

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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**REPORT**

07 DEC 2023

DAY

CMRS

**OF:**

Hon Owen Baya, CBS, MP  
Deputy majority leader  
A. Shuboko

**THE AUDITOR-GENERAL**

**ON**

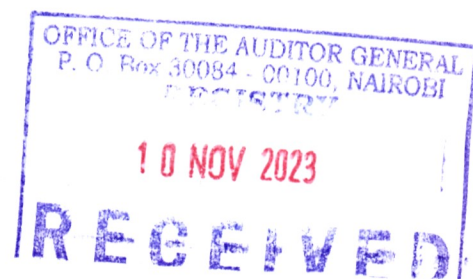
**YOUTH EMPOWERMENT  
PROGRAMME GRANT NO. B4210**

**FOR THE YEAR ENDED  
30 JUNE, 2023**

**STATE DEPARTMENT FOR  
YOUTH AFFAIRS**

11





**PROJECT NAME: YOUTH EMPOWERMENT PROGRAMME**

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR YOUTH AFFAIRS**

**PROJECT GRANT NUMBER: B4210**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2023**

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

**Youth Empowerment Programme GrantNo. B4210**  
**Report and Financial Statements for Year ended 30 June 2023**

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## **1. Project Information and Overall Performance**

### **1.1 Name and registered office**

The project's official name is Youth Empowerment Programme.

#### **Objective**

The key objective of the project is to strengthen integration of sexual and reproductive health education among the youth in Kenya.

#### **Address**

The project headquarters offices are at KENCOM HOUSE, 3<sup>RD</sup> Floor Nairobi, Kenya.

The project does not have other offices/branches

P.O. BOX 34303 – 00100 Nairobi

**Contacts:** The following are the project contacts:

Telephone: (254) (020)2240068

E-mail: [ps@youth.go.ke](mailto:ps@youth.go.ke)

Website: [youth.go.ke](http://youth.go.ke)

**Project information and overall performance (continued)**

**1.2 Project Information**

|                            |   |
|----------------------------|---|
| <b>Project Start Date:</b> | The project start date is 1 <sup>st</sup> July, 2018          |
| <b>Project End Date:</b>   | The project end date is 30 June 2027                          |
| <b>Project Manager:</b>    | The project manager is Josephine S. Etenyi                    |
| <b>Project Sponsor:</b>    | The project sponsor is United Nations Population Fund (UNFPA) |

**1.3 Project Overview**

|   |   |
|---|---|
| Line Ministry/State Department of the project         | The project is under the supervision of the State Department for Youth Affairs  |
| Project number  | B4210   |
| Strategic goals of the project                        | The strategic goals of the project are as follows:<br>(i) To improve the ability of the youth and adolescent to make informed decisions and choices of Sexual Reproductive Health<br>(ii) To strengthen integration of Sexual Reproductive Health among the youth<br>(iii) To empower the youth to be able to participate in relevant decision making about their sexual and Reproductive Health and Rights<br>(iv) |
| Achievement of strategic goals                        | The project management aims to achieve the goals through the following means:<br>(i) Provision of adolescents and youth with Integrated Sexual Reproductive Health information<br>(ii) Engaging adolescents and youth in planning and decision making<br>(iii) Supporting the integration of adolescent and youth friendly Sexual Reproductive Health issues in sectoral plans                                      |
| Other important background information of the project | The State Department for Youth Affairs and the Arts organized interventions geared towards empowerment of the young people in Kenya. The department intended to contribute to the National International Conference on Population and Development   |

**Youth Empowerment Programme GrantNo. B4210**  
**Report and Financial Statements for Year ended 30 June 2023**

|   |  |
|---|--|
|   | <p>commitments of eliminating teenage Pregnancy and new Human Immunodeficiency Virus infections among the youth by 2030 and harnessing the demographic dividend through investment in young people by 2022. The focus of the programme is to ensure that data on youth empowerment is readily available for decision making and that the Kenya National Youth Development Policy (2019) is operationalized for holistic youth empowerment.</p> <p>Consequently, data on youth empowerment will be readily available for decision making and key stakeholders will be familiar with the Kenya Youth Development Policy contributing towards its implementation. Further the department ensured that more young people are reached with COVID 19 prevention messages and integrated Sexual Reproductive Health and Rights information; and that there will be better coordination of stakeholders working on youth empowerment</p> |
| <p>Current situation that the project was formed to intervene</p> | <p>The project was formed to intervene in the following gap areas:</p> <ul style="list-style-type: none"> <li>(i) Increased inability of youth to make informed decisions</li> <li>(ii) Poor coordination of youth programs</li> <li>(iii) Unreliable data on youth issues</li> </ul>  |
| <p>Project duration</p>   | <p>The project started on 1st July 2018 and is expected to run until 30 June 2027</p>  |

