



**REPUBLIC OF KENYA**  
**THE NATIONAL TREASURY AND ECONOMIC PLANNING**

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**REF: No: AG.3/88 Vol. VII (41)**

**TREASURY BUILDING**

**P O BOX 30007 - 00100**

**NAIROBI**

**DATE: 4<sup>th</sup> December, 2024**

**ALL ACCOUNTING OFFICERS –**

**MINISTRIES, DEPARTMENTS & AGENCIES (MDAs)**

**STATE CORPORATIONS, SEMI AUTONOMOUS GOVERNMENT AGENCIES**

**(SAGAs)**

**COUNTY EXECUTIVES, COUNTY ASSEMBLIES AND RECEIVERS OF REVENUES**

**ANNUAL FINANCIAL STATEMENTS REPORTING DATE SUBMISSION  
GUIDELINES FOR ALL PUBLIC SECTOR ENTITIES**

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**1. PURPOSE**

- 1.1 Public sector entities are required to observe financial reporting as provided for in the Constitution of Kenya, Public Finance Management Act, 2012 and the Public Audit Act, 2015. Article 226(2) of the Constitution provides that an Accounting Officer of a national public entity is accountable to the National Assembly for its financial management, and the Accounting Officer of a county public entity is accountable to the County Assembly for its financial management.
- 1.2 Article 226 (3) states that accounts of all government and State organs shall be audited by the Auditor-General.
- 1.3 Financial reporting should therefore be within the constitutional and statutory timelines as provided for in Article 229 (4) and (8) of the Constitution, read together with Sections 48 and 50 of the Public Audit Act, 2015, and Sections 81, 82, 84, 164, 165 and 167 of the Public Finance Management Act, 2012.
- 1.4 Article 229 (4) and (8) of the Constitution states as follows: -

*"229 (4) Within six months after the end of each financial year, the Auditor-General shall audit and report, in respect of that financial year, on :-*

*(a) the accounts of the national and county governments;*

- (b) the accounts of all funds and authorities of the national and county governments;*
- (c) the accounts of all courts;*
- (d) the accounts of every commission and independent office established by this Constitution;*
- (e) the accounts of the National Assembly, the Senate, and the county assemblies;*
- (f) the accounts of political parties funded by public funds;*
- (g) the public debt; and*
- (h) the accounts of any other entity that legislation requires the Auditor-General to audit."*

*"229(8) Within three months after receiving an audit report, Parliament or the county assembly shall debate and consider the report and take appropriate action."*

- 1.5 Thus, the public accountability framework in Kenya revolves around the Accounting Officer preparing and submitting financial statements (in a format prescribed by the Public Sector Accounting Standards Board) to the Auditor-General **not later than three months** after the end of each financial year. This is provided for in Sections 68 (2) (k), Sections 149 (2) (k), and Sections 81, 82, 84, 164, 165, and 167 of the Public Finance Management Act, 2012.
- 1.6 Given **the number of entities** in the public sector and the Constitutional timelines for the Auditor-General to audit and for Parliament/ County Assemblies to consider debate and take appropriate action, it has been a concern for the National Treasury that there is risk of accountability being compromised because **of insufficient time**.
- 1.7 The National Treasury has a mandate to design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting as contemplated by Article 226 of the Constitution. This is well stated in Section 12 (1) (e) of the Public Finance Management Act, 2012.
- 1.8 The National Treasury now directs that in line with the Public Finance Management Act, all public sector entities, for both national and county governments, prepare **and submit annual financial statements by 31 August, 2025**. The National Treasury will continue to work with the National Assembly to ensure that The Public Finance Management (Amendment) Bill, 2024 is enacted. The Bill seeks to amend the Public Finance Management Act, 2012 by reducing the timeline for submission of financial statements by all public entities from three months after the end of the financial year to two months after the end of a financial year.
- 1.9 **Annual Financial Statements:** The following should be observed with regard to the preparation of financial statements for the financial year ending 30 June, 2025.
  - i). **Submission of annual financial statements:** In accordance with Sections 81 and 82 of the PFM Act, 2012, Accounting Officers and Receivers of Revenue are required to prepare annual financial statements which should be submitted to the Auditor General by 31 August, 2025 with a copy to the Controller of Budget, the National

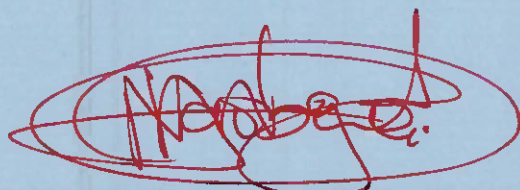
Treasury and Commission on Revenue Allocation. The National Treasury will receive and review the zero draft by 30 July 2025.

- ii). **Format for submission of annual financial statements:** The annual financial statements shall be prepared in the formats of reporting as prescribed by the Public Sector Accounting Standards Board (PSASB). The updated formats for the FY 2024/2025 will be made available on the National Treasury and PSASB websites by 30 June, 2025. The financial report should cover the period between 1 July 2024 and 30 June 2025.

**2.0 Technical support in Financial Reporting:** The Director/Accounting Services at National Treasury will continue to provide technical support to MDAs in the preparation of financial statements, particularly to ensure compliance with the standards prescribed by the Public Sector Accounting Standards Board. In case you have any queries or experience technical difficulties in accounting and reporting, do not hesitate to contact your focal person in the Department or the Director of Accounting Services.

### **3.0 CONCLUSION**

Accounting Officers are thus required to prepare **and submit annual financial statements by 31 August 2025.**



**HON. FCPA JOHN NG'ONGO MBADI, EGH**  
**CABINET SECRETARY/NATIONAL TREASURY AND ECONOMIC PLANNING**

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