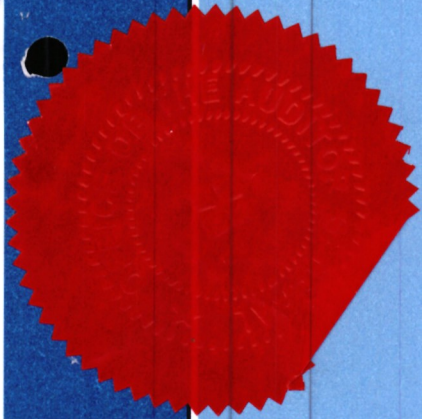


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PADOUCI AID	
DATE: 23 NOV 2023	DAY: Tues
TABLED BY:	FIRST CHAIRPERSON OF COMMITTEES (HON MARTHA WANGARI, MP)
OF PERK-AT RE-TABLE:	A. Shubuko

REPORT

THE AUDITOR-GENERAL

ON

**KENYA - EU PARTNERSHIP FOR THE
IMPLEMENTATION OF THE NATIONAL
STRATEGY TO COUNTER VIOLENT
EXTREMISM IN KENYA**

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

**NATIONAL COUNTER TERRORISM
CENTRE**





**PROJECT NAME: KENYA - EU PARTNERSHIP FOR THE IMPLEMENTATION OF
THE NATIONAL STRATEGY TO COUNTER VIOLENT EXTREMISM IN KENYA**

IMPLEMENTING ENTITY: NATIONAL COUNTER TERRORISM CENTRE

PROJECT GRANT/CREDIT NUMBER: EUTF05 – HoA – KE – 34 - 01

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)**

***Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023***

Table Contents	Page
1. Acronyms and Glossary of Terms	iv
2. Project Information and Overall Performance	vi
3. Statement of Performance against Project’s Predetermined Objectives.....	xvii
4. Environmental and Sustainability reporting	xxii
5. Statement of Project Management responsibilities.....	xxv
6. Report of the Independent Auditor on Financial Statements for the Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya	xxvii
7. Statement of Receipts and Payments for the year ended 30th June 2023.....	1
8. Statement of Financial Assets as at 30 th June 2023	2
9. Statement of Cashflow for the year ended 30 th June 2023	3
10. Statement of Comparison of Budget and Actual amounts for year ended 30 th June 2023	5
11. Significant Accounting Policies.....	6
12. Notes to the Financial Statements.....	12
13. Annexes	35

1. Acronyms and Glossary of Terms

CAP	County Action Plan
CBK	Central Bank of Kenya
CDA	Coast Development Authority
CDE	County Director of Education
CEF	County Engagement Forum
CICC	Coast Interfaith Council of Clerics
CO	Correction Officer
Comparative FY	Financial year preceding the current financial year
CSIC	County Security and Intelligence Committee
CSM	Citizen Support Mechanism
CSO	Community Based Organisation
CSSAVE	Child Safety & Security Against Violent Extremism
CT	Counter Terrorism
CVE	Countering Violent Extremism
DRR	Disengagement, Rehabilitation and Reintegration
DUMA	Dynamically Understand Monitoring Analysis
EACA	East Africa Community Affairs
ENNDA	Ewaso Ngiro North Development Authority
EU	European Union
EUTF	European Union Trust Fund
FFD	Foundation for Dialogue Limited
ICM	Interfaith Committee Meeting
ICPAK	Institute of Certified Public Accountants of Kenya
IGA	Income Generating Activities
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
JCTAC	Joint Counter Terrorism Analysis Centre
KARF	Kenya Audience Research Foundation
KBC	Kenya Broadcasting Cooperation
KCCB	Kenya Conference of Catholic Bishops
KDF	Kenya Defence Forces
KVDA	Kerio Valley Development Authority
LBDA	Lake Basin Development Authority
LKF	Local Knowledge Forums
MoE	Ministry of Education
NCTC	National Counter Terrorism Centre
NEMIS	National Education Management Information System

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023

NIS	National Intelligence Service
NPA	National Parents Association
NPS	National Police Service
NSCVE	National Strategy to Counter Violent Extremism
NT	National Treasury
OKR	Objective Key Result
PCVE	Preventing and Countering Violent Extremism
PFM	Public Finance Management.
POI	Persons of Interest
POTA	Prevention of Terrorism Act
PRIME	Predictive Resilience Intervention Measure
PSASB	Public Sector Accounting Standards Board
RAC	Research & Analysis Centre
RADAR	Risk Assessment and Decision-Making Tool
R-CAP	Rapid County Action Plan
RDE	Regional Directors of Education
ROP	Rite of Passage
SCSIC	Sub County Security and Intelligence Committee
STTA	Short Term Technical Assistant
SUPKEM	Supreme Council of Kenya Muslims
TSC	Teachers Service Commission
TV	Television
VC	Vice Chancellor
VE	Violent Extremism
VEO	Violent Extremist Offender
WB	World Bank

Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Kenya-EU Partnership for the implementation of the National Strategy to Counter Violent Extremism in Kenya.

Objective

The key objective of the project is the operationalization of the Kenya National Strategy to Counter Violent Extremism with particular emphasis on preventative aspects.

Address

The project headquarters offices are in Nairobi, Nairobi County, Kenya.

