

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 DEC 2023

OF

TABLED
BY:

Hon Naomi Wago, MP
Deputy majority Whip

THE AUDITOR-GENERAL Inzoja mwale

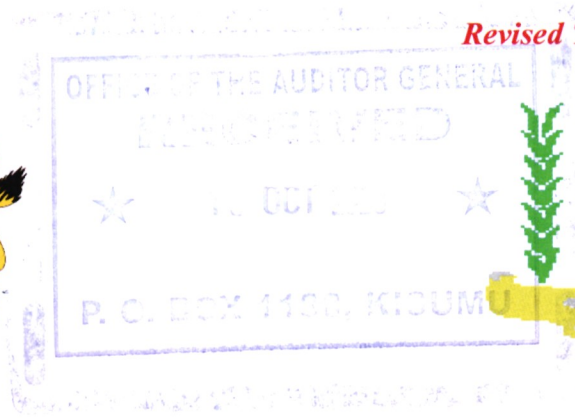
ON

**USAID BORESHA JAMII PROJECT
NO. (72061521CA00004)**

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

**JARAMOGI OGINGA ODINGA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**





Revised Template 30th June 2023



PROJECT NAME: USAID BORESHA JAMII PROJECT

**IMPLEMENTING ENTITY: JARAMOGI OGINGA ODINGA UNIVERSITY OF
SCIENCE AND TECHNOLOGY**

PROJECT GRANT/CREDIT NUMBER: 72061521CA00004

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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



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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
OVC	Orphaned and Vulnerable Children
RMNCAH	Reproductive, Maternal, Neonatal, Child and Adolescent Health
UBJ	USAID Boresha Jamii
USAID	United States Agency for International Development
VMMC	Voluntary Medical Male Circumcision
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name: The project's official name is USAID Boresha Jamii Project.

Objective

The key objective of the project is to offer HIV, Care & Treatment, RMNCAH, OVC, KP and VMMC Services in four counties namely, Kakamega, Kisumu, Vihiga and Nyamira

Address

The project headquarters offices are Kisumu City, Kisumu County, Kenya within the Jaramogi Oginga Odinga University of Science and Technology, Kisumu Campus, along Ojijo Oteko Road, Milimani.

Contacts: The following are the project contacts:

Vice Chancellor

Jaramogi Oginga Odinga University of Science & Technology

P.O Box 210 - 40601

Email: vc@jooust.ac.ke

Website: www.jooust.ac.ke

Chief of Party

P.O. Box: 210- 40601

E-mail: info@boreshaboresha.or.ke

Website: www.jooust.ac.ke

***USAID Boresha Jamii Project
Annual Report and Financial Statements for the financial year ended June 30, 2023***

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	11 th May 2021
Project End Date:	30 th April 2026
Project Manager:	Dr. Solomon Orero
Project Sponsor:	USAID

2.3 Project Overview

Line Ministry/State Department of the project	Ministry of Education/State Department for Higher Education and Research
Project number	72061521CA00004
Strategic goals of the project	The strategic goals of the project are as follows: <ul style="list-style-type: none"> • Increased care-seeking and health-promoting behaviour for FP/RMNCAH • Strengthened County health systems for FP/RMNCAH, nutrition, and WASH services delivery.
Summary of Project Strategies for achievement of strategic goals	USAID Boresha Jamii RMNCAH, Nutrition, and WASH project activities are purposed to deliver quality and integrated services in the areas of family planning (FP)/reproductive, maternal, newborn, child, and adolescent health (RMNCAH), nutrition, and water, sanitation, and hygiene (WASH) to those most in need in the two focus counties of Kakamega and Kisumu (12 Sub - Counties in Kakamega County and 7 Sub-Counties in Kisumu County).
Other important background information of the project	The United States Agency for International Development's (USAID) Boresha Jamii Program is a five-year project that

USAID Boresha Jamii Project

Annual Report and Financial Statements for the financial year ended June 30, 2023

	Jaramogi Oginga Odinga University of Science and Technology (JOUST) is currently implementing.
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: (i) RMNCAH (ii) WASH and Nutrition
Project duration	5 Years

Project Information and Overall Performance (Continued)

2.4 Bankers

Equity Bank of Kenya
 Ang'awa Branch
 P.O Box 75104-00200
 KISUMU

2.5 Independent Auditor

The project is audited by the PricewaterhouseCoopers (Pwc) as the Mission Contracted Auditor by USAID and the Auditor General.