**Project Information and Overall Performance (Continued)**

**1.4 Bankers**

The following are the bankers for the current year:

- (i) Central Bank of Kenya P.O. BOX 60000 Nairobi

**1.5 Auditors**

The project is audited by Auditor General of the Republic of Kenya

**1.6 Roles and Responsibilities**

The following persons are involved in the project activities:

| <b>Names</b>                    | <b>Title designation</b>       | <b>Key qualification</b>                                     | <b>Responsibilities</b>   |
|---------------------------------|--------------------------------|--|---|
| Hon. Ababu-Terrah Namwamba, EGH | Cabinet Secretary              | Master Degree in Law (LLM)                                   | Overall policy direction on the Project   |
| Mr. Ismail Maalim Madey         | Principal Secretary            | Master Degree in Global Business Management                  | Accounting Officer for the Project.   |
| Josephine S. Etenyi             | Project co-ordinator           | PhD in Research and Evaluation                               | Overall project Coordination to ensure proper implementation                          |
| Rose K. Mwangera                | Assistant Project Co-ordinator | Masters Degree in Project Management                         | Support the Project Coordinator in the planning, implementation and reporting process |
| Francisca Kanini                | Assistant Project Co-Ordinator | Masters Degree in Development Studies and Project Management | Support the Project Coordinator in the planning, implementation and reporting process |
| Caroline Muchena                | Project Accountant             | Bachelor Degree  | In charge of accounts and finance for the project                                     |

**1.7 Funding summary**

The Project is for duration of nine years from 2018 to 2027 with an approved budget of US\$. 80,000 equivalent to KShs.8,896,380 as highlighted in the table below:



*Youth Empowerment Programme GrantNo. B4210  
Report and Financial Statements for Year ended 30 June 2023*

**A. Source of Funds**

| Name of Donor                  | Date received | Amount in loan currency | Loans received in cash | Loans received as direct payment* | Total amount in KShs | Total amount in KShs |
|--------------------------------|---------------|-------------------------|------------------------|-----------------------------------|----------------------|----------------------|
|                                |               |                         |                        |                                   | FY 2022/2023         | FY 2021/22           |
|                                |               | US\$                    | KShs                   | KShs                              | KShs                 | KShs                 |
| <b>Grant</b>                   |               |                         |                        |                                   |                      |                      |
| United Nations Population Fund | 02/07/21      | 30,000                  | 3,263,200              | -                                 | -                    | 3,263,200            |
| United Nations Population Fund | 30/06/22      | 40,000                  | 4,538,780              | -                                 | -                    | 4,538,780            |
| <b>TOTAL</b>                   |               | <b>40,000</b>           | <b>7,801,980</b>       | -                                 | -                    | <b>7,801,980</b>     |

**Project information and overall performance (continued)**

Below is the funding summary:

**B. Application of funds**

| Application of funds              | Amount received to date – 30 June 2022 |                  | Cumulative Amount paid to date – (30 June 2023) |                  | Unutilised balance to date (30 June 2023) |          |
|-----------------------------------|--|------------------|---|------------------|---|----------|
|                                   | US\$                                   | KShs             | Donor currency<br>US\$                          | KShs             | US\$                                      | KShs     |
|                                   | (A)                                    | (A')             | (B)   | (B')             | (A)-(B)                                   | (A)-(B)  |
| <b>(i) Grant</b>                  |  |                  |   |                  |   |          |
| United Nations<br>Population Fund | 70,000                                 | 7,801,980        | 60,798  | 7,801,980        | 9,202                                     | -        |
| <b>Total</b>                      | <b>70,000</b>                          | <b>7,801,980</b> | <b>60,798</b>                                   | <b>7,801,980</b> | <b>9,202</b>                              | <b>-</b> |

**Project information and overall performance (continued)**

**1.8 Summary of Overall Project Performance:**

**i) Budget performance against actual amounts for current year and for cumulative to-date:**

| <b>FY</b>    | <b>Amount Received (Kshs)</b> | <b>Amount Utilised(Kshs)</b> | <b>Percentage</b> |
|--------------|-------------------------------|------------------------------|-------------------|
| 2021/2022    | 7,801,980                     | 7,801,980                    | 100%              |
| <b>TOTAL</b> | <b>7,801,980</b>              | <b>7,801,980</b>             | <b>100%</b>       |

