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REPORT

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THE AUDITOR-GENERAL

ON

**GOK-UNFPA 10TH COUNTRY PROGRAMME
GRANT/CREDIT NO.1000702818**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**STATE DEPARTMENT FOR GENDER AND
AFFIRMATIVE ACTION**





PROJECT NAME: GOK-UNFPA 10TH COUNTRY PROGRAMME

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR GENDER AND
AFFIRMATIVE ACTION**

PROJECT GRANT/CREDIT NUMBER: 1000702818

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

GOK UNFPA 10TH COUNTRY PROGRAMME
Annual Report and Financial Statements for the financial year ended June 30, 2024

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
UNFPA	United Nation Population Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
FY	Financial year preceding the current financial year.
GBV	Gender Based Violence
SDFG	State Department for Gender

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Implementation of UNFPA-Funded Work Plans Relating to the 2022-2026 UNFPA 10th Country Programme for Kenya

Objective

The key objective of the project is to strengthen government delivery on its commitments to the Prevention and Response to Gender Based Violence

Address

State Department for Gender and Affirmative Action

P.O. Box 30005-00100

Teleposta Towers

NAIROBI, KENYA

Contacts: The following are the project contacts

Telephone: (254) 221650

E-mail: ps@gender.go.ke

Website: www.gender.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	01-07-2022
Project End Date:	30-06-2026
Project Focal Person:	Ms. Emily Opati
Project Sponsor:	United Nations Population Fund (UNFPA) Kenya

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Gender, Culture, The Arts and Heritage / State Department for Gender and Affirmative Action.
Project number	
Strategic goal of the project	The strategic goal of the project is as follows: (i) To promote Government commitment on gender equality by addressing Gender Based Violence & Harmful Practices like Female Genital Mutilation (FGM) and Child Marriage (CM)
Achievement of strategic goals	The project management aims to achieve the goals through the following means: i. Promote integration of prevention and response strategies on gender based violence into national and county level policies, plans and accountability mechanisms. ii. Strengthen the capacity of key actors and institutions to address the discriminatory gender and social norms.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas:

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	(i) Prevention and Response to Gender Based Violence
	(ii) Ending Female Genital Mutilation (FGM)
	(iii) Eradicating Child Marriage

2.4 Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000-00200
NAIROBI, KENYA

2.5 Independent Auditor

Deloitte & Touche LLP
Certified Public Accounts (Kenya)
Deloitte Place, Waiyaki Way Muthangari
P.O. Box 40092- 00100
NAIROBI, KENYA

2.6 Roles and Responsibilities

Below is a list of responsibilities of the project manager and key stakeholders in this project.

Names	Title designation	Key qualification	Responsibilities
Emily Opati	Focal Person	Master of Arts in Sociology (Criminology)	In-charge of implementation of UNFPA-Funded Work Plans Relating to the 2022-2026 UNFPA 10 th Country Programme for Kenya
Jackson Owour	Project Finance Officer	Master in Finance	In charge of financial reporting

2.7 Funding summary

The Project is for duration of four years from 2022 to 2026 with an approved budget of US\$ 152,353 equivalent to Kshs 24,000,000 as highlighted in the table below:

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Annual Report and Financial Statements for the financial year ended June 30, 2024

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 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
UNFPA	152,353	24,000,000	137,334	21,634,126	15,019	1,625,366
Total	<u>152,353</u>	<u>24,000,000</u>	<u>137,334</u>	<u>21,634,126</u>	<u>15,019</u>	<u>1,625,366</u>

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30th June 2024)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
UNFPA		21,634,126		20,014,232		1,619,894
Total		<u>21,634,126</u>		<u>20,014,232</u>		<u>1,619,894</u>

GOK UNFPA 10TH COUNTRY PROGRAMME
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Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

