

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 MAR 2023	DAY: THURSDAY
TABLED BY:	MAJORITY LEADER
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REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA YOUTH EMPLOYMENT
OPPORTUNITIES PROJECT - CREDIT
NO. 58120-KE**

**FOR THE YEAR ENDED
30 JUNE, 2022**

STATE DEPARTMENT FOR LABOUR



KENYA YOUTH EMPLOYMENT OPPORTUNITIES PROJECT
MINISTRY OF LABOUR AND SOCIAL PROTECTION (STATE
DEPARTMENT FOR LABOUR)

PROJECT GRANT/CREDIT NUMBER: 58120-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

Kenya Youth Employment and Opportunities Project
Annual Report and Financial Statements for the financial year ended June 30, 2022

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name:

The project's official name is Kenya Youth Employment and Opportunities Project

Objective:

The key objective of the project is to increase employment and earnings opportunities for the targeted youths.

Address:

The project headquarters offices are:

Ministry of Labour and Social Protection
State Department of Labour
Social Security House
P O Box 40326 -00100,
Block "B", 15th Floor
Nairobi, Kenya.
Email: ps@labour.go.ke
Website: <http://www.labour.go.ke/>

The address of its registered office is in Nairobi County, Kenya

The project also has offices/branches as follows:

- The Project does not have other offices/branches

Contacts: The following are the project contacts

Telephone: 0202729800/EXT4410/4403
E-mail: ps@labour.go.ke
Website: www.go.ke

1.2 Project Information

Project Start Date:	The project start date is 20 – May -2016
Project End Date:	The project end date is 31 – August 2023
Project Manager:	The project manager is Mr James Maru
Project Sponsor:	The project sponsor is GoK through a credit from World Bank

	IDA
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Project information and overall performance (continued)

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Labour
Project number	P151831
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Enhancing employability through creating jobs and expanding existing ones thus increasing earnings for youth interested in self-employment or wage employment (ii) Enhancing employability of vulnerable youth by providing targeted youth with training and internships in private sector (iii) Enhance access to labour market (iv) Strengthening youth policy development and project management
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Identification of Labour Market Information system users and specify their needs. (ii) Production of LMIS content. (iii) Dissemination of LMIS content and Awareness creation.
Other important background information of the project	<p>The Kenya Youth Employment opportunities Project (KYEOP) is a five-year Safety net project for vulnerable youth funded with a USD150million credit from the World Bank Group and whose development objective (PDO) is "to increase employment and earnings opportunities for targeted youths". The KYEOP is implemented through four government agencies under four components as follows:</p> <p>Component 1: Training and Work Experience – to be jointly implemented by the National Industrial Training Authority (NITA) and the Ministry of Public Service, Youth and Gender Affairs (MPYG) – USD75Million.</p> <ul style="list-style-type: none"> ○ This component aims to address the issue of skills mismatch by providing targeted youth with trainings and internships in the Private Sector. The objective is to enhance youth employability.

	<ul style="list-style-type: none"> ○ The target is to reach over 70,000 youth <ol style="list-style-type: none"> 1. Component 2: Job Creation – to be jointly implemented by the Micro and Small Enterprises Authority (MSEA) and the MPYG) – USD41.5 million. <ul style="list-style-type: none"> ○ This component aims to address the issue of lack of employment opportunities. The objective is to create jobs and expand existing ones thus increasing earnings for youth interested in self-employment or wage employment. ○ The target is to reach over 30,000 youth 2. Component 3: Improving Labour Market Information – to be implemented by the Ministry of East African Community Affairs, Labour and Social protection (MEACLSP) – USD 13.5 million <ul style="list-style-type: none"> ○ This component aims to address the issue of lack of labour market information (LMI). The objective is to enhance access to LMI and ensure availability of quality information in a timely manner. 3. Component 4: Strengthening Youth Policy Development and Project Management – to be implemented by the MPYG – USD 20million. <ul style="list-style-type: none"> ○ This component aims to enhance the MPYG ‘s capacity for youth policy formulation, development and monitoring and evaluation as well as support the establishment and operationalization of a project coordination unit. <p>The MPYG is the overall coordinator, even though each implementing agency receives and accounts for funds for the KYEOP part under them separately; with the NITA and MSEA receiving/reporting through their respective line ministries i.e. Ministry of Industry, Trade and Cooperatives and the MEACLSP respectively.</p> <p>The KYEOP is at the stage of implementation readiness where each implementing agency is in the process of setting up systems and capacity building the implementing teams.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> (i) Unemployment amongst out-of-school youth (ii) Lack of quality and up-to-date labour market information (iii) Inadequate Institutional Capacity for Youth Policy Planning, Implementation and Monitoring and Evaluation