**ii) Physical progress based on outputs, outcomes, and impacts since project commencement**

- Finalized the Kenya Youth Development Policy '2019 that spells out strategies for holistic empowerment of the youth including their meaningful engagement in the development process.
- Disseminated the Kenya Youth Development Policy 2019 through regional roundtables/dialogues with policymakers and Youth Leaders, reaching 300 youth and 150 Stakeholders
- Supported the operationalization of Malindi Youth Empowerment Centres in Kilifi County through provision of equipment.
- Integrated sexual and reproductive health information shared in the Youth Empowerments Centres Countrywide reaching 120,000 Youth
- 809,000 young people reached with messages on COVID19 prevention. Messages sent through; social media (WhatsApp, Facebook, Twitter) in organized Youth Forums during the dissemination of the Kenya Youth Development Policy 2019, Regional Policy dialogues and in the Youth Empowerment Centres.
- Youth Development Index Domains, Indicators, Weights and data collection tool developed.

**iii) Comment on value-for-money achievements,**

There was value for money for the activities carried out during this period as the program Monitoring and Evaluation was carried out to ascertain compliance with set guidelines on deliverables and achievement. Evaluation was conducted at the end of each activity to obtain feedback from the participants.

**iv) List the implementation challenges and recommended way forward.**

- Unprecedented delays in release of funds
- Insufficient funding thus inability to meet the initial target
- Late release of funds leading to poor execution of plans
- Lack of funding for certain activities
- Challenges posed by Covid -19 pandemic (working from home, ban of **gathering** by the government, occasional lockdowns) hence difficulties in delivering **services** to the youth

**Recommendation**

- Need to enhance the funding of Programs in order to address specific **context**-based needs
- Need for early engagement of stakeholders for buy-in including parents/**guardians**.
- The Youth Development Index is key for adequate planning and **programming** for Youth and therefore finalisation of the process should be prioritised.
- Youth Engagement is essential in ensuring the voice and opinions of **young people** were well articulated and documented.
- Teamwork and individual commitment to all assigned roles and **responsibilities** are essential elements for successful implementation of the program **throughout** the program implementation period.
- Partnership is key in building synergy for quick, effective and efficient **delivery** of services.
- Mechanisms for all devolved units to adopt and align their **youth-oriented** interventions to the Kenya Youth Development Policy should be **implemented** expeditiously.
- Need for prioritization of youth planning in all the devolved units

**1.9 Summary of Project Compliance:**

There were no cases of non-compliance with applicable laws and regulations and **essential** external financing agreements/covenants. Hence no consequences were suffered or **likely** to be suffered on account of non-compliance.

## **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.) To improve the ability of the youth and adolescent to make informed decisions and choices of Sexual Reproductive Health.
- (b.) To strengthen integration of Sexual Reproductive Health among the youth
- (c.) To empower the youth to be able to participate in relevant decision making about their sexual and Reproductive Health and Rights.

### **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:

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Below we provide the progress on attaining the stated objectives:

| <b>Project</b>           | <b>Objective</b>  | <b>Outcome</b>   | <b>Indicator</b>  | <b>Performance</b>   |
|--------------------------|---|--|---|--|
| <b>Youth Empowerment</b> | To strengthen integration of Sexual and Reproductive Health Education in Youth Empowerment Initiatives. | Adolescents, in particular adolescent girls, and youth are better able to make informed choices and participate in relevant decision-making about their sexual and reproductive. | Number of adolescents and youth receiving integrated sexual and reproductive health information<br><br>Number of national and county institutions that effectively engage adolescents and youth in planning and decision-making, as per agreed procedures<br><br>Number of sectors (other than health) that have strategies on adolescent and youth-friendly sexual and reproductive health issues in their sectorial plans | 120,000 were reached<br><br><br>This increased from 8 to 15<br><br>In the Financial Year 2022/2023, we increased number of sectors other than health with strategies on adolescent and youth -friendly sexual and reproductive health issues from 2 to 7 |

### **3. Environmental and Sustainability Reporting**

The Youth Empowerment programme exists to transform lives and ensure that youth are empowered to make informed decisions and are facilitated to live meaningful lives in the long-run. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

#### **3.1 Sustainability strategy and profile**

The programme strategically deployed six accelerators to achieve these outputs, namely: (a) focusing on human rights-based and gender transformative approaches to support delivery of right-based sexual and reproductive health information and services and empowering women and girls; (b) scaling up of proven innovative high impact practices including the use of proven digital solutions; (c) cultivating partnership such as south-south and triangular cooperation, including cross-learning; (d) supporting generation and use of evidence on progress towards the three transformative results; (e) anchoring on the principles of leaving no one behind; working with national and county-based State and non-State actors to enhance resilience and adaptation to ensure continuity of life-saving sexual and reproductive health and rights information and services across the development, humanitarian and peace nexus, including mitigating the impact of the COVID-19 pandemic. The programme focused on areas needed to coherently address people's vulnerabilities before, during and after crisis.