PROGRAMMES AND ACTIVITIES	BUDGET (KShs.)	Expenditure	Output	Performance
GIRLS AND WOMEN EMPOWERMENT				
Map and form county survivors level networks to tackle FGM by amplifying their voices then empower them on economic generation activities	3,657,821	3,065,000	FGM survivor networks formed and empowered	Activity was undertaken.
MOVEMENT BUILDING				
Institutionalize Anti FGM networks in Universities and Colleges to tackle harmful gender and social norms within counties with high prevalence	3,437,438	2,880,400	University and college Anti FGM networks capacity built to tackle harmful practices	Activity was undertaken.
Mark International days	774,255	648,800	National event held to mark International days	Activity was undertaken.
SYSTEMS TRANSFORMATION				
Capacity building of duty bearers on FGM/CM prevention and response	915,085	766,800	Duty bearers Capacity built on prevention and response to FGM/CM	Activity was undertaken.
Facilitate quarterly county AFGM steering Committee meetings	445,807	373,600	AFGM steering committee meeting held	Activity was undertaken.
Review AFGM Board Strategic Plan	3,670,896	1,931,880	Strategic Plan 2023-2027 developed and in place	Activity was undertaken.
End year review of State Department for Gender Strategic Plan	2,439,492	2,044,100	Strategic Plan 2023-2027 developed and in place	Activity was undertaken.
Formation and operationalization of task force to review the Anti-FGM Act	3,149,948	1,607,600	Task force formed and operationalized	Activity was undertaken.
PROGRAMME MANAGEMENT, MONITORING & EVALUATION				
Conduct joint field monitoring in focus counties with government & partner	1,286,066	1,077,600	Joint field monitoring visit conducted	Activity was undertaken.
HARMFUL SOCIAL AND GENDER NORMS AND DISCRIMINATION				
Hold county specific forums to engage men, morans and boys in the campaign against GBV, teenage pregnancies and child marriage	2,215,959	1,999,400	Men old and young engaged in ending GBV and harmful practices	Activity was undertaken.
Capacity build duty bearers on prevention and response to GBV , FGM and Child Marriages including in emergencies	2,227,774	2,019,752	Duty Bearers capacity built	Activity was undertaken.

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Engage opinion leaders in dialogues on the causes and consequences of GBV, Child Marriage and Teenage pregnancies	1,811,110	-	Opinion leaders engaged	Activity was not done.
Review of the National Policy on Prevention and Response To GBV 2014	1,418,390	1,400,300	GBV Policy reviewed	Activity undertaken but the review process still on going to finalize on the policy
Develop and roll out a National Strategy for Meaningful male engagement on prevention and elimination of GBV, child marriages and teenage pregnancies	220,856	199,00	Strategy on male engagement developed	Activity undertaken but the process still on going to finalize on the strategy
GRAND TOTAL	<u>24,000,000</u>	<u>20,014,232</u>		

2.9 Implementation Challenges

- i. Delays in opening and operationalization of the Deposit Account.
- ii. Late disbursement of funds by UNFPA and the National Treasury resulted in delay in the implementation of planned activities.
- iii. Late approvals of work plans

2.10 Recommendation

- i. Fast track the process of opening accounts for Government implementing partners of UNFPA programme.
- ii. Early disbursement and release of funds by UNFPA and from the National Treasury.
- iii. Timely approval of work plans and corresponding budgets to ensure implementation of all activities.

2.11 Summary of Project Compliance:

The project has complied with applicable laws and regulations, and essential external financing agreements/covenants.

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3. Statement of Performance against Project’s Predetermined Objectives

Annex 1: Progress towards intended results					
<i>Instructions</i>					
This table is quantitative meaning that you are only filling in the numbers. Look at your indicator target and fill-in what you have achieved so far. <i>After you have filled in the table, please then write the narrative under Key Project Results for the Quarter</i>					
Outcome / Output Number	Indicators	Milestone: QR1	Milestone: QR2	Milestone: QR3	Milestone: QR4
Output 1: Integrated sexual and reproductive health rights, prevention and response to gender based violence into national and county level policies, plans and accountability mechanisms, including into universal Health Coverage and humanitarian settings.	Indicator 1.1: Number of FGM survivor networks formed and empowered. Baseline: 0 Target:8 Actual Value: 8				1. 60 survivors were Identified and engaged in each of the 8 counties 2. Survivors dialogue and Story Sharing were undertaken 3. Sensitization in Income Generation Activities which was done through the support of Joywo organization, WEF and NGAAF 4. The registered women groups resolved to form networks and start IGAs
	Indicator 1.2: Number of universities and colleges Anti-FGM networks capacity built. Baseline: No Target:5 Actual Value:6				University and Tertiary level County youth engagement. There was representation from KMTCC, Nairobi, University, Dedan Kimathi, Kenyatta University, Egerton, Thika