The address of its registered office is: P.O Box 975-00502, Karen, Nairobi

The project also has offices/branches as follows:

N/A

Contacts: The following are the project contacts

P.O. Box: 975-00502, Karen-Nairobi

Telephone: (254) 723-786260, 0733-693066

E-mail: nctc@counterterrorism.go.ke

Website: <https://www.counterterrorism.go.ke/>

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	27/06/2018
Project End Date:	31/12/2022
Project Manager:	M/s Irene Tulel
Project Sponsor:	European Union

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Executive Office of the President.
Project number	EUT05 – HoA – KE – 34 – 01
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) To support the operationalization of the Kenya National Strategy to Counter Violent Extremism with particular emphasis on preventive aspects. (ii) To enable the Centre fulfils its mandate as coordinator of all actors involved in the implementation of the strategy, to deliver a transparent, accountable, inclusive and integrated approach to CVE, which respects human rights and is conflict-sensitive.
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Evidence-based programming (research, problem analysis, etc) (ii) Stakeholder Engagement, both state and non-state actors

	<ul style="list-style-type: none"> (iii) Capacity Building of the centre, state and non-state stakeholders (iv) Technical Assistance in short term & long term. (v) Monitoring, Evaluation and Audit through Bi-Annual Board Meetings, Quarterly Technical Team Meetings, Mid Term Review, Expenditure Verification and External Final Evaluation, Sensitization Workshops & Trainings.
<p>Other important background information of the project</p>	<p>The project mandate is in line with NCTC mandate as outlined in the Prevention of Terrorist Act 2012 S,40B</p> <p>40B. Responsibilities of the Centre</p> <p>(1) The Centre shall be responsible for the co-ordination of national counter-terrorism efforts in order to detect, deter and disrupt terrorism acts.</p> <p>(2) Without prejudice to the provisions of subsection (1) the Centre shall—</p> <ul style="list-style-type: none"> (a) establish a database to assist law enforcement agencies. (b) conduct public awareness on prevention of terrorism. (c) develop strategies such as counter and de-radicalization. (d) facilitate capacity building for counterterrorism stakeholders. (e) co-ordinate with other government agencies to provide security Certification for aviation schools or companies. <p>40C. Responsibility of the public and government bodies</p> <p>(1) The Centre may request any person or government body for any information relating to terrorism.</p> <p>(2) Members of the public have a responsibility to furnish the Centre with any</p>

	<p>information relating to terrorism which is within their knowledge.</p> <p>NSCVE pillars</p> <p>The project is implementing the National Strategy which has the following pillars.</p> <p>Ideological: Promote the Kenyan values of democracy, respect for diversity, religious freedom, inter-faith harmony, and constitutional rule against the political, theological and cultural propaganda of violent extremists. Also recognize, honor and protect brave voices against violent extremism and terrorism.</p> <p>Political: Engage political and community leaders at the local, county, and national levels to rally citizens against terrorists, and their aims. Undertake efforts to build strong civic awareness, promote Kenya's unique and positive qualities, and the legal paths available to citizens for conflict resolution.</p> <p>Economic: Utilise livelihood training and resourcing for economic empowerment to strengthen a sense of belonging amongst Kenyans, particularly the youth.</p> <p>Education: Address radicalisation in learning institutions from elementary, tertiary to higher education levels. Also utilise education, arts and culture programming to strengthen critical thinking, cooperation, and the embrace of ethnic, racial, and religious diversity.</p> <p>Psychosocial: disengage, rehabilitate and re-integrate risk-assessed extremists and provide psychosocial support to their families and social networks.</p> <p>Media and Internet: facilitate P/CVE practitioners with tools and skills to carry out innovative offline and online multi-</p>
--	---

***Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023***

	<p>lingual public campaigns. Promote responsible and informed media coverage of terrorism and violent extremism</p> <p>Gender: mainstream gender equality, equity and sensitivities in all P/CVE work.</p> <p>Counter terrorism and law enforcement: MDAs charged with counter terrorism and law enforcement to feed into and support P/CVE work at all levels.</p> <p>Research: The work should respond to evidence. This requires that it be anchored in robust theoretical frameworks coupled with local empirical research.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <p>(i) To guide state and non-state interventions that are research informed and can produce early warning and response opportunities throughout the country.</p> <p>(ii) To catalyse, connect and coordinate a national network of state and non-state actors united in their determination and credibility in preventing and resisting violent extremism.</p> <p>(iii) Support effective Inter-agency Cooperation.</p> <p>(iv) Provide early warning, information and advice to communities exposed to Al-Shabaab, Daesh and Al-Qaeda radicalisation.</p> <p>(v) To empower the Centre to fulfil its mandate according to the highest standards of accountability.</p>
<p>Project duration</p>	<p>The project started on 27th June 2018 and ended 31st December 2022.</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

ABC Bank Ltd
Greenhouse mall branch
Account: 0112151005050

2.5 Independent Auditor

The project is audited by the;

Deloitte & Touche
P.O. Box 40092 – GPO 00100
Nairobi.

Office of the Auditor-General
P.O Box 30084 – 00100
Nairobi.

2.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Irene Tulel	Project Manager	MA. Armed Conflict and Peace Studies	Project Management
Jeremiah Matonda	MERL Officer	B. Ed Arts, Training in M&E	Monitoring, Evaluation, Reporting & Learning

***Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023***

Sylvin Wangui	Finance & Admin Officer	B.A(Economics & Sociology), CPA K	Financial accounting
Michael Omollo	ICT Officer	B.A (Comms & Media Technology with IT)	ICT
Jeriter Kemunto	Project Assistant	Dip. Journalism	Project Assistant

2.7 Funding summary

The Project is for duration of 4 years from 2018 to 2022 with an approved budget of Euros **5,300,000** equivalent to **Kshs 663,294,941** as highlighted in the table below;

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
European Union	5,300,000	663,294,941	4,752,931.50	591,130,800	547,068.50	72,164,141
Total	5,300,000	663,294,941	4,752,931.50	591,130,800	547,068.50	72,164,141

Project information and overall performance (continued)

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)	
		<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
		<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i)	Grant						
EU		4,752,931.50	591,130,800	4,752,931.50	591,130,800	547,068.50	72,164,141.00
(i)	Loan						
	Insert name of development partner						
	Insert name of development partner						
(ii)	Counterpart funds						
	Government of Kenya						
Total		4,752,931.50	591,130,800	4,752,931.50	591,130,800	547,068.50	72,164,141.00

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

As at the end of 30th June 2023, the project had utilized 89.1% of the total 4-year budget. All the result areas were within the budgeted amounts.

