printer for printing of 15,000 copies of MTP III 2018-2022 and 28,000 copies of the MTP III Sector	State Department for Planning	Resolved	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	supervision is an amount of Kshs.28,354,504 paid to the Government Printer for printing 15,000 copies of the Third MTP III 2018-2022 and 28,000 copies of the 28 MTP III Sector Plans. No explanation has been provided for charging printing expenses under refurbishment of buildings.	Plans was charged under economic item 3111401-Prefesiability, feasibility and appraisal Studies from which the cost of the printing was budgeted for.			
200	<b>Supplies and Services:</b> Included in the communication supplies and service figure of Kshs.15,034,290 is an amount of Kshs.1,173,996 relating to purchase of eight (8) smart phones which were purchased at a cost above the approved limit of Kshs.30,000 each. Further, the communication, supplies and services figures include Kshs.3,653,841 in respect of procurement of internet services. However, documents in support of the method used to identify the supplier and the procurement process of the services were not availed for audit review.	The State Department wish to clarify that while Circular Ref No. OP/CAB/15 dated 5th March 2010 sets a limit of Kshs.30,000/- per phone, Paragraph C(v) of the same circular provides that to ensure sustainability of efficient and quality telephone services, procuring entities should embrace emerging technologies. The State Department considered this provision and the dynamic nature of the telecommunication industry in providing Senior Staff with mobile phones which would support latest technology and service delivery. In this regard, the State Department purchased a total of Eight (8) phones through Request for Quotation (RFQ) Procurement method from firms registered with the National Treasury under the Reservation Scheme. The market surveys were provided from phone dealers (i.e M/s Safaricom	State Department for Planning	Not Resolved	PAC recommendations 2021/2022

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Reference No. on the external audit Report	Issue/ Observations from Auditor Report	Management comments	Focal Point to person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Limited &amp; M/s Ebrahim Electronics Limited) and the terms of payment were cash on delivery. However, taking into consideration that this procurement was reserved for special groups who are not dealers; that they were to be charged applicable taxes and that payment was not on cash basis, the quoted prices were considered to be within the market range. The quotation documents are herewith attached. Appendix 6(b)</p> <p>Further, the expenditure of Kshs. 3,653,841.00 was the final payment in regard to the pending bill of Kshs. 23,653,841.10 owed to M/s Telcom Kenya Ltd for provision of internet services to facilities constructed through the CEISP Project in 107 sub-counties. The contract was awarded through contract No. NCB: MODP/CEISP8/34/2013/2014 entered into on 27th November 2014 for the supply, delivery and installation of internet services (WI-FI) adapters and related accessories in the 107 sub-counties as per the notification of award and as stated in paragraph 199.2 of this document</p>			

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
201.1	<p><b>Unresolved Prior Year matters</b></p> <p><b>201.1.1 Accuracy of Financial Statements:</b> The Trial Balance as at 30 June, 2018 reflected balances against various account items which differed from corresponding balances reflected in the financial statements for the year then ended. The differences totalling Kshs.100,481,828,741 (under) and Kshs.8,910,155,414 (over) between the two sets of records have not been reconciled.</p> <p>Further, grants and transfers to other Government entities for development in the financial statements stood at Kshs.36,725,628,366 while Note 6 to the financial statements casted to a total of Kshs.36,765,553,336 resulting to unexplained variance of Kshs.39,925,000 which clearly indicated that some receipts during the financial year were not captured in the accounting records and the financial statements contain a suspense account</p>	The Committee resolved the matter in its report tabled on 23 <sup>rd</sup> March 2021 and adopted in the house on the 24 <sup>th</sup> June 2021.	State Department for Planning	Resolved	

	<b>201.1.2 Unsupported adjustments:</b> Management submitted for audit financial statements on 28 September,	I wish to state that the District Suspense of Kshs.73,322,660 had been recognized as cleared and reported under prior year	State Department	Resolved	
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	<p>2018 which was revised and another set of financial statements submitted on 27 February, 2019. However, the movements in the balances noted in some of the components were not supported by any documentation or adjustment journals:</p>	<p>adjustments hence affecting the district suspense and the prior year adjustment figures in the financial statements. Upon further reconciliation, it was noted that the amount had remained unaccounted for and thus had to be recognized as outstanding district suspense balance through journal entries. The movements in the balances noted in the District Clearance Suspense balances had now been supported by adjustment journals</p>	for Planning		
201.2	<p><b>Receipts</b>  <b>201.2.1.1 Unsupported Advance Payment for Aror Multipurpose Dam Development Project:</b> The statement of receipts and payments reflected proceeds from foreign borrowings of Kshs.4,526,966,879 as at 30 June, 2018 which included an amount of Kshs.4,292,651,060 paid as advance payment to CMC Di Ravenna-Itinerary JV as advance payment for Aror Multipurpose Dam Development project. Even though the advance payment was made through a memorandum payment voucher dated 7 December, 2017, no work had been done on the ground to cover the payment, No compensation had been made for the affected community members, Kenya Forest Service had not ceded the forest portion required for utilization in the dam construction, The agreement between the affected community and the Kerio Valley Development Authority</p>	<p>The Committee resolved that since the matter falls under the National Assembly Standing Order 89, the Accounting officer should, within three months after the tabling and adoption of this report, submit a brief on the status of the Court case to the National Assembly.</p> <p>The matter be stayed under sub justice rule.</p>	State Department for Planning	Not Resolved	PAC recommendations 2021/2022

