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REPORT

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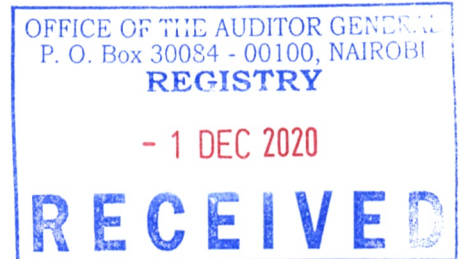
ON

KENYA YOUTH EMPLOYMENT AND  
OPPORTUNITIES PROJECT  
(IDA CREDIT No. 5812-KE)

FOR THE YEAR ENDED  
30 JUNE, 2020

STATE DEPARTMENT FOR YOUTH

Revised Template 30/6/2020



**Project Name: KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT**

**Implementing Entity: STATE DEPARTMENT FOR YOUTH**

**PROJECT GRANT/CREDIT NUMBER: 58120-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
ENDED JUNE 30, 2020**

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

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
***Reports and Financial Statements-For the financial year ended June 30, 2020***

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## **1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

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

**Name:** The project's official name is Kenya Youth Employment and Opportunities Project,

**Objective:** The key objective of the project is to increase employment and earning opportunities for the targeted youths.

**Address:** The project headquarters offices are KENCOM HOUSE, 3rd Floor and Bruce House 3<sup>rd</sup> floor, North Wing, Nairobi, Kenya.

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

The project also has offices/branches as follows:

- The Project does not have other offices/branches

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

Telephone: (254)2251674/793060444

E-mail: kyeop@psyg.go.ke

Website: www.mis.kyeop.go.ke

### **1.2 Project Information**

Project Start Date:	The project start date is 20 May 2016
Project End Date:	The project end date is 31 December 2021
Project Manager:	The project manager is Ms. Olivia Ouko
Project Sponsor:	The project sponsor is GoK through a credit from World Bank IDA

### **1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Youth in ICT, Innovation and Youth Affairs Ministry.
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***Kenya Youth Employment and Opportunities Project (KYEOP)***  
***Reports and Financial Statements-For the financial year ended June 30, 2020***

Project number	P151831
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) Enhancing employability through creating jobs and expanding existing ones thus increasing earnings for youth interested in self-employment or wage employment</li> <li>(ii) Enhancing employability of vulnerable youth by providing targeted youth with training and internships in private sector</li> <li>(iii) Enhance access to labour market information</li> <li>(iv) Strengthening youth policy development and project management</li> </ul>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Providing unemployed youth with relevant skills and internships in the private sector</li> <li>(ii) Enhancing capacity of the Ministry for youth policy Planning, Implementation, Monitoring and Evaluation.</li> </ul>

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Other important background information of the project

The Kenya Youth Employment opportunities Project (KYEOP) is a five-year Safety net project for vulnerable youth funded with a USD150million credit from the World Bank Group and whose development objective (PDO) is "to increase employment and earnings opportunities for targeted youths". The KYEOP is implemented through four government agencies with the Ministry of ICT, Innovation and Youth Affairs (MIIYA) providing overall coordination.

The KYEOP has four components as follows:

1. Component 1: **Improving Youth Employability** – being jointly implemented by the National Industrial Training Authority (NITA) and the Ministry of ICT, Innovation and Youth Affairs (MIIYA) – USD75Million.
  - This component aims to address the issue of skills mismatch by providing targeted youth with trainings and internships in the Private Sector. The objective is to enhance youth employability.
  - The target is to reach over 70,000 youth
2. Component 2: **Support for Job Creation** – being **jointly** implemented by the Micro and Small Enterprises Authority (MSEA) and the MIIYA – USD41.5 million.
  - This component aims to address the issue of lack of employment opportunities. The objective is to create jobs and expand existing ones thus increasing earnings for youth interested in self-employment or wage employment.
  - The target is to reach over 30,000 youth
3. Component 3: **Improving Labour Market Information** – being implemented by the Ministry of Labour and Social protection (MLSP) – USD 13.5 million
  - This component aims to address the issue of lack of labour market information (LMI). The objective is to enhance access to LMI and ensure availability of quality information in a timely manner.
4. Component 4: **Strengthening Youth Policy Development and Project Management** – being implemented by the MIIYA– USD 20million.
  - This component aims to enhance the MPYG’s capacity for youth policy formulation, development and monitoring and evaluation as well as support the establishment and operationalization of a project coordination unit.

Though the MIIYA is the overall coordinator, each implementing agency receives and accounts for funds for the KYEOP separately; with NITA and MSEA receiving/reporting through their respective line ministries i.e. Ministry of Industrialization, Trade & Enterprise Development and the MLSP respectively.

The KYEOP is at Cycle 4 of implementation in Training and Internship and call for youth in cycle 5 has be done. Awarding of Grants and Business Development Services in Cycle 4 cluster 1 counties has been done for youth who qualified to join the project. Business Plan Competition awardee selection is also at an advanced stage. Informal Sector Skills and Occupational Survey report for Component 3 is ready (Labour Market Information) awaiting launch by the Cabinet Secretary for Ministry of Labour and Social protection. Reviewed National Youth Policy was approved by cabinet and awaits presentation in Parliament while capacity building of Youth Development Officers has been done in two tranches and more to be done in the coming Financial Year.

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
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Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Unemployment amongst out-of-school youth (ii) Lack of quality and up-to-date labour market information (iii) Inadequate Institutional Capacity for Youth Policy Planning, Implementation and Monitoring and Evaluation
Project duration	The project started on 20th May 2016 with the Financing Agreement being signed on 4 <sup>th</sup> July 2016. The Project became effective on 15 <sup>th</sup> December 2016 and is expected to run until 31 December 2021

#### **1.4 Bankers**

The following are the bankers for the current year:

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

#### **1.5 Auditors**

The project is audited by the Office of The Auditor General

#### **1.6 Roles and Responsibilities**

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

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Ms. Olivia Ouko	National KYEOP Coordinator	Deputy Director, Youth Development	Overall Project Coordination
Mr. Peter Muthini	Deputy National Project Coordinator-Technical	Deputy Director, Youth Development	Technical Head of the Project and Coordinator of Life Skills Training
Dr. Joseph Katam	Deputy National Project Coordinator-Administration	Deputy Director, Youth Development	In charge of administrative issues in the project and Transport logistics
Mr. Maxwell Mutuku	Project Accountant	Principal Accountant	In charge of finance and Accounts of the Project
Mr. Evans Keronche	Project Procurement Officer	Project Procurement Officer	In charge of project procurement

There has been a change in management in finance and accounts whereby the project accountant Rose Wagenci has been replaced by Maxwell Mutuku.