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

As of 30th June 2023, the “Kenya-EU Partnership for the implementation of the National Strategy to Counter Violent Extremism in Kenya” Project, had utilized 99.97% of funds received and **89.1%** against overall budget.

Interfaith Committee Meetings

Two Interfaith Committee Meetings for Western Kenya (Nyanza and Western Regions) and Rift Valley regions were held in Kisumu and Eldoret respectively in October 2022. The meetings brought together members from different faiths and denominations. This also included a representative from the Coast Interfaith Council of Clerics (CICC) who offered technical support and shared the experience of the CICC. A total of 74 participants (69M,5F) were met in the two meetings. The meetings provided a platform for cross-learning and experience sharing in the implementation of various PCVE initiatives, best practices, challenges, and possible solutions in various contexts. The meetings mapped additional PCVE stakeholders, partnerships and established possible linkages. Further, the meetings explored ways of promoting inter and intra-faith collaboration as well as cooperation that would assist in the implementation of the NSCVE in Western, Nyanza and Rift Valley Regions.

Training of Frontline Government Workers

• Training of Chiefs

Three trainings were held in North-Eastern Kenya for a total of 190 (180M, 10F) Chiefs drawn from the VE high-risk border areas of Mandera, Wajir and Garissa. They local administrators were trained in identifying and responding to radicalization and violent extremism. A total of 1,256 Government officers were trained on law enforcement, identification and response to radicalization and Violent Extremism. This increased knowledge and skills in P&CVE by government workers, enhanced smooth and coherent collaboration, and partnership between GOK

departments in responding to VE and radicalization. There is need for more officers to be trained to enhance reporting, collaboration and call for action by targeted PCVE actors.

• Sheikhs, Sheikhs and Community leaders

This training was a recognition of the fundamental contribution of Sheikh's, Sheikhat's and community leaders as an integral part in the fight against Terrorism as well as an equal measure in prevention strategies in their respective counties. The training comprised of thirty-eight 38 (25M,13F) Sheikhs, Sheikhs and Community Leaders drawn from different counties. The training focused on building their capacity to comprehend the impact of terrorism, radicalization into violent extremism, violent extremist's narratives and ideologies and their role as religious and community leaders in peace and security. The leaders committed to share the PCVE knowledge with their communities, continue holding PCVE conversations within their communities, mobilize and hold joint meetings with other stakeholders, correct the religious misconceptions & mentor the youth and actively engage radio audiences through PCVE radio talk shows.

Regional Development Authorities

As of December 2022, 1,498 jobs had directly been created, 69 MSMEs created and supported with livelihood and income generating start up kits in form of materials, equipment, and animals. This led to self-reliance/reduction of vulnerability and dependency on financing from radicalizers and improved socio-economic status at individual and group level hence meeting basic needs. There is a greater sense of belonging, accountability and responsibility for one another, enhanced individual, and collective consciousness due to shared socio-economic resources (the group effect). There is a shared platform for conversations and dialogue on radicalization and VE as well as created a platform for NCTC to gather intelligence and respond appropriately.

Challenges & Recommended Way Forward

- Limited resources to meet the need of disengagement across the country. Escalation and spreading of disengagement, skills training and follow up of persons of interest throughout the country.

- There is still greater need for more funds in order to implement all the National strategy pillars. The centre has reached to the EU to consider more funding beyond the current project.

2.9 Summary of Project Compliance:

The project has so far complied with both the special and general conditions of the grant, and has always consulted the funding partner on areas that need clarification. The project has been consistent in ensuring that technical committee meetings are held quarterly and the board meeting. This enables the technical committee to check on the progress and address any hitches.

2. Statement of Performance against Project's Predetermined Objectives

Introduction

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

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

- a) Guide state and non-state interventions that are research informed and can produce early warning and response opportunities throughout the country.
- b) Connect and coordinate a national network of state and non-state actors united in their determination and credibility in preventing and resisting violent extremism.
- c) Support effective Inter-agency Cooperation.
- d) Provide early warning, information and advice to communities exposed to Al-Shabaab, Daesh and Al-Qaeda radicalisation.
- e) Empower the Centre to fulfil its mandate according to the highest standards of accountability.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. "*Kenya — EU partnership for the implementation of the National Strategy to Counter Violent Extremism in Kenya*" project has successfully overcome the effects of COVID-19 in the last 2 years to achieve great strides in PCVE within the country.

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Kenya-EU Partnership for the Implementation of the National Strategy to Counter Violent Extremism in Kenya	To guide state and non-state interventions that are research informed and can produce early warning and response throughout the country	Recommendations shared and received by partners; actions taken to foster dialogue and collaboration among partners and Kenyans	Number of polling studies conducted	2 Polling Studies Conducted - Understanding the Conveyor Belt towards Kenyan Muslim & Prevalence of radicalization to VE and PCVE Interventions in Kenya
		Increased collaboration between the government, communities, religious institutions, education institutions and CSOs in PCVE	Number of local knowledge forums conducted Number of LKF members trained in PCVE	856 members of the County Engagement Forums (County Action Plans in 14 Counties Trained) trained leading to Vibrant dialogue and consultations /collaboration between county level partners, supporting GOK to respond to VE and radicalization.
		Informs Prevention and Countering Violent Extremism efforts by government and CVE practitioners.	Number of research papers that inform CVE efforts of the government and CVE practitioners	6 Research Studies Commissioned and completed. They have spurred dialogue and action to act on recommendations.
	To catalyse, connect and coordinate a national network of	Better Reporting by media on security related issues.	Number of media practitioners trained in safe reporting of PCVE	Trained 200 (radio, TV, and print) – Media Editors and Reporters