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	had not been confirmed and therefore viability of the project is in doubt.				
	<p><b>201.2.1.2: Unsupported Payment for Sigor Wei Wei Integrated Development Project:</b> The statement of receipts and payments reflect proceeds from foreign borrowings of Kshs.4,526,966,879 which includes an amount of Kshs.234,315,819 made on behalf of Kerio Valley Development Authority in respect of Sigor Wei Wei Integrated Development Project. However, the following observations were noted about this payment:</p> <p>i) The financing agreement availed for audit was made on 28 January, 2007 and a further endorsement made on 18 September, 2009.</p> <p>ii) The project was having a lifespan of four years beginning 18 September, 2009 and had detailed deliverables for each phase of the project and therefore the agreement lapsed on 18 September, 2013.</p> <p>iii) The memorandum payment voucher for capturing the payment consultants were prepared by KVDA in July, 2017 which was more than three years outside agreement timelines for implementation.</p> <p>iv) No further endorsement of financing loan agreement was provided in support</p>	<p>It's true that the financing agreement availed for audit was made on 28 January 2007 and a further endorsement made on 18 September 2009. However, Kerio Valley Development Authority (KVDA) signed a contract agreement with SWS Consulting Engineering S.r.l, Rome Italy on 4th December 2014 for the Phase 3 of the project.</p> <p>The Payment of Ksh. 41,259,819.00 was supported by an inspection and acceptance certificate of works dated 13th January 2017.</p>	State Department for Planning	Resolved	PAC recommendations 2021/2022

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	of the validity of expenditure being captured in the financial statement.  v) Payments totalling Kshs.41,259,819 out of Kshs.234,315,819 did not have certificate of completion from the inspection and acceptance committees hence not adequately supported for payment			
	<b>2012.1.3: Unrecorded and Unsupported Retention Money:</b> The statement of receipts and payments reflected proceeds from foreign borrowings of Kshs.4,526,966,879 which excluded retentions totaling Kshs.11,472,805 in respect of payments to contractors and consultants for Sigor Wei Integrated Development Project Phase III. In consequence, the authenticity of proceeds from foreign borrowings and the propriety of the payments therefore amounting to Kshs.4,526,966,879 could not be confirmed.	State Department for Planning	Resolved	
201.3	<b>Other Revenues:</b> The statement of receipts and payments reflected other revenues of Kshs.294,587,507 being Appropriations-in-Aid collected in 2017/2018 financial year. However, the supporting documents availed to confirm other revenue earned, received, confirmed and reported in the financial statement of the respective SAGAs amounted to Kshs.668,322,928 against a budget of Kshs.296,000,000. The accounting treatment of the amounts that	State Department for Planning	Resolved	

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	are above the recorded balances has not been explained				
201.4	<p><b>201.4.1 Specialized materials:</b> The statement of receipts and payments reflected a balance of Kshs.304,669,023 in respect of use of goods and services which included an amount of Kshs.16,613,364 in respect of specialized materials and supplies. The latter balance included payments totaling Kshs.7,778,730 made in respect of tuition fee expenses. No evidence was availed to support the approval of the over expenditure by the National Assembly contrary to Section 113(1) of the Public Finance Management (National Government) Regulations, 2015</p>	The Committee marked the matter as resolved in its report for the FY 2017/2018 tabled on 23 <sup>rd</sup> March 2021 and adopted in the house on the 24 <sup>th</sup> June 2021.	State Department for Planning	Resolved	
201.5	<p><b>Grants and Transfers to Other Government Entities;</b>  The statement of receipts and payments for the year ended 30 June, 2018 reflected transfers to other Government entities amounting to Kshs.40,336,190,128. However, there were differences amounting to Kshs.8,177,413,627 between the amounts reported as disbursed by the State Department for Planning and the amounts reflected in the financial statements of the respective SAGAS</p>	The differences were timing differences where disbursements done by the State Department at the end of the Financial Year reflected in the SAGAs bank statements in the following Financial Year. The SAGAs would thus recognize the receipts in the new Financial Year whereas the State Department recognized them as disbursements in the prior year.	State Department for Planning	Resolved	
201.6	<p><b>201.6.1 Unsupported Civil Works:</b>  Payment of Kshs.109,406,979 related to billing in respect of a consultant's invoice for a feasibility study and design of a high grand falls dam along River</p>	Payment of Kshs.109,406,979 which related to billing in respect of a consultant's invoice for a feasibility study and design of a high grand falls dam along River Tana in Tana River County, dated 30	State Department for Planning	Resolved	

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	<p>Tana in Tana River County, dated 30 June, 2012 which purportedly had been outstanding ever since. The payments were made to an insurance company in respect of a claim settled to the consultant against a policy covering risk of non payment. However, no documentation was provided to show that the bill was actually outstanding as at the time of payment since the amount was not included in the pending bills for the financial year 2016/2017 and no documentation in support of inspection and acceptance of work done by consultant, if any, in respect of the contract dated 30 January, 2010.</p>	<p>June, 2012 was reflected as a pending bill in the Audited financial statements of The State Department of Regional and Northern Corridor Development for the year ended 30th June 2019. Through letter ref. RNCD/ACC/PB/01/VOL.1/73, The Principal Secretary, State Department for Regional Authorities confirmed that the bill was a historical pending bill.</p> <p>Further, I wish to state that a report ref no. MRD/TARDA/5/7/11(104) certifying that the consultant services were undertaken by the consultant was availed.</p>			
	<p>Payment of Kshs.277,793,123 related to consultancy services for feasibility study and design for Lower Ewaso Ngiro South Multipurpose Dam contracted in May, 2012 and billed on 17 December, 2013. However, no documentation was provided to show the bill was actually outstanding as at the time of payment since the amount was not included in the pending bills for the financial year 2016/2017 and no documentation was provided in support of inspection and acceptance of work done by the consultant, if any. In addition, the payment voucher provided in support of the payment had been voided and hence not valid for payment</p>	<p>The Payment of Kshs.277,793,123 related to consultancy services for feasibility study and design for Lower Ewaso Ngiro South Multipurpose Dam contracted in May, 2012 and billed on 17 December, 2013 was reflected as a pending bill in the Audited financial statements of The State Department of Regional and Northern Corridor Development for the year ended 30th June 2019.</p> <p>I further wish to clarify that the payment voucher was not voided as evidenced by the IFMIS account analysis report which indicates that the expenditure was properly captured</p>	State Department for Planning	Resolved	
201.7	<p><b>Cash and Cash Equivalents</b>  A review of the bank reconciliation statement for the Central Bank of Kenya</p>	<p>i.The payments amounting to Kshs. 38,940,201 consists of Ksh.14,500,000,Ksh.21,790,201,</p>	State Department	Resolved	