#### **1.7 Funding summary**

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

The Project is for duration of 5 years from 2016 to 2021 with an approved budget of US\$ 150 Million equivalent to KShs 15 billion as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 <sup>th</sup> June, 2020)		Undrawn balance to date (30 <sup>th</sup> June, 2020)	
	Donor currency USD	KShs	Donor currency (USD)	KShs	Donor currency (USD)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>LOAN SUMMARY</b>						
World Bank(IDA)	53,300,000	5,330,000,000	18,968,747	1,819,079,088	34,331,253	3,510,920,912
<b>Total Loans</b>	<b>53,300,000</b>	<b>5,330,000,000</b>	<b>18,968,747</b>	<b>1,819,079,088</b>	<b>34,331,253</b>	<b>3,510,920,912</b>
<b>Counter Part funds</b>						
Counter Part funds Government of Kenya					0	0
<b>Total Funding Summary</b>	<b>53,300,000</b>	<b>5,330,000,000</b>	<b>18,968,747</b>	<b>1,819,079,088</b>	<b>34,331,253</b>	<b>3,510,920,912</b>

**NB:** The whole project is worth USD 150million for the four implementing Agencies. However only USD 53.3 million will be spent under the state Department for youth

**1.8 Summary of Overall Project Performance:**

**Budget performance against actual amounts for current year and for cumulative to-date,**

**Indicate the absorption rate for each year since the commencement of the project.**

FY	Amount Received(kshs)	Amount Utilized(kshs)	Percentage
2016/2017	121,363,550.00	27,923,127.00	23%
2017/2018	215,566,770.00	253,104,269.00	117%
2018/2019	749,846,920.00	563,913,315.00	75%
2019/2020	732,301,848.00	937,481,185.00	128%
<b>Totals</b>	<b>1,819,079,088.00</b>	<b>1,782,421,896.00</b>	<b>98%</b>

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

Carried out employment tracking for KYEOP beneficiaries who were trained in cycle 2 and 3.

Fast-tracked restructuring of the Project by preparing to pay stipends to youth from month 3 cycle 4

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of Job Specific Skills Training (JSST) and take over JSST Coordination from cycle 5 of the project.

Completed the first Baseline survey for impact evaluation of the project.

Placed call for youth in cycle 5 for those wishing to join the project.

Paid all consultancies and Service Providers for services rendered during the reporting period.

Hosted the Bank's team during the Implementation Support Mission deliberations which were held virtually.

Centralized the Grievance Redress Mechanism module in the Management Information System (MIS) and reconfigured the MIS to be used for JSST rostering, monitoring, payment of stipends, placement and internship.

Purchased 10 Project motor vehicles to aid monitoring and evaluation activities by Youth Development Officers in the Project Implementing Counties.

On-boarded the Innovation Challenge Firm to catalyze interventions to expand economic activities for hard-to-serve youth.

**Comment on value-for-money achievements**

There was value for money for the activities carried out during this period as service providers were evaluated to ascertain compliance with set guidelines on deliverables and achievement. Consultants would be paid upon attainment of the set deliverables. Goods and equipment were paid for, once delivered and having met the given specifications.

**List the implementation challenges and recommended way forward**

- Restructuring activities of the project slowed down implementation pace of the project due to non-cooperation of Agencies ceding roles. Implementing Agencies to suffer from scaling down of their activities should be prepared in advance of the expected outcome.
- Reduction of Project Budget by the National Treasury meant only a must-do activities could be implemented. Consultation should be embraced between the National Treasury and Project Management before budget cuts are effected.
- The spread of COVID-19 pandemic grounded to a halt most project activities especially those involving traveling and gathering of people together. Project designs should have a clause on unforeseen risks so as to cushion the project against lost time during such difficult periods.

**1.1 Summary of Project Compliance**

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

account of non-compliance.

## **1.2 Summary of Project Compliance: N/A**

- Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- Include consequences suffered on account of non-compliance or likely to be suffered
- Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance

## **2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES**

### **Introduction**

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

The key development objectives of the project's 2016-2021 are to:

- a) Enhancing employability through creating jobs and expanding existing ones thus increasing earnings for youth interested in self-employment or wage employment
- b) Enhancing employability of vulnerable youth by providing targeted youth with training and internships in private sector
- c) Enhance access to labour market information
- d) Strengthening youth policy development and project management

### **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: Below we provide the progress on attaining the stated objectives:

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
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<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance In FY 19/20</b>
Kenya Youth Employment and Opportunities Project	To increase employment and earning opportunities for targeted youths in Kenya	Increased employment and earnings among targeted youth through support for job creation and enhanced employability	% Youth completing training and an internship who hold wage employment or who are self-employed six months after the internship  Number / Percent of youth employed, including self-employed, at least 6months after receiving a startup grant and/or BDS	Out of the total youth who went through training and /or internship, 63.8% are in paid wage and self-employment  Eight seven percent of youth who received grants are now in either paid wage or self-employment

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

**1. Sustainability strategy and profile -**

During the reference period, the Government has enhanced ownership of the project by promoting sustainable actions in the management of the project. The Government has been instrumental in mobilizing the targeted youth who meet the inclusion criteria in the project and contributed own capacity to oversee the various components of the project. Through component 4, the project continuously trains Government staff in policy development and M&E which are vital skills with potential for application in other youth empowerment projects when KYEOP comes to an end. The Government through KYEOP has enlisted, M&E, MIS, Communication and Impact Evaluation consultants who also undertake counterpart mentorship (knowledge transfer) which leaves the Government technical officers with capacity to not only deliver KYEOP tasks, but also take over specialized roles of the consultants in future. This is a sustainable initiative that enhances cost

effectiveness in future projects in the State Department.

The success of cost cutting strategies employed in the project has resulted into some savings over the last 3 cycles. The additional resources are now available to enlist 5,000 more youth in the project in the 2020/2021 financial. This addition is above the original target of 280,500 youth beneficiaries. The dual control of budgeting between the Government and World Bank has contributed to prudent use of resources which ensures that more resources are available to the youth beneficiaries.

In the last cycles the Government has employed results based contracting of service in the delivery of Life Skills Training (LST) and Core Business Skills Training (CBST) and Job Sspecific Skills Training (JSST). The Service Providers have been allocated trainees on the basis of scores drawn from analysis of monitoring data. Through this, the Government has been able to retain and motivate Service Providers who deliver for the youth targeted in the project. By delivering training for the youth, the imparted skills not only help them secure employment opportunities, but sustain them in a dynamic market.

## **2. Environmental performance**

Environment performance is not KYEOP area of focus. KYEOP being a capacity building project to train and upgrade skills of unemployed youth does not in any way contribute to adverse environmental risk and impact. Additionally, KYEOP does not knowingly support training areas known to degrade the environment and biodiversity. Besides, the diverse trade areas such as bee-keeping, agricultural value chains are not widespread but have micro-level effects on environmental conservation.

## **3. Employee welfare**

Staff working in the Project undertake one annual international training in their line of assignment funded by the project and are occasionally rewarded in instances where they work beyond normal working hours. Secondly, where stakeholder involvement is deemed necessary an effort is made to achieve a gender ratio of 50:50 (male to female) where an effort is made to include a minimum of 5% People with disability (PWD) as per Constitution of Kenya 2010, where possible. Efforts have also been made to ensure staff work in a clean and safe environment.

### **4. Market place practices-**

The organisation should outline its efforts to:

#### **a) *Responsible competition practice.***

Recruitment of Project Staff is as per World Bank guidelines and a No Objection is first sought from the Financier before the recruitment process commences. Secondly all vacant positions are declared publicly for all qualified and interested to apply and scoring criteria is also disclosed. No external pressure is accepted whether politically or otherwise and scores are also declared with different teams doing short-listing and interviewing respectively. Competitor's confidential information is never shared with third parties.

#### **b) *Responsible Supply chain and supplier relations***

Suppliers and Service providers are paid on delivery of their goods and services and whenever challenges are faced in relation to IFMIS, they are guided accordingly.