#### **3.2 Environmental performance**

The Youth Empowerment programme does not focus on environment performance as it is primarily engaged in improving Sexual and Reproductive Health among the youth. The programme does not contribute to adverse environment risk and impact. The State Department for Youth does not condone the degradation of the environment and biodiversity.

#### **3.3 Employee welfare**

The project endeavours to take care of its entire staff. Efforts are made to achieve gender balance by ensuring that the project staff comprise of both male and female employees. Efforts have also been made to ensure the staff work in a clean and safe environment.

### **3.4 Market place practices-**

**a) Responsible Supply chain and supplier relations-**

Suppliers and service providers are paid on delivery of their goods and services. Whenever there are challenges regarding their payments, they are guided accordingly.

**b) Responsible ethical practices**

Suppliers and service providers are paid on delivery of their goods and services. Whenever there are any challenges regarding their payments, they are guided accordingly. Further all the expenditures are paid and accounted for within the laid down guidelines and procedures.

**c) Regulatory impact assessment**

The programs initiatives and their implementation mechanisms ensure observance of citizen safeguards and that stakeholder's rights were upheld.

### **3.5 Community Engagements**

The entire project activities are geared toward engagement of the community and its stakeholders especially within the devolved units. The stakeholders involved cut across the spectrum of influence and intended beneficiaries, Continuous consultation of youth being the ultimate beneficiary of the programs was given priority. The project did not have a Corporate Social Responsibility component. However, the equipment purchased for the Youth Empowerment Centres will ensure local youth in Malindi are engaged on recreational activities.



**4. Statement of Project Management Responsibilities**

The Principal Secretary of the State Department of Youth Affairs and the Project Coordinator for the Youth Empowerment 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 ended on June 30, 2023.

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 of the State Department of Youth Affairs and the Project Coordinator for the Youth Empowerment 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 of the State Department of Youth Affairs and the Project Coordinator for the Youth Empowerment 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 ended June 30<sup>th</sup> , 2023, and of the Project's financial position as at that date. The Principal Secretary of the State Department of Youth Affairs and the Project Coordinator for the Youth Empowerment 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 of the State Department of Youth Affairs and the Project Coordinator for the Youth Empowerment Project confirm that the Project has complied fully with applicable

***Youth Empowerment Programme GrantNo. B4210  
Report and Financial Statements for Year ended 30 June 2023***

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Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year 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 State Department for Youth and the Project Coordinator for *Youth Empowerment Programme* on 9<sup>th</sup> Nov 2023 and signed by them.



.....  
Ismail Maalim Madey  
**Principal Secretary**



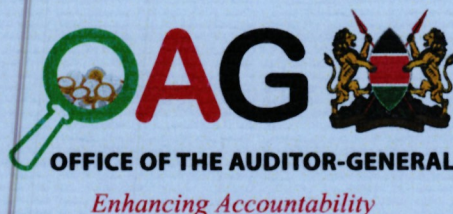
.....  
Josephine S. Etenyi  
**Project Coordinator**



.....  
CPA Caroline Muchena  
**Project Accountant**  
**ICPAK Member No:14674**

# 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 YOUTH EMPOWERMENT PROGRAMME GRANT NO. B4210 FOR THE YEAR ENDED 30 JUNE, 2023 - STATE DEPARTMENT FOR YOUTH AFFAIRS**

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### **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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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**

#### **Opinion**

I have audited the accompanying financial statements of Youth Empowerment Programme set out on pages 1 to 18, which comprise of the statement of financial assets

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*Report of the Auditor-General on Youth Empowerment Programme Grant No. B4210 for the year ended 30 June, 2023 - State Department for Youth Affairs*

as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of 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, the financial statements present fairly, in all material respects, the financial position of the Youth Empowerment Programme as at 30 June, 2023 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 Grant/Credit No. B4210 dated 18 March, 2020 between the United Nations Population Fund (UNFPA) and the Republic of Kenya.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Youth Empowerment Programme 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 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**

#### **Under Absorption of Budget**

The statement of comparison of budget and actual amounts reflects an expenditure budget of Kshs.4,000,000 against an actual expenditure of Kshs.1,025,650 resulting to an under absorption of Kshs.2,974,350 or 74%. The expenditure is linked to the rate of project implementation and thus, some of the planned activities during the year were not implemented, which therefore, impacted negatively on service delivery to citizens.