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	<p>recurrent bank account No.100302216 had the following unsatisfactory issues:</p> <p>i) The reconciliation included cheques totaling Kshs.38,940,201 which had not been presented to the bank for payment as at the time of audit and which were more than six months old therefore, not payable.</p> <p>ii) Payments in cash book not in bank statement for the recurrent bank account included three payments totaling Kshs.24,495,961 paid on 26 June, 2018 which had been recorded twice in the cash book on 27 June, 2018, effectively understating the cash balance by a similar amount and overstating unidentified expenditure by the same.</p> <p>iii) Receipts in cash book not in bank statement for the recurrent bank balance included an unexplained reversal in the cash book of Kshs.2,747,896.</p>	<p>Ksh.350,000 and Ksh.2,300,000 payable to NEPAD, ACP Secretariat, Group of 77 and IDEP respectively. As at 30th June 2018, the amounts were unrepresented but they were cleared on 02 July 2018.</p> <p>ii. ii. The payment amounting to Kshs.24,495,961 related to Payment Advices done to Group 77 Development Bank, African Caribbean and Pacific Group of States Secretariat and African Institute for Economic Development and Planning being Kenya's contribution to the Secretariats. The amounts captured on 26 June 2018 under Folio 58 i.e Ksh.21,790,210 and Ksh 2,300,000 were the actual amounts paid by the State Department. On 27 June 2018 under Folio 74, the amount captured was the exchange rate difference and the bank charges</p> <p>I also wish to confirm that the payments were only transmitted once to the bank as Kshs. 21,809,267.45, Kshs. 2,331,849.35 and Ksh. 354,844.75 as per the attached bank statements. Appendix 11(b). The difference of Ksh.450 between the amount entered in the cash book and the bank statement amount was bank charges. The bank statement reflects the net amount and the bank charges as two separate figures but the cash book combined the two.</p> <p>iii) The unexplained reversal of Kshs.2,747,896 in the cash book was a cash book adjustment as a result of casting error.</p>	for Planning
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201.8	<p><b>Unsupported Prior Year Adjustments:</b> As disclosed in Note 14 to the financial statements, the statement of assets and liabilities reflected prior year adjustments totaling Kshs.488,660,397. However, justification for the prior year adjustments and the documentary evidence to support the figures have not been provided for audit verification. In addition, the prior year adjustments have not been done in line with the International Public Sector Accounting Standards which requires restatement of all affected prior year balances in the financial statements unless it is impracticable to do so</p>	<p>The Committee marked the matter as resolved in its report for the FY 2017/2018 tabled on 23<sup>rd</sup> March 2021 and adopted in the house on the 24<sup>th</sup> June 2021.</p>	State Department for Planning	Resolved	
201.9	<p><b>Accounts Payable – Deposits and Retentions:</b> The statement of assets and Note 12 to the financial statements reflected a balance of Kshs.8,833,772 under accounts payables-deposits and retention as at 30 June, 2018. However, a review of retention money outstanding at the close of 2016/2017 indicated that a contractor listed as having a retention balance of Kshs.4,857,9334 then, was not listed in the retention schedule for 2017/2018, yet no documentation was provided to show how retention money was paid.</p>	<p>The Committee marked the matter as resolved in its report for the FY 2017/2018 tabled on 23<sup>rd</sup> March 2021 and adopted in the house on the 24<sup>th</sup> June 2021.</p>	State Department for Planning	Resolved	
202	<p><b>Unsupported Pending Bills:</b> Annex 1 to the financial statements reflects pending bills amounting to</p>	<p>The State Department agrees with the audit findings on the outstanding historical pending bill of Kshs. 22,517,023.00 as at</p>	State Department	Not Resolved	PAC recommendations 2021/2022

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	<p>Kshs.22,517,023/-. As reported in the 2017/2018 financial year, the State Department for Planning had an outstanding pending bill amount of Kshs.340,632,037/- as at 30 June, 2018 out of which Kshs. 22,517,023/- remained outstanding as at 30 June, 2019. These bills have not been presented for payment as they lacked vital supporting documents such as purchase orders, delivery notes, inspection and acceptance certificates among others.</p> <p>Failure to settle bills in the year they relate to distorts the financial statements for the subsequent years as they form a first charge of the budget provisions.</p>	<p>30th June 2019. The State Department obtained the relevant supporting documentation and processed pending bills amounting to Ksh.18,789,500.50, leaving an outstanding bill of Kshs. 3,728,022.00 as at 30th June 2020. In 2020/2021 financial year the state department verified and paid a further kshs 700,085 leaving a balance of kshs 3,027,937. The Department continues to engage the concerned stakeholders (service providers, user sections/directorates etc.) to ensure the issue is sorted and closed. The various correspondences are hereby attached</p>	for Planning	
203.1	<p><b>Education Enhancement Centre Limited:</b> Procurement of rapporteur services for the annual National Monitoring and Evaluation week (M&amp;E) in Mombasa from 11 to 17 November, 2018 cost Kshs.1,852,800 for the year ended 30 June, 2019. The procurement process was initiated in March, 2019 after the event had taken place. No satisfactory explanation has been provided for this anomaly</p>	<p>The State Department wish to clarify that at the time when the 6th Monitoring and Evaluation Week was being held, the full budget for the event could not be accessed due to the constraints in IFMIS. A memo Ref. TNTP/SDP/24/33 dated 9th November 2018 was written to the National Treasury requesting for access of the full budget in respect to this activity. Since this was a national event, which was being launched by the President, the State Department undertook a manual process to identify a service provider to ensure the event succeeded. The process was later captured in IFMIS when the funds were made available</p>	State Department for Planning	<p>Not Resolved</p> <p>PAC recommendation ns 2021/2022</p>