PricewaterhouseCoopers LLP
 PwC Tower
 P.O Box 43693-00100
Nairobi, Kenya

Auditor General
 Office of the Auditor General,
 Anniversary Towers, University way,
 P.O Box 30084-00100
Nairobi, Kenya

2.6 Roles and Responsibilities

Dr. Solomon Orero	Chief of Party (COP)	MMED	Responsible for overall technical, financial and contractual performance of the Project
Felix Chumba Kiplagat	Monitoring, Evaluation and Learning Specialist	MPH	Responsible for leading the design and implementation of the Program monitoring and evaluation framework and information system to track delivery against targets, outcomes and impacts.
Dr. Elizabeth	RMNCAHN	Ph.D. Registered	Responsible for overseeing

Obinge Omondi	Technical Lead	Nurse/Public Health Specialist	RMNCAHN activities, also supports high level engagements with the County leadership, identifies and carries out operational research/community diagnosis to promote evidence-based interventions.
Wendy Merlath Ojuok	Finance and Administration Manager	MBA (Finance), CPA(K)	Responsible for financial management and contractual performance of the project.

2.7 Funding summary

The Project is for duration of 5 (five) years from 2021 to 2026 with an approved budget of US\$ 25,000,000 equivalent to Kshs 2,800,000,000 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	Donor currency (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency Kshs (A)-(B)	Kshs (A')-(B')
(i) Grant						
USAID	18,697,190	2,094,085,343	15,146,431	1,696,400,301	3,550,759	397,685,042
Total	18,697,190	2,094,085,343	15,146,431	1,696,400,301	3,550,759	397,685,042

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30 th June 2023)	
	Donor currency (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant						
USAID	15,146,431	1,696,400,301	14,656,534	1,653,319,239	489,897	43,081,062
Total	15,146,431	1,696,400,301	14,656,534	1,653,319,239	489,897	43,081,062

USAID Boresha Jamii Project

Annual Report and Financial Statements for the financial year ended June 30, 2023

USAID/BORESHA JAMII PROJECT

USAID Boresha Jamii Project

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Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

Cost Line	Amount (Kshs)	Actual cumulative costs to June 2023	Expenditure 1st July 22-June 2023	Burn rate
Receipts	2,800,000,043	1,696,400,301	786,379,459	61%
Total receipts	2,800,000,043	1,696,400,301	786,379,459	61%
Personnel	921,662,431	326,277,602	95,685,545	35%
Fringe Benefits	127,599,761	76,559,960	68,177,971	60%
Travel	25,254,814	16,534,740	7,170,066	65%
Equipment	22,578,342	1,380,800	-	6%
Supplies	47,332,481	45,021,323	-	95%
Contractual	407,953,673	378,318,333	215,538,268	93%
Construction	2,077,081	1,873,190	-	90%
Other Direct Costs	1,090,390,340	726,670,123	324,199,246	67%
Total Direct Charges	2,644,848,923	1,572,636,072	710,771,097	59%
Indirect costs	155,151,120	80,683,168	20,038,356	52%
Total costs	2,800,000,043	1,653,319,239	730,809,453	59%
Net income	-	43,081,062	55,570,007	

In the year ending 30th June 2023 the total obligated amount was Kshs 2,094,085,343 which is 75% of the total contract value of Kshs 2,800,000. The project has utilized 83% of the obligated amount and expects an increase in the commitment in the second quarter of the year 2023/2024 financial year.

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

To date the project has been able to deliver on all the targeted milestones except for one, which involved the submission of all outstanding vouchers under the previous cooperative agreement award structure. The Project successfully executed the management and technical milestones for the year. The Project continues to build on the experience gained successfully in the last quarter of implementation, leveraging on established service delivery platforms, incorporating lessons learned for success, and

executing appropriate mitigating measures where there are challenges. The activities supported during the period under review were based on: (1) Priorities on the cocreated AWP for 2022-2023, (2) Findings of the RMNCAH, Nutrition, and WASH assessments done in Kisumu and Kakamega Counties, (3) Performance in the RMNCAH Score Card (4) Feedback received from USAID Technical Teams during support supervision in health facilities and communities (5) Activities aligned to the set targets.

Achievements by program areas:

In FY23, the project supported all 19 Sub-Counties in Kakamega (12) and Kisumu (7) Counties respectively, comprising 613 health facilities, 358 in Kakamega and 255 in Kisumu to offer quality RMNCAH services. The support was based on the priorities outlined in the 2022-2023 AWP, gaps identified during mentorship, supervision, and assessments within the Counties. Across the supported program areas, the projects were achieved. Additionally, the project will work to reinforce the community units (CUs) linked to these facilities to enhance the continuity of maternal and child healthcare.