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
***Reports and Financial Statements-For the financial year ended June 30, 2020***

***c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices***

All marketing is done in the leading National Electronic and print media. Additionally, this is also published in the World Bank's website.

***d) Product stewardship- outline efforts to safeguard consumer rights and interests***

An active grievance mechanism exists to allow Suppliers, Service providers and project beneficiaries' articulate issues that affect them. Consultative fora are held to address and resolve emerging issues.

**5. Community Engagements-**

Communities in areas where project exists are given an opportunity to provide their services for example; training centres are found within communities while trainers are sourced from the communities where project exists. This happens during Life Skills and Core Business Skills Training. The youth being trained in Life Skills dedicate one day (second last of the training) to charity work where they offer free service to the community and especially to most deserving members e.g buying foodstuff for the aged; cleaning local health facilities, unblocking water channels, clearing bushes in residential areas, planting of trees etc. in the 17 Counties where the Project operates.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the State Department for Youth and the Project Coordinator for Kenya Youth Employment and Opportunities project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30th 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


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


The Principal Secretary for the State Department for Youth and the Project Coordinator for Kenya Youth Employment and Opportunities project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial period ended 30<sup>th</sup> June, 2020 and of the Project's financial position as at that date. The Principal Secretary for State Department for Youth and the Project Coordinator for Kenya Youth Employment and Opportunities project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

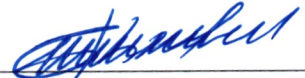
The Principal Secretary for the State Department for Youth and the Project Coordinator for Kenya Youth Employment and Opportunities project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received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

**Approval of the Project financial statements**

The Project financial statements were approved by the *Principal Secretary* for the State Department of Youth Affairs and the *Project Coordinator* for Kenya Youth Employment and Opportunities on \_\_\_\_\_ 2020 and signed by them.

  
\_\_\_\_\_  
Principal Secretary  
Name : Mr Julius Korir, CBS

  
\_\_\_\_\_  
Project Coordinator  
Name: Olivia Ouko

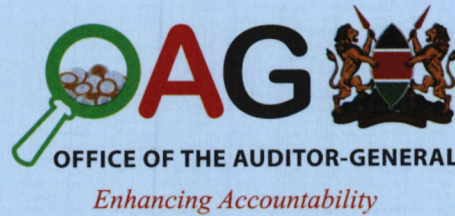
  
\_\_\_\_\_  
Project Accountant:  
Name: Maxwell Mutuku  
ICPAK Member No: 24027

*Kenya Youth Employment and Opportunities Project (KYEOP)*  
*Reports and Financial Statements-For the financial year ended June 30, 2020*

**5. REPORT OF THE INDEPENDENT AUDITORS ON THE KENYA YOUTH  
EMPLOYMENT AND OPPORTUNITIES PROJECT**

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT (IDA CREDIT No. 5812-KE) FOR THE YEAR ENDED 30 JUNE, 2020- STATE DEPARTMENT FOR YOUTH**

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### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the Kenya Youth Employment and Opportunities Project set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Youth Employment and Opportunities Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No. 5812 KE between the Republic of Kenya and the International Development Association dated 04 July, 2016 and the Public Finance Management Act, 2012.

#### **Basis for Qualified Opinion**

##### **Purchase of Goods and Services - Misclassifications**

As disclosed in Note 9.4 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.873,068,576 under purchase of goods and services which includes an amount of Kshs.20,283,068 relating to hospitality supplies and services. However, the ledger provided in support of the balances reflected various payments totalling Kshs.15,914,692, or 78% which do not relate to the hospitality supplies and services account, but relates to domestic travel and subsistence and other operating expenses. Adjustments necessary to reclassify the expenditures to the relevant expenditure heads have not been effected.

Under the circumstances, the accuracy of the balance of Kshs.873,068,576 reported under purchase of goods and services could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budget Control and Performance**

The statement of comparative budget and actual amounts for the year ended 30 June, 2020 reflects budgeted receipts and actual on comparable basis amounting to Kshs.1,100,000,000 and Kshs.732,301,848 respectively resulting to a shortfall of Kshs.367,698,152 or 33% of the budget. Similarly, the Project's approved expenditure budget was Kshs.1,100,000,000 while the actual expenditure was Kshs.937,481,186 resulting to under-expenditure of Kshs.162,518,815 or 15% of the budget. Consequently, planned activities of the Project may not have been implemented, thereby affecting achievement of the intended goals of the Project.

#### **2. Pending Bills**

Note 9.1 to financial statements reflects pending bills of Kshs.13,482,306 as at 30 June, 2020. Management has not provided reasons for non-payment of the bills even though the Project is at risk of incurring significant interest costs and penalties with the continued delay in making payments. Further, failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

#### **3. Unresolved Prior-Year Issues**

The following prior year issues remained unresolved as at 30 June, 2020:

##### **3.1. Unsupported Consultancy Services and Training Expenditures**

As reported in 2017/18, a consultant was paid Kshs.27,461,500 to provide life skills training to youths in several Counties at a cost of Kshs.8,500 per participant. The payment included Kshs.1,800,000 for supply of computers for use by the trainers. However,

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*Report of the Auditor-General on Kenya Youth Employment and Opportunities Project (IDA Credit 5812-KE) for the year ended 30 June, 2020 – State Department for Youth*

available records indicated that only 2,584 youths were trained at an aggregate cost of Kshs.21,964,000 against Kshs.25,461,500 paid to the consultant. No explanation has been provided for the over-payment amounting to Kshs.3,697,500 made to the consultant.

Other records indicated that the Project paid stipends totalling Kshs.16,120,450 to the training course participants. However, only 2,584 youths were trained and paid Kshs.6,000 each resulting in expenditure totaling Kshs.15,504,000. The variance amounting to Kshs.620,450 between the expenditures shown in the two sets of records has not been explained.

### **3.2. Unconfirmed Youth Training Program Expenditure**

In 2017/18 financial year, Management paid Kshs.16,120,450 in stipends to trainee youths who participated in the life skills training course, and Kshs.27,461,500 to the consultants that provided the training. However, there was no evidence showing that the training curriculum was approved by Management. In addition, the contract did not indicate the Project outcomes targeted by the course.

Consequently, it was not possible to confirm whether the Project received value for money on the expenditure totalling Kshs.43,581,900 incurred on the training.

### **3.3. High Administration Expenses**

Review of 2017/18 financial year expenditure indicated that Kshs.253,104,269 was incurred on administrative and youth training activities during the year. However, analysis of the respective payment vouchers indicated that only 21% of the total expenditure incurred on the items was related to youth activities and programs whereas the balance (79%), was incurred on administrative activities.

### **3.4. Irregular Appointment of a Training Consultant**

The statement of receipts and payments for the year ended 30 June, 2018 reflected expenditure totalling Kshs.188,740,710 incurred on purchase of goods and services which included operating expenses amounting to Kshs.56,090,096. The later balance included Kshs.27,461,500 paid in June, 2018 to a consultant to provide life skills training.

The following anomalies were observed in respect of this payment:

- (a) The certificate of incorporation indicated that the bidder was a Limited Liability Company incorporated on 24 May, 2007 whereas the confidential business questionnaire attached in support of the payment indicated that the service provider was a Non-Governmental Organization. However, the Firm's certificate of registration from the Non-Governmental Organization Board was not disclosed. As a result, the status and authenticity of the Firm engaged to offer the training services could not be verified.