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203.2	<p><b>Purchase of Smart Phones:</b> Purchase of smart phones totalling Kshs.1,173,996 exceeded the approved limits of Kshs.30,000 for cash purchases. The phones were overpriced and the State Department had no policy on the purchase and issuance of the personal devices such as smart phones hence the existence and security of the same cannot be confirmed</p>	<p>As indicated in paragraph 200, the State Department wish to clarify that the smart phones were bought competitively. The phones were delivered and taken on charge as the delivery notes and counter receipt vouchers (S13 cards) provided in Appendix 13. The State Department in guided by Circular Ref. OP/CAB/15 of 15th March 2010, on purchase of phones</p>	State Department for Planning	Not Resolved	PAC recommendations 2021/2022
203.3	<p><b>Purchase of ICT Equipment:</b> An examination of payment vouchers revealed that the State Department for Planning procured computer related equipment amounting to Kshs.6,982,000 in October, 2018. However, there was no authority from the State Department for ICT before the procurements were made as authority was sought on March, 2019 and granted in April, 2019. Hence the procurement was not authorized at the time of purchase. No explanation was given for this anomaly</p>	<p>The State Department wishes to clarify that out of the total of Kshs. 6,982,000 for procurement of computer related items only Kshs 595,660.00 related to procurement of laptop computers. Authority to procure the laptops was granted by the MOICT vide letter Ref. MICT/CONF/18/30 dated 1st April 2019 before commencement of the procurement process. The difference relates to procurement of computer related consumables and accessories (such as toners, periodic maintenance and service, laser papers etc.) which did not require approvals from the Ministry of ICT</p>	State Department for Planning	Resolved	
204.1	<p><b>Provision and Maintenance of Fresh Cut Flowers:</b> Tender evaluation for provision and maintenance of fresh cut flowers was conducted on 14 September, 2018 and the committee awarded a florist (Second lowest bidder) to supply flowers to various offices at a cost of Kshs.1,068,000 per annum instead of awarding to the lowest bidder at Kshs.497,676 for a similar period,</p>	<p>The Evaluation Committee recommended award to M/s Vivienes Super Florists who was the lowest evaluated bidder. The lowest bidder, in cost, was not awarded because they did not comply with all the mandatory requirements of the tender. From the tender evaluation analysis report, the bidder did not submit the required bid securing declaration form. Therefore, M/s Vivienes Super Florists was found to be lowest responsive to the State</p>	State Department for Planning	Resolved	

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	resulting to a loss of Kshs.570,324 of public funds	Department's requirements and was therefore awarded the tender			
204.2	<p><b>Provision of Professional Cleaning Services:</b> A company was awarded the tender for cleaning services at a total cost of Kshs.3,921,120 per annum without a clear award criterion. Although the evaluation committee recommended four firms to be subjected to further interrogations and interviews, proceedings of the interviews were not documented thus it was not possible to establish if the tender was fairly awarded</p>	<p>The Evaluation Committee recommended the four firms which were technically responsive for further interrogation to gain clarification on the unit of measurement and specifications, prices quoted by the bidders, frequency of the provision of the services and the total cost of the services as per their quotes.</p> <p>The firms were subjected to the recommended interviews and M/s Courier International Limited was awarded the tender for provision of cleaning services</p> <p>The State Department agrees with the audit findings that advance payments were made for supply of fresh cut flowers, newspapers and cleaning services.</p>	State Department for Planning	Not Resolved	PAC recommendations 2021/2022
205	<p><b>Irregular Advance Payments:</b> During the year under audit, advance payments of Kshs.303,000, Kshs.441,075 and Kshs.653,520 for supply of flowers, newspapers and cleaning services were made. However, the goods were not delivered. No delivery notes were attached to these payments. No appropriate explanation was given for this anomaly</p>	<p>The payments were made to M/s Vivienes Super Florists, M/s Rex Kiosk and M/s Courier International Limited for the supply of fresh cut flowers, newspapers and provision of cleaning services respectively who had been contracted to offer the services for a period of two years with effect from 9th November 2018.</p> <p>The State Department wishes to confirm that all the firms performed the services for the period for which the payments were made as evidenced by the relevant delivery notes and job cards</p>	State Department for Planning	Resolved	
206	<p><b>Direct Procurement Expenditure:</b> The State Department for Planning procured air tickets from various service providers</p>	<p>It is true that the department purchased some air tickets through direct procurement method. However, these</p>	State Department	Resolved	

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	<p>amounting to Kshs.21,296,171 through direct procurement contrary to Section 103 (2) of the Public Procurement and Asset Disposal Act, 2015. Further, the State Department also, procured 4000 copies of the 6th National Monitoring and Evaluation Week Report at Kshs.3,400,000 through direct procurement contrary to the requirements of Section 91 of the Public Procurement and Asset Disposal Act, 2015. No appropriate explanation has been provided for these anomalies.</p> <p>Under the circumstances, the value for money for the above expenditure totaling Kshs.24,696,171 could not be confirmed</p>	<p>services were bought from several travel agents who were registered with the State Department for provision of air ticketing services on a rotational basis thus ensuring fairness to all registered firms. Due to the nature of the services, and sometimes the short period between the approval and the travel dates, it was practically impossible to use any other procurement method.</p> <p>On the issue of printing of additional 4000 copies of the 6th National M&amp;E week reports through direct procurement, the State Department agrees with the audit finding on the use of the direct procurement method. However, this was done in full compliance with the Public Procurement and Asset Disposal Act 2015. The Department had earlier procured the same services had been procured through a competitive tendering procurement process. The use of Direct procurement method was in accordance with Section 91(2) which allows for use of alternative procurement methods if it satisfies the conditions for use of the alternative method being used. Further, it complied with 103(2)(d) of the Public Procurement and Asset Disposal Act 2015 which provides that direct procurement may be used if having procured goods, equipment or services from a supplier, it is determined that additional goods, equipment or services are required for purposes of standardization... In undertaking this procurement, the Management fully</p>	for Planning	
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			complied with the procedures for use of direct procurement as stipulated in Section 104 of the PPADA, 2015. The statutory report in regard to direct procurement was submitted to the Public Procurement Regulatory Authority (PPRA) as required			
207	<b>Double Imprests:</b> Various staff received imprest advances amounting to Kshs.1,025,759 while still on other imprest, contrary to Section 93 (4)(b) of the Public Finance Management (National Government) Regulations, 2015. No satisfactory explanation has been provided for this anomaly		The outstanding imprests of KShs 1,025,759 which were outstanding as at 30th June, 2018 were surrendered and the State Department did not have any outstanding imprests as at 30th June, 2020.  Further the State Department has enhanced controls in issuance of imprests to officers that ensure officers are not issued with overlapping imprests by developing an imprest clearance/application form	State Department for Planning	Resolved	
<b>FY 2019/20</b>						
166	<b>Unsupported District Suspense Balance:</b> A review of expenditure returns from Regional authorities showed an unsupported balance of Ksh. 67,594,293 and even though the funds disbursed in 2016/17 were to be utilized in the same year, the regional authorities continued to utilize the funds after the expiry of the execution work plan timelines		On this matter, the state Department has received expenditure returns in respect of the outstanding unsupported balance from the Lake Basin Development Authority, Coast Development Authority, Ewaso Ng'iro South Development Authority and TARDA. The expenditure returns were forwarded for auditors for review.	State Department for Planning	Resolved	PAC recommendations 2021/2022
167	<b>Unsupported Pending Bills:</b> Note 16.1 to the financial statements reflects pending bills of Kshs.3,908,434 as at 30 June, 2020 which related to 2017/2018 and prior years. However, supporting documents including requisitions by the		These bills have not been honoured due to lack of the requisite support documents. However, there are ongoing initiatives in the State Department including engagements with the claimants in view	State Department for Planning	Not Resolved	PAC recommendations 2021/2022


