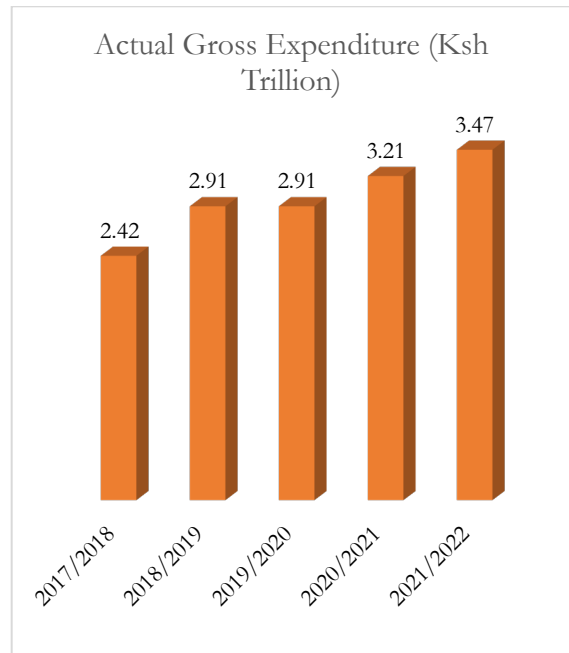
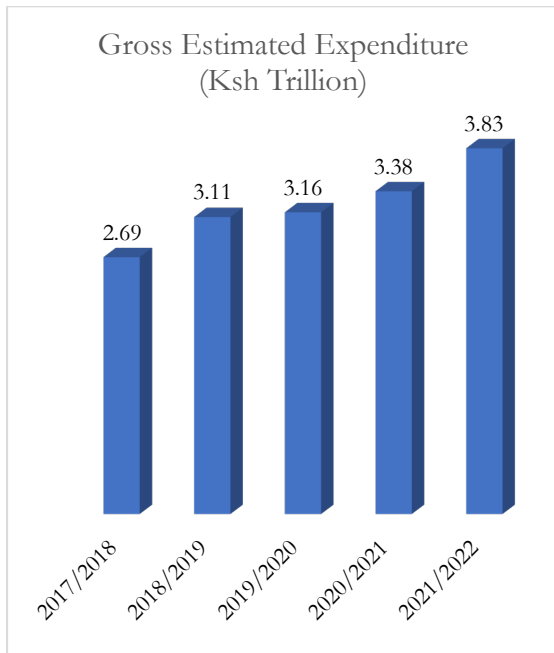


Fact sheet

Analysis of the Auditor General’s Report on National Government for the Financial Year 2021/2022 and 2022/2023

Expenditure Performance

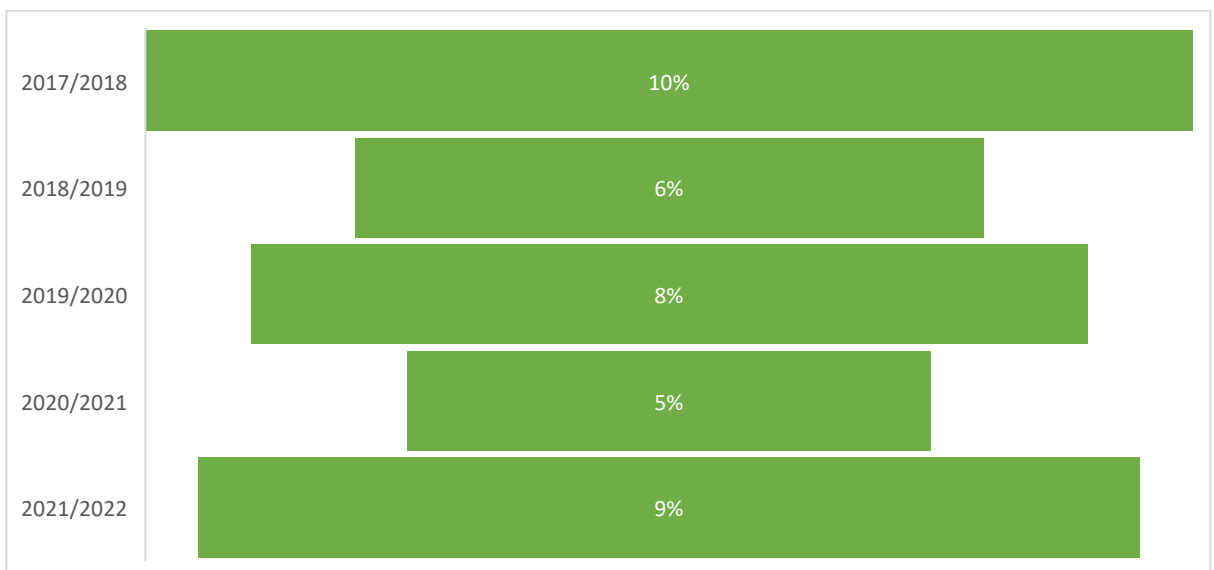
I. Trends in Gross and Actual expenditure



