



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING

Ref: AG.4/16/2 Vol.3 (71)

Date: 30th June 2021

Dr. Julius Jwan PhD, MBS

Principal Secretary
State Department of Early Learning and Basic Education
P. O Box 30040-00100

NAIROBI

Dear 

RE: FINANCIAL REPORTING AND ACCOUNTING IN PUBLIC SECONDARY SCHOOLS IN KENYA

The Public Sector Accounting standards Board (PSASB) was established by Section 192 of the Public Finance Management Act (PFM) 2012. The Board is mandated to provide frameworks and set generally accepted standards for the development and management of accounting and financial systems by all state organs and public entities.

On 22nd September 2017, PSASB approved the financial reporting template for Secondary Schools. Following this approval, the Board vide letter Ref No. PSASB/1/1 Vol.1/ (40) dated 8th January 2018, requested support from the State Department for Early Learning and Basic Education with regards to implementation of the financial reporting template and forwarded a copy of the approved template.

On 8th January 2018, Principal Secretary, National Treasury wrote to Principal Secretary Early Learning and Basic Education requesting for support from his office in implementation of the financial reporting template and the following activities undertaken;

- i. In September 2019, PSASB met with senior officials at the Ministry of Education and presented the financial reporting template for Secondary Schools. It was agreed that there is need to improve on transparency, accounting and financial reporting in secondary schools.
- ii. In December 2020, PSASB and the Directorate of Schools Audit, State Department for Early Learning and Basic Education sensitized Schools Auditors on the financial reporting template with a view that this will be cascaded to School Principals and Bursars through funding from the Public Finance Management Reforms (PFMR) Secretariat.
- iii. In February 2021, PSASB met with senior officials at the Ministry and agreed to have the template implemented with a view to promote transparency in schools.

The National Treasury Accountant General Department and PSASB has noted a slow uptake of the financial reporting template by the Public Secondary Schools. For this reason, the National Treasury has approved re-issue the Financial Reporting Template for Public Secondary Schools


applicable for financial year ending 30th June 2021 and subsequent periods. The template has been prepared in line with the government financial year which is July to June as provided by Section 87 and the Fourth Schedule para. 21 and 23 of the Basic Education Act, 2013 read together with Section 81 of the PFM Act, 2012.

The National Treasury further notes that it is the desire of the State Department of Early Learning and Basic Education to improve financial accountability and transparency in public schools. This desire resonates well with the National Treasury functions provided by Section 12 (2) (a) of the Public Finance Management Act, 2012 that seeks to promote transparency, effective management and accountability with regard to public finances.

The purpose of this letter therefore is to request your support in the implementation of the Financial Reporting Template for Public Secondary Schools. Attached is the circular issued on the financial reporting templates for National and County Government Entities and a **Financial Reporting Template for Public Secondary Schools**.

I look forward to your continued cooperation. The Director Accounting Services, National Treasury and the Chief Executive Officer, PSASB are available to provide further clarification and support on implementation of this reporting template.

Yours

Sincerely


DR. JULIUS MUIA, PhD, CBS
PRINCIPAL SECRETARY/THE NATIONAL TREASURY

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