Kenya Youth Employment and Opportunities Project

Annual Report and Financial Statements for the financial year ended June 30, 2022

Project duration	The project started on 20th May 2016 with the Financing Agreement being signed on 4 th July 2017. The Project became effective on 15 th December 2016.
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Project Information and Overall Performance (Continued)

1.4 Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

1.5 Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Mr James Maru	KYEOP Coordinator	Assistant NHRPD	Director Project manager
Mr Peter Angonga	Project Officer LMI content	Assistant NHRPD	Director In charge of LMI content production
Ms Meldah Angir	Project Officer Domestication and Revision of Standards	Assistant NHRPD	Director In charge of KNOCS update and occupation classification standards

1.7 Funding summary

The Project is for duration of 6 ½ years from 2016 to 2023 with an approved budget of US\$ 8.5 million equivalent to Kshs 901,000,000 as highlighted in the table below:

information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan	A		B			
World Bank	8.5 Million	901 Billion	7.124 million	755,144,000	1.376 million	145,856,000
Total	8.5 Million	901 Billion	7.124 million	755,144,000	1.376 million	145,856,000

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative amount paid to date – (30 th June 2022)	Unutilised balance to date (30 th June 2022)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')		(A)-(B)	(A')-(B')
(i) Loan					
World Bank	7.124 million	755,144,000	99,255,882.90	1.376 million	655,888,117.1
Total	7.124 million	755,144,000	99,255,882.90	1.376 million	655,888,117.1

Project information and overall performance (continued)

1.1 Summary of Overall Project Performance:

- i) *Budget performance against actual amounts for current year and for cumulative to-date, (see Annex 5(vi))*
- ii) The Kenya Labour Market Information System has been reengineered as planned and one of the two Standards, The International Standard Industry Classification has been domesticated and launched for official use whereby stakeholders have started using a single harmonized coding system. Two surveys have successfully been undertaken with one dataset already providing information being used to develop and disseminate labour market(LMI) indicators as planned.
- iii) The project has always gone for goods and services that ensure value for money as evidenced by audits clearing expenses incurred.
- iv) *June 2017- 100%, June 2018 – 40%, June 2019 124%, June 2020 – 33%, June 2021 17.50%, June 2022 – 70%. (see Annex 5(vi))*
- v) The project has been affected by the late commencement after the signing of the Financing Agreement as well as late approvals both external and internal. The containment measures during the Covid-19 Pandemic affected this particular component of the project as it required meeting people in the field, having workshops/retreats and engaging stakeholders.

1.2 Summary of Project Compliance:

- (i) The project has not been cited for any non-compliance with the applicable laws and regulations as well as essential external financing agreements/covenants.
- (ii) The project has not suffered any consequences on account of non-compliance.
- (iii) No mitigation measures have been taken or planned to be taken to alleviate adverse effects of actual or potential consequences of non-compliance as this does not apply.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *project's agreement/ plan* are to:

- a) Improve provision of labour market information

This component aims to address the issue of lack of labour market information (LMI). The objective is to enhance access to LMI and ensure availability of quality information in a timely manner.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