Source: Office of the Auditor General | National Government Audit Reports

- Actual amount spend is still lower than the estimated amounts.

II. Share of Under – Expenditure



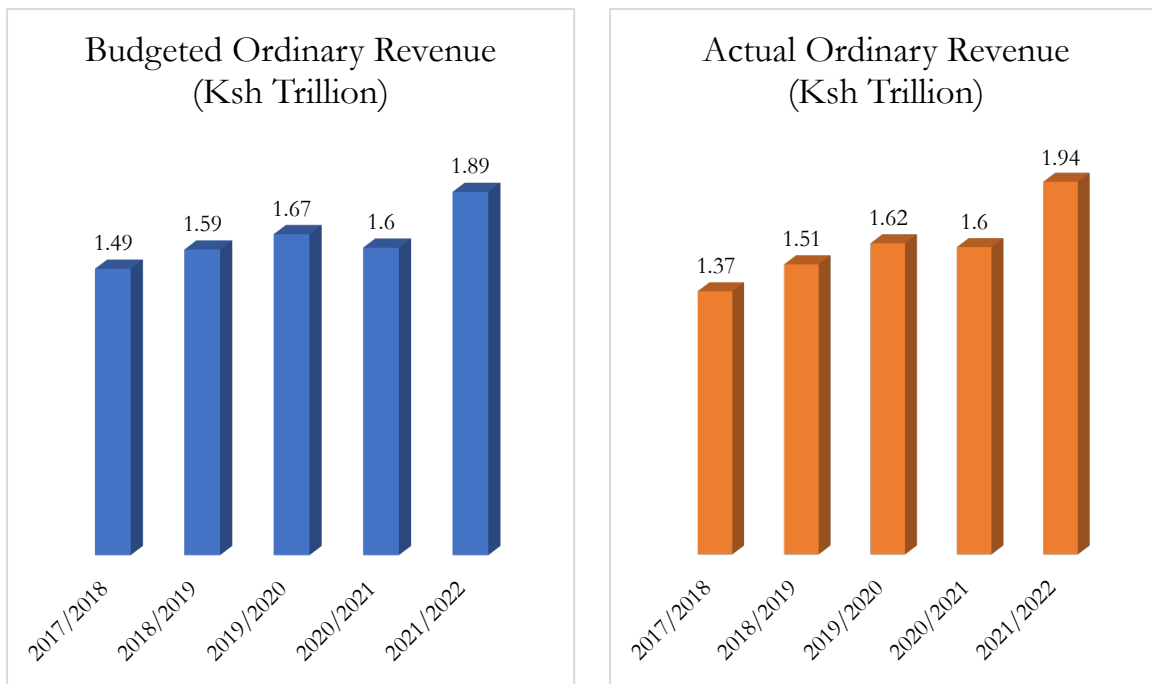
Source: Office of the Auditor General | National Government Audit Reports

- The percentage of expenditure under-spend increased in FY 2020/21 from 5% to 9% in FY 2021/22

Revenue Performance

I. Trends in Budgeted and Actual Revenue

- The gap between budgeted revenue and actual has reduced overtime with the actual amount exceeding budgeted amount in FY 2021/22