Although Management attributed the under-absorption to non-receipt of funding from the donor, the delay may impact on achievement of the project objectives.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution and 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 the International Standards for Supreme Audit Institutions (ISSAIs) 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 the provisions of the Financing Agreement - Grant/Credit Number: B4210 between the Government of Kenya and the United Nations Population Fund, 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 Management, so far as appears from the examination of those records; and,

- iii. The Programme'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 which are free from material misstatement, whether due to fraud or error and for assessment of the effectiveness of the internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue sustaining its services, disclosing as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the 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 which 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 financial statements, a compliance review is planned and performed to express a conclusion on whether, in all material respects, 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, 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 overall 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 which 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 control components does not reduce to a relatively low level, the risk that misstatements caused by error or fraud in amounts which 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 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 which 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 the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Project's ability to continue sustaining 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 sustaining 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 which 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 which are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

10 November, 2023



*Youth Empowerment Programme Grant/No. B4210  
Report and Financial Statements for the Year ended 30 June 2023*

**6. Statement of Receipts and Payments for the year ended 30th June 2023.**

|   | Note | FY 2022/23   |  |                    | FY 2021/22   |  |                  | Cumulative to Date (from inception) |
|---|------|--|--|--------------------|--|--|------------------|-------------------------------------|
|   |      | Receipts and payments controlled by the entity<br>Kshs | Payments made by third parties<br>Kshs | Total              | Receipts and payments controlled by the entity<br>Kshs | Payments made by third parties<br>Kshs | Total            |                                     |
| <b>RECEIPTS</b>                           |      |  |  |                    |  |  |                  | <b>Kshs</b>                         |
| Transfers from Government entities        | 1    | 100  | -                                      | 100                | -  | -                                      | 100              |                                     |
| Proceeds from domestic and foreign grants | 2    | -  | -                                      | -                  | 7,801,980  | -                                      | 7,801,980        |                                     |
| <b>TOTAL REVENUES</b>                     |      | <b>100</b>   |  | <b>100</b>         | <b>7,801,980</b>                                       | <b>-</b>                               | <b>7,802,080</b> |                                     |
| <b>PAYMENTS</b>                           |      |  |  |                    |  |  |                  |                                     |
| Acquisition of Non-financial Assets       | 3    | 1,025,650  | -                                      | 1,025,650          | 6,776,343  | -                                      | 7,801,993        |                                     |
| <b>TOTAL PAYMENTS</b>                     |      | <b>1,025,650</b>                                       | <b>-</b>                               | <b>1,025,650</b>   | <b>6,776,343</b>                                       | <b>-</b>                               | <b>7,801,993</b> |                                     |
| <b>SURPLUS/DEFICIT</b>                    |      | <b>(1,025,550)</b>                                     | <b>-</b>                               | <b>(1,025,550)</b> | <b>1,025,657</b>                                       | <b>-</b>                               | <b>1,025,657</b> | <b>87</b>                           |

**Youth Empowerment Programme GrantNo. B4210**  
**Report and Financial Statements for Year ended 30 June 2023**

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

  
.....

Ismail Maalim Madey  
**Principal Secretary**

  
.....

Josephine S. Etenyi  
**Project Coordinator**

  
.....

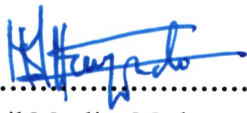
CPA Caroline Muchena  
**Project Accountant**  
**ICPAK Member No:14674**


*Youth Empowerment Programme GrantNo. B4210*  
*Report and Financial Statements for the Year ended 30 June 2023*


**7. Statement of Financial Assets For the year Ended 30<sup>th</sup> June 2023**

| Description                            | Note | 2022- 2023  | 2021- 2022       |
|--|------|-------------|------------------|
|  |      | Kshs        | Kshs             |
| Bank Balances                          | 4    | 88          | 1,025,657        |
| <b>Total Cash and Cash equivalents</b> |      | <b>88</b>   | <b>1,025,657</b> |
| <b>NET FINANCIAL ASSETS</b>            |      | <b>88</b>   | <b>1,025,657</b> |
| Fund balance b/fwd                     | 5    | 1,025,637   | -                |
| Surplus / (deficit) for the year       |      | (1,025,550) | 1,025,657        |
| <b>NET FINANCIAL POSITION</b>          |      | <b>88</b>   | <b>1,025,657</b> |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 9<sup>th</sup> Nov 2023 and signed by:

  
 .....  
 Ismail Maalim Madey  
**Principal Secretary**

  
 .....  
 Josephine S. Etenyi  
**Project Coordinator**

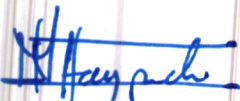
  
 .....  
 CPA Caroline Muchena  
**Project Accountant**  
**ICPAK Member No:14674**


*Youth Empowerment Programme GrantNo. B4210  
Report and Financial Statements for Year ended 30 June 2023*


**8. Statement of Cashflow for the year Ended 30th June 2023**

|  | Note | 2022- 2023         | 2021- 2022         |
|--|------|--------------------|--------------------|
|  |      | Kshs               | Kshs               |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |      |                    |                    |
| <b>Receipts for operating income</b>                     |      |                    |                    |
| Transfers from Government entities                       | 1    | 100                | -                  |
| Proceeds from Domestic and Foreign Grants                | 2    | -                  | 7,801,980          |
|  |      | <b>100</b>         | <b>7,801,980</b>   |
| <b>Payments for operating expenses</b>                   |      |                    |                    |
| Use of goods and services                                | 3    | 1,025,650          | -                  |
|  |      |                    |                    |
| <b>Net cash flow from operating activities</b>           |      | <b>(1,025,550)</b> | <b>7,801,980</b>   |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |      |                    |                    |
| Acquisition of Non-financial Assets                      | 4    | -                  | (6,776,343)        |
| <b>Net cash flows from Investing Activities</b>          |      | <b>-</b>           | <b>(6,776,343)</b> |
|  |      |                    |                    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |      | <b>(1,025,550)</b> | <b>1,025,657</b>   |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |      | <b>1,025,637</b>   | <b>-</b>           |
| <b>Cash and cash equivalent at END of the year</b>       |      | <b>88</b>          | <b>1,025,657</b>   |

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 9th Nov 2023 and signed by:

  
.....  
Ismail Maalim Madey  
Principal Secretary

  
.....  
Josephine S. Etenyi  
Project Coordinator

  
.....  
CPA Caroline Muchena  
Project Accountant  
ICPAK Member No:14674

**Youth Empowerment Programme GrantNo. B4210  
Report and Financial Statements for the Year ended 30 June 2023**


**9. Statement of Comparison of Budget and Actual Amounts for the year Ended 30<sup>th</sup> June 2023**

| Consolidated                              | Original Budget  | Adjustments        | Final Budget     | Actual on Comparable Basis | Utilisation Variance | % of Utilisation |
|---|------------------|--------------------|------------------|----------------------------|----------------------|------------------|
|   | a                | b                  | c=a+b            | d                          | e=c-d                | f=d/c %          |
| <b>Receipts/Payments Item</b>             |                  |                    |                  |                            |                      |                  |
| <b>Receipts</b>                           |                  |                    |                  |                            |                      |                  |
| Transfer from Government entities         | -                | -                  | -                | 100                        | (100)                | 0%               |
| Proceeds from domestic and foreign grants | 7,000,000        | (3,000,000)        | 4,000,000        | -                          | 4,000,000            | 0%               |
| <b>Total Receipts</b>                     | <b>7,000,000</b> | <b>(3,000,000)</b> | <b>4,000,000</b> | <b>100</b>                 | <b>3,999,900</b>     | <b>0%</b>        |
| <b>Payments</b>                           |                  |                    |                  |                            |                      |                  |
| Acquisition of Non-financial Assets       | 7,000,000        | (3,000,000)        | 4,000,000        | 1,025,650                  | 2,974,350            | 26%              |
| <b>Total Payments</b>                     | <b>7,000,000</b> | <b>(3,000,000)</b> | <b>4,000,000</b> | <b>1,025,650</b>           | <b>2,974,350</b>     | <b>26%</b>       |

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

  
.....  
Ismail Maalim Madey  
Principal Secretary

  
.....  
Josephine S. Etenyi  
Project Coordinator

  
.....  
CPA Caroline Muchena  
Project Accountant  
ICPAK Member No:14674

## **10. 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 International Public Sector Accounting Standards financial reporting under the cash basis of accounting, as prescribed by the Public Sector Accounting Standards Board 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 Public Sector Accounting Standards Board.

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

### **10.2 Reporting entity**

The financial statements are for the Youth Empowerment Programme under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation Public Finance Management 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 by the Government.

#### **i) Transfers from the Exchequer**

Transfer from Exchequer is be 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 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** the time associated cash is received.

**a) 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.

**b) Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign **bonds** and external loans acquired by the Project or any other debt the Project may take **on will** be treated on cash basis and recognized as a receipt during the year they were received.