Kenya Youth Employment and Opportunities Project
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Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicators	Performance
Kenya Youth Employment and Opportunities Project	Improving Labour Market Information	Enhanced access to LMI and availability of timely quality information	Domestication of International Standard of Industrial Classifications (ISIC)	During the period under review domestication of the International Standard for Industrial Classification (ISIC) was finalized and copies of the Domesticated Version named Kenya Standard for Industrial Classification KeSIC) and the Conversion Tables Detailing the process of domestication were printed and are awaiting official launch.
			Review of the Kenya National Occupational Classification Standard	During the period under review, consolidation of submissions from Key Informants from the Health Sector that was gathered during the consultation meetings in December 2020 were consolidated in the draft document in January 2021. Revision of the Information Communication and Information (ICT) sector was undertaken in April/May 2021 and the outcome of the discussions were incorporated in the draft revised document. In June 2021, a consultative forum was undertaken between the Ministry and both the Kenya National Qualification Authority (KNQA), National Industrial Training Authority (NITA) and the Technical Vocational Education and Training Authority (TIVETA) to align the Occupational Framework of the draft revised document. The outcome of the deliberations will be incorporated in the final revised document.

Kenya Youth Employment and Opportunities Project

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Project	Objective	Outcome	Indicators	Performance
			Labour Market Information System	<p>During the period under review, the Labour Market Observatory team developed a number of products that were reviewed and shared on the KLMIS platform.</p> <ol style="list-style-type: none"> 1. Data Gap Analysis Framework 2. Information on ISSOS findings on Employment and Earnings 3. Analysis and validation of census data – Labour Force Dynamics Monograph 4. Analysis of Continuous Household Survey Programme <ol style="list-style-type: none"> a) Kenya Employment Outlook - General b) Kenya Youth Employment Outlook c) Informality Vs Formality analysis in employment

3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

KYEOP is a project under the State Department of Labour which has put up measures and strategies to ensure its programmes and projects are sustainable. Key among this measures are development of:-

- The National Policy on Labour Migration submitted and approved by National Development Implementation Committee (NDITC) awaiting approval by the National Development Implementation and Communication Committee (NDICC).
- Labour Migration Management Bill and submitted it to the Attorney General's office for drafting and Amended Section 29 of the Employment Act, 2007 to include maternity leave for parents adopting children.

2. Environmental performance

The Ministry of Labour has effectively contributed to the management and conservation of the environment for the current and future generations, the following measures have been put in place; implementing the presidential directive on achieving 10% forest cover through planting trees in its public institutions such as National Industrial Training Authority (NITA). National Social Security Fund as well participates in tree planting exercise.

3. Employee welfare

The State Department has put in place measures to improve welfare of employees. During the year under review, the state department analyzed 114 Collective Bargaining Agreements (CBAs) and forwarded them to the Employment and Labour Relations Court (ELRC) for registration. It also prepared Economic

Position Papers to advise the Cabinet Secretary in Wages determination and the Wages Councils.

The State Department also implements the Occupational Safety and Health Act of 2007, clearly making the exit areas in case of emergencies and placing fire extinguishers.

4. Market place practices-

The state department has put efforts in: -

a) Responsible competition through ;

Adoption of online platform for procurement of goods and services guided by the PFM, Act 2012 and PPAD Act 2015.

b) Responsible ethical practices

The State Department has honoured its obligations through timely payment to its suppliers.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The **Principal Secretary** for the Ministry of Labour and the **Project Coordinator** for **Kenya Youth Employment and Opportunities project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The **Principal Secretary** for the Ministry of Labour and the **Project Coordinator** for **Kenya Youth Employment and Opportunities project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The **Principal Secretary** for the Ministry of Labour and the **Project Coordinator** for **Kenya Youth Employment and Opportunities project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The **Principal Secretary** for Labour and the **Project Coordinator** for **Kenya Youth employment and Opportunities project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the

preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Labour and the *Project Coordinator* for **Kenya Youth Employment and Opportunities project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Labour and the *Project Coordinator* for **Kenya Youth Employment and Opportunities project** on 11th Sept 2022 and signed by them.