- (b) Minutes of meetings held between the bidder and Management in October, 2017 revealed that the consultant agreed with the State Department to abandon the original financial proposal and present a new one with trainee charge-rates that tallied with those prescribed in the terms of reference. This implied that the original bid was not responsive and should instead have been cancelled and a new tendering process initiated. Reconfiguring the proposal amounted to amendment of the tender contrary to Section 75(1) of the Public Procurement and Asset Disposal Act, 2015.

The bid documents, tender opening and evaluation and minutes of the Committee meeting that shortlisted the bidders were not provided for audit verification.

### **3.5. Unsupported Consultancy Services Expenditure**

The Management entered into a framework contract with a consultant to offer Life Skills Training to Youths in seventeen (17) Counties in 2018. As at 30 June, 2019, the consultant had received payments totaling Kshs.44,128,350. However, the certificate of inspection and acceptance of the contract's deliverables was not availed for audit review. Further, the contract was signed seven (7) days after the award, contrary to Section 135 (3) of Public Procurement and Asset Disposal Act (PPDA), 2015 which requires public procurement contracts to be signed fourteen (14) days after award of a contract to allow for appeals by unsuccessful bidders, if any.

As a result, the regularity of the expenditure amounting to Kshs.44,128,350 incurred on the consultant and the value obtained thereof has not been confirmed.

### **3.6. Irregular Consultancy Services Contract**

The Project paid Kshs.8,240,000 to a consultant to design and implement a management system referred to as Interim Information Management System (IIMS) in 2017/18 financial year. However, documents presented for audit in support of the payment reflected several anomalies:

- i) The contract was for a period of ninety (90) days from 28 July, 2017 to 31 March, 2018 and was priced at Kshs.16,000,000. However, the consultant's proposal was approved on 17 April, 2019 and the contract signed on 17 May, 2019. It was backdated to 01 April, 2018 and set to end after 32 months on 31 December, 2020, or any other period as would be subsequently agreed to by the parties in writing.
- ii) Documents attached to the Kshs.8,240,000 payment voucher indicated that the payment was for services rendered from 03 April, 2018 to January, 2019. However, in this period, there was no contract or agreed output. The anomaly implied that the services were offered without a contract contrary to Section 135(1) of the Public Procurement and Asset Disposal Act, 2015. Management has not explained why the law was flouted in procuring the consultancy services.
- iii) The annexure to the contract template included conditions to be fulfilled before payments were made to the contractor. However, in the actual contract signed with the consultant, the conditions were labeled as 'not applicable' and ignored.

In view of these matters, the legality of the contract valued at Kshs.16,000,000 and value-for-money on expenditure amounting to Kshs.8,240,000 incurred on the contract during the year under review has not been confirmed.

### **3.7. Irregular Contract on Provision of Communication Specialist Services**

The statement of receipts and payments for the year ended 30 June, 2019, reflects use of goods and services totaling Kshs.523,239,782, as disclosed under Note 8.8 to the financial statements. The expenditure includes Kshs.4,800,000 paid to a consultant for provision of communication services at a monthly fee of Kshs.600,000 for a period of eight (8) months commencing May through to December, 2018, as specified in an unreferenced contract document dated November 8, 2017. However, examination of records revealed the following anomalies which were not explained:

- i.) Before signing the contract on 8 November, 2017, Management had notified the consultant of the offer for the services through a letter dated 2 November, 2017, which the consultant accepted two (2) days later on 4 November, 2017. That was contrary to provisions of Section 135 (3) of the Public Procurement and Asset Disposal Act, 2015 that prescribes a 14-day window for appeals by unsuccessful bidders before contracts are signed.
- ii.) The conditions of the contract cited in the annexure to the contract document required several conditions to be fulfilled before any payments were made. However, these were not observed as they were termed 'not applicable' and ignored.
- iii.) In all the payment vouchers examined, there was no evidence that the outputs agreed in the contract were attained before the respective payments were made. Furthermore, no certificate of inspection and acceptance of outputs was presented for audit review, and therefore its existence could not be confirmed.

In the view of these anomalies, the legality and value-for-money on the expenditure amounting to Kshs.4,800,000 incurred on provision of communication specialist services could not be confirmed.

### **3.8. Non-Compliant Capacity-Building Consultancy Services Contract**

During the year ended 30 June, 2019, the Project spent Kshs.4,290,000 on a consultant hired to build capacity for technical assistance support. However, the following anomalies were noted in respect to the expenditure:

- i.) Signed and verified time sheets indicated that the consultant worked for a total of one hundred and fifty-four (154) days. However, invoice No. KYEOP-04 dated 20 May, 2019 issued by the consultant indicated that the work done covered one hundred and twenty-eight (128) days. No reason was provided for the anomaly.
- ii.) The certificate of inspection and acceptance of the contract outputs was not presented for audit and its existence could therefore not be confirmed.

In the circumstances, Management paid the consultant Kshs.4,290,000 without confirming that the contracted services were delivered as expected. Therefore, the payment contradicted the requirements of Section 48(3) of the Public Procurement and Asset Disposal Act, 2015.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Delay in Inspection and Acceptance of Goods and Services**

Note 9.4 to the financial statements reflects office and general supplies expenditure of Kshs.10,173,100. Included in the amount is Kshs.1,594,800 being payments for supply and delivery of flash disks, refrigerator and hp toner cartridges. However, inspection and acceptance certificate in relation to the goods was issued 19 days after delivery contrary to Section 48(3) of the Public Procurement and Asset Disposal Act, 2015 that require immediate inspection and testing of goods supplied. No explanation has been provided for the delay.

#### **2. Validity of Contract for Consultancy Services- Design and Implementation of Innovation Challenge**

The Management entered into a contract for provision of consultancy services to design and implement an innovation challenge on 31 March, 2020. The contract duration was for nineteen (19) months and at a contract sum of Kshs.48,889,293. However, the contract was signed by a person other than a director with no documentary evidence conferring authority to the person to sign on behalf of the consultant. Further, correspondence letter Ref: CF/2015/186892 dated 11/07/2017 from the Registrar of Companies attached in support of the payment voucher, shows that the consulting firm had five (5) directors of whom four (4) were foreigners of Indian nationality and one (1) Kenyan. The letter from the consulting firm states that the Kenyan Director is the authorized person to transact on behalf of the Company. Consequently, the person who executed the contract on behalf of the Consultancy was neither a director nor its authorized agent.

Subsequently, the Consultant was paid ten percent (10%) of the contract sum upon submission of an inception report of Kshs.4,804,637 on 25 June, 2020. This should not have been payable until the contract was duly executed in line with its mandate. From the foregoing, the validity and enforceability of the contract and related transactions cannot be confirmed and it exposes the Project to the risk of loss of public resources.

### **3. Consultancy Services**

#### **3.1. Contract for Delivery of Life Skills Training**

The Management entered into contract with a life skills training consultant on 30 October, 2018 for delivery of training. The special condition to the contract under Section 41.2 provided that the procuring entity would make the 1<sup>st</sup> payment of 10% of eligible sum based on confirmed placement instructions and contracted cost per trainee upon completion of Training of Trainers (TOT) as per the deliverables in the terms of reference deliverables. The 2<sup>nd</sup> payment was to be paid after confirmation of placement instructions and contracted cost per trainee and upon delivery and completion of training and satisfactory reports specified in the deliverables in the terms of reference.