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					technical
	<p>Indicator 1.3: National events held to mark internationals Baseline 2023: No Target 2023: Yes True Value: No</p>				Funding received did not cover <i>Marking of International Days</i>
	<p>Indicator 1.4: Number of AFGM steering committees meeting held Baseline 2023: 3 Target 2023: 5 True Value: 2</p>				The budget supported 2 steering committees
	<p>Indicator 1.5: AFGMB Strategic plan reviewed Baseline 2023: No Target 2023: Yes True Value: Yes</p>				AFGMB Strategic plan was finalized
	<p>Indicator 1.6: SGD Strategic plan reviewed Baseline 2023: No Target 2023: Yes True Value: Yes</p>				A clear path for achieving gender equality is provided
	<p>Indicator 1.7: AFGMB Strategic plan reviewed Baseline 2023: No Target 2023: Yes True Value: Yes</p>				A framework for coordinated efforts to eliminate FGM developed
	<p>Indicator 1.5: Policy on Prevention and response to GBV reviewed Baseline 2023: No Target 2023: Yes True Value: No</p>				Finalization Reviewing the GBV Policy on going
	<p>Indicator 1.8: Meaningful Male engagement strategy developed Strategic plan reviewed Baseline 2023: No Target 2023: Yes True Value: No</p>				Development of the strategy ongoing
	<p>Indicator 1.9: Number of duty bearers capacity built Baseline 2023: 75 Target 2023:100 True Value: 100</p>				100 duty bearers capacity build on fostering collaboration between the different players

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					in the referral pathway
	<p>Indicator 1.10: Task force to review AFGM Act formed Baseline 2023: No Target 2023: Yes True Value: Yes</p>				Task force formed and began process of reviewing the AFGM Act
<p>Output 3: By 2026, the capacity of key actors and institutions to address discriminatory gender and social norms is strengthened</p>	<p>Indicator 3.0: Number of opinion leaders engaged Baseline 2023: 250 Target 2023 :400 True Value: 486</p>				486 Opinion Leaders as leading champions and educators of GBV in the community
	<p>Indicator 3.1: Number of duty bearers with capacity built Baseline 2023: 250 Target 2023 :320 True Value: 329</p>				329 duty bearers capacity build on fostering collaboration between the different players in the referral pathway
	<p>Indicator 3.2: Number of men (old and young) engaged in ending GBV and harmful practices Baseline 2023: 6,175 Target 2023: 7,000 True Value: 583</p>				583 Opinion leaders men involved in grassroots movements challenging harmful cultural practices

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Annual Report and Financial Statements for the financial year ended June 30, 2024

4. Environment and sustainability reporting.

In the GoK/UNFPA 10TH Country Programme for Kenya there are no objectives related to environment and sustainability, therefore no report is provided for the matter.

5. Statement of Project Management responsibilities

The Principal Secretary for the State Department for Gender and Affirmative Action and the Project Coordinator for GOK UNFPA 10TH COUNTRY PROGRAMME 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 period ended on 30th June, 2024. 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
- (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department for Gender and Affirmative Action and the Project Coordinator for GOK UNFPA 10TH COUNTRY PROGRAMME accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Gender and Affirmative Action and the Project Coordinator for GOK UNFPA 10TH COUNTRY PROGRAMME 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 period ended June 30th, 2024 and of the Project's financial position as at that date.

The Principal Secretary for the State Department for Gender and Affirmative Action and the Project Coordinator for GOK UNFPA 10TH COUNTRY PROGRAMME further confirm the completeness

GOK UNFPA 10TH COUNTRY PROGRAMME

Annual Report and Financial Statements for the financial year ended June 30, 2024

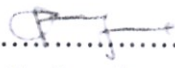
of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The Principal Secretary for the State Department for Gender and Affirmative Action and the Project Coordinator for GOK UNFPA 10TH COUNTRY PROGRAMME confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for the State Department for Gender and Affirmative Action and the *Project Coordinator* for **GOK UNFPA 10TH COUNTRY PROGRAMME** on 17th October, 2024 and signed by:

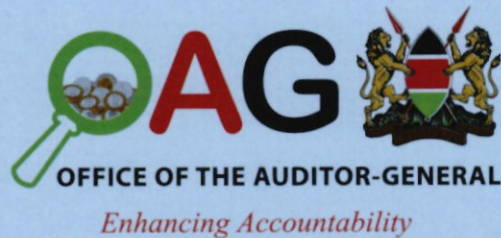

.....
Anne Wang'ombe
Principal Secretary


.....
Emily Opati
Project Coordinator


.....
Dudney Matagi
Project Accountant
ICPAK NO.5552

REPUBLIC OF KENYA

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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GOK-UNFPA 10TH COUNTRY PROGRAMME GRANT/CREDIT NO.1000702818 FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR GENDER AND AFFIRMATIVE ACTION

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 intended purpose; and,
- 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Unmodified Opinion indicates the books of accounts and underlying records agree with the financial statements and that no materials misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and working effectively in the financial year under review.