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	<p>user departments, service orders and proof that services having been provided were not availed for audit review. Lack of supporting documentation has led to the delay by Management to initiate payment process of the bills.</p>	of authenticating the claims and settling them.			
168	<p><b>Unresolved Prior Year Matters:</b>  Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues.</p>	<p>The prior year audit matters have now been addressed and the State Department has appeared before Public Accounts Committee for FY 2018/19 and FY 2019/20.</p>	State Department for Planning	Resolved	PAC recommendations 2021/2022
169	<p><b>Budgetary Control and Performance:</b>  The summary statement of appropriation-recurrent development combined reflected actual receipts of Kshs.41,070,157,347 against a budget of Kshs.55,264,056,577 resulting into a receipts shortfall of Kshs.14,193,899,230 or 26% of the budgeted receipts. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.55,264,056,577 and Kshs.41,064,170,664 respectively resulting to an under- expenditure of Kshs.14,199,885,913 or 26% of the budget which occurred mainly under transfers to other government units. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>The under expenditure amounting to Kshs.14,199,885,913 was as a result of undisbursed amounts occasioned by lac of exchequer. The bulk of the under-expenditure amounting to Kshs.13,714,800,000 relates to the National Government Constituency Development Fund (NG-CDF) and Kshs.347,250,000 for the KNBS-World Bank funded Performance for Results (PFR) Programme. The funds relating to NG-CDF were however budgeted for and fully disbursed in the preceding FY 2020/21. Also included in the receipt's shortfall is Kshs.105,845,097 relating to externally funded projects and the Kshs.31,990,816 for GOK funded projects and operations. The reason for this under expenditure was due to failure by Development Partners to honor their contractual commitments and lack of GOK Exchequer respectively.</p>	State Department for Planning	Resolved	PAC recommendations 2021/2022

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170	<p><b>Advance Payments:</b> The Department paid in advance for the supply of flowers, newspapers and cleaning services amounting to Kshs.618,000, Kshs.787,156 and Kshs.1,307,040 respectively. Although Management explained that the payments were done to ensure continuity at the start of the subsequent financial year and that no funds were lost, advance payments for goods or services before they are delivered and accepted is prohibited under Section 146 of the Public Procurement and Assets Disposals Act, 2015.</p>	<p>The Department has running contracts for the stated service providers, which cover timelines beyond a single financial year. Taking note that there is no exchequer to pay for ongoing services at the start of each financial year and to ensure continuity, the department, having some balance in the relevant budget items, made those payments. The Department confirms that no funds were lost and the paid services were satisfactorily rendered.</p>	State Department for Planning	Resolved	PAC recommendations 2021/2022
<b>FY 2020/21</b>					
1	<p><b>Unsupported Pending Bills</b>  Included in the figure for pending bills is Ksh.5,397,937 relating to historical pending bills. The historical balance includes two balances of Ksh.2,007,000 and Ksh.363,000 relating to two hotels in Nakuru and Mombasa which were not reflected in prior years audited financial statements and were not supported with the relevant supporting documentation.</p>	<p>The two pending bills were verified by internal auditors and tabled before the pending bills taskforce. The taskforce recommended payments of the bills having obtained all the support documentation. The bill was thus settled in the FY 2021/2022.</p>	State Department for Planning	Not Resolved	Awaiting PAC Appearance

  
Principal Secretary

  
Head Accounting Unit

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**14. ANNEXES**

**ANNEX 1: ANALYSIS OF PENDING ACCOUNTS PAYABLE (See Annex 1)**

S/NO	Supplier of goods of services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
	<b>Construction of Buildings</b>						
1	Dowline Construction Ltd	5,486,716	25/06/2021	5,486,716	-	5,486,716	Paid
2	Gemisco Management and Consulting	470,009	22/06/2021	470,009	-	470,009	Paid
	<b>Sub total</b>	<b>5,956,725</b>		<b>5,956,725</b>	<b>-</b>	<b>5,956,725</b>	
	<b>Supply of Goods</b>						
1	Kawa Florists	722,040	29/01/2021	722,040	-	722,040	Paid
2	Viable Deco Solutions	1,717,812	14/06/2021	1,717,812	-	1,717,812	Paid
3	Eco-Partners Limited	3,708,000	18/06/2021	3,708,000	-	3,708,000	Paid
4	Muflova Enterprises	119,700	21/06/2021	119,700	-	119,700	Paid
5	My Apple Technologies	128,200	21/06/2021	128,200	-	128,200	Paid
6	Ednas enterprises	254,250	22/06/2021	254,250	-	254,250	Paid
7	Waymarking Enterprises	336,070	22/06/2021	336,070	-	336,070	Paid
8	Virsom Company Limited	415,224	17/06/2021	415,224	-	415,224	Paid
9	Dignity Traders Limited	1,490,000	18/06/2021	1,490,000	-	1,490,000	Paid
10	Fast Choice Ltd	150,000	25/06/2021	150,000	-	150,000	Paid
11	Dignity Traders Limited	1,192,000	18/06/2021	1,192,000	-	1,192,000	Paid
12	Fast Choice Ltd	1,574,000	17/06/2021	1,574,000	-	1,574,000	Paid
13	Offix Solutions	230,000	25/06/2021	230,000	-	230,000	Paid
14	Jentech Investments	207,000	23/06/2021	207,000	-	207,000	Paid