However, examination of sampled payment vouchers revealed the following anomalies:

- (i) The initial payment made of Kshs.13,218,400 represented 20% of the projected 6,890 youths spread over 16 Counties instead of the 13 stated in the contract. The basis of adding three additional Counties and replacing one with another one not in the contract has not been explained. There was also no contract amendment or addendum subsequently to cover for the variation. This led to an unauthorized expenditure of Kshs.3,733,600 ;
- (ii) Although the payment of Kshs.13,218,400 related to the life skills training contract, the description on the payment voucher is misleading as it is indicated as core business skills training which is on a separate contract;
- (iii) The consultant was paid an amount of Kshs.46,214,400 on 26 November, 2019 in respect of training 5980 youth in ten (10) Counties instead of the thirteen Counties in the contract. The amount was to cover the balance of 80% of the amounts payable per each youth trained. However, the number of youths trained and included in the final billed was higher in each of the ten Counties than the number projected and agreed upon in the initial billing. This led to an overstatement of expenditure by Kshs.17,889,000;
- (iv) Seven of the contracted Counties covered in the 20% advance payment amounting to Kshs.5,242,600 had no training activities but there is no evidence of recovery or actions being taken to recover the over-payment;
- (v) The contract specifically stipulated payment terms as 10 % advance and 90% final payment. However, the management varied and paid in two instalments of 20% advance and 80% final payment contrary to the provisions of the contract.

#### **3.2. Contract for Delivery of Core Business Skills Training**

The Management entered into contract with a consultant for delivery of Core Business Skills Training on 31 October, 2018. The special condition to the contract under Section 4.2 provided that the procuring entity would make the 1<sup>st</sup> payment of 10% of eligible sum

based on confirmed placement instructions and contracted cost per trainee upon completion of Training of Trainers (TOT) as per the deliverables in the terms of reference. The 2<sup>nd</sup> payment was to be paid after confirmation of placement instructions and contracted cost per trainee and upon delivery and completion of training and satisfactory reports specified in the deliverables in the terms of reference.

The consultant was subsequently paid Kshs.39,272,800 for delivering Cycle IV life skills training to five thousand and ninety-nine (5,099) youth from thirteen (13) Counties which took place between 14 and 25 October, 2019. However, the following inconsistencies were observed:

- i. The contract in support of the payment related to core business skills training instead of the life skills training cycle IV;
- ii. The terms of reference to the framework agreement condition No.8 states that the final training report be submitted within fourteen (14) days after the end of the training of each cycle. However, the life skills report for cycle IV together with the forwarding letter attached to the payment voucher were received after more than two (2) months in January, 2020;
- iii. Management paid the consultant a sum of Kshs.39,272,800 based on a 20% advance payment and 80% final payment contrary to the provisions of the contract.

No explanations have been provided for the anomalies.

#### **4. Breaches to Public Procurement and Asset Disposal Act, 2015**

##### **4.1. Consultancy Services for Interim Management Information System (MIS) Consultant**

The Management sought for a no objection from the World Bank for amendments to the contract terms (timelines and costs) for the contracts of individual consultants working on development of interim MIS system and roll out and capacity support technical assistant for KYEOP through letter Ref: MPYG/KYEOP/04 dated 28 February, 2020. The no objection was granted on 16 March, 2020. However, the following observations were made:

- i. Contract Addendum No.1 (Contract No.KE-MPYG-104837-CS-CDS) signed on 27 March, 2020, was for a period longer than the initial contract which was scheduled to expire on 31 December, 2020;
- ii. Although the Accounting Officer duly signed the extension to the Contract, there was no evidence provided to show that there was need to amend the contract terms and the required consultation between the parties to warrant the proposed contract modifications. In addition, the contract variation never went through an evaluation committee as required under Section 139 (2) of Public Procurement and Asset Disposal Act, 2015.

- iii. Analysis of the payment voucher No.158 dated 19 December, 2019 revealed that Management paid the Consultant Kshs.3,000,000 out of which Kshs.600,000 was unsupported by proof of deliverables achieved. Although the payment was to cover areas that were previously delivered by other implementing agencies, no confirmations from the other respective Agencies were attached in support despite respective approval by the national project coordinators.

#### **4.2. Provision of Communication Specialist Services**

Available information indicates that a consultant was hired for a period of three (3) months vide contract dated 8 November, 2017 to provide communication services to the Project at a monthly cost of Kshs.600,000 and paid Kshs.1,800,000. The following unsatisfactory issues were observed in relation to the payment:

- i. The contract was signed on 8 November, 2017 before expiry of the appeals period of 14 days as prescribed under Section 135(3) of the Public Procurement and Asset Disposal Act, 2015; and
- ii. The contract omitted general and special conditions which forms part of a standard contract as specified under Section 135(6) of Public Procurement and Asset Disposal Act, 2015.

#### **4.3. Procurement of Cleaning Services Without Contract**

Contrary to the provisions of Section 104(1) of the Public Finance Management (National Government) Regulations, 2015, the Project's Management procured cleaning services and incurred an expenditure of Kshs.1,222,650 without entering into contract with the service provider. Further, quotations for the procurement of the Services were floated to three (3) firms which were not prequalified as per the then annual list of prequalified suppliers contrary to Section 95(3) of Public Procurement and Asset Disposal Act, 2015. In the circumstance the Project is in breach of the law, while the propriety of expenditure of Kshs. 1,222,650 on cleaning services could not be confirmed.

#### **4.4. Procurement of Non-Requisitioned Goods and Services**

Accounting records maintained by the Project Management in relation to office and general supplies shows that a supplier was paid Kshs.1,026,500 for supply and delivery of assorted items which included five (5) pieces of cupboard with adjustable shelves, ten (10) reams of printing papers, ten (10) pieces of extension cables among other items. Scrutiny of the documentation in support of the payment voucher revealed the following inconsistencies:

- i. Of the eight (8) items procured and paid for, four (4), costing Kshs.810,500 were not requisitioned contrary to Section 162 (4) of Public Procurement and Asset Disposal Act, 2015; and
- ii. The goods purchased and supplied were inspected thirteen (13) days after delivery, contrary to Section 48(3) of the Public Procurement and Assets Disposal Act, 2015.

The Project Management is in breach of the Law to this extent.

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 SYSTEMS AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit, that:

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

### **Responsibilities of those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the ability of the Project 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 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 the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion 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 in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Project 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 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 control that are identified during the audit.

