



REPUBLIC OF KENYA
THE NATIONAL TREASURY

Telegraphic Address: 22921
Finance – Nairobi
FAX NO. 310833
Telephone: 2252299
When Replying Please Quote
Ref: MOF/TE 35/01/"C"/ (11)

THE NATIONAL TREASURY
P O BOX 30007 – 00100
NAIROBI

Date: 22nd December 2016

TREASURY CIRCULAR NO: 21/2016

All Principal Secretaries/ Accounting Officers

All Chief Executive Officers State Corporations and SAGAs

All County Executive Committee Members-Finance, County Governments

**COMPLIANCE WITH QUARTERLY REPORTING AS OUTLINED IN THE PFM ACT,
2012**

1.0 INTRODUCTION

Reference is made to circular No. 06/2016 dated 10th May 2016 through which submission of quarterly financial statements by public sector entities in accordance with the PFM Act, 2012 became effective.

The circular provided the following:

1. Quarterly reporting templates for the quarterly financial statements as approved by the Public Sector Accounting Standards Board.
2. Guidelines on quarterly reporting for Ministries, Departments and Agencies (MDAs), County Governments (CGs), State Corporations (SCs) and Semi-Autonomous Government Agencies (SAGAs).

1.1 Purpose

The purpose of this circular is to remind you of the reporting requirements, where you are required to prepare and submit quarterly reports by the 15th day after the end of the quarter as per sections 83 and 166 of the PFM Act, 2012.



ISO 9001:2008
Certified.

1.2 Reporting Requirements

1.2.1 National Government Entities

In accordance with Section 83 of the PFM Act, 2012, an Accounting Officer for a National Government entity, shall prepare a report for each quarter of the financial year in respect of the entity.

Further, the section requires the Accounting Officer of a National Government entity, to ensure that the quarterly report:-

- contains information on the financial and non-financial performance of the entity; and
- is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board from time to time.

The Section also requires that not later than fifteen (15) days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the Cabinet Secretary responsible for the entity and the National Treasury and a copy to the Controller of Budget.

1.2.2 County Governments

According to Section 166 of the PFM Act, 2012, an Accounting Officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity.

Further, the section requires the Accounting Officer of County Government entity, to ensure that the quarterly report:-

- contains information on the financial and non-financial performance of the entity; and
- is in a form that complies with the standards prescribed and published by the Public Sector Accounting Standards Board from time to time.

The Section also requires that not later than fifteen (15) days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the County Treasury. It also requires the County Treasury to consolidate the financial statements within one month following the end of the quarter and to submit to County Assembly with a copy to National Treasury and Controller of Budget and the Commission of Revenue Allocation.

2.0 GENERAL GUIDELINES

2.1 Effective date

Entities are required to apply the templates for quarterly reporting in accordance to the PFM Act, 2012 with effect from 1st July 2016. Therefore 1st quarter financial statements were due for submission to the relevant authorities by 15th October 2016 while 2nd quarter reports are due on 15th January 2017.

2.2 Access to the quarterly reporting templates

The quarterly reporting templates and corresponding illustrative reports can be downloaded from the National Treasury website (www.treasury.go.ke). These templates are labeled as follows:-

NATIONAL GOVERNMENT MINISTRIES/DEPARTMENTS/AGENCIES (MDAs) AND PROJECTS

Temp A1: IPSAS Cash MDAs Quarterly Reporting Template

Temp A2: Illustrative Quarterly Financial Statements for the MDAs

Temp A3: IPSAS Cash Projects Quarterly Reporting Template

Temp A4: Illustrative Quarterly Financial Statements for Projects

STATE CORPORATIONS, SEMI AUTONOMOUS GOVERNMENT AGENCIES (SAGAs) AND FUNDS

Temp B1: IPSAS Accrual Quarterly Reporting Template for SCs and SAGAs

Temp B2: Illustrative Quarterly Financial Statements- IPSAS Accrual

Temp B3: IFRS Quarterly Reporting Template for SCs

Temp B4: Illustrative Quarterly Financial Statements- IFRS

COUNTY GOVERNMENTS

Temp C1: IPSAS Cash County Executive Reporting Template

Temp C2: Illustrative Quarterly Financial Statements for County Executive

Temp C3: IPSAS Cash County Assembly Reporting Template

Temp C4: Illustrative Quarterly Financial Statements for County Assembly

You are therefore urged to ensure that the quarterly financial statements are prepared and submitted in accordance with the law.

For any clarification, please contact the Head of Public Sector Accounting Standards Board Secretariat or office of the Director General Accounting Services & Quality Assurance, at the National Treasury.

Your cooperation will be highly appreciated.

Yours



HENRY ROTICH, EGH
CABINET SECRETARY NATIONAL TREASURY



ISO 9001:2008
Certified.

C.C

All Cabinet Secretaries

All Governors, County Governments

All Chief Executive Officers of State Corporations and SAGAs;

The Auditor General
Kenya National Audit Office
P.O Box 30084 00100

NAIROBI

The Controller of Budget
Office of the Controller of Budget
P.O Box 35616 00100

NAIROBI

Commission on Revenue Allocation
Grosvenor suite, 14 Riverside Drive
P.O Box 1310-00200

NAIROBI



**ISO 9001:2008
Certified.**