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	Sub total	12,244,296		12,244,296	-	12,244,296	
	<b>Supply of services</b>						
1	Kenya Pipeline Company	1,314,000	31/05/2021	1,314,000	-	1,314,000	Paid
2	Ryce East Africa Limited	152,473	16/06/2021	152,473	-	152,473	Paid
3	Lela Communications Ltd	1,862,496	24/06/2021	1,862,496	-	1,862,496	Paid
4	The Copy Cat Ltd	550,216	23/06/2021	550,216	-	550,216	Paid
5	Safaricom PLC	103,074	01/05/2021	103,074	-	103,074	Paid
6	Tilitech Systems	172,500	25/06/2021	172,500	-	172,500	Paid
7	Postal Corporation of Kenya	7,805	09/06/2021	7,805	-	7,805	Paid
8	Plaza Trust Limited	39,782	10/06/2021	39,782	-	39,782	Paid
9	Postal Corporation of Kenya	92,900	08/06/2021	92,900	-	92,900	Paid
10	Beam International Training Centre	168,640	07/10/2020	168,640	-	168,640	Paid
11	Facts Travel Agencies Limited	95,360	11.09.2017	-	95,360	95,360	Insufficient Documentation
12	Facts Travel Agencies Limited	29,720	15.03.2017	-	29,720	29,720	Insufficient Documentation
13	Facts Travel Agencies Limited	34,720	06.02.2017	-	34,720	34,720	Insufficient Documentation
14	Facts Travel Agencies Limited	47,675	15.03.2017	-	47,675	47,675	Insufficient Documentation
15	Facts Travel Agencies Limited	69,754	23.06.2017	-	69,754	69,754	Insufficient Documentation
16	Facts Travel Agencies Limited	99,210	23.06.2017	-	99,210	99,210	Insufficient Documentation
17	Facts Travel Agencies Limited	107,565	15.03.2017	-	107,565	107,565	Insufficient Documentation
18	Facts Travel Agencies Limited	108,840	16.06.2017	-	108,840	108,840	Insufficient Documentation
19	Facts Travel Agencies Limited	119,536	23.06.2017	-	119,536	119,536	Insufficient Documentation
20	Burch's Resort	262,500	24.05.2017	-	262,500	262,500	Insufficient Documentation

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21	M/S CMC Motors Group	49,723	05.03.2016	-	49,723	49,723	Insufficient Documentation
22	M/S CMC Motors Group	65,384	05.12.2013	-	65,384	65,384	Insufficient Documentation
23	M/S Vercelli Tours & Travel Agency	320,560	21.09.2017	-	320,560	320,560	Insufficient Documentation
24	M/S Vercelli Tours & Travel Agency	320,560	21.09.2017	-	320,560	320,560	Insufficient Documentation
25	M/S Vercelli Tours & Travel Agency	44,300	27.09.2017	-	44,300	44,300	Insufficient Documentation
26	Ride On Agencies Limited	107,430	14.12.2017	-	107,430	107,430	Insufficient Documentation
27	Ride On Agencies Limited	169,960	14.12.2017	-	169,960	169,960	Insufficient Documentation
28	Ride On Agencies Limited	94,650	07.12.2016	-	94,650	94,650	Insufficient Documentation
29	Ride On Agencies Limited	63,170	08.02.2017	-	63,170	63,170	Insufficient Documentation
30	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
31	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
32	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
33	Ride On Agencies Limited	34,430	15.11.2016	-	34,430	34,430	Insufficient Documentation
34	Ride On Agencies Limited	39,560	26.06.2017	39,560	-	39,560	Paid
35	Ride On Agencies Limited	47,455	08.12.2016	-	47,455	47,455	Insufficient Documentation
36	Ride On Agencies Limited	47,555	13.01.2017	-	47,555	47,555	Insufficient Documentation
37	Ride On Agencies Limited	47,555	06.12.2016	-	47,555	47,555	Insufficient Documentation
38	Ride On Agencies Limited	38,875	29.05.2017	-	38,875	38,875	Insufficient Documentation
39	Ride On Agencies Limited	47,680	19.06.2017	-	47,680	47,680	Insufficient Documentation
40	Ride On Agencies Limited	49,780	03.05.2017	49,780	-	49,780	Paid
41	Ride On Agencies Limited	59,655	23.06.2017	-	59,655	59,655	Insufficient Documentation
42	Ride On Agencies Limited	62,750	13.12.2016	-	62,750	62,750	Insufficient Documentation

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43	Ride On Agencies Limited	149,595	21.02.2017	149,595	-	149,595	Paid
44	Ride On Agencies Limited	43,240	12.05.2016	-	43,240	43,240	Insufficient Documentation
45	Bontana Hotel-Nakuru	2,007,000	28.06.2014	2,007,000	-	2,007,000	Paid
46	Kenya Safari Lodges and Hotels (Mombasa Beach Hotel)	363,000	13.07.2018	363,000	-	363,000	Paid
		<b>9,861,824</b>		<b>7,072,822</b>	<b>2,789,002</b>	<b>9,861,824</b>	
		<b>28,062,845</b>	<b>-</b>	<b>25,273,843</b>	<b>2,789,002</b>	<b>28,062,845</b>	