Family Planning: There was an increase in the number of Women of Reproductive Age; WRA who received contraceptives from 218,088, to 383,897 as at end of July 2023. CYP at 297,941 of the targeted of 334,741 in the two focus Counties of Kakamega and Kisumu reflecting an achievement of 89%. As of July 2023, the project supported facilities recorded an average stock out rate of 47% against the target of 15%. The under-achievement was due to the erratic supply of DMPA which is the tracer commodity.

Maternal and Newborn Health: As of the end of July 2023, 79,832 (76% of the targeted 105,395) pregnant women attended at least one ANC visit while 53,867 (61%) pregnant women attended four ANC visits in the two focus Counties. Skilled deliveries were 66,592 (124% of the 4th ANC but 83% of the 1st ANC attendees). This is a depiction of the leakage to the 4th ANC and the skilled deliveries. The number of women who received skilled delivery services were 38823 in Kakamega County against 58,901 (66%) while in Kisumu County 27,762(72%) women received skilled delivery services. This is a depiction of the leakage to the 4th ANC and the skilled deliveries.

Cumulatively, the project achieved 68% (66,592) SBA. The women who received uterotonics after delivery were 99% of the deliveries. At end July 2023, the proportion of women and newborns who received PNC was 96%.

Child health: The project surpassed its targets for the PY2. A total of 22,455 Pneumonia cases identified, (96%) 21,657 were treated with Amoxicillin DT (188% achievement against the target of 11,539); while 44,031(90%) of 49,180 diarrhea cases were treated with ORS (114% against target of 38,486). However, despite the target achievement, analysis shows that not all the cases were treated. The gap may have been due to data capture and commodity stockouts.

Immunization: The number of children receiving DPT1 were 74,910 which is equal to 72% performance against a target of 103,673 while those who received DPT3 was at 73,112 (76%) against the target of 96,586. The proportion of children with FIC was 70.7% in the two Counties.

Nutrition: The number of children <5 years reached by nutrition-specific interventions as at SAPR 1(Semester 1) were 224,698 (80%) against the annual target of 280,143. Semester two achievement as of July 2023 is 189,031 (67%) which was contributed by the support from Malezi Bora in May/June 2023. The number of women receiving iron and folic acid supplementation is 71% of the targeted 67,466.

2.9 Summary of Project Compliance:

There were no issues of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants during the year.

3. 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.

During the year, UBJ supported several county and sub-county activities and collaborations, as presented in the earlier sections of this report. The project worked with the Department of Health (DOH) to implement the co-created FY23 work plans. In addition, the project partnered with the DOH to support service delivery activities as well as systems strengthening at HF's and Community Level. The initiatives included capacity-building activities, such as training, orientations, mentorship, and supportive supervision visits, and review meetings. Key collaborations were made with the ministries of education, water, social services, public works, and other implementing partners in the counties supported.

USAID Boresha Jamii RMNCAH, Nutrition, and WASH project are purposed to deliver quality and integrated services in the areas of family planning (FP)/reproductive, maternal, newborn, child, and adolescent health (RMNCAH), nutrition, and water, sanitation, and hygiene (WASH) to those most in need in the two focus counties of Kakamega and Kisumu (12 Sub - Counties in Kakamega County and 7 Sub- Counties in Kisumu County). During the quarter under review, the project supported a total of 588 health facilities (358 in Kakamega County and 230 in Kisumu County).

The key development objectives of the Project are to:

- Increase care-seeking and health-promoting behaviour for FP/RMNCAH
- Strengthen County health systems for FP/RMNCAH, nutrition, and WASH services delivery.

4. Environmental and Sustainability reporting

Improving Policy Environment for RMNCAH, Nutrition, and WASH Services: The Project supported the county government of Kakamega to print and disseminate the sexual and gender-based violence policy that had earlier been developed through support from the previous USAID mechanism – Afya Halisi. The Project also supported finalizing the Facility Improvement Fund, enabling health facilities to utilize facility-generated resources for facility-level development and service delivery. Previously, all facility-generated funds had to be channelled to the county revenue account, which the county could then direct to other expenses outside health. USAID Boresha Jamii continued to support the counties in disseminating national/county guidelines, policies, and reporting tools.