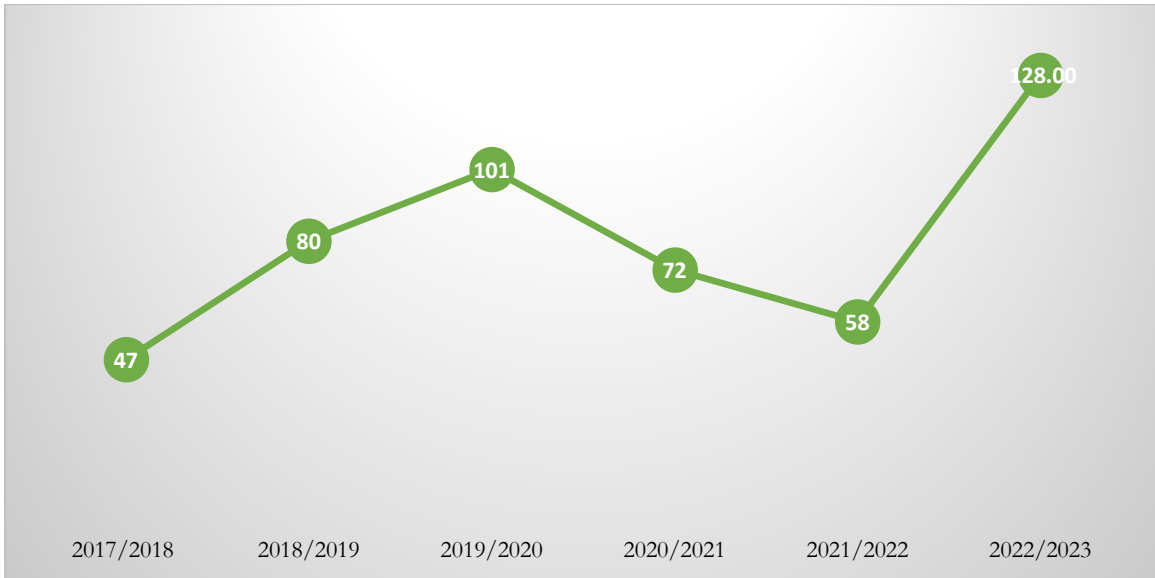


Source: Office of the Auditor General | National Government Audit Reports

Pending Bills

II. Trends in Pending Bills for MDAs (Ksh Billions)

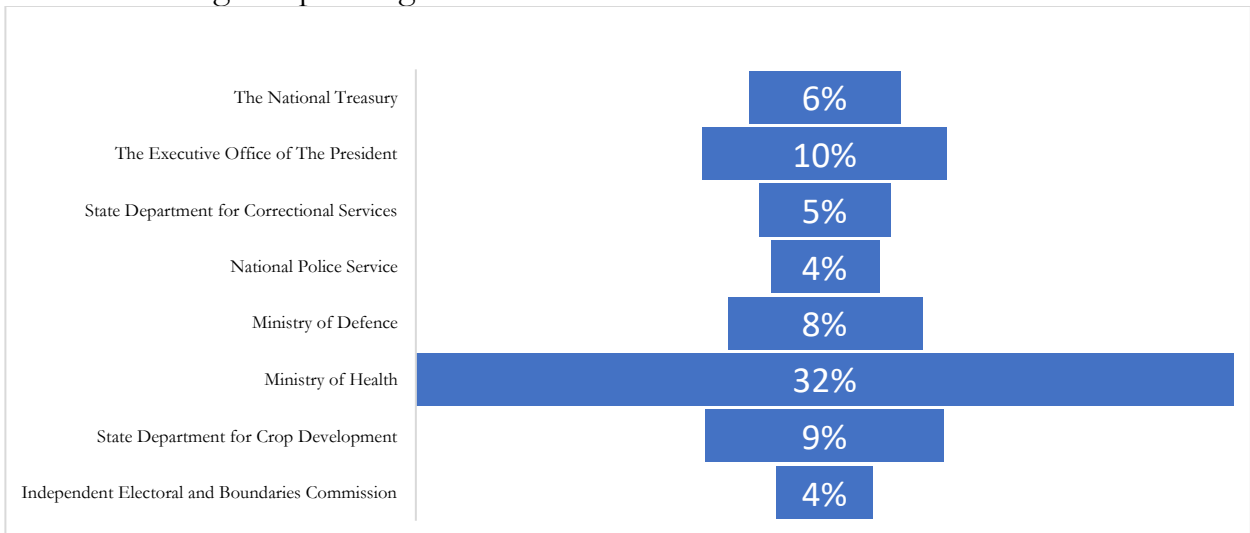
- Pending bills more than doubled in FY 2022/2023 compared to the pending bill in the FY 2021/22