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2021/22</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs)</b>
Buildings and structures	6,810,037	58,702,877	-	-	65,512,914
Transport equipment	14,976,956	15,000,000	(2,375,000)	-	27,601,956
Office equipment, furniture and fittings	8,420,706	24,804,645	(101,540)	-	33,123,811
Intangible assets	423,768,875	415,710,214	-	-	839,479,089
<b>Total</b>	<b>453,976,574</b>	<b>514,217,736</b>	<b>(2,476,540)</b>	<b>-</b>	<b>965,717,770</b>

**ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR PLANNING**

<b>Ref</b>	<b>Project Name</b>	<b>Principal activity of the project</b>	<b>Accounting Officer</b>	<b>Project consolidated in these financial statements(yes/no)</b>
<b>1</b>	<b>NONE</b>			

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**ANNEX 4 – LIST OF, SAGAs UNDER THE STATE DEPARTMENT FOR PLANNING**

Ref	SAGA NAME	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Kenya Institute For Public Policy And Research	To provide quality public policy advice to the Government of Kenya by conducting objective research and analysis and through capacity building in order to contribute to the achievement of national development goals.	Dr. Rose Ngugi	593,780,000	Yes
2	NEPAD Kenya Secretariat	To promote effective and efficient coordination, advocacy, and communication for AU's programme nationally and regionally	Amb. Dr. Samori Okwiya	283,268,645	Yes
3	Kenya National Bureau Of Statistics	To provide, manage and promote quality statistical services through utilization of best practices for evidence-based decision making	Macdonald Obudho	1,456,620,000	Yes
	Kenya National Bureau Of Statistics			452,103,120	Yes
	Kenya National Bureau Of Statistics			71,000,000	Yes
4	National Council For Population And Development	To provide Excellent Leadership in Population Policy Development and its Implementation for Sustainable Development	Dr. Mohamed Sheikh	367,026,361	Yes

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5	Kenya Vision 2030 Delivery Secretariat	To spearhead the implementation of the Vision as the Country's development blueprint and strategy towards making Kenya a newly industrializing middle-income country capable of providing a high quality of life for all its citizens by 2030	Kenneth Mwine	219,210,000	Yes
6	NG-Constituency Development Fund	To enhance infrastructural and socio-economic development at the grass root level in order to reduce poverty by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards community projects identified at constituency level by the communities	Yusuf Mbuno	43,714,800,000	Yes

Attached is the confirmation letters and schedule of both recurrent and capital grants disbursements. See **Appendix 4**

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**ANNEX 5- REPORTS GENERATED FROM IFMIS**

The following Financial Reports were generated from IFMIS

- 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

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**14. ANNEXES**

**ANNEX 1: ANALYSIS OF PENDING ACCOUNTS PAYABLE (See Annex 1)**

S/NO	Supplier of goods of services	Original Amount	Date Contracted	Amount Paid To Date	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
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	<b>Sub total</b>	<b>5,956,725</b>		<b>5,956,725</b>	<b>-</b>	<b>5,956,725</b>	
	<b>Supply of Goods</b>						
1	Kawa Florists	722,040	29/01/2021	722,040	-	722,040	Paid
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3	Eco-Partners Limited	3,708,000	18/06/2021	3,708,000	-	3,708,000	Paid
4	Muflova Enterprises	119,700	21/06/2021	119,700	-	119,700	Paid
5	My Apple Technologies	128,200	21/06/2021	128,200	-	128,200	Paid
6	Ednas enterprises	254,250	22/06/2021	254,250	-	254,250	Paid
7	Waymarking Enterprises	336,070	22/06/2021	336,070	-	336,070	Paid
8	Virsom Company Limited	415,224	17/06/2021	415,224	-	415,224	Paid
9	Dignity Traders Limited	1,490,000	18/06/2021	1,490,000	-	1,490,000	Paid
10	Fast Choice Ltd	150,000	25/06/2021	150,000	-	150,000	Paid
11	Dignity Traders Limited	1,192,000	18/06/2021	1,192,000	-	1,192,000	Paid
12	Fast Choice Ltd	1,574,000	17/06/2021	1,574,000	-	1,574,000	Paid
13	Offix Solutions	230,000	25/06/2021	230,000	-	230,000	Paid
14	Jentech Investments	207,000	23/06/2021	207,000	-	207,000	Paid

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	Sub total	12,244,296		12,244,296	-	12,244,296	
	<b>Supply of services</b>						
1	Kenya Pipeline Company	1,314,000	31/05/2021	1,314,000	-	1,314,000	Paid
2	Ryce East Africa Limited	152,473	16/06/2021	152,473	-	152,473	Paid
3	Lela Communications Ltd	1,862,496	24/06/2021	1,862,496	-	1,862,496	Paid
4	The Copy Cat Ltd	550,216	23/06/2021	550,216	-	550,216	Paid
5	Safaricom PLC	103,074	01/05/2021	103,074	-	103,074	Paid
6	Tilatech Systems	172,500	25/06/2021	172,500	-	172,500	Paid
7	Postal Corporation of Kenya	7,805	09/06/2021	7,805	-	7,805	Paid
8	Plaza Trust Limited	39,782	10/06/2021	39,782	-	39,782	Paid
9	Postal Corporation of Kenya	92,900	08/06/2021	92,900	-	92,900	Paid
10	Beam International Training Centre	168,640	07/10/2020	168,640	-	168,640	Paid
11	Facts Travel Agencies Limited	95,360	11.09.2017	-	95,360	95,360	Insufficient Documentation
12	Facts Travel Agencies Limited	29,720	15.03.2017	-	29,720	29,720	Insufficient Documentation
13	Facts Travel Agencies Limited	34,720	06.02.2017	-	34,720	34,720	Insufficient Documentation
14	Facts Travel Agencies Limited	47,675	15.03.2017	-	47,675	47,675	Insufficient Documentation
15	Facts Travel Agencies Limited	69,754	23.06.2017	-	69,754	69,754	Insufficient Documentation
16	Facts Travel Agencies Limited	99,210	23.06.2017	-	99,210	99,210	Insufficient Documentation
17	Facts Travel Agencies Limited	107,565	15.03.2017	-	107,565	107,565	Insufficient Documentation
18	Facts Travel Agencies Limited	108,840	16.06.2017	-	108,840	108,840	Insufficient Documentation
19	Facts Travel Agencies Limited	119,536	23.06.2017	-	119,536	119,536	Insufficient Documentation
20	Burch's Resort	262,500	24.05.2017	-	262,500	262,500	Insufficient Documentation