.....
Peter K. Tum
Principal Secretary



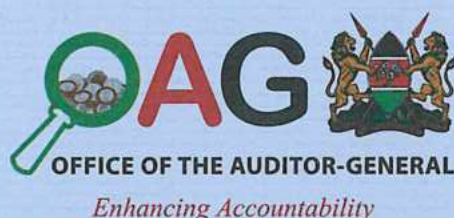
.....
James Maru
Project Coordinator



.....
James Agolla
Project Accountant
ICPAK Member
No:18593

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA YOUTH EMPLOYMENT OPPORTUNITIES PROJECT - CREDIT NO. 58120-KE FOR THE YEAR ENDED 30 JUNE, 2022 - STATE DEPARTMENT FOR LABOUR

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the Kenya Youth Employment Opportunities Project set out on pages 1 to 17, which comprise the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of

cash flows, statement of comparison budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respect, the financial position of the Kenya Youth Employment Opportunities Project Credit No. 58120KE as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement Credit No.58120 dated 4 July, 2016 between the International Development Association (IDA) and the Government of the Republic of Kenya.

Basis for Qualified Opinion

1. Unsupported Cash and Cash Equivalents

The statement of financial assets and as disclosed in Note 4 to the financial statements reflects cash and cash equivalents balance of Kshs.27,251,447. However, monthly bank reconciliation statements supporting the balance were not provided for audit review.

In the circumstances, the completeness and accuracy of the cash and cash equivalents balance of Kshs.27,251,447 could not be confirmed.

2. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects purchase of goods and services amounting to Kshs.147,354,486, however, Note 2 to the financial statements and the statement of receipts and payments reflects purchase of goods and services amounts of Kshs.147,554,486, resulting to an unexplained variance of Kshs.200,000.

Further, the statement reflects a net cash flow from operating activities of Kshs146,539,842 whereas the recalculated amount is Kshs.147,354,486, resulting to an unexplained variance of Kshs.814,644.

In the circumstances, the accuracy and completeness of the above balances in the statement of cash flows could not be confirmed.

3. Inaccuracies in the Statement of Comparison of the Budget and Actual Amounts

The statement of comparison of the budget and actual amounts reflects total receipts final budget of Kshs.358,177,305 which differs with the recalculated amount of Kshs.496,624,305 resulting to an unexplained variance of Kshs.138,447,000. In addition, the statement reflects total performance difference of Kshs.319,179,218 which differs with the recalculated amount of Kshs.399,681,218 resulting to an unexplained variance of Kshs.80,502,000

In the circumstances, the accuracy and completeness of the above amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Youth Employment Opportunities Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.358,177,305 and Kshs.96,943,087 respectively, resulting to an underfunding of Kshs.261,234,218 or 73% of the budget. Similarly, the Project expended Kshs.184,014,126 against an approved budget of Kshs.358,177,305, resulting to an under-expenditure of Kshs174,163,179 or 49% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement between the International Development Association (IDA) and the Government of the Republic of Kenya, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the ability of the Project to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the Project or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the Project's financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Project's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi


02 December, 2022

*Kenya Youth Employment and Opportunities Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*


**1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH
JUNE 2022.**

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
2021-2022				2020-2021				
Receipts		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Loan from external development partners (World Bank)	1	96,943,086.8	-	96,943,086.80	173,112,478	-	173,112,478	622,224,121.80
Transfer from Government entities		-	-	-	-	-	-	-
Proceeds from domestic and foreign grants		-	-	-	-	-	-	-
Miscellaneous receipts		-	-	-	-	-	-	-
Total receipts		96,945,086.8	-	96,943,086.8	173,112,478	-	173,112,478	622,224,121.8
Payments								
Purchase of goods and services	2	147,554,486	-	147,554,486	62,068,655	-	62,068,655	532,281,622
Acquisition of non-financial assets	3	36,459,640	-	36,459,640	1,155,500	-	1,155,500	62,691,053
Compensation to employees		-	-	-	-	-	-	-
Social security benefits		-	-	-	-	-	-	-
Transfers to other government entities		-	-	-	-	-	-	-
Other grants and transfers /payments		-	-	-	-	-	-	-
Total payments		184,014,126	-	184,014,120	63,224,155	-	63,224,155	594,972,675
Surplus/ (deficit)		-87,071,039	-	-87,071,039	109,888,323	-	109,888,323	27,251,447