1. Sustainability strategy and profile

The project follows government regulations, and USAID fund management requirements that have enabled the program to enjoy a steady flow of funding hence project continuation and sustainability to the expected lifetime of five years.

2. Environmental performance

The project developed an annual environmental mitigation, monitoring, and reporting plan as part of its annual work plan. During the year under review, the focus was on strengthening healthcare waste management at all levels of healthcare service delivery in supported counties, including the WASH sites and facilities. In this reporting annual, the project supported capacity-building and conducted supportive supervision with a focus on mentorship and on-the-job training for health providers and community members and groups on proper waste management. The project liaised with the county departments of health to provide bin liners to needy sites during the quarter to facilitate compliance with waste management policies. The project also mentored facility staff on waste management and worked closely with counties and hospital management teams to transport waste generated at facilities without incinerators to functional incinerators.

3. Community Engagements

For the successful implementation of the project, there was an engagement of various stakeholders namely: County Governments of Kisumu and Kakamega, community health

workers, and majorly the beneficiaries of the program co-create with the two counties that support in reaching out and offering the services to the recipients.

5. Statement of Project Management responsibilities

The Vice Chancellor for the University and the Project Chief of Party for USAID Boresha Jamii 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 Vice Chancellor for the University and the Project Chief of Party for USAID Boresha Jamii 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 Vice Chancellor for the University and the Project Chief of Party for USAID Boresha Jamii 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, 2023, and of the Project's financial position as at that date. The Vice Chancellor and the Project Chief of Party for USAID Boresha Jamii 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 Vice Chancellor and the Project Chief of Party for USAID Boresha Jamii 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 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 Vice Chancellor for the Jaramogi Oginga Odinga University of Science and Technology and the Project Chief of Party for USAID Boresha Jamii Project on 27th September, 2023 and signed by:



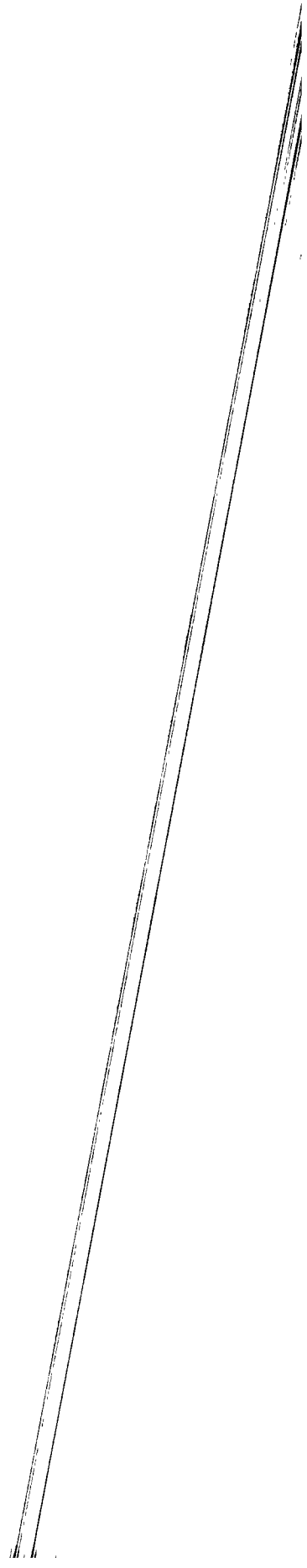
.....
Prof Emily A. Akuno
Vice Chancellor



.....
Dr. Solomon Orero
Chief of Party

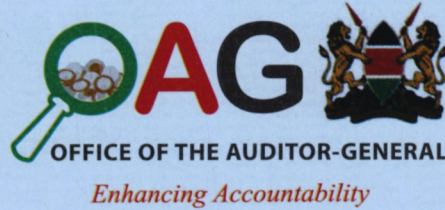


.....
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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON USAID BORESHA JAMII PROJECT NO. (72061521CA00004) FOR THE YEAR ENDED 30 JUNE, 2023 - JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

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 the 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 USAID Boresha Jamii Project set out on pages 21 to 42, which comprise the statement of financial assets as at

Report of the Auditor-General on USAID Boresha Jamii Project No. (72061521CA00004) for the year ended 30 June, 2023 - Jaramogi Oginga Odinga University of Science and Technology

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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the USAID Boresha Jamii Project 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 Financing Agreement between Republic of Kenya and U.S Agency for International Development (USAID), Kenya Project No (72061521CA00004), Grant Agreement between the Government of Kenya and Jaramogi Oginga Odinga University of Science and Technology dated 11 May, 2021 and Change of Award Structure Notification dated 13 February, 2023 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed the following inaccuracies:

1.1 Inaccuracies in the Statement of Receipts and Payments

The statement of receipts and payments reflects cumulative receipts and payments amounting to Kshs.1,696,400,301 and Kshs.1,653,319,239 respectively. However, the amounts differ with the receipts and payments for the year yet there are no comparative amounts reported in the financial statements. Although Management indicated that the Project was started in the year 2021/2022, the Project's financial records were included in the implementing agencies financial statements.

