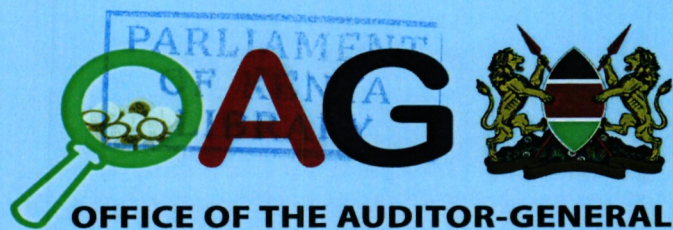


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

THE PRESIDENT'S AWARD - KENYA

**FOR THE YEAR ENDED
30 JUNE, 2021**

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 FEB 2023	DAY: Thursday
TABLED BY: Lom	
CLERK-AT-THE-TABLE: Joyce Lemerelle	



THE PRESIDENT'S AWARD - KENYA

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

12 APR 2022

RECEIVED

Patron - His Excellency the President of the Republic of Kenya

Proud to be
**THE DUKE OF EDINBURGH'S
INTERNATIONAL AWARD**
in Kenya



THE PRESIDENT'S AWARD - KENYA ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

Table of Contents	Page
1. KEY ENTITY INFORMATION AND MANAGEMENT.....	1
2. BOARD OF TRUSTEES.....	5
3. MANAGEMENT TEAM	9
4. CHAIRMAN'S STATEMENT.....	12
5. REPORT OF THE CHIEF EXECUTIVE OFFICER	14
6. CORPORATE GOVERNANCE STATEMENT.....	22
7. MANAGEMENT DISCUSSION AND ANALYSIS.....	25
8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	39
9. REPORT OF THE DIRECTORS.....	41
10. STATEMENT OF TRUSTEES RESPONSIBILITIES	42
11. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF THE PRESIDENT'S AWARD-KENYA	44
12. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021.....	45
13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021	47
14. STATEMENT OF CHANGES IN NET ASSETS.....	49
15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021	50
16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS PER STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021	52
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS PER STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021	53
17. NOTES TO THE FINANCIAL STATEMENTS	55
APPENDIX I: PROGRESS ON FOLLOWUP OF AUDITORS RECOMMENDATIONS	86
APPENDIX II: INTER-ENTITY TRANSFERS.....	87

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The President's Award - Kenya (PA-K) was launched in Kenya in 1966 by the Founding Father of the Nation, the late Mzee Jomo Kenyatta, being the Patron. The President's Award-Kenya is a member of the Duke of Edinburgh's International Award for young people with the aim of building young people's character to enable them become responsible citizens in their communities, country and society in general. The President's Award-Kenya is licenced to operate in Kenya by the Duke of Edinburgh's International Award.

The programme has been able to nurture young people who have become leaders, thinkers and innovators and are making a significant contribution to national development. PA-K became a State Corporation in 2017 through an Act of Parliament. It's commencement as a state corporation was on 16 August 2017. The entity is domiciled in Kenya with its Headquarters situated at 15 Elgon Road, Upper hill, Nairobi.

(b) Principal Activities

PA-K is a self-development and character building programme available to all young people countrywide between the ages of 14 and 24 equipping them with positive life skills to make a difference for themselves, their communities, country and the world. The program draws participation from learning institutions, mainly secondary schools, universities and tertiary institutions, faith based and community based organizations as well correctional institutions. The President's Award-Kenya is a Semi-Autonomous Government Agency through the President's Award Act No.30 of 2017.

Vision

To be the leading youth brand in Kenya and the International Award Programme of choice.

Mission

To develop and drive quality programmes that equip young people with leadership qualities and life-long skills to inculcate core national values for responsible citizenship.

PA-K's strategic objectives are:

- i. To facilitate the delivery of a quality youth programme inculcating core national values
- ii. To facilitate young people to contribute to national development priorities
- iii. To develop, operationalize and sustain a digital platform
- iv. To undertake research and development (R & D) on youth development trends
- v. To establish a sustainable resource base
- vi. To enhance the profile and visibility of PA-K
- vii. To strengthen PA-K's Corporate Governance

(c) Key Management

The President's Award-Kenya day-to-day management is under the following key organs

- The Chief Executive Officer
- Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Nellie Munala
2.	Head of Finance	Grace Musyoka
3.	Head of Procurement	Evans Okite

(e) Fiduciary Oversight Arrangements

The Board of The President's Award-Kenya has constituted Finance, Audit and Technical committees in place that carry out oversight activities towards good corporate governance and as required by the Mwongozo Code of Governance for State Corporations.