**c) 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

**d) 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 of 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 incurred 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.

**e) 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)**

**f) 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.

**g) 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.

**h) 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.

**i)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.

**j) 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.

**k) 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)**

**l) 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*.

**m) 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, no funds being loan disbursements were received in form of direct payments from third parties.

**n) 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)**

**o) 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.

**p) 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, 2023.

**q) Prior period adjustments**

There have been no prior period adjustments relating to errors and other adjustments arising from previous year(s).

## 11. Notes to the Financial Statements

### 1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

| <b>Description</b>                              | <b>2022-2023</b>  | <b>2021-2022</b> | <b>Cumulative to-date (from inception)</b> |
|---|-------------------|------------------|--|
|   | <b>Kshs</b>       | <b>Kshs</b>      | <b>Kshs</b>                                |
| <b>Other transfers from government entities</b> |                   |                  |  |
| State department for Youth Affairs              | 100               | -                | 100  |
|   |                   |                  |  |
| <b>Total</b>                                    | <b><u>100</u></b> | <b>=</b>         | <b><u>100</u></b>                          |

**Youth Empowerment Programme Grant/No. B4210  
Report and Financial Statements for the 13 Months ended 30 June 2022**

**Notes to The Financial Statements (Continued)**

**2. Transfers from Government entities**

During the year ended to 30 June 2023, we received grants from donors as detailed in the table below:

| Name of Donor   | Date received | Amount received in donor currency | Grants received in cash | Grants received as direct payment* | Grants received in kind | Total amount in KShs |                  |
|---|---------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|----------------------|------------------|
|   |               |                                   |                         |                                    |                         | 2022-2023            | 2021-2022        |
|   |               | US\$                              | KShs                    | KShs                               | KShs                    | KShs                 | KShs             |
| Grants Received from Bilateral Donors (Foreign Governments) |               |                                   |                         |                                    |                         |                      |                  |
| UNFPA   |               | -                                 | -                       | -                                  | -                       | -                    | 7,801,980        |
| <b>Total</b>  |               | -                                 | -                       | -                                  | -                       | -                    | <b>7,801,980</b> |

*Youth Empowerment Programme GrantNo. B4210  
Report and Financial Statements for the 13 Months ended 30 June 2022*

Notes to The Financial Statements (Continued)

3. Acquisition of Non-Financial Assets

|  | Payments made by the Entity in Cash | Payments made by third parties | Total Payments   |                  | Cumulative to-date | Cumulative Prior Year |
|--|-------------------------------------|--------------------------------|------------------|------------------|--------------------|-----------------------|
|  |                                     |                                | FY 2022/23       | FY 2021/22       |                    |                       |
|  | KShs                                | KShs                           | KShs             | KShs             | KShs               | KShs                  |
| Purchase of Office equipment, furniture and fittings         | -                                   | -                              | 248,018          | 248,018          | 248,018            | 248,018               |
| Purchase of specialised plant, equipment and machinery       | -                                   | -                              | 1,100,584        | 1,100,584        | 1,100,584          | 1,100,584             |
| Research, studies, project preparation, design & supervision | 1,025,650                           | -                              | 1,025,650        | 5,427,741        | 6,453,391          | 5,427,741             |
| <b>Total</b>   | <b>1,025,650</b>                    | <b>=</b>                       | <b>1,025,650</b> | <b>6,776,343</b> | <b>7,801,993</b>   | <b>6,776,343</b>      |

*Youth Empowerment Programme GrantNo. B4210*  
*Report and Financial Statements for the 13 Months ended 30 June 2022*

**Notes to The Financial Statements (Continued)**

**4. Cash and Cash Equivalents**

| <b>Description</b>                     | <b>2022-2023</b>        | <b>2021-2022</b> |
|--|-------------------------|------------------|
|  | <b>KShs</b>             | <b>KShs</b>      |
| Bank accounts                          | 1,025,657               | -                |
| Cash in hand                           | -                       | -                |
| Cash equivalents (short-term deposits) | -                       | -                |
| <b>Total</b>                           | <b><u>1,025,657</u></b> | <b>≡</b>         |

The project has one account spread within the project implementation area and one of foreign currency designated accounts managed by the National Treasury as listed below:

**4(A) Bank Accounts**

**Project Bank Accounts**

| <b>Details</b>                             | <b>2022-2023</b> | <b>2021-2022</b> |
|--|------------------|------------------|
|  | <b>KShs</b>      | <b>KShs</b>      |
| <u>Local Currency Account</u>              |                  |                  |
| Central Bank of Kenya [A/c No: 1000432012] | 88               | 1,025,657        |
|  |                  |                  |
| <b>Total bank account balances</b>         | <b>88</b>        | <b>1,025,657</b> |