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


.....
Peter K. Tum
Principal Secretary


.....
James Maru
Project Coordinator


.....
James Agolla
Project Accountant
ICPAK Member
No: 18593

2. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	4	27,251,447	114,322,486
Cash Balances			
Cash equivalents (Short-term deposits)		-	-
Total Cash and Cash equivalents		27,251,447	114,322,456
Imprests and Advances		-	-
Total Financial Assets		27,251,447	114,322,456
Financial Liabilities			
Deposits and Retention monies		-	-
Net Assets		-	-
Represented By			
Fund Balance B/fwd.	5	114,322,481	4,434,163
Prior Year adjustments		-	-
Surplus/(Deficit) for the Year		-87,071,039	109,888,323
Net Financial Position		27,251,447	114,322,486


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11th SEPT 2022 and signed by:



Peter K. Tum
Principal Secretary



James Maru
Project Coordinator




James Agolla
Project Accountant
ICPAK Member
No: 18593


3. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities		-	-
Proceeds from domestic and foreign grants		-	-
Miscellaneous receipts		-	-
Total receipts		-	-
Payments			
Compensation of employees		-	-
Purchase of goods and services	2	147,354,486	62,068,655
Social security benefits		-	-
Transfers to other government entities		-	-
Other grants and transfers		-	-
Total Payments		147,354,486	62,068,655
Adjustments during the year			
Prior year adjustments		-	-
Decrease/(increase) in accounts receivable		-	-
Increase/(decrease) in accounts payable:		-	-
Net cash flow from operating activities		-146,539,842	-62,068,655
Cashflow from investing activities			
Acquisition of non-financial assets	3	36,459,640	1,155,500
Net cash flows from investing activities		36,459,640	-1,155,500
Cash flow from financing activities			
Proceeds from foreign borrowings	1	96,943,087	173,112,478
Net cash flow from financing activities		96,943,087	173,112,478
Net increase in cash and cash equivalents		-87,071,039	109,888,363
Cash and cash equivalent at beginning of the year	4	114,322,476	4,434,163
Cash and cash equivalent at end of the year		27,251,437	114,322,486

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11th SEPT 2022 and signed by:


.....
Peter K. Tum
Principal Secretary

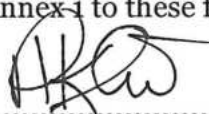

.....
James Maru
Project Coordinator


.....
James Agolla
Project Accountant
ICPAK Member No:
18593

**4. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30TH JUNE 2022**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities						
Proceeds from domestic and foreign grants (Loan World Bank)	512,007,305	-15,383,000	358,177,305	96,943,086.8	319,179,218.2	27%
Proceeds from borrowings						
Miscellaneous receipts						
Total Receipts	512,007,305	-15,383,000	358,177,305	96,943,086.8	319,179,218.2	
Payments						
Compensation to employees						
Purchase of goods and services	487,007,305	-199,830,000	287,177,305	146,539,842	140,637,463	51%
Social security benefits						
Acquisition of non-financial assets	25,000,000	46,000,000	71,000,000	37,474,284	33,525,716	53%
Transfers to other government entities						
Other grants and transfers						
Total Payments	512,007,305	-153,830,000	358,177,305	184,014,126	174,163,179	
Surplus or Deficit	-	-	-	-87,071,039	145,016,039.2	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex-1 to these financial statements.



.....
Peter K. Tum
Principal Secretary



.....
James Maru
Project Coordinator



.....
James Agolla
Project Accountant

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

10.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

10.2 Reporting entity

The financial statements are for the Kenya Youth Employment and Opportunities Project (KYEOP) under the State Department of Labour. The financial statements are for the reporting entity (KYEOP) as required by Section 81 of the PFM Act, 2012 .