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21	M/S CMC Motors Group	49,723	05.03.2016	-	49,723	49,723	Insufficient Documentation
22	M/S CMC Motors Group	65,384	05.12.2013	-	65,384	65,384	Insufficient Documentation
23	M/S Vercelli Tours & Travel Agency	320,560	21.09.2017	-	320,560	320,560	Insufficient Documentation
24	M/S Vercelli Tours & Travel Agency	320,560	21.09.2017	-	320,560	320,560	Insufficient Documentation
25	M/S Vercelli Tours & Travel Agency	44,300	27.09.2017	-	44,300	44,300	Insufficient Documentation
26	Ride On Agencies Limited	107,430	14.12.2017	-	107,430	107,430	Insufficient Documentation
27	Ride On Agencies Limited	169,960	14.12.2017	-	169,960	169,960	Insufficient Documentation
28	Ride On Agencies Limited	94,650	07.12.2016	-	94,650	94,650	Insufficient Documentation
29	Ride On Agencies Limited	63,170	08.02.2017	-	63,170	63,170	Insufficient Documentation
30	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
31	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
32	Ride On Agencies Limited	49,730	23.02.2018	-	49,730	49,730	Insufficient Documentation
33	Ride On Agencies Limited	34,430	15.11.2016	-	34,430	34,430	Insufficient Documentation
34	Ride On Agencies Limited	39,560	26.06.2017	39,560	-	39,560	Paid
35	Ride On Agencies Limited	47,455	08.12.2016	-	47,455	47,455	Insufficient Documentation
36	Ride On Agencies Limited	47,555	13.01.2017	-	47,555	47,555	Insufficient Documentation
37	Ride On Agencies Limited	47,555	06.12.2016	-	47,555	47,555	Insufficient Documentation
38	Ride On Agencies Limited	38,875	29.05.2017	-	38,875	38,875	Insufficient Documentation
39	Ride On Agencies Limited	47,680	19.06.2017	-	47,680	47,680	Insufficient Documentation
40	Ride On Agencies Limited	49,780	03.05.2017	49,780	-	49,780	Paid
41	Ride On Agencies Limited	59,655	23.06.2017	-	59,655	59,655	Insufficient Documentation
42	Ride On Agencies Limited	62,750	13.12.2016	-	62,750	62,750	Insufficient Documentation

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43	Ride On Agencies Limited	149,595	21.02.2017	149,595	-	149,595	Paid
44	Ride On Agencies Limited	43,240	12.05.2016	-	43,240	43,240	Insufficient Documentation
45	Bontana Hotel-Nakuru	2,007,000	28.06.2014	2,007,000	-	2,007,000	Paid
46	Kenya Safari Lodges and Hotels (Mombasa Beach Hotel)	363,000	13.07.2018	363,000	-	363,000	Paid
		9,861,824		7,072,822	2,789,002	9,861,824	
		28,062,845	-	25,273,843	2,789,002	28,062,845	

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2021/22</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs)</b>
Buildings and structures	6,810,037	58,702,877	-	-	65,512,914
Transport equipment	14,976,956	15,000,000	(2,375,000)	-	27,601,956
Office equipment, furniture and fittings	8,420,706	24,804,645	(101,540)	-	33,123,811
Intangible assets	423,768,875	415,710,214	-	-	839,479,089
<b>Total</b>	<b>453,976,574</b>	<b>514,217,736</b>	<b>(2,476,540)</b>	<b>-</b>	<b>965,717,770</b>

**ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR PLANNING**

<b>Ref</b>	<b>Project Name</b>	<b>Principal activity of the project</b>	<b>Accounting Officer</b>	<b>Project consolidated in these financial statements(yes/no)</b>
<b>1</b>	<b>NONE</b>			

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**ANNEX 4 – LIST OF, SAGAs UNDER THE STATE DEPARTMENT FOR PLANNING**

Ref	SAGA NAME	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Kenya Institute For Public Policy And Research	To provide quality public policy advice to the Government of Kenya by conducting objective research and analysis and through capacity building in order to contribute to the achievement of national development goals.	Dr. Rose Ngugi	593,780,000	Yes
2	NEPAD Kenya Secretariat	To promote effective and efficient coordination, advocacy, and communication for AU's programme nationally and regionally	Amb. Dr. Samori Okwiya	283,268,645	Yes
3	Kenya National Bureau Of Statistics	To provide, manage and promote quality statistical services through utilization of best practices for evidence-based decision making	Macdonald Obudho	1,456,620,000	Yes
	Kenya National Bureau Of Statistics			452,103,120	Yes
	Kenya National Bureau Of Statistics			71,000,000	Yes
4	National Council For Population And Development	To provide Excellent Leadership in Population Policy Development and its Implementation for Sustainable Development	Dr. Mohamed Sheikh	367,026,361	Yes

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5	Kenya Vision 2030 Delivery Secretariat	To spearhead the implementation of the Vision as the Country's development blueprint and strategy towards making Kenya a newly industrializing middle-income country capable of providing a high quality of life for all its citizens by 2030	Kenneth Mwige	219,210,000	Yes
6	NG-Constituency Development Fund	To enhance infrastructural and socio-economic development at the grass root level in order to reduce poverty by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards community projects identified at constituency level by the communities	Yusuf Mbuno	43,714,800,000	Yes

Attached is the confirmation letters and schedule of both recurrent and capital grants disbursements. See **Appendix 4**

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**ANNEX 5- REPORTS GENERATED FROM IFMIS**

The following Financial Reports were generated from IFMIS

- 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