The Unmodified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 GOK-UNFPA 10TH County Programme (Grant/Credit No.1000702818) set out on pages 1 to 16, which comprise the statement of financial assets and Liabilities as at 30 June, 2024, 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 GOK-UNFPA 10TH Country Programme as at 30 June, 2024, 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 Project Grant/Credit Agreement Number 1000702818 dated 25 July, 2023.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the GOK-UNFPA 10th Country Programme Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts indicates that the Project's receipts budget for the year under review amounted to Kshs.24,000,000 and actual receipts amounted to Kshs.21,634,126 resulting in underfunding of Kshs.2,365,874 (10%). Further, the Project had budgeted to spend Kshs.24,000,000 against the actual expenditure of Kshs.20,014,232 resulting to an under expenditure of Kshs.3,985,768 (17%).

In the circumstances, the underfunding and under -expenditure is likely to result in the Project being unable to achieve its strategic goals and objectives.

My opinion is not modified in respect of this matter.

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

1. Pending Bills

Annex 2 to financial statements reflects pending accounts payable balance of Kshs.316,290 which relates to the supply of services by a supplier that was not settled as at the year end.

Failure to clear pending bills in the year to which they relate distorts the budget of the subsequent year as they constitute a first charge on the budget.

2. Delay in Implementation of the Project

Project information as reflected on page iv of the financial statement revealed that the project was expected to begin its operations on 01 July, 2022. However, documents availed for audit revealed that the project received funding in October, 2023 and began operations in November, 2023. No justification was availed to explain the delay in funding.

Further, it was noted that as at the time of audit in September, 2024 the project had not carried out any activities since January, 2024 due to lack of funding.

In the circumstances, the Project is unlikely to achieve its objectives.

Other Information

The Management are responsible for the other information set out on page iii to xv which comprise of Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environment and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require 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 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 governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with 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.

Responsibilities of the 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 governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

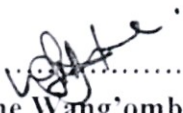
Nairobi

11 November, 2024

7. Statement of Receipts and Payments for the year ended 30th June 2024


	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
<i>FY 2023/2024</i>					
		Kshs.	Kshs.	Kshs.	Kshs.
Receipts					
Proceeds from domestic and foreign grants	1	21,634,126	-	21,634,126	21,634,126
Total receipts		21,634,126	-	21,634,126	21,634,126
Payments					
Purchase of goods and services	2	9,028,032	-	9,028,032	9,028,032
Transfers to other government entities	3	10,986,200	-	10,986,200	10,986,200
Total payments		20,014,232	-	20,014,232	20,014,232
Surplus/ (deficit)		<u>1,619,894</u>	=	<u>1,619,894</u>	<u>1,619,894</u>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 17th October, 2024.

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 Anne Wang'ombe
 Principal Secretary

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 Emily Opati
 Project Coordinator

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 Dudney Matagi
 Project Accountant
 ICPAK Member No:5552

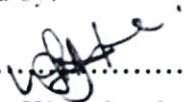
GOK UNFPA 10TH COUNTRY PROGRAMME

Annual Report and Financial Statements for the financial year ended June 30, 2024

8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	FY 2023/2024
		Kshs
Financial Assets		
Cash and Cash equivalents		
Bank Balances	4	1,619,894
Total Cash and Cash equivalents		1,619,894
Total Financial Assets		1,619,894
Financial Liabilities		-
Net Assets		1,619,894
Represented By		
Fund Balance B fwd.		-
Prior Year adjustments		-
Surplus (Deficit) for the Year		1,619,894
Net Financial Position		1,619,894

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17th October, 2024 and signed by:


.....
Anne Wang'ombe
Principal Secretary


.....
Emily Opati
Project Coordinator


.....
Dudney Matagi
Project Accountant
ICPAK Member No:5552

GOK UNFPA 10TH COUNTRY PROGRAMME*Annual Report and Financial Statements for the financial year ended June 30, 2024***9. Statement of Cashflow for the year ended 30th June 2024**

Description	Notes	FY 2023/2024
		Kshs
Cashflow from operating activities		
Receipts		
Proceeds from domestic and foreign grants	1	21,634,126
Total receipts		
Payments		
Purchase of goods and services	2	9,028,032
Transfers to other government entities	3	10,986,200
Total Payments		20,014,232
Net receipts/(payments)		1,619,894
Net cash flow from operating activities		1,619,894
Net increase in cash and cash equivalents		1,619,894
Cash and cash equivalent at beginning of the year		-
Cash and cash equivalent at end of the year		<u>1,619,894</u>