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

state and non-state actors united in their determination and credibility in preventing and resisting violent extremism			Responsible, sensible and sensitive reporting on incidents
	National and protective values inculcated at a very early-stage using the initiation process to deepen resilience against radicalization and recruitment into VE	Number of youth and community members reached through rites of passage/initiates public awareness campaigns	24,338 initiates Directly reached and actively participating in dialogue and conversations on PCVE
	Clerics actively participating in countering violent extremism and in disengagement program	Number of inter-faith committees established. Number of inter-faith committee members actively meeting and implementing PCVE strategies	2 Interfaith Committees Created and running in Western Region and Nyanza Region with a strengthened and united network of interfaith leaders
	Government officers trained in law enforcement, identification and response to radicalization and Violent Extremism	Number of frontline government workers trained in identifying and responding to radicalisation and violent extremism	1,222 Government officers trained in law enforcement, identification and response to radicalization and Violent Extremism leading to Increased knowledge and skills to PCVE by government workers, Smooth and coherent GOK departments in responding to VE and radicalization

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

		Jobs directly Created, MSMEs created and supported with Start- Up Kits.	Number of women and youth groups supported with livelihood materials and equipment	Stimulated regional development authorities to consider allocation in engagement of youth and women at risk. 2,940 group members assisted to develop IGAs
	To support effective disengagement and rehabilitation of returning foreign terrorist fighters in prisons, and those who are not part of the criminal justice process but require direct intervention.	Train disengagement specialists including mentors, counsellors, front-line officers, (ATPU, Prison Officers and Probation Officers)	Number of Disengagement Specialists trained and offering psychological support, mentoring and religious guidance and engage in activities aiming to counter and prevent violent extremism	Trained 428 disengagement Specialists and disengaged over 1,000 individuals ranging from hard core terrorists to youth in the process of radicalisation
	To provide early warning, information and advice to communities exposed to Al-Shabaab, Daesh and Al-Qaeda radicalisation.	Developed online an online - Citizen Support Mechanism (CSM) to reach out to youth and those directly affected by violent extremism.	Number of people reached by awareness raising activities on the risks of joining extremist groups	NCTC developed the Citizen Support Mechanism (CSM) and YADA that are used in monitoring approximately 1009 entities relevant to the Centre's work and 6,178 online sources that yield more than 4.34 million filtered documents and

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

				1,209,858 People engaged and reached online.
	To empower the Centre as an effective catalyst and connector in the development of CVE networks.	Supported at risk youth and individuals together with their families and communities. Psychologists and counsellors trained in Individual Response Mechanism and handling cases	Number of juveniles at risk of radicalization and family members supported	Developed the Predictive Resilience and Intervention Measure (PRIME) Tool that is in use in the assessment and disengagement of 356 individuals, 1,720 families together with their communities in Psychotherapeutic interventions and rehabilitation for individuals at risk of radicalization
	Covid 19 Response Support	Development of Crisis Strategic Communications work, social Media handles, CSM & YADA websites revamped to be more responsive	Number of youths reached with the Fake News Campaign through social media platforms and mainstream media.	3.1 million youth reached through Combined social media platforms on fake news. Reached 619,743 individuals and directly engaged 89,108 others through online conversations on fake news.
		Psychosocial Support to Health Care Workers	Number of Health Care Workers Supported	Psychosocial issues relating to Covid 19 affecting Health Care 6,091 workers were addressed leading better health service care provision in all 47 Counties

3. Environmental and Sustainability reporting

1. Sustainability strategy and profile

Overall, the implementation mechanism is adequate to deliver the planned outputs. The grant agreement was signed by the EU and the National Treasury, that represented NCTC to comply with the grant administration and adherence to public finance management requirements and defines roles and responsibilities of the partners. The National Treasury is the Government of Kenya accounting office and plays an oversight role in the project. The Office of the Cabinet Affairs and Treasury are members of the technical committee, team that coordinates project implementation.

The project is delivered through the NCTC organizational structure - supported by the Project Team composed of Program Manager, Program Analyst and M&E Officer, Finance and Accounting Officer, Information, Technology and Communications Officer and Program Assistant. NCTC has the mandate to coordinate all collaborations, partnership initiatives and CVE outputs delivered by government ministries, agencies and non-governmental actors. Prior to the project, NCTC already had functional partnerships with the Ministry of Interior, Ministry of Foreign Affairs, Ministry of Education, the Kenya Defence Forces, Kenya Police Service, National Intelligence Service, National Parents Association, Universities, the Prisons Service, Probation officers. The Regional Coordinators, County Commissioners under the Ministry of Interior - in particular County Security and Intelligence Committees lead all County-level CVE initiatives.

The steering mechanism of the action is appropriate. At overall level, the action is supported by a Project Board whose role is steering and oversight. The Project Board is composed of the Director NCTC, the EU Ambassador, National Treasury and Office of the President with EUD Operational Manager and NCTC Program Manager also attending. It is chaired by NCTC and was planned to have meetings twice a year.

The project receives support from the Technical Committee that is composed of the Project Team, NCTC Heads of Departments and the EU Operational Manager and EU technical team. The TC meeting schedule was anticipated to be quarterly - with the key role of project coordination, addressing implementation challenges and monitoring of progress against plans and indicators.

The action has built human and institutional capacity that can sustain interest, momentum, and commitment over the long term. However, there is still possibility of emerging VE and radicalization issues and risks – therefore strengthening capacity, linkages and response actions remain continuous and dynamic processes.