10.3 Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

10.4 Recognition of receipts

(The Project) recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

Significant Accounting Policies (Continued)

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time associated cash is received.

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

10.5 Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Significant Accounting Policies (Continued)

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incur and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

10.6 In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies (Continued)

10.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

10.8 Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

10.9 Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

10.10 Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:

Significant Accounting Policies (Continued)

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Annex 5 of this financial statement is a register of the contingent liabilities in the year.

10.11 Contingent Assets

(The Entity) does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of *(the Entity)* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

10.12 Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

10.13 Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating

development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

10.14 Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments.

and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs N/A billion being loan disbursements were received in form of direct payments from third parties.

10.15 Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

Significant Accounting Policies (Continued)

10.16 Comparative figures

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

10.17 Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

10.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements*

6. NOTES TO THE FINANCIAL STATEMENTS

1. Loan from External Development Partners

During the financial period to 30 June 2022, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in Kshs			
					USD	Kshs	Kshs	2021-2022
Loans received from bilateral Donors (Foreign Governments)								
Insert name of foreign Government	-	-	-	-	-	-	-	-
Insert name of foreign Government	-	-	-	-	-	-	-	-
Loans received from Multilateral Donors (International Organizations)								
IDA Credit World Bank	06/05/22	850,154.23		96,943,086.80	96,943,086.80		173,112,478.30	
Insert name of international organization	-	-	-	-	-	-	-	-
Total	-	850,154.23	-	96,943,086.80	96,943,086.80		173,112,478.30	

Notes to the Financial Statements (Continued)

2. Purchase of Goods and Services

	2021/2022			2020/2021	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	876,750	-	876,750	-	2,876,750
Domestic travel and subsistence	95,524,840	-	95,524,840	40,115,560	347,638,116
Foreign travel and subsistence	89,135	-	89,135	-	19,437,699
Printing, advertising, and information supplies	11,819,280	-	11,819,280	2,262,776	17,528,406
Rentals of produced assets	-	-	-	-	-
Training payments	7,537,080	-	7,537,080	112,000	28,419,037.65
Hospitality supplies and services	10,576,947	-	10,576,947	9,044,145	43,585,645.25
Office General Supplies & Services	10,459,940	-	10,459,940	4,310,206	28,804,566
Fuel, Oil & Lubricants	5,011,600	-	5,011,600	1,100,000	11,896,220
Other operating payments	3,352,450	-	3,352,450	1,400,000	25,031,386
Routine maintenance – vehicles and other transport equipment	517,020	-	517,020	361,619	1,139,003
Routine maintenance- other assets	1,789,444	-	1,789,444	3,362,339.1	5,924,794
Exchange rate losses/gains (net)	-	-	-	-	-
Total	<u>147,554,486</u>	-	<u>147,554,486</u>	<u>62,068,655</u>	<u>532,281,622.9</u>

Notes to the Financial Statements (Continued)

3. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2021-2022			2020-2021	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	30,836,345	-	30,836,345	-	36,146,345
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	3,677,100	-	3,677,100	-	6,947,158
Purchase of specialised plant, equipment and machinery	-	-	-	-	-
Rehabilitation & renovation of plant, equipment & machinery- Purchase of ICT Equipment	1,946,195	-	1,946,195	1,155,500	19,597,550
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	<u>36,459,640</u>	=	<u>36,459,640</u>	<u>1,155,500</u>	<u>62,691,053</u>

Notes to the Financial Statements (Continued)

4. Cash and Cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts (Note 8.13A)	27,251,447	114,322,486.15
Cash in hand (Note 8. 13B)	-	-
Cash equivalents (short-term deposits) (Note 8.13C)	-	-
Total	<u>27,251,447</u>	<u>114,322,486.15</u>

