

REPUBLIC OF KENYA



THE NATIONAL TREASURY

ASSET MANAGEMENT INDICATOR GUIDELINES IN THE
PUBLIC SECTOR PERFORMANCE CONTRACTING FOR THE FY
2025/2026
(22ND CYCLE)

DEFINITIONS OF TERMS

“**Asset**” is a resource owned, or in some cases, controlled, by an individual or organization as a result of past events and from which future economic benefits or social benefits are expected to flow to the entity. Assets may be movable or immovable property, tangible or intangible, and include equipment, land, buildings, animals, inventory, cash and cash equivalents, receivables, investments, natural resources like wildlife and, intellectual rights vested in the state or proprietary rights.

“**Asset management**” is a systematic process of planning, acquisition, operating, maintaining and disposing of assets in the most cost-effective manner including all costs, risks and performance attributes.

“**Accounting officer**” has the same meaning assigned to it in section 2 of the Public Finance Management Act, 2012.

“**Public Sector Accounting Standards Board**” has the same meaning assigned to it in section 2 of the Public Finance Management Act, 2012.

“**Cabinet Secretary**” has the same meaning assigned to it in section 2 of the Public Finance Management Act, 2012.

“**National Treasury**” has the same meaning assigned to it in section 2 of the Public Finance Management Act, 2012. The title of the National Treasury to be used at a point in time may take the title as provided for under executive orders issued from time to time.

“**Public entity**” has the meaning assigned to it in section 2 of the Public Procurement and Asset Disposal Act, 2015.

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INTRODUCTION

These guidelines are intended to provide guidance on the implementation of the asset management indicator for FY2025-2026 Performance Contract (22nd Cycle) and facilitate Ministries, Departments and Agencies (MDAs) in undertaking and reporting on asset management activities for the fiscal year 2025-2026.

1. Asset Management Sub-indicators for FY2025-2026 Performance Contract (22nd Cycle)

In the 22nd Cycle Performance Contract, MDAs are required to ensure the following:

- a) Verified and updated Asset Register maintained using the prescribed reporting templates issued by the National Treasury;
- b) Assets ownership documents maintained for **ALL** assets and submit soft copies of ownership documents for Land, Buildings and Motor Vehicles to The National Treasury via email nalm@treasury.go.ke to support ownership.
- c) Idle Assets disposed. Ensure disposal of idle, unserviceable, obsolete and surplus assets by way of either sale, transfer to other public institutions, destruction, donation or any other authorized methods of assets disposal, and in all cases, in full conformity to the existing legal requirements.

2. Evaluation

All MDAs are required to submit quarterly and annual reports to the National Treasury using the prescribed format. The National Treasury will assess the quarterly and annual performance of MDAs and issue a score at the end of each quarter and an aggregate annual score at the end of the contract period.

GUIDELINES TO THE ACTIVITIES TO ASSIST IN ACHIEVING THE INDICATOR

1. Establishment of Asset Management Structures

Public sector entities are expected to ensure adequate asset management structures and systems are in place for prudent management of public assets. Towards this end, MDAs shall establish Asset and Liability Management Committees and Asset and Liability Management Units which will support accounting officers to prepare accurate, verifiable and complete asset registers for the respective public entity. The performance of this requirement will be scored as part of sub-indicator (a) above granted it serves as an enabler towards achieving the asset management performance indicator.

2. Verified and updated Asset Register maintained (30%)

All MDAs are required to submit quarterly asset management reports to The National Treasury using the prescribed format. Prescribed reporting templates to support MDAs in implementation of this performance indicator can be accessed from the National Treasury website or from the below link:

https://www.treasury.go.ke/reporting_templates

3. Assets ownership documents maintained (30%)

Over the years, some public entities have lacked proof of ownership for their assets, particularly motor vehicles, land and buildings, due to the absence of ownership documents. This has been highlighted in various statutory and management reports.

All Accounting officers are supposed to ensure that entities under their jurisdiction have documents of ownership for **ALL** assets. The documents of ownership for land and buildings should be in the name of the Cabinet Secretary, Treasury of Kenya, unless otherwise exempted by an Act of Parliament for new acquisitions and be under the custody of the National Treasury. Public entities are required to comply with requirements of The National Treasury Circular No. 5 of 2024 on acquisition of Title Deeds for public institutions land and The National Treasury Circular No. 6 of 2025 on acquisition of logbooks for Government motor vehicles and other transport assets.