The front-line government workers, media professionals, members of interfaith committees, youth initiates and their mentors, disengaged youth and their mothers and beneficiaries of the women and youth projects, representatives of National Parents Association, county officials and county level stakeholders have gained knowledge on VE, radicalization and CVE that has spurred their individual and collective effort to be aware, track and report any cases they find in their line of work and sphere of control. They have also created awareness to colleagues and counterparts, thus expanding the audience reached. Media houses have used their platforms to reach their audiences.

To a great extent, these persons are representative of, and influential amongst the Kenyan population - however there are very significant and influential target groups that are not yet reached by the project. The action supported good linkages between target groups and NCTC, and has contributed to efficient relay and verification of information reported to NCTC. These relations are likely to last beyond the project life time.

CVE work is well adopted by County Security and Intelligence Committees, which is a permanent structure and function of government. County Action Plans are well integrated in the Counties structures and functions - therefore they have the buy-in and commitment from all county level actors and partners. The action has supported 14 CAPs, thus all the 47 counties of Kenya now have CAPs. The action has supported development of tools such as the Child Safety and Security against Violent Extremism (CSSAVE) Guide - a tool that adopts a multi-sectoral approach for education stakeholders to detect, prevent and respond to learners that are vulnerable to radicalization.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

4. Market place practices-

a) Responsible Supply chain and supplier relations-

Explain how the project maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

b) Responsible ethical practices

outline efforts to maintain ethical and anti- corruption practices and responsible political involvement.

c) Regulatory impact assessment

Safeguard citizen and stakeholder's rights.

5. Community Engagements

The Centre worked with 4 Regional Development Authorities under the **Economic & Gender Pillars** of the NCSVE and *EU Strategic Indicators 1.1 Number of direct jobs created or supported through EUTF-funded projects, 1.2 Number of Micro, Small and Medium Sized Enterprises (MSMEs) created and supported and 1.3 Number of People assisted to develop income generating activities (IGAs)*. In partnership with the Lake Basin Development Authority (LBDA), Coast Development Authority (CDA), Ewaso Ng'iro Development Authority (ENNDA) and Kerio Valley Development Authority (KVDA), the Centre coordinated with the Department for Social Development Services (DSDS) to

identify 120 women and youth groups in 5 Counties for training and livelihood support. 423 women and youth groups officials were taken through Basic Business Skills and Entrepreneurship Development (BBSSED) training in Kisumu, Siaya, Baringo, Kilifi and Isiolo counties. 86 groups were eventually supported creating 1,559 direct jobs for the women and youth.

4. Statement of Project Management responsibilities

The **Director** for the National Counter Terrorism Centre and the **Project Manager for the Kenya-EU Partnership 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 (vi) Making accounting estimates that are reasonable in the circumstances.

The **Director** for the National Counter Terrorism Centre and the **Project Manager for the Kenya - EU Partnership 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 **Director** for the National Counter Terrorism Centre and the **Project Manager for the Kenya - EU Partnership 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 **Director** for the National Counter Terrorism Centre and the **Project Manager for the Kenya - EU Partnership 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 *Director* for the National Counter Terrorism Centre and the *Project Manager* for **the Kenya - EU Partnership project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year 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 *Project Manager* for **the Kenya - EU Partnership project** on 29th September 2023 and signed by:



Dr. Rosalind Nyawira
Director NCTC



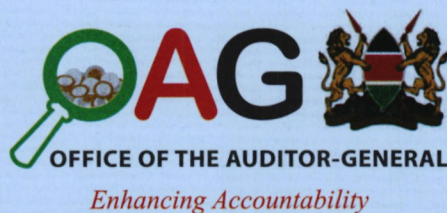
Irene Tulel
Project Manager



Sylvin Wangui
Project Accountant
ICPAK Member No:19575

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA - EU PARTNERSHIP FOR THE IMPLEMENTATION OF THE NATIONAL STRATEGY TO COUNTER VIOLENT EXTREMISM IN KENYA FOR THE YEAR ENDED 30 JUNE, 2023 - NATIONAL COUNTER TERRORISM CENTRE

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 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 under 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 Kenya - EU Partnership for the Implementation of the National Strategy to Counter Violent Extremism in Kenya set out

on pages 1 to 35, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya - EU Partnership for the Implementation of the National Strategy to Counter Violent Extremism in Kenya 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 Public Finance Management Act, 2012 and comply with the Grant Contract No. EUTF05-HoA-KE-34-01 (COMTO5.534) dated 27 June, 2018 between the Government of Kenya and the European Union.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya - EU Partnership for the Implementation of the National Strategy to Counter Violent Extremism in Kenya Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, 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 Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 the 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, CBS
AUDITOR-GENERAL

Nairobi

31 October, 2023

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

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

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2022-2023			2021-2022			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1							
Proceeds from domestic and foreign grants	2				178,697,380		178,697,380	591,130,800
Loan from external development partners	3							
Miscellaneous receipts	4							
Total receipts					178,697,380		178,697,380	591,130,800
Payments								
Compensation to employees	5	7,158,330		7,158,330	17,033,424		17,033,424	67,453,044
Purchase of goods and services	6	153,810,723		153,810,723	133,369,957		133,369,957	523,415,061
Social security benefits	7							
Acquisition of non-financial assets	8							
Transfers to other government entities	9							
Other grants and transfers /payments	10							
Total payments		160,969,053	-	160,969,053	150,403,381		150,403,381	590,868,105
Surplus/ (deficit)		(160,969,053)	-	(160,969,053)	28,293,999		28,293,999	262,695