4. (A) Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	USD	USD
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya A/c No1000308656	744,151.63	-
Kenya Commercial Bank	-	-
Co-operative Bank of Kenya	-	-
Others (<i>specify</i>)	-	-
Total Foreign Currency balances	<u>744,151.63</u>	=
<u>Local Currency Accounts</u>		
	Ksh	Ksh
Central Bank of Kenya [A/c No 1000320467	27,251,447	114,322,486
Kenya Commercial Bank	-	-
Co-operative Bank of Kenya	-	-
Others (<i>specify</i>)	-	-
Total local currency balances	<u>27,251,447</u>	<u>114,322,486</u>
Total bank account balances	<u>27,251,447</u>	<u>235,837,284</u>

5. Fund Balance Brought Forward


Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	114,522,486	4,434,152.95
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	114,522,486	4,434,152.95

7. YEAR AUDITOR-GENERAL'S RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	The project had no Audit issues			

Guidance Notes:

1. Use the same reference numbers as contained in the external audit report;
2. Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
3. Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
4. Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Peter K. Tum, CBS
Principal Secretary



James Maru
Project Coordinator

8. ANNEXES

Annex 1: Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	-	-	-	-	
Proceeds from domestic and foreign grants (World Bank)	358,177,305	96,943,086.80	319,179,218.20	27%	Had enough money in the account for utilization
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
Total Receipts	358,177,305	96,943,086.80	319,179,218.20	-	
Payments					
Compensation of employees	-	-	-	-	
Purchase of goods and services	287,177,305	146,539,843	140,637,463	51%	Delay in procurement process
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	71,000,000	37,474,284	33,525,716	53%	Delay in procurement process
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
Total payments	358,177,305	184,014,127	174,163,179	-	

Annex 2a: Analysis of Pending Bills

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020-2021	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total						

NO PENDING BILLS

Annex 3b : Analysis of other Pending Payables

Name	Brief Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstand Balance 20xx	Outstand Balance 20xx	Comment
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

No Pending Bills Payables

Annex 4: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2021/22	Donations in form of assets (KShs) 2021/22	*Purchases/ Additions in the Year (KShs) 2021/22	**Disposals in the Year (KShs) 2021/22	Transfers in/(out) Kshs 2021/22	Closing Cost (KShs) 2021/22
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land						
Buildings and structures						
Purchase of vehicle & other Transport equipment			30,836,345			36,146,345
Office equipment, furniture and fittings			3,677,100			6,947,158
ICT Equipment,			2,960,839			20,612,194
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
Total			37,474,284			63,705,697

Annex 5: Other Support Documents

(i) Trial Balance as at June 30th 2022

ITEMS	DR	CR
Fund balance b/f		114,322,486
IDA Credit (World Bank)		96,943,087
Bank	27,251,447	
Basic wages – temporary – Other	-	
Communication, Supplies and Services	876,750	
Domestic Travel and Subsistence and other transportation costs	95,524,840	
Foreign travel and subsistence and other transportation costs	89,135	
Printing, Advertising and Information supplies and services	11,819,280	
Courier and Postal services	-	
Rentals of produced Assets	-	
Training	7,537,080	
Hospitality Supplies and Services	10,576,947	
Specialized materials and supplies	-	
Office and General supplies and services	10,459,940	
Fuel, oil and Lubricants	5,011,600	
Other operating expenses	3,352,450	
Routine maintenance vehicles	517,020	
Routine maintenance – Other Assets	1,789,444	
Construction of Buildings	-	
Refurbishment of Buildings	-	
Purchase of Motor vehicles	30,836,345	
Purchase of Household furniture and Institutional equipment	-	
Purchase of furniture and General equipment	3,677,100	
Purchase of Specialized Plant equipment and Machinery	-	
Purchase of ICT equipment	1,946,195	
TOTAL	211,265,573	211,265,573

- (ii) Bank Reconciliation Statement 30th June, 2022
- (iii) Board of Survey Report
- (iv) Certificate of Bank Balance 30th June, 2022
- (v) Fixed Asset Register
- (vi) Budget Performance & Absorption Rate
- (vii) Designated Account Balance