1.2 Inaccuracies in the Statement of Financial Assets

The statement of financial assets and as disclosed in Note 5.A to the financial statements reflects bank balances of Kshs.43,826,973. In addition, the statement reflects a deficit fund balance brought forward of Kshs.12,488,945 which was not supported by any documentation. Management prepared the Project's financial statements for the first time this year as its records were included in the University's books.

1.3 Unsupported Statement of Cashflows

The statement of cashflows reflects adjustments of Kshs.1,304,856 and Kshs.16,071,019 as decrease in accounts receivables and accounts payable respectively. However, these balances were not supported. Further, the total payments, which comprised of compensation of employees, fringe benefits and purchase of goods all totalling to Kshs.825,790,115, differed with the total payments reflected in the statement of receipts and payments of Kshs.730,809,453 by an unexplained variance of Kshs.94,980,662. In addition, the statement shows an unsupported amount of Kshs.3,023,130 being cash and cash equivalents at beginning of the year.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Unsupported Compensation of Employees

The statement of receipts and payments reflects an amount of Kshs.95,685,545 and Kshs.68,177,971 under compensation of employees and fringe benefits respectively. Review of records provided on payroll indicated that Management had hired six hundred (600) employees in September, 2022 which scaled down to twenty-three (23) employees as at 30 June, 2023. However, except for the Chief of Party, Deputy Chief of Party and Finance Manager, no documentary evidence was provided to show how the employees were hired and their work stations.

In the circumstances, the completeness and accuracy of compensation of employees and fringe benefits could not be confirmed.

3. Unsupported Contractual Expenditure

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects an amount of Kshs.559,775,871 in respect to purchase of goods and services which includes contractual expenses totalling to Kshs.215,538,268 which further includes an amount of Kshs.130,716,685 paid as salaries and employee benefits. However, Management did not provided details of the payees and explanation why these amount was paid as contractual expenditure instead of salaries and wages.

In the circumstances, the occurrence, completeness and accuracy of contractual expenditure amounting to Kshs.215,538,268 could not be confirmed.

4. Unsupported Other Direct Costs

The statement of receipts and payments reflects an amount of Kshs.559,775,871 in respect of purchase of goods and services, which as disclosed in Note 3 to the financial statements includes other direct costs of Kshs.317,029,181 covering Reproductive Maternal New-born Child and Adolescence Health, Nutrition and Water and Sanitation Hygiene costs. However, the supporting documents provided for audit reflected an amount of Kshs.323,500,266 resulting to an unreconciled variance of Kshs.6,471,085. In addition, included in the provided supporting schedule is expenditure totalling to Kshs.97,516,441 relating to salaries and other employee benefits paid to Human Resource for Health, who offer services directly to the beneficiaries in the HIV care and treatment programme. However, documentary evidence was not provided on their details.

In the circumstances, the completeness and accuracy of other direct costs of Kshs.317,029,181 could not be confirmed.

5. Unsupported Fixed Assets

The statement of receipts and payments reflects nil amount on acquisition of non-financial assets and accumulated amount of Kshs.3,253,990. Review of the assets register revealed that the register was not prepared and maintained according to The National Treasury template issued in July, 2020 since the assets register lacked key details such as the name of employees assigned to specific assets, depreciation, annual depreciation, accumulated depreciation, net book value, date of disposal and disposal value. Further, original logbooks for four (4) registered vehicles were not provided for audit.

In the circumstances, the ownership, accuracy and completeness of the fixed assets could not be confirmed.

6. Unsupported Imprest and Advances

The statement of financial assets and as disclosed in Note 6 to the financial statements reflects imprests and advances balance of Kshs.1,633,335. However, the imprest schedule provided did not disclose details such as date of issue, imprest warrant number, expected date of surrender, actual date of surrender.

In the circumstances, the accuracy of imprests and advances balance of Kshs.1,633,335 could not be confirmed.