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

.....
Dr. Rosalind Nyawira
Director NCTC

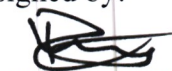
.....
Irene Tulel
Project Manager

.....
Sylvin Wangui
Project Accountant
ICPAK Member No: 19575

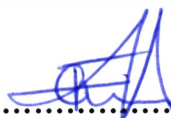
7. Statement of Financial Assets as at 30th June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	262,695	158,650,768
Cash Balances	11. B	-	2,580,980
Cash equivalents (Short-term deposits)	11.C	-	-
Total Cash and Cash equivalents		262,695	161,231,748
Imprests and Advances	12	-	-
Total Financial Assets		262,695	161,231,748
Financial Liabilities			
Third party Deposits and Retention	13	-	-
Net Assets		262,695	161,231,748
Represented By			
Fund Balance B/fwd.	14	161,231,748	132,937,749
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(160,969,053)	28,293,999
Net Financial Position		262,695	161,231,748

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29th Sept 2023 and signed by:



.....
Dr. Rosalind Nyawira
Director NCTC



.....
Irene Tulel
Project Manager



.....
Sylvin Wangui
Project Accountant
ICPAK Member No:19575

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

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	-	178,697,380
Miscellaneous receipts	4		
Total receipts		-	178,697,380
Payments			
Compensation of employees	5	(7,158,330)	(17,033,424)
Purchase of goods and services	6	(153,810,723)	(133,369,957)
Social security benefits	7		
Transfers to other government entities	9		
Other grants and transfers	10		
Total Payments		(160,969,053)	(150,403,381)
Net receipts/(payments)			
Adjustments during the year			
Prior year adjustments	15		
Decrease/(increase) in accounts receivable	16		
Increase/(decrease) in accounts payable:	17	(160,969,053)	28,293,999
Net cash flow from operating activities			
Cashflow from investing activities			
Acquisition of non-financial assets	8		
Net cash flows from investing activities			
Cash flow from financing activities			

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Proceeds from foreign borrowings	3		
Net cash flow from financing activities			
Net increase in cash and cash equivalents		(160,969,053)	28,293,999
Cash and cash equivalent at beginning of the year	11	161,231,748	132,937,749
Cash and cash equivalent at end of the year	11	262,695	161,231,748

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 29th Sept 2023 and signed by:



.....
Dr. Rosalind Nyawira
Director NCTC



.....
Irene Tulel
Project Manager



.....
Sylvin Wangui
Project Accountant
ICPAK Member No:19575

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities						
Proceeds from domestic and foreign grants	72,164,141		72,164,141	-	72,164,141	-
Proceeds from borrowings						
Miscellaneous receipts				-		-
Total Receipts	72,164,141		72,164,141	-	72,164,141	-
Payments						
Compensation to employees	6,778,906		6,778,906	7,158,330	-379,424	105.6%
Purchase of goods and services	226,610,723		226,610,723	153,810,723	72,800,000	67.9%
Social security benefits						
Acquisition of non-financial assets						
Transfers to other government entities						
Other grants and transfers						
Total Payments	233,389,629		233,389,629	160,969,053	72,420,576	69%
Surplus or Deficit						

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.



.....
Dr. Rosalind Nyawira
Director NCTC



.....
Irene Tulel
Project Manager



.....
Sylvin Wangui
Project Accountant
ICPAK Member No: 19575

10. 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 the Kenya-EU Partnership project under the National Government of Kenya. The financial statements are for the reporting entity Kenya-EU Partnership project 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

The Kenya-EU Partnership project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

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.

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.

Significant Accounting Policies (continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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 authorized 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (continued)

k) Contingent Assets

The National Counter Terrorism Centre 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 National Counter Terrorism Centre* 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 recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements.*

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 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, 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 note xx of these financial statements.*

11. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022-2023	2021-2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1			
Counterpart funds Quarter 2			
Counterpart funds Quarter 3			
Counterpart funds Quarter 4			
Total (See Annex 3)			
<i>Other transfers from government entities</i>			
Ministry xx			
Ministry xy			
Project zz			
Agency xx			
Total			
Appropriations-in-Aid			
Total			

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

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

Name of Donor	Date received	Amount received in donor currency	2022-2023				2021-2022	Cumulative to date
			Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
EU							178,697,380	591,130,800
Total							178,697,380	591,130,800

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	2022-2023					2021-2022	Cumulative to date
	Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	
		(Insert currency)	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from bilateral Donors (Foreign Governments)							
Insert name of foreign Government							
Insert name of foreign Government							
Loans received from Multilateral Donors (International Organizations)							
Insert name of international organization							
Insert name of international organization							
Total							

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	2022-2023			2021-2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income					
Sales of goods and services					
Administrative fees and charges					
Fines, penalties, and forfeitures					
Voluntary transfers other than grants					
Other receipts not classified elsewhere*					
Total					

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2022-2023			2021-2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	7,158,330	-	7,158,330	17,033,424	67,453,044
Basic wages of temporary employees					
Personal allowances paid as part of salary					
Personal allowances paid as reimbursements					
Personal allowances provided in kind					
Pension and other social security contributions					
Compulsory national social security schemes					
Compulsory national health insurance schemes					
Social benefit schemes outside government					
Other personnel payments					
Total	7,158,330	-	7,158,330	17,033,424	67,453,044

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2022-2023			2021-2022	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
6.5.1-Development of Campaign Material	3,427,800		3,427,800	87,000	6,945,560
6.5.2-Indirect costs	9,771,181		9,771,181	7,278,130	27,426,983
6.5.3-Conduct 2 CVE polling and focused group discussions on radicalization hotspots for early warning to national policy makers and targeted counter radicalization	2,471,493		2,471,493	-	4,832,943
6.5.4-Convene 12 local knowledge forums to inform preventive and early warning efforts by local administrators and NGOs	105,000		105,000	4,522,972	12,841,832
6.5.5-Support annual interfaith Committee meetings in 2 regions of the country	4,946,888		4,946,888	2,356,696	10,750,359
6.5.6-Training in identification and response to radicalization and VE (police, national administration officers, county government workers, teachers and public health officers)	13,947,968		13,947,968	14,185,162	71,965,304
6.5.7-Support 4 Regional Development Authorities to incorporate CVE and development through rapid implementation of women and youth livelihoods, art and sports.	35,692,182		35,692,182	11,317,432	63,879,908

