



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

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When Replying Please Quote
NT/RMD/20/298/78/01 'L' (39)

3rd November, 2022

TREASURY CIRCULAR NO. 10/2022

**To: ALL CABINET SECRETARIES
ALL PRINCIPAL SECRETARIES/ACCOUNTING OFFICERS**

**RE: INVOLVEMENT OF THE NATIONAL TREASURY IN DUE DILIGENCE
EXERCISES BY MINISTRIES, DEPARTMENTS AND AGENCIES**

It is noted that various Ministries, Departments and Agencies (MDAs) have been requesting for the participation of the National Treasury in due diligence exercises in order to determine the technical, financial and legal capacity of the contractor/supplier to undertake implementation of various projects.

In view of the above, we wish to remind all MDAs that Section 83 (1) of the Public Procurement and Asset Disposal (PPAD) Act, 2015 on Post-qualification provides that *'an evaluation committee may, after tender evaluation, but prior to the award of the tender, conduct due diligence and present the report in writing to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract in accordance with this Act.'*

Given that the due diligence exercise forms part of procurement process which should be handled by the Accounting Officers of relevant MDA as a procuring entity in line with PPAD Act, 2015, the National Treasury has no role in the procurement process and should not be involved in the due diligence exercises. Kindly note that the National Treasury is mandated to source and mobilize financial resources for approved projects in line with the Public Finance Management Act, 2012.

Kindly be advised accordingly.

Yours

NJUGUNA NDUNG'U, CBS
CABINET SECRETARY

Copy To: Hon. Justin B. N. Muturi, EGH
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