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**


**31 December, 2020**


**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

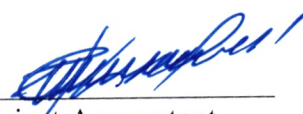
**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020**

	Note	FY 2019/20		FY 2018/19		Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	
		Kshs	Kshs	Kshs	Kshs	Kshs
<b>RECEIPTS</b>						
Loan from External Development Partners	9.3	732,301,848	-	749,846,920	-	1,819,079,088
<b>TOTAL REVENUES</b>		<b>732,301,848</b>	<b>-</b>	<b>749,846,920</b>	<b>-</b>	<b>1,819,079,088</b>
<b>PAYMENTS</b>						
Purchase of goods and services	9.4	873,068,576	-	523,239,782	-	1,593,790,376
Acquisition of Non-financial Assets	9.5	64,412,610	-	40,673,532	-	188,631,520
<b>TOTAL PAYMENTS</b>		<b>937,481,186</b>	<b>-</b>	<b>563,913,314</b>	<b>-</b>	<b>1,782,421,896</b>
<b>SURPLUS/DEFICIT</b>		<b>-</b>	<b>-</b>	<b>185,933,606</b>	<b>-</b>	<b>36,657,192</b>

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

 1.12.2020  
Principal Secretary  
Name: Mr. Julius Korir, CBS

  
Project Coordinator  
Name: Olivia Ouko


  
Project Accountant  
Name: Maxwell Mutuku  
ICPAK Member No: 24027


**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

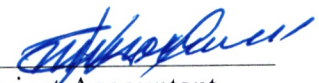
**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020**

	Note	FY 2019/120	FY 2018/19
		Kshs	Kshs
Bank Balances	9.6	36,657,192	239,307,530
<b>Total Cash and Cash equivalents</b>		<b>36,657,192</b>	<b>239,307,530</b>
Outstanding Imprests & Advances	9.7	-	2,529,000
<b>TOTAL FINANCIAL ASSETS</b>		<b>36,657,192</b>	<b>241,836,530</b>
Fund balance b/fwd	9.8	241,836,530	55,902,924
Surplus / (deficit) for the year		- 205,179,338	185,933,606
<b>NET FINANCIAL POSITION</b>		<b>36,657,192</b>	<b>241,836,530</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24/11/2020 2020 and signed by:

  
 Principal Secretary  
 Date 1.12.2020

  
 Project Coordinator  
 Date 24/11/2020

  
 Project Accountant  
 Date 24/11/2020  
 ICPAK Member NO: 24027

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

**8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020**

	Note	2019- 2020	2018- 2019
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Payments for operating expenses</b>			
Use of goods and services	9.4	- 873,068,576	- 523,239,782
		- 873,068,576	- 523,239,782
<b>Adjusted for:</b>			
Change in Imprests & Advances		2,529,000	- 2,529,000
<b>Net cashflow from operating activities</b>		- 870,539,576	- 525,768,782
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Non-financial Assets	9.5	- 64,412,610	- 40,673,532
<b>Net cash flows from Investing Activities</b>		<b>(64,412,610)</b>	<b>(40,673,532)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Loan from External Development Partners	9.3	732,301,848	749,846,920
<b>Net cash flow from financing activities</b>		<b>732,301,848</b>	<b>749,846,920</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		- 202,650,338	183,404,606
<b>Cash and cash equivalent at BEGINNING of the year</b>		239,307,530	55,902,924
<b>Cash and cash equivalent at END of the year</b>		<b>36,657,192</b>	<b>239,307,530</b>

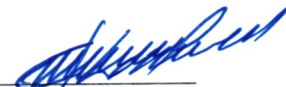
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 24/11/2020 and signed by:



Principal Secretary  
Date 1.12.2020



Project Coordinator  
Date 24/11/2020




Project Accountant  
Date 24/11/2020  
ICPAK Member No: 24027


**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

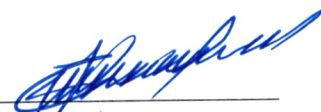
**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

<b>Consolidated</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Utilisation Variance</b>	<b>% of Utilisation</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts/Payments Item</b>						
<b>Receipts</b>						
Loan from External Development Partners	2,387,240,000	- 1,287,240,000	1,100,000,000	732,301,848	367,698,152	67%
<b>Total Receipts</b>	<b>2,387,240,000</b>	<b>- 1,287,240,000</b>	<b>1,100,000,000</b>	<b>732,301,848</b>	<b>367,698,152</b>	<b>67%</b>
<b>Payments</b>						
Use of goods and services	2,200,896,900	- 1,175,896,900	1,025,000,000	873,068,576	151,931,425	85%
Acquisition of Non-financial Assets	186,343,100	- 111,343,100	75,000,000	64,412,610	10,587,390	86%
<b>Total Payments</b>	<b>2,387,240,000</b>	<b>- 1,287,240,000</b>	<b>1,100,000,000</b>	<b>937,481,186</b>	<b>162,518,815</b>	<b>85%</b>

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

  
 Principal Secretary  
 Date 1.12.2020

  
 Project Coordinator  
 Date 24/11/2020

  
 Project Accountant  
 Date 24/11/2020  
 ICPAK Member No:24027

## **10. NOTES TO THE FINANCIAL STATEMENTS**

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

### **9.1. Basis of Preparation**

#### **9.1.1. Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

#### **9.1.2. Reporting entity**

The financial statements are for the Kenya Youth Empowerment and Opportunities Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

#### **9.1.3. Reporting currency**

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

### **9.2. Significant Accounting Policies**

#### **a) Recognition of receipts**

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

##### **• Transfers from the Exchequer**

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

##### **• External Assistance**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Proceeds from borrowing**

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

**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

• **Other receipts**

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

**b) Recognition of payments**

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

• **Compensation of employees**

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

• **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.

• **Interest on borrowing**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **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.

- **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.

### **c) 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.

### **d) 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.

#### **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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Accounts receivable**

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.

**f) 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' items to provide a sense of the overall net cash position of the Project at the end of the year. 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.

**g) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**h) 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.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During the year there were no loan disbursements were received in form of direct payments from third parties.

**i) 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.

**j) 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.

**k) 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, 2020.

**l) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
***Reports and Financial Statements-For the financial year ended June 30, 2020***

**9.3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

During the 12 months to 30 June 2020 we received funding from development partners in form of loan negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
					FY 2019/20	FY 2018/19
			KShs	KShs	KShs	KShs
<b>Loans Received from Multilateral Donors (International Organisations)</b>						
Worldbank(IDA)	2/10/2019	2,000,000	207,520,000		207,520,000	749,846,920
	27/11/2019	4,000,000	410,040,000		410,040,000	
	29/05/2020	1,082,266	114,741,848		114,741,848	
<b>Total</b>		<b>7,082,266</b>	<b>732,301,848</b>	-	<b>732,301,848</b>	<b>749,846,920</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.4. PURCHASE OF GOODS AND SERVICES

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to- date	Cumulative Prior Year
			FY 2019/20	FY 2018/19		
	KShs	KShs	KS	KShs	K Shs	KShs
Utilities, supplies and services	-		-	-	-	
Communication, supplies and services	6,597,000		6,597,000	1,500,000	8,458,500	1,861,500
Domestic travel and subsistence	63,216,343		63,216,343	35,491,312	146,514,545	83,298,202
Foreign travel and subsistence	264,850		264,850	7,578,665	23,248,147	22,983,297
Printing, advertising and information supplies & services	2,170,673		2,170,673	10,476,057	22,662,745	20,492,072
Rentals of produced assets	9,079,418		9,079,418	5,776,243	14,855,661	5,776,243
Training expenses	126,528,437		126,528,437	199,271,719	344,230,699	217,702,262
Hospitality supplies and services	20,283,068		20,283,068	28,595,644	89,882,514	69,599,446
Routine maintenance-other assets			-	232,566	-	-
Office and general supplies and services	10,173,100		10,173,100	910,111	11,083,211	910,111
Fuel and other Lubricants	18,100,000		18,100,000	8,000,000	27,120,100	9,020,100
Other operating expenses	571,550,170		571,550,170	224,906,228	860,096,130	288,545,960
Routine maintenance – vehicles and other transport equipment	9,890,392		9,890,392	501,237	10,190,433	300,041
Pre-feasibility, feasibility And appraisal studies	35,215,125		35,215,125		35,215,125	
Routine maintenance – Other assets			-		232,566	232,566
<b>Total</b>	<b>873,068,576</b>	<b>=</b>	<b>873,068,576</b>	<b>523,239,782</b>	<b>1,593,790,376</b>	<b>720,721,800</b>