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Description	2022-2023			2021-2022	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
6.5.8-Live Events (Public Awareness)	4,881,560		4,881,560	6,697,196	17,436,106
6.5.9-Capacity building for media personalities				1,193,785	8,408,456
6.5.10-Short term Technical Experts (Assistants)	6,450,050		6,450,050	10,031,770	25,361,820
6.5.11-Training more disengagement specialists using the already in place NCTC disengagement curriculum	120,220		120,220	9,703,028	18,723,854
6.5.12-Deploy a national radicalization text based and social media youth hotline, accompanied with awareness raising on the hotline and media campaigns in its usability	8,402,350		8,402,350	11,449,200	45,900,550
6.5.13 NCTC training on Reintegration and Rehabilitation, Human Rights sensitive CVE initiatives, CVE agenda (specialised areas)					42,000
6.5.14-Individual response Mechanism	16,563,315		16,563,315	23,248,147	91,911,887
6.5.15-Commissioning of 6 researchers	14,952,389		14,952,389	6,317,080	26,239,469
6.5.16-Provision for Contingency					29,424,729
6.5.17-Financial Audit	1,800,134		1,800,134		3,363,003
6.5.18-Office equipment, Furniture, computers					2,699,746
6.5.19- Conference on PCVE	3,067,425		3,067,425	8,558,797	11,626,222
6.5.20- Development of a Strategic communication plan	119,314		119,314	560,000	679,314

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Description	2022-2023			2021-2022	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
6.5.21- Engagement with electronic media	2,306,411		2,306,411	14,386,847	18,453,604
6.5.22- Support Engagement-social media online and offline counter narrative campaigns	7,161,821		7,161,821	1,419,890	6,821,365
6.5.23 Local (staff assigned-action)			-	14,000	14,000
6.5.24 Local transportation			-	42,825	42,825
6.5.25 Mid Term Evaluation	4,770,328		4,770,328		4,770,328
6.5.26 Final Evaluation	7,645,440		7,645,440		7,645,440
6.5.27 Digital tooling	5,207,454		5,207,454		5,207,454
Total	153,810,723		153,810,723	133,369,957	523,415,061

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2022-2023			2021-2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Government pension and retirement benefits					
Social security benefits in cash and in kind					
Employer social benefits in cash and in kind					
Total					

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings					
Construction of buildings					
Refurbishment of buildings					
Construction of roads					
Construction of civil works					
Overhaul & refurbishment of construction and civil works					
Purchase of vehicles & other transport equipment					
Overhaul of vehicles & other transport equipment					
Purchase of household furniture & institutional equipment					
Purchase of office furniture & general equipment					2,699,746
Purchase of specialised plant, equipment and machinery					
Rehabilitation & renovation of plant, equipment & machinery					
Purchase of certified seeds, breeding stock and live animals					
Research, studies, project preparation, design & supervision					
Rehabilitation of civil works					
Acquisition of strategic stocks					
Acquisition of land					
Acquisition of other intangible assets					
Total					2,699,746

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	Insert Current FY			Insert Comparative FY	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					
Ministry ABC					
Project XYZ					
Transfers to County Governments					
County ABC					
County XYZ					
Total					

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

Description	2022-2023			2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships					
Transfers to lower levels of government e.g. schools					
Miscellaneous payments					
Total					

11. Cash And Cash equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts (Note 11A)	262,695	158,650,768
Cash in hand (Note 11B)		2,580,980
Cash equivalents (short-term deposits) (Note 11C)		
Total	<u>262,695</u>	<u>161,231,748</u>

The Kenya-EU Partnership project has one project accounts spread within the project implementation area and nil foreign currency designated accounts managed by the National Treasury as listed below:

Notes to the Financial Statements (Continued)

11. A Bank Accounts

Project Bank Accounts

Details	2022-2023	2021-2022
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]		
Kenya Commercial Bank [A/c No.....]		
Co-operative Bank of Kenya [A/c No.....]		
Others (<i>specify</i>)		
Total Foreign Currency balances		
<u>Local Currency Accounts</u>		
ABC Bank Ltd [A/c No. 011215001005050]	262,695	158,650,768
Total local currency balances	<u>262,695</u>	<u>158,650,768</u>
Total bank account balances	<u>262,695</u>	<u>158,650,768</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project’s Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2022-2023	2021-2022
	Kshs	Kshs
(i) A/c Name [A/c No.....]		
Opening balance		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
Closing balance (as per SDA bank account reconciliation attached)		
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
Closing balance (as per SDA bank account reconciliation attached)		

Notes to the Financial Statements (Continued)

11 B Cash in hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Location 1		2,580,980
Location 2		
Location 3		
Other locations (<i>specify</i>)		
Total cash in hand balances		<u>2,580,980</u>

11 C Cash equivalents (short-term deposits)

Description	2022-2023	2021-2022
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]		
Co-Operative Bank of Kenya [A/C No.....]		
Others (<i>Specify</i>)		
Total		

12. Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests		
Salary advances		
Total		

Notes to the Financial Statements (Continued)

12A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2022-2023	Balance 2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Officer 1					
Officer 2					
Officer 3					
Officer 4					
Officer 5					
Programme 1					
Total					

13. Deposits and Retention Monies

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Retention				
Deposits				
Total				
Ageing analysis:	2022-2023	% of the Total	2021-2022	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

Notes to the Financial Statements (Continued)

14. Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	262,695	158,650,768
Cash in hand		2,580,980
Cash equivalents (short-term deposits)		-
Outstanding imprests and advances		-
Deposits and retention		
Total	262,695	161,231,748