**Notes to The Financial Statements (Continued)**

**5. Fund Balance Brought Forward**

| <b>Description</b>                     | <b>2022-2023</b> | <b>2021-2022</b> |
|--|------------------|------------------|
|  | <b>KShs</b>      | <b>KShs</b>      |
| Bank accounts                          | 1,025,657        | -                |
| Cash in hand                           | -                | -                |
| Cash equivalents (short-term deposits) | -                | -                |
| Outstanding Imprests and advances      | -                | -                |
| <b>Total</b>                           | <b>1,025,657</b> | <b>-</b>         |

**Youth Empowerment Programme GrantNo. B4210**  
**Report and Financial Statements for the 13 Months ended 30 June 2022**

**6. Progress on Follow up of Prior Year Auditor’s Recommendations**

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b> | <b>Management comments</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---|--|----------------------------|--|---|
| N/A   | N/A                                      | N/A                        | N/A                                      | N/A   |
|   |  |                            |  |   |
|   |  |                            |  |   |
|   |  |                            |  |   |

.....  
 Ismail Maalim Madey  
 Principal Secretary

.....  
 Josephine S. Etenyi  
 Project Coordinator

*Youth Empowerment Programme Grant No. B4210  
Reports and Financial Statements for the year ended 30 June 2023*

**7. Annexes**

**Annex1 - Variance Explanations - Comparative Budget and Actual Amounts for FY 2022-2023**

| <b>Consolidated</b>                       | <b>Original Budget</b> | <b>Adjustments</b> | <b>Final Budget</b> | <b>Actual on Comparable Basis</b> | <b>Utilisation Variance</b> | <b>% of Utilisation</b> |
|---|------------------------|--------------------|---------------------|-----------------------------------|-----------------------------|-------------------------|
|   | a                      | b                  | c=a+b               | d                                 | e=c-d                       | f=d/c %                 |
| <b>Receipts/Payments Item</b>             |                        |                    |                     |                                   |                             |                         |
| <b>Receipts</b>                           |                        |                    |                     |                                   |                             |                         |
| Transfer from Government entities         | -                      | -                  | -                   | 100                               | (100)                       | 0%                      |
| Proceeds from domestic and foreign grants | 7,000,000              | (3,000,000)        | 4,000,000           | -                                 | 4,000,000                   | 0%                      |
| <b>Total Receipts</b>                     | <b>7,000,000</b>       | <b>(3,000,000)</b> | <b>4,000,000</b>    | <b>100</b>                        | <b>3,999,900</b>            | <b>0%</b>               |
| <b>Payments</b>                           |                        |                    |                     |                                   |                             |                         |
| Acquisition of Non-Financial Assets       | 7,000,000              | (3,000,000)        | 4,000,000           | 1,025,650                         | 2,974,350                   | 26%                     |
| <b>Total Payments</b>                     | <b>7,000,000</b>       | <b>(3,000,000)</b> | <b>4,000,000</b>    | <b>1,025,650</b>                  | <b>2,974,350</b>            | <b>26%</b>              |

*Youth Empowerment Programme Grant/No. B4210  
Report and Financial Statements for the 13 Months ended 30 June 2022*

**Annex 2 – Summary of Fixed Assets Register**

| <b>Asset class</b>                           | <b>Opening Cost<br/>(KShs)<br/>2021/22<br/>(a)</b> | <b>*Purchases/Additions<br/>in the Year<br/>(KShs)<br/>2022/23<br/>(b)</b> | <b>**Disposals in the<br/>Year<br/>(KShs)<br/>2022/23<br/>(c)</b> | <b>Closing Cost<br/>(KShs)<br/>2022/23<br/>(d)= (a)+ (b)-(c)</b> |
|--|--|--|---|--|
| Office equipment, furniture and fittings     | 248,018  | -  | -   | 248,018  |
| ICT Equipment, Software and Other ICT Assets | 673,839  | -  | -   | 673,839  |
| Other Machinery and Equipment                | 426,745  | -  | -   | 426,745  |
| <b>Total</b>                                 | <b>1,348,602</b>                                   | <b>-</b>   | <b>-</b>  | <b>1,348,602</b>   |

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Reports and Financial Statements for the year ended 30 June 2023***

**Annex 3: Other Support Documents**

- i. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- ii. Board of Survey Report
- iii. Certificate of balances
- iv. GOK IFMIS Detail Trial Balance