The status of ownership documents for the assets should be clearly indicated in their respective asset register reporting template and soft copies of land, buildings and motor vehicle documents be sent to the official email nalm@treasury.go.ke when submitting the assets register reporting templates. The requirement on ownership documents will be considered when assessing the completeness of the asset registers reporting templates.

4. Idle Assets disposed. (40%)

Ensure disposal of unserviceable, obsolete and surplus assets by way of sale, transfer to other public institutions, destruction, donation or any other authorized methods of disposal and in all cases in full conformity to the existing legal requirements.

There are many idle and unserviceable assets that are not disposed by public entities. Failure to dispose of assets leads to wastage due to deterioration of assets value and additional costs being incurred as a result of holding such assets e.g. storage costs.

The assessment of this indicator will aim to establish whether a public sector entity fulfills its asset disposal obligations under the Public Procurement and Assets Disposal Act, CAP 412C and its Regulations, 2020 and whether the procedures there-in are adhered to and that the entity has fully implemented its asset disposal plan.

5. Reporting Timelines

- a. MDAs contracted in FY2025-2026 PC **must** submit their approved Annual Disposal Plans by **October 15, 2025**.
- b. Quarterly reports on asset management structures, asset registers, assets' ownership documents as well as disposal implementation status reports **must** be submitted by the **15th day** of the subsequent month after every quarter.
- c. **NO** score shall be awarded for late submission.
- d. The State Department for Public Investments & Assets Management of The National Treasury shall provide feedback on the reports submitted within 15 days after the submission deadline.

EVALUATION CRITERIA

	Sub-Activity	Evidence of Achievement	Weight %
1	<p>Verified and updated Asset Register maintained in the format prescribed by the National Treasury in separate asset registers for each category of asset, such as land, buildings, motor vehicle, investment property, lease, intangible assets among others.</p> <p>https://www.treasury.go.ke/reporting/templates</p>	<p>Completed asset registers of all asset categories</p> <ul style="list-style-type: none"> ✓ Asset Management Structures. ✓ Asset verification reports. ✓ All asset categories properly reported. ✓ All templates' columns properly and completely filled. ✓ All relevant columns properly reconciled and tallied. ✓ EXCEL format. 	30
2	<p>Assets ownership documents maintained. Submit soft copies of ownership documents for ALL assets under the categories of Land, Building and Motor vehicles.</p>	<p>Evidence of receipt /submission of soft copies of assets ownership documents to the PI&AM. <i>(Please note, as part of digitizing government assets, submission via soft copy will attract additional marks.)</i></p>	30
	<p><i>If an entity fails to submit the assets registers or fails to adhere to the prescribed format, no score will be awarded for this activity.</i></p> <p><i>In case an MDA does not have any asset in a category, it should be indicated NONE in that particular reporting template.</i></p> <p><i>If an entity does not have ownership documents for land, building and motor vehicle, status report on documents' acquisition process should be provided.</i></p>		
3.	<p>Idle Assets disposed.</p> <p>Preparation and submission of Annual Asset Disposal Plan to nalm@treasury.go.ke</p>	<p>Submission of approved Annual Disposal Plan in line with PPAD Act and PPAD Regulations 2020 by 15th of October 2025.</p>	10

	<p>Disposal Status Report to be submitted to nalm@treasury.go.ke</p>	<ul style="list-style-type: none"> • Disposal implementation process (<i>Evidence will include establishment of disposal committee, request to departments for identification of items for disposal</i>) • Disposal Report- (<i>Evidence will include tender notice, bids invitation, letter of award</i>) • Disposal process closure report. (<i>Disposal proceeds, destruction certificate, offer/acceptance letters, payment receipts, asset release letter, asset transfer documents etc.</i>) 	<p>5</p> <p>10</p> <p>15</p>
<p><i>If an entity fails to submit the annual asset disposal reports no score will be awarded for this activity.</i></p> <p><i>For the documentation in this activity, entities should send soft copy extracts with key information. Actual documents will be verified during sampled verification exercises.</i></p>			

NB: All reports to be submitted to the National Treasury through the official email nalm@treasury.go.ke.