15. Prior Year adjustment

	Balance b/f 2021-2022 (audited financial statements)	Adjustments	Adjusted balance b/f 2022-2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Imprests and advances			
Deposits and retentions			
Others (<i>specify</i>)			
Total			

16. Changes in Imprests and Advances

Description	2022-2023	2021-2022
	Kshs	Kshs
Opening Receivables as at 1 st July 2022		
Closing account receivables as at 30 th June 2023		
Change in Imprests and advances		

Notes to the Financial Statements (Continued)

17. Changes in Accounts Deposits and Retention

Description	2022-2023	2021-2022
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2022		
Closing accounts payables as at 30 th June 2023		
Changes in deposit and retention		

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f from 2021-2022	Additions for the year	Paid during the year	Balance c/f For 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings				
Construction of civil works				
Supply of goods				
Supply of services				
Total				

2. Pending Staff Payables (See Annex 4b)

	Balance b/f from 2021-2022	Additions for the year	Paid during the year	Balance c/f for 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Senior management				
Middle management				
Union employees				
Others				
Total				

3. Other Pending Payables (See Annex 4c)

	Balance b/f from 2021-2022	Additions for the year	Paid during the year	Balance c/f for 2022-2023
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total				

Other Important Disclosures (Continued)

4. External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received as grants		
External assistance received as loans		
External assistance received in kind- as payment by third parties		
Total		

a). External assistance relating loans and grants

	2022-2023	2021-2022
Description	Kshs	Kshs
External assistance received as loans		
External assistance received as grants		
Total		

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2022-2023	2021-2022
Description		Kshs	Kshs
Undrawn external assistance – loans			
Undrawn external assistance – grants			
Total			

c) Classes of providers of external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Other Important Disclosures (Continued)

d. Non-monetary external assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Goods		
Services		
Total		

e Purpose and use of external assistance

Payments made by third parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation to employees		
Use of goods and services		
Subsidies		
Transfers to other Government entities		
Other grants and transfers		
Social Security benefits		
Acquisition of assets		
Finance Costs including loan interest		
Repayment of principal on domestic and foreign borrowing		
Other payments		
Total		

f. External Assistance paid by third parties on behalf of (the Entity) by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

5. Payments By Third Party on Behalf of The Project

5.1 Classification by Source

	2022-2023	2021-2022
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total		

5.2 Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	2022-2023	2021-2022
Description	Kshs	Kshs
Compensation of employees		
Use of goods and services		
Subsidies		
Transfers to other government units		
Other grants and transfers		
Social security benefits		
Acquisition of assets		
Finance costs, including loan interest		
Other payments		
Total		

Other Important Disclosures (Continued)

6. 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:

	2022-2023	2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director		
Key Management Compensation others (specify)		
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other government entities		
Total Transfers to related parties		
Transfers from related parties		
Transfers from the Ministry/ department		
Payments made on behalf of the project by other govt. entities		
(Insert any other transfers received)		
Total Transfers from related parties		

7. Contingent Liabilities

Contingent liabilities	2022-2023	2021-2022
	Kshs	Kshs
Court case xxx against the project		
Bank guarantees in favour of other govt. entities		
Contingent liabilities arising from PPPs/ donor agreements		
Total		

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

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

Guidance Notes:

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



.....
Dr. Rosalind Nyawira
Director NCTC



.....
Irene Tulel
Project Manager

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Annex 2: Variance explanations - Comparative Budget and Actual amounts for 2022-2023

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	B	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities					
Proceeds from domestic and foreign grants	72,164,141	-	72,164,141	-	This is the grant balance of the original budget that the Centre anticipates EU will pay upon submission of the final project report.
Proceeds from borrowings					
Miscellaneous receipts					
Total Receipts	72,164,141	-	72,164,141	-	
Payments					
Compensation of employees	6,778,906	7,158,330	-379,424	105.6%	This was as a result in the change of budget in the Addendum No. 4
Purchase of goods and services	226,610,723	153,810,723	72,800,000	67.9%	The GoK supported the project in kind during the implementation through provision of transport services, utilization of government professionals at no costs and support in the provision of administration costs resulting in cost savings in the activity budget lines.
Social security benefits					
Acquisition of non-financial assets					
Transfers to other government entities					
Other grants and transfers					
Total payments	233,389,629	160,969,053	72,420,576	69%	

Annex 3: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers from the State Department of XXX				
a . Government Counterpart funding		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total		
B . Direct payments		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total		
C . Others		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total		
	Total (A+B+C)			

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department



Dr. Rosalind Nyawira
Director NCTC



Irene Tulel
Project Manager

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Annex 4a: Analysis of Pending Bills

Supplier Goods Services	of or	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
			a	b	c=a-b		
Construction of buildings							
1.							
2.							
Sub-Total							
Construction of civil works							
3.							
4.							
Sub-Total							
Supply of goods							
5.							
6.							
Sub-Total							
Supply of services							
7.							
8.							
Sub-Total							
Grand Total							

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstandi ng Balance 2022-2023	Outstand ing Balance 2021-2022	Comment s
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.

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

Annex 4c: Analysis of other Pending Payables

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2022/23	Donations in form of assets (KShs) 2022/23	*Purchases/ Additions in the Year (KShs) 2022/23	**Disposals in the Year (KShs) 2022/23	Transfers in/(out) Kshs 2022/23	Closing Cost (KShs) 2023
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings	168,000					168,000
ICT Equipment,	2,531,746					2,531,746
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
Total	2,699,746					2,699,746

Notes

* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

*Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Kenya-EU Partnership for the implementation for the National Strategy to Counter Violent Extremism in Kenya.
Annual Report and Financial Statements for the financial year ended June 30, 2023

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/ recovery/ mitigation/ preparedness)	Expenditure item	Amount (Kshs.)	Comments

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2023
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)