*Kenya Youth Employment and Opportunities Project (KYEOP)*  
*Reports and Financial Statements-For the financial year ended June 30, 2020*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.5. ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by in third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2019/20	FY 2018/19		
	KShs	KShs	KShs	KShs	KShs	KShs
Purchase of vehicles & other transport equipment	52,591,000		52,591,000	29,565,032	144,322,591	91,731,591
Purchase of office furniture & general equipment	11,821,610		11,821,610	11,108,500	44,308,929	32,487,319
<b>Total</b>	<b>64,412,610</b>	<b>=</b>	<b>64,412,610</b>	<b>40,673,532</b>	<b>188,631,520</b>	<b>124,218,910</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.6. CASH AND CASH EQUIVALENTS CARRIED FORWARD**

<b>CASH AND CASH EQUIVALENTS C/FWD</b>	<b>FY 2019/20</b>	<b>FY 2018/19</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts (Note 4A)	36,657,192	239,307,530
Cash in hand (Note 4B)	-	-
Cash equivalents (short-term deposits) (Note 4C)	-	-
Outstanding imprests and advances (Note 4D)	-	2,529,000
<b>Total</b>	<b><u>36,657,192</u></b>	<b><u>241,836,530</u></b>

The project has one bank account domiciled with CBK for project implementation and one foreign currency designated account managed by the National Treasury as listed below:

**9.6A Bank Accounts**

**Project Bank Accounts**

<b>Bank Accounts</b>	<b>FY 2019/20</b>	<b>FY 2018/19</b>
<b><u>Foreign Currency Accounts</u></b>	<b>USD</b>	<b>USD</b>
Central Bank of Kenya [A/c NO: 1000308672]	3,387,893	3,124,980
<b>Total Foreign Currency balances</b>	<b><u>3,387,893</u></b>	<b><u>3,124,980</u></b>
<b><u>Local Currency Accounts</u></b>	<b>KShs</b>	<b>KShs</b>
Central Bank of Kenya [A/c 1000397788]	36,657,192	241,836,790
<b>Total local currency balances</b>	<b><u>36,657,191.95</u></b>	<b><u>241,836,790.00</u></b>
<b>Total bank account balances</b>	<b><u>-</u></b>	<b><u>-</u></b>

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.7. OUTSTANDING IMPRESTS AND ADVANCES**

<b>4 D Outstanding Imprests and Advances</b>					
<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2019/2020</i>	<i>Balance 2018/2019</i>
	<i>Kshs</i>		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
	<i>a</i>		<i>b</i>	<i>c=a-b</i>	
CHRISTINE WANJIRA			-	-	1,900,000
GEORGE OSASO			-	-	629,000
	-		-	-	<b>2,529,000</b>

**9.8. FUND BALANCE BROUGHT FORWARD**

<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	239,307,530	55,902,924
Outstanding imprests and advances	2,529,000	-
<b>Total</b>	<b>241,836,530</b>	<b>55,902,924</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9.9. CHANGES IN RECEIVABLE**

<b>Description of the error</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>KShs</b>	<b>KShs</b>
Outstanding Imprest Brought forward as at 1 <sup>st</sup> July 2019 (A)	2,529,000	0
Imprest issued during the year (B)	61,079,996	0
Imprest surrendered during the Year (C)	63,608,996	0
Net changes in account receivables D= A+B-C	<b>0</b>	<b>0</b>

*Kenya Youth Employment and Opportunities Project (KYEOP)*  
*Reports and Financial Statements-For the financial year ended June 30, 2020*

**10. OTHER IMPORTANT DISCLOSURES**

**10.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

	<b>Balance b/f FY 2018/2019</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Supply of goods	11,076,650	31,930,237	11,076,650	31,930,237
Supply of services	241,719,795	69,851,269	240,745,767	70,825,297
<b>Total</b>	<b>252,796,445</b>	<b>101,781,507</b>	<b>251,822,417</b>	<b>102,755,535</b>


**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

**11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Point to the (Name)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	The Office of the Auditor General has just released 2018/19 report and the management is working on the responses					

  
 \_\_\_\_\_  
**Principal Secretary**  
 1.12.2020  
 \_\_\_\_\_  
**Date**

  
 \_\_\_\_\_  
**Project Coordinator**  
 24/11/2020  
 \_\_\_\_\_  
**Date**

*Kenya Youth Employment and Opportunities Project (KYEOP)*  
*Reports and Financial Statements-For the financial year ended June 30, 2020*

**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

<b>Consolidated</b>	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual on Comparable Basis</b>	<b>Utilisation Variance</b>	<b>% of Utilisation</b>
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts/Payments Item</b>						
<b>Receipts</b>						
Loan from External Development Partners	2,387,240,000	- 1,287,240,000	1,100,000,000	732,301,848	367,698,152	67%
<b>Total Receipts</b>	<b>2,387,240,000</b>	<b>- 1,287,240,000</b>	<b>1,100,000,000</b>	<b>732,301,848</b>	<b>367,698,152</b>	<b>67%</b>
<b>Payments</b>						
Use of goods and services	2,200,896,900	- 1,175,896,900	1,025,000,000	873,068,576	151,931,425	85%
Acquisition of Non-financial Assets	186,343,100	- 111,343,100	75,000,000	64,412,610	10,587,390	86%
<b>Total Payments</b>	<b>2,387,240,000</b>	<b>- 1,287,240,000</b>	<b>1,100,000,000</b>	<b>937,481,186</b>	<b>162,518,815</b>	<b>85%</b>

- (i) *Restructuring activities of the project slowed down implementation pace of the project due to non-cooperation of Agencies ceding roles.*
- (ii) *Non approval (internally) of planned activities in preparation for cycle 5 call for youth due to COVID-19*
- (iii) *Stoppage of project activities such Job Specific Skills Training(JSST) and Business Plan Competition (BPC) due to COVID-19 meant that youth would not be paid stipends nor award winners for BPC be paid their grants (This formed the largest part of the Budget for F/Y 2019/2020).*

**Kenya Youth Employment and Opportunities Project (KYEOP)  
Reports and Financial Statements-For the financial year ended June 30, 2020**

- (iv) Failure to undertake cycle 5 activities as planned and approved in the Annual Work Plan.*
- (v) Reduction of Project Budget by the National Treasury meant only a must-do activities could be implemented*

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements-For the financial year ended June 30, 2020**