Source: Office of the Auditor General | National Government Audit Reports

III. MDAs with highest Pending Bills in FY 2022/2023

MDAs with highest pending bills

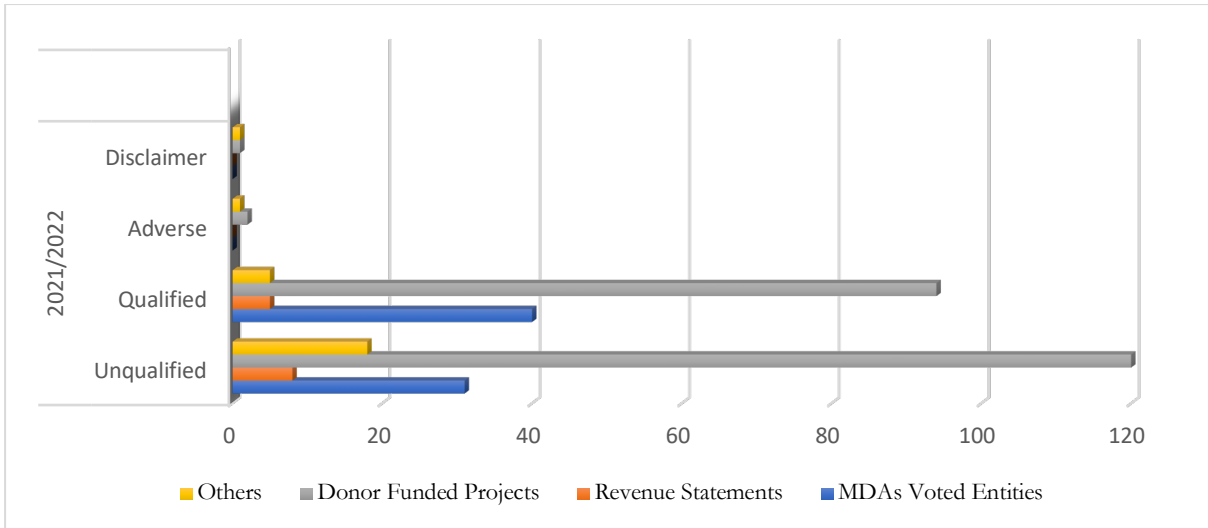


Source: Office of the Auditor General | National Government Audit Reports

- MOH reported highest pending bills followed by Executive office of the president.