GOK UNFPA 10TH COUNTRY PROGRAMME
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10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	24,000,000	-	24,000,000	21,634,126	2,365,874	90%
Total Receipts						
Payments						
Purchase of goods and services	13,013,800	-	13,013,800	9,028,032	3,985,768	69%
Transfers to other government entities	10,986,200	-	10,986,200	10,986,200	-	100%
Total Payments	24,000,000	-	24,000,000	20,014,232	3,985,768	83%
Surplus or Deficit	-	-	-	1,619,894	-	-

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 ***GOK UNFPA 10TH COUNTRY PROGRAMME***

under the State Department of for Gender and Affirmative Action. The financial statements are for the reporting entity ***GOK UNFPA 10TH COUNTRY PROGRAMME*** 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

State Department of for Gender and Affirmative Action recognises all receipts from the various sources when the event occurs, and the related cash has been received.

Significant Accounting Policies (continued)

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

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 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.

Significant Accounting Policies (Continued)

k) 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 department 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. 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 recognized 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 the annex of these financial statements.

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 recognized 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, 2024.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

GOK UNFPA 10TH COUNTRY PROGRAMME*Annual Report and Financial Statements for the financial year ended June 30, 2024***12. Notes to the Financial Statements****1. Proceeds From Domestic and Foreign Grants**

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	FY 2023/2024						FY 2022/2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payments*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Multilateral Donors (International Organizations)								
UNFPA	22/11/23	-	21,634,126	-	-	21,634,126	-	21,634,126
Total			21,634,126			21,634,126		21,634,126

GOK UNFPA 10TH COUNTRY PROGRAMME*Annual Report and Financial Statements for the financial year ended June 30, 2024***Notes to the Financial Statements (Continued)****2. Purchase of Goods and Services**

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	9,000	-	9,000	-	9,000
Domestic travel and subsistence	7,523,050	-	7,523,050	-	7,523,050
Hospitality supplies and services	1,135,982	-	1,135,982	-	1,135,982
Fuel and Lubricants	360,000	-	360,000	-	360,000
Total	<u>9,028,032</u>	=	<u>9,028,032</u>	=	<u>9,028,032</u>

3. Transfers to other Government Entities

During the financial period to 30 June 2024, we transferred funds to reporting government entities as shown below:

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Anti-FGM Board	10,986,200	-	10,986,200	-	10,986,200
Total	<u>10,986,200</u>	=	<u>10,986,200</u>	=	<u>10,986,200</u>

GOK UNFPA 10TH COUNTRY PROGRAMME*Annual Report and Financial Statements for the financial year ended June 30, 2024***Notes to the Financial Statements (Continued)****4. Cash And Cash equivalents**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts (Note 5A)	1,619,894	-
Total	<u>1,619,894</u>	=

GOK UNFPA 10TH COUNTRY PROGRAMMES has one account spread within the project implementation area and no foreign currency designated accounts managed by the National Treasury as listed below:

5. A Bank Accounts**Project Bank Accounts**

Details	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 10007095588]	1,619,894	-
Total local currency balances	1,619,894	=
Total bank account balances	<u>1,619,894</u>	=

GOK UNFPA 10TH COUNTRY PROGRAMME

Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures (Continued)

1. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related

parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

Related party transactions:

	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transfers to related parties		
Transfers to other government entities		
Anti-FGM Board	10,397,232	-
Total Transfers to related parties	<u>10,397,232</u>	-

GOK UNFPA 10TH COUNTRY PROGRAMME

Annual Report and Financial Statements for the financial year ended June 30, 2024

13. Annexex

Annex 1: Variance explanations - Comparative Budget and Actual amounts for Current 2023/2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Proceeds from domestic and foreign grants	24,000,000	-	24,000,000	21,634,126	2,365,874	90%
Total Receipts						
Payments						
Purchase of goods and services	13,013,800	-	13,013,800	9,028,032	3,985,768	69%
Transfers to other government entities	10,986,200	-	10,986,200	10,986,200	-	100%
Total Payments	24,000,000	-	24,000,000	20,014,232	3,985,768	83%
Surplus or Deficit	-	-	-	1,619,894	-	-

Annex 2: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted / invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2023/2024	Outstanding Balance FY 2022/2023	Comments
Supply of services						
Westwing	25-03-2024	316,290	-	316,290	-	
Sub-Total		316,290		316,290	-	
Grand Total		<u>316,290</u>		<u>316,290</u>	-	