**ANNEX 2A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2020	2019	
	a	b	c	d=a-c		
<b>Supply of goods</b>						
Isuzu East Africa ltd	31,900,000.00	2019/2020	-	31,900,000.00		
CMC Motors Limited	30,237.20	2019/2020	-	30,237.20		
<b>Sub-Total</b>	<b>31,930,237</b>		-	<b>31,930,237</b>	-	
<b>Supply of services</b>						
Innovation for poverty action	16,236,973.20	2019/2020	-	16,236,973.20		
Innovation for poverty action	16,236,973.20	2019/2020	-	16,236,973.20		
Innovation for poverty action	16,236,973.20	2019/2020	-	16,236,973.20		
Innovation for poverty action	16,236,973.20	2019/2020	-	16,236,973.20		
Naomi Wanjiku kimani	500,000.00	2019/2020	-	500,000.00		
Robert waiganjo	321,472.00	2019/2020	-	321,472.00		
Government Advertising Agency	1,451,469.50	2019/2020	-	1,451,469.50		
The standard group PLC	430,000.02	2019/2020	-	430,000.02		
Nzitawa enterprises	437,550.00	2019/2020	-	437,550.00		
North cost beach hotel	459,760.00	2019/2020	-	459,760.00		
Muranga teachers college	333,275.00	2019/2020	-	333,275.00		
The Eldoret national polytechnic	278,400.00	2019/2020	-	278,400.00		
Kenya school of government	130,000.00	2019/2020	-	130,000.00		

***Kenya Youth Employment and Opportunities Project (KYEOP)***  
***Reports and Financial Statements-For the financial year ended June 30, 2020***

Nakuru polytechnic	111,000.00	2019/2020	-	111,000.00		
National industrial training authority	25,000.00	2019/2020	-	25,000.00		
Mabanga agricultural training center	69,700.00	2019/2020	-	69,700.00		
Silver Africa tours and safaris ltd	48,800.00	2019/2020	-	48,800.00		
Silver Africa tours and safaris ltd	36,950.00	2019/2020	-	36,950.00		
Fairways	120,000.00	2019/2020	-	120,000.00		
Fairways	150,000.00	2019/2020	-	150,000.00		
North eastern media and telecommunications	290,000.00	2018/2019	-		290,000.00	
The star	684,028.00	2017/2018	-		684,028.00	
<b>Sub-Total</b>	<b>70,825,297</b>		<b>-</b>	<b>69,851,269</b>	<b>974,028</b>	
<b>Grand Total</b>	<b>102,755,535</b>		<b>-</b>	<b>101,781,507</b>	<b>974,028</b>	

*Kenya Youth Employment and Opportunities Project (KYEOP)*  
*Reports and Financial Statements*  
*For the financial year ended June 30, 2020*

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Opening Cost (KShs) 2018/19	*Purchases/ Additions in the Year (KShs) 2019/20	**Disposals in the Year (KShs) 2019/20	Closing Cost (KShs) 2019/20
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Land				-
Buildings and structures				-
Transport equipment	91,731,591	52,591,000		144,322,591
Office equipment, furniture and fittings	4,149,500	7,767,610		11,917,110
ICT Equipment, Software and Other ICT Assets	28,337,819	4,054,000		32,391,819
Other Machinery and Equipment				-
Heritage and cultural assets				-
Intangible assets				-
<b>Total</b>	<b>124,218,910</b>	<b>64,412,610</b>	<b>-</b>	<b>188,631,520</b>

**APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

7th July, 2020

Hille Mellassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2680000. Fax: 340192



## CERTIFICATE OF BALANCES

Customer : 139529  
Balance Date: 30-Jun-20  
Account No Account Name

STATE DEPT FOR YOUTH

Currency Balance

Account No	Account Name	Currency	Balance
1000395575	REC-STATE DEPT FOR YOUTH	KES	3,578,258.30
1000395664	DEV-STATE DEPT FOR YOUTH	KES	1,299,000.00
1000395729	DEP-STATE DEPT FOR YOUTH	KES	0.00
1000397788	KENYA YOUTH EMPLOY AND OPPORT PROJ	KES	41,019,514.30
1000432012	GOK/UNFPA 9TH COUNTRY PROG YOUTH	KES	0.00
1000432039	UNFPA 9TH COUNTRY PROG.- YOUTH	KES	0.00

KIPSANAI L.K.  
AUTHORISED SIGNATORY  
BANKING SERVICES DIVISION

J.W. NASIEKU (Ms)  
AUTHORISED SIGNATORY  
BANKING SERVICES DIVISION

REPUBLIC OF KENYA  
STATE DEPARTMENT OF PUBLIC SERVICE AND YOUTH

Date: 1-07-2020

Report of the Board of Survey on the Cash and Bank Balances of Kenya Youth Empowerment & Opportunities Project, A/C No.1000397788 as at the close of business on 30/06/2020

The Board, consisting of- (Names and Official titles)

AMY RURIA - CHAIRMANNIXON OBORAH - MEMBERANJELO MUKETHA - MEMBERAssembled at the office of THE CASHIERat 9.30 A.M. (time) on the 1<sup>ST</sup> JULY 2019

Notes	(Shs.	Nil
Silver	Shs.	Nil
copper	Shs.	Nil
Cheques (as per details on reverse)	Shs.	Nil
		Nil

It was observed that cheques amounting to Shs. NIL cts NIL

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30<sup>th</sup> June 2020

Cash on hand	(Shs.	Nil
Bank balance	Shs.	36,657,191.95
		36,657,191.95

The Bank Certificate of Balance showed a sum of Shs. 41,019,514.30  
cts (shs. cts )Standing to the credit of the account on 30<sup>th</sup> June 2020

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Amy Ruria

  
Chairman

Nixon Borah - Member

Aniello Muketha - Member

Date 1<sup>st</sup> July 2020
  
Members of the Board



**1.PAYMENTS IN CASHBOOK NOTYET RECORDED IN BANK STATEMENT(UNPRESENTED CHEQUES)**

NO	PAYEE	AMOUNT		
STD001794/3	SENTRIM KENYA LIMITED	423,077.60		
STD002151/3	STATE DEPT FOR YOUTH:CBK	1,358,880.00		
STD002152/3	CMC MOTORS GROUP LIMITED	1,855,364.75		
STD002404	ABBIMAHAT KULOW NUROW	25,000.00		
STD002404	DENNIS MBOTELA KAMUTI	25,000.00		
STD002404	ADEN ADOW ABDULLAHI	25,000.00		
STD002404	STELLAH EKIROR SULULU	25,000.00		
STD002404	MOHAMMED ABDISALAN SHUKRI	25,000.00		
STD002405	CANNAVARO MUTEMI MWENDE	50,000.00		
STD002405	SHEILA KALUNDA MWENDWA	50,000.00		
STD002405	JOB KASAMBYO BEN	50,000.00		
STD002405	ABDULLAHI IBRAHIM ISAAK	50,000.00		
STD002405	MILLICENT NJERI WANGUI	50,000.00		
STD002405	JOEL MUSYIMI AUKA	50,000.00		
STD002405	ABDULLAHI ALI MAALIM	50,000.00		
STD002405	ABDULLAHI JELLE AHMED	50,000.00		
STD002405	HASSAN HUSSEIN MOHAMUD	50,000.00		
STD002405	CHARLES NGIGI KINGA	50,000.00		
STD002405	GORDON OMUGA OTIENO	50,000.00		
STD002405	WINNIE NJOKI WACHIRA	50,000.00		
<b>TOTALS</b>		<b>4,362,322.35</b>		