National Government Audit Opinion FY 2021/2022 and 2022/2023

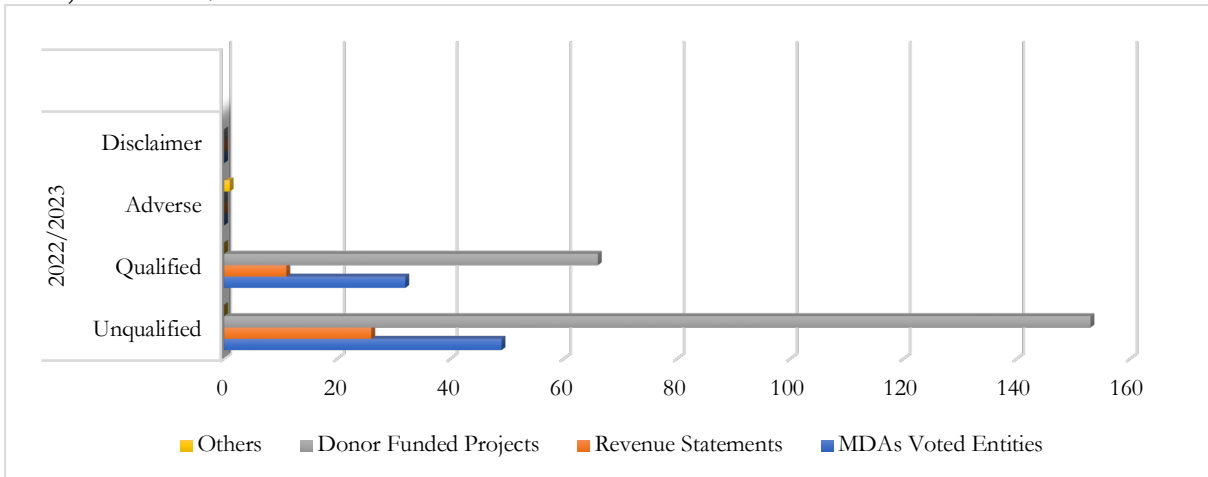
a) FY 2021/2022



Source: Office of the Auditor General | National Government Audit Reports

- In FY 2021/22, most donor funded projects received unqualified and qualified audit opinion while MDAs and Revenue statements had no disclaimer and adverse audit opinions.

b) FY 2022/2023



Source: Office of the Auditor General | National Government Audit Reports

- There was improvement in audit opinion in FY 2022/23. None received disclaimer audit opinion.

Non-Performing Loans

Distribution of Non-Performing Loans Issued to Local Entities

Description	Amount (Ksh Bn)		Remarks
	2021/22	2022/23	
1 Mumias Sugar Company Limited	3.0	3.0	Facing financial challenges
2 Agro-chemical and Food Company Limited	2.94	2.94	
3 Kenya Meat Commission	0.94	0.94	
4 National Water Conservation and Pipeline Corporation	2.46	2.46	Awaiting transfer of loan to Boards
5 National Irrigation Board	2.62	1.13	Co. has requested for conversion to grant
6 Uchumi Supermarket	1.2	1.20	Under Receivership
7 East African Sugar Industries Limited, Muhoroni	0.18		
8 Miwani Sugar Mills Limited	0.08		
9 Kenya Urban Transport Various Towns	0.04	0.04	No reason was provided
10 Halal Meat Products	0.03	0.03	Court ruled that the Company had no debt
11 Mombasa pipeline board	n/a	0.02	Dormant loan
12 Local Government loans Authorities	n/a	7.6	Dormant loan
Total	13.2	28.28	