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

Project Funding

The Project's funding summary indicates that the project has an approved budget of USD 25,000,000, which is equivalent to Kshs.2,800,000,000. However, Table A on sources of funds indicates that the donor commitment was USD 18,697,190 or Kshs.2,094,085,343. However, Management has not disclosed, how the additional amount of USD 6,302,810 or Kshs.705,914,657 would be financed.

Further, the Project's financing summary indicates that the Project is to run for five (5) years from the year 2021 to 2026. It was noted that in the first year, financial operations were included in the University's financial statements and from the records an amount of Kshs.910,020,842 had been spent in the first year. The Project is now in its second year and has already spent 61% of its budgeted amounts. Management has not indicated how it intends to achieve its DLI's considering that the Donor had made a commitment of USD18,697,190 or Kshs.2,094,085,343 and 61% of the project amount has already been expended against 40% of the timelines.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else 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

1. Non-Compliance with the Law on Staff Ethnic Composition

Review of personnel records indicated that as at 30 June, 2023 the Project had a total of twenty-four (24) employees out of whom fifteen (15) or approximately sixty-three percent (63%) were from the dominant community. This was contrary to Section 7(1)(2) of the National Cohesion and Integration Act, 2008 which stipulates that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

2. Non-Compliance with Terms of Insurance Covers

The statement of receipts and payments reflects an amount of Kshs.68,177,971 as fringe benefits for the year which includes an amount of Kshs.1,011,591 being payment for Group Life, WIBA and Personal Accidents cover. Examination of the procurement process revealed that Management failed to follow the law as follows:

- (i) One of the appointed members of the Evaluation Committee was also a member in the Opening Committee contrary to Section 78(1)(b) of the Public Procurement and Asset Disposal Act, 2015. Appointment letters to members of the Tender Opening and Evaluation Committees were not provided for audit.
- (ii) There was a disparity in the expected schedule of benefits in the Local Purchase Order No. 0600 and 0601 dated 28 April, 2023 compared to the actual schedule of benefits offered by an insurance firm policy.
- (iii) The Policy on excess clause indicated that the insured shall be responsible for the first Kshs.5,000 of each and every claim. However, this clause was not included by the insurer in the tender bid documents for consideration at the evaluation stage.

In the circumstances, Management was in breach of the law and the Project employees may not get value for money in insurance premiums paid for the insurance.

3. Delay in Recoveries of VAT

The statement of receipts and payments and as disclosed in Note 3 to the financial statements reflects purchase of goods and services of Kshs.559, 775,871. Included in the amount is other direct costs of Kshs.317,029,181 which in turn includes an amount of Kshs.5,607,509 erroneously paid to a supplier and related to VAT that should have been retained and remitted to Kenya Revenue Authority on 27 February, 2023.

However, it was noted that there was delay by Management in obtaining a VAT exemption certificate, hence the payment of the VAT amount of Kshs.5,607,509 from the year 2021 when the goods were delivered. Though VAT was paid for by USAID, to date the amount has not been recovered from the supplier even after submission of certificate of exemption.

In the circumstances, the Project may did not get value for money on the VAT amount of Kshs.5,607,509.84 which could have been used for Project activities.

4. Non-Achievement of Agreed Milestones

The Project's cooperative agreement No 72061521CA00004 dated 11 May, 2021 was modified to a Fixed Award Amount (FAA) in an Agreement dated 13 February, 2023. The new agreement had various milestones which were to be achieved to trigger disbursements of funds.

Under Milestone 2, Management was required to submit final voucher and have it marked as final under the previous cooperative agreement award structure. However, Management failed to carry out an Independent Expenditure Verification Report as detailed by the Agreement duly accepted by the official representative and prepare a Final Voucher submitted to Office of Finance Manager and Agreement Officer Representatives. The Approval was to be done by April, 2023 in order to receive funding of USD 37,761.

In the circumstances, the Project may miss funding that is linked to achievement of Milestone.