Source: Office of the Auditor General | National Government Audit Reports

Stalled/incomplete projects

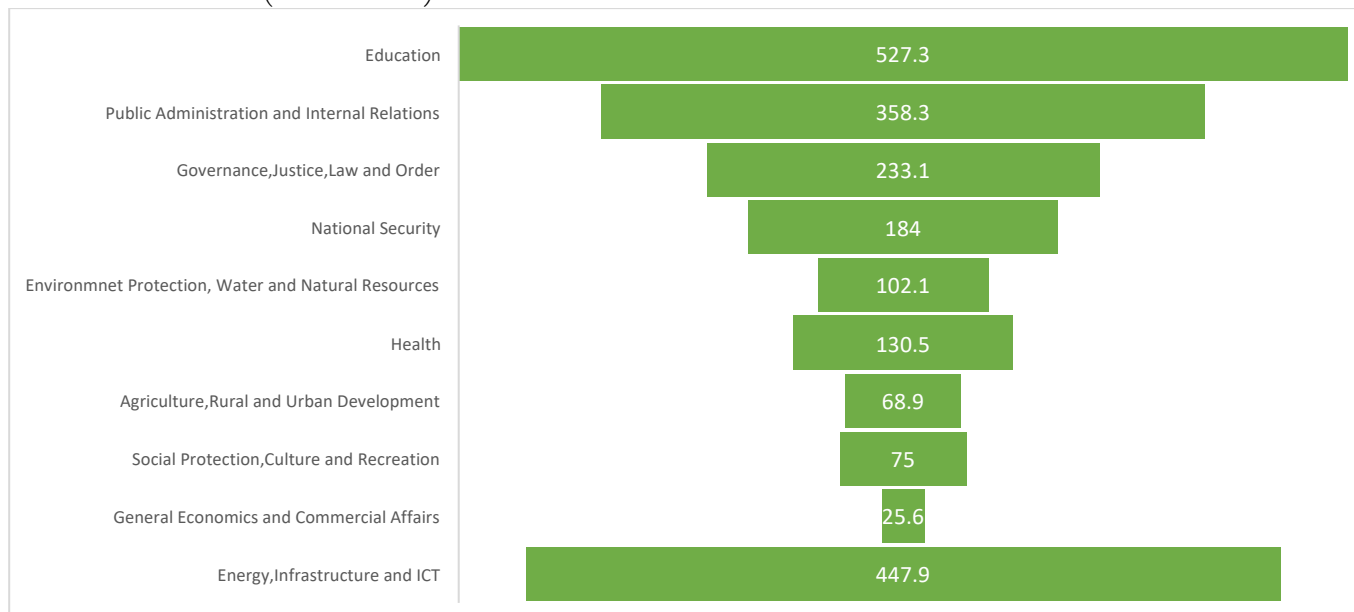
MDAs with the highest amount queried and examples of stalled projects

State Department for Interior and Citizen Services - Ksh 31.5 billion	• Delay in Completion of Construction of Mwea West Sub-County Headquarters at Kandongu-Kirinyaga County
State Department for Water and Sanitation - Ksh 1 billion	• Construction of Kitui and Matuu Towns Last Mile Connectivity of Water and Sanitation Project
State Department for Early Learning and Basic Education – Ksh 6.3 billion	• Delay in Completion of Construction of Classrooms, Laboratories and Sanitation Facilities
State Department for Sports and the Arts - Ksh 1.1 billion	• Stalled Construction of Kirigiti Stadium in Kiambu County
National Police Service - Ksh 394 million	• Abandoned Construction Works - Laisamis Police Station
State Department for Labour and Skills Development - Ksh 319 million	• Stalled Construction of the National Employment Promotion Centre
State Department for Public Work - 701 Million	• Stalled on the Proposed Completion of Migori District Headquarters

Source: Office of the Auditor General | National Government Audit Reports

Sector Allocations

Sector Allocations (Ksh Billions)

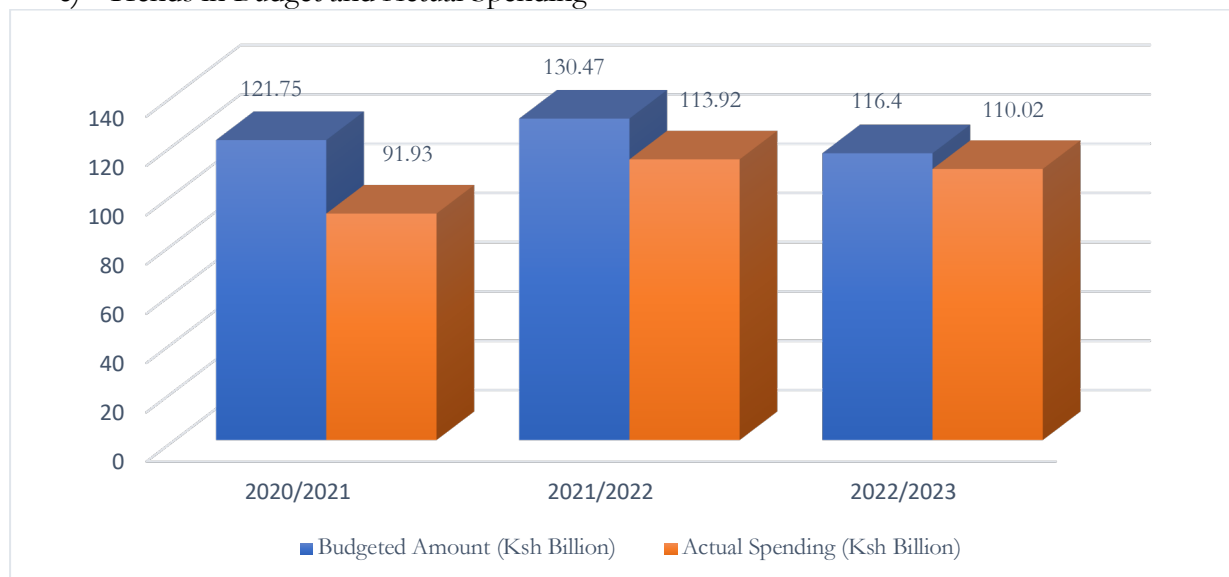


Source: BROP 2021/22

- Ministry of education received the highest budgetary allocation of Ksh 527.3 billion followed by the ministry of Energy, infrastructure and ICT at Ksh 447.9 billion.

Ministry of Health

c) Trends in Budget and Actual Spending



Source: Controller of Budget

- The gap between budget and actual spending has significantly reduced in the last three financial years.

d) Audit Queries in the Ministry Of Health

Queried Amounts in the Health Sector	Amounts (Ksh.)	Share of Queried Amount (%)
Ministry of Health - Vote 1081		
Undisclosed Bank Balances	850,928,545	1.6
Unauthorised Development Expenditure	143,869,656	0.3
Pending Accounts Payables	41,169,835,759	77.1
Delayed Construction of Kisii Cancer Centre	2,280,000,000	4.3
Expired Contract on Consultancy Services	19,220,000	0.0
Delayed Construction of Paediatric Emergency Centre and Burns Management Centre	131,647,317	0.2
Procurement of Immunohistochemistry Machine	28,500,000	0.1
Long Outstanding Deposits	55,247,609	0.1
Training of Kenyan Doctors in Cuba	493,954,203	0.9
Outstanding Imprest	44,226,312	0.1
Unutilised Medical Equipment	2,341,127,802	4.4
Failure to Maintain Fixed Assets Register	2,341,127,802	4.4
Undisclosed Residential Housing Units	2,056,054,582	3.9
Payment of Salaries Outside the Payroll	766,458,883	1.4
Lack of Training Needs Assessment	493,954,203	0.9
Total	53,216,152,673	99.7
State Department for Public Health and Professional Standards – Vote 1083		
Unsupported Expenditure on Other Grants and Transfers	1,038,143	0.0
Undisclosed Bank Balances	73,820,927	0.1
Pending Accounts Payable	88,595,209	0.2
Failure to Surrender Imprest	5,452,698	0.0
Total	168,906,977	0.3
Combined Total for the 2 MDAs	53,385,059,650	100.0

Source: Auditor-General-Report-on-National-Government-for-2022-2023

Recommendations

To address issues arising in the OAG report, the national government through Public Accounts Committees need to:

- Ensure the National Treasury and MDAs, prepare their budgets based on quarterly revenue collection pattern to avoid under expenditure between – the estimated budgets and actual spendings.
- Ensure there is timely release of audit reports by the Office of the Auditor General
- Keenly follow up on MDAs pending bills.
- Follow-up with the MOH on the failure to pay the pending bills because these has not only led to increase in liabilities but affects the smooth operations of suppliers and Small Medium Enterprises (SMEs)
- Follow-up on the MDAs that received qualified audit opinion.
- Government funded projects in the MDAs should follow the framework of donor funded projects.
- Review the queries in the MOH focusing on the findings on violations of financial reporting such as Unauthorized expenditure, unsupported expenditures and failure to reconcile books of accounts.

- The Public Investment and Accounts Committee (PIAC) ought to make follow-ups with the Accounting Officers of all MDAs compliance with the one-third basis salary rule
- The PIAC to make follow-ups to ensure all MDAs resolve prior year matters appropriately as raised by the auditor general