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 U.S Agency for International Development (USAID), and 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 control 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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as 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 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 overall 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 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 control 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 control would not necessarily disclose all matters in the internal control 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 control 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 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 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 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 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

16 November, 2023



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

		2022-2023			Cumulative to-
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	date (From inception)
		Kshs.	Kshs.	Kshs.	Kshs.
RECEIPTS					
Proceeds from domestic and foreign grants	1	786,379,459	-	786,379,459	1,696,400,301
TOTAL RECEIPTS		786,379,459	-	786,379,459	1,696,400,301
PAYMENTS					
Compensation of employees	2	95,685,545	-	95,685,545	326,277,602
Fringe benefits	2	68,177,971	-	68,177,971	76,559,960
Purchase of goods and services	3	559,775,871	-	559,775,871	1,230,692,947
Acquisition of non-financial assets	4	-	-	-	3,253,990
TOTAL PAYMENTS		730,809,453	-	730,809,453	1,653,319,239
(DEFICIT)/SURPLUS		55,570,007	-	55,570,007	43,081,062

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



Prof. Emily A. Akuno

Vice Chancellor



Dr. Solomon Oromo
Chief of Party



CPA Wendy M. Ojuok
Finance and Administration Manager
ICPAK Member No:21192

USAID Boresha Jamii Project
Annual Report and Financial Statements for the financial year ended June 30, 2023

8. Statement of Financial Assets as at 30th June 2023

Description	Note	2022/2023 Kshs
Financial Assets		
Cash and Cash equivalents		
Bank Balances	5.A	43,826,973
Total Cash and Cash equivalents		43,826,973
Imprests and Advances	6	1,633,335
Total Financial Assets		45,460,308
Financial Liabilities		
Accounts Payable	7	2,379,246
Net Assets		43,081,062
Represented By		
Fund Balance B/fwd.	8	(12,488,945)
Deficit for the Year		55,570,007
Net Financial Position		43,081,062

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 27/09/2023 and signed by:



.....
Prof. Emily A. Akuno
 Vice Chancellor



.....
Dr. Solomon Orero
 Chief of Party



.....
CPA Wendy M. Ojuok
 Finance & Admin Manager
 ICPAK Member No:21192

USAID Boresha Jamii Project

Annual Report and Financial Statements for the financial year ended June 30, 2023

9. Statement of Cashflow for the year ended 30th June 2023

Description	Notes	2022/2023
		Kshs
Cashflow from operating activities		
Receipts		
Proceeds from domestic and foreign grants	1	786,379,459
Total receipts		786,379,459
Payments		
Compensation of employees	2	97,222,878
Fringe benefits	2	77,618,419
Purchase of goods and services	3	650,948,818
Total Payments		825,790,115
Net receipts/(payments)		(39,410,656)
Adjustments during the year		
Decrease/(increase) in accounts receivable	8	1,304,856
Increase/(decrease) in accounts payable	9	(16,071,019)
Net cash flow from operating activities		40,803,843
Cashflow from investing activities		
Acquisition of non-financial assets	4	-
Net cash flows from investing activities		-
Net increase in cash and cash equivalents		40,803,842
Cash and cash equivalent at the beginning of the year	5	3,023,130
Cash and cash equivalent at end of the year	5	43,826,972

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 27/09/2023 and signed by:



Prof. Emily A. Akuno
Vice Chancellor



Dr. Solomon Orero
Chief of Party



CPA Wendy M. Ojuok
Finance and Admin
Manager
ICPAK Member No:21192

10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget a	Adjustment b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	2,800,000,043	-	2,800,000,043	1,696,400,301	1,103,599,742	61 %
Total Receipts	2,800,000,043	-	2,800,000,043	1,696,400,301	1,103,599,742	61 %
Payments						
Compensation to employees	921,662,431	-	921,662,431	326,277,602	595,384,829	35 %
Purchase of goods and services	1,724,082,428	-	1,724,082,428	1,232,073,746	473,600,751	73%
Fringe benefits	127,599,761	-	127,599,761	76,559,960	51,039,801	60%
Acquisition of non-financial assets	24,655,423	-	24,655,423	18,407,930	8,923,965	75 %
Total Payments	2,800,000,423	-	2,800,000,423	1,653,319,239	1,072,212,851	59%
Surplus or Deficit	-	-	-	43,081,062	1,146,680,804	



.....
Prof. Emily A. Akuno
Vice Chancellor



.....
Dr. Solomon Oremo
Chief of Party



.....
CPA Wendy M. Ojuok
Finance and Administration Manager
ICPAK Member No:21192

11. Significant Accounting Policies

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

a) 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.

b) Reporting entity

The financial statements are for USAID Boresha Jamii Project under the State Department of Higher Education and Research. The financial statements are for the reporting entity (JOUST) as required by Section 81 of the PFM Act, 2012 .

c) 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.

d) Recognition of receipts

USAID Boresha Jamii recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

Transfers from USAID are 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.

Significant Accounting Policies (continued)

ii) External Assistance

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

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.

Significant Accounting Policies (continued)

e) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has 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.

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.

Significant Accounting Policies (continued)

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.

f) 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.

g) 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.

Significant Accounting Policies (Continued)

h) 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.

i) 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.

j) 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:
 - 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 Project 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.

Significant Accounting Policies (Continued)

k) Contingent Assets

The Project 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 Project 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.

l) 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.

m) 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.

Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

r) 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 the notes to the financial statements.

USAID Boresha Jamii Project
Annual Report and Financial Statements for the financial year ended June 30, 2023

**USAID Boresha Jamii Project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

Notes to the Financial Statements (Continued)

1. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from USAID as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Insert Current FY			Cumulative to date
			Grants received in cash Kshs	Grants received as direct payment* Kshs	Grants received in kind Kshs	
Grants Received from USAID		18,697,190	786,379,459	-	-	786,379,459
						1,696,400,301

Notes to the Financial Statements (Continued)

2. Compensation to Employees

Description	2022/2023		Cumulative to-date
	Payments made by the Project in Cash	Payments made by third parties	
	Kshs	Kshs	Kshs
-			
Salaries of project employees	95,685,545	-	326,277,602
Fringe benefits to project employees	68,177,971	-	76,559,960
Total	163,863,516	-	402,837,562

Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

Description	2022/2023			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	Kshs	Kshs	Kshs	Kshs
Travel	7,170,066	-	7,170,066	16,534,740
Supplies	-	-	-	45,021,323!
Contractual	215,538,268	-	215,538,268	378,318,333
Other direct costs	317,029,181	-	317,029,181	719,500,058
Indirect costs	20,038,356	-	20,038,356	80,683,167
Total	<u>559,775,871</u>	<u>=</u>	<u>559,775,871</u>	<u>1,243,311,611</u>

Notes to the Financial Statements (Continued)

4. Acquisition of Non-Financial Assets

Description	2022/2023			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	Kshs.	Kshs.	Kshs	Kshs
Equipment	-	-	-	1,380,800
Construction	-	-	-	1,873,190
Total	=	=	=	<u>3,253,990</u>

Notes to the Financial Statements (Continued)

5. Cash And Cash equivalents

Description	2022/2023
	Kshs
Bank accounts (Note 11A)	43,728,859.80
M-Pesa balance	98,112.76
Total	<u>43,826,973</u>

5. A Bank Accounts

Project Bank Accounts

Details	2022/2023
	Kshs
<u>Local Currency Accounts</u>	
Equity Bank [A/c No 1260280923860]	43,728,859.80
Total bank account balance	43,728,859.80

Notes to the Financial Statements (Continued)

6. Imprests and Advances

<i>Description</i>	2022/2023
	Kshs
Staff Imprests	1,633,335
Total	1,633,335

7. Fund Balance Brought Forward

<i>Description</i>	2022/2023
	Kshs
Bank accounts	43,826,973
Outstanding imprests and advances	1,633,335
Accounts payable	(2,379,246)
Surplus for the year	55,570,007
Balance brought forward	(12,488,965)
Total	43,081,062

Notes to the Financial Statements (Continued)

Changes in Imprests and Advances

Description	2022/2023
	Kshs
Opening Receivables as at 1 st July 2022	2,938,191
Closing account receivables as at 30 th June 2023	1,633,335
Change in Imprests and advances	1,304,856

9. Changes in Accounts Payable

Description	2022/2023
	Kshs
Opening Account Payables as of 1 st July 2022	18,450,265
Closing Account Payables as at 30 th June 2023	2,379,246
Change in accounts payable	16,071,019

Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f 20	Additions for the	Paid during the	Balance c/f
Description	Kshs	year	year	For Current
		Kshs	Kshs	FY
				Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	18,850,256	559,775,871	576,246,881	2,379,246
Total	18,850,256	559,775,871	576,246,881	2,379,246

USAID Boresha Jamii Project

Annual Report and Financial Statements for the financial year ended June 30, 2023

2. Pending Staff Payables (See Annex 4b)

	Balance b/f from Comparative FY	Additions for the year 2022/2023	Paid during the year 2022/2023	Balance c/f for Current FY
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

NOTE.

The project expenditure and income of the period 1st July 2021 to 30th June 2022 was incorporated and audited in the Jaramogi Oginga Odinga university of Science and Technology financial statement for the period ended 30th June 2022 Hence the figures given in this financial statement is for the period of 1st July 2022 to 30th June 2023.