Audit, Risk and Compliance Committee

- i. The functions of the Audit, Risk and Compliance Committee include:
- ii. To review the Board's internal financial controls and risk management systems and advise on risk areas.
- iii. To monitor and review the effectiveness of the Board's internal audit function and make recommendations to the Board.
- iv. To review and monitor the internal auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- v. To advise the Board on matters related to audit and Governance.
- vi. To handle audit issues.
- vii. To ensure compliance with the legal and statutory requirements.

Parliamentary Committee Activities

The Board reports on financial matters to the Parliamentary Investments Committee (PIC) by virtue of being a State Corporation. Most parliamentary committees investigate specific matters of policy or government administration or performance. Other parliamentary committees are responsible for matters related to the internal administration of the parliament.

Committees are able to do things which it would not be possible to undertake in the large, formal environment of the parliament, such as finding out the facts of a case or issue, gathering evidence from expert groups or individuals, sifting evidence and drawing up reasoned conclusions. This kind of work is more effectively carried out by small group members. An advantage of committees is that several of them can operate at one time enabling many more investigations to be conducted. Each committee has its own defined area of operation so that it is able to specialize and build up a body of expertise among its members.

(f) Entity Headquarters

P.O. Box 62185, 00200
15 Elgon Road, Upper hill
Nairobi, Kenya

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

(g) Entity Contacts

Telephone: (254) 722714122/ (254) 787419325/(254)202714829/30
E-mail: info@presidentsaward.or.ke

(h) Entity Bankers

Kenya Commercial Bank
Kipande House Branch
P.O. Box 30012
NAIROBI, KENYA

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084, 00100
Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112, 00200
Nairobi, Kenya

2. BOARD OF TRUSTEES

Ref	Directors	Details
1.	 Dr. Fr Wakimani Wamugunda D.	Fr Wakimani Wamugunda D was appointed as the President's Award – Kenya Non-Executive Board Chairperson on 18th March, 2019. He is the Dean of Students and a Lecturer of Sociology at the University of Nairobi.
2.	 Prof. Eric Okoth Ogur, PhD, CEng MIMechE	Prof. Eric Ogur was appointed as member of the President's Award – Kenya Board on 18th March, 2019 as an alternate to the CS Ministry of Education. He was previously an Associate Professor at the Technical University of Kenya. He holds PhD in Engineering and Masters in Manufacturing Systems Engineering from University of Warwick Coventry, England. BEng (Hons) Mechanical and Manufacturing Engineering from University of Portsmouth, England, Higher Diploma and diploma in Mechanical Engineering from Kenya Polytechnic. He is a Non- Executive Board Member and a member of the Audit, Risk and Compliance Committee.
3	 Susan Nkirote Omanga	Susan was appointed as member of the President's Award – Kenya Board on 18th March, 2019. She founded Exclamation Marketing Ltd in 1998, a fully-fledged marketing communications agency which serves local and international clients. Previously Susan was Head of Marketing, Standard Chartered Bank in East Africa and Marketing Manager, Barclays Bank of Kenya. She holds a Bachelor of Science in Business Management and Marketing with minor in advertising from Rocky Mountain College, Billings, Montana, USA. Susan is a Non- Executive and Independent Board Member. She is the Chairperson of Audit, Risk and Compliance Committee.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

4.	 Sylvia Wairimu Mulinge	Sylvia was appointed as member of the President's Award – Kenya Board on 18th March, 2019.. She is currently serving as a Chief Customer Officer at Safaricom. She has developed a track record in the strategic thinking, new business development, commercial execution and people development in the Fast Moving Consumer Goods and Telecommunications sector. She holds a BSc – Food Science and Technology degree from the University of Nairobi. She is a Non-Executive and independent Board Member. Sylvia is the Chairperson of the Technical committee.
5.	 Kennedy Martin Waituka Kihara, CBS, EBS	Kennedy was appointed as member of the President's Award – Kenya Board as an alternate to the Head of Public Service. He is the Principal Administrative Secretary in the Executive Office of the President. He is also the Assistant Secretary to the Cabinet. He holds a Masters of Business Administration degree from Maastricht School of Business and a Bachelors of Arts degree in Political Science from the University of Nairobi. After basic paramilitary training, he has undertaken specialist training in Israel, Austria, India and the United Kingdom. He is a Non- Executive Board member. He sits in the Audit, Risk and Compliance committee.
6.	 Godfrey Busolo, OGW	Godfrey was appointed as a member of the President's Award – Kenya Board on 18th March, 2019 as an alternate to the Principal Secretary National Treasury. He is a Senior Deputy Secretary at the National Treasury. He has previously held different positions in various Ministries. He holds a Masters of Arts (MA) – International Studies, Masters of Business Administration - Strategic Management from the University of Nairobi, Bachelor of Arts – Government, Diploma in Human Resource Management from Kenya Institute of Management, Diploma in Business Administration, - ABE, London. He is a Non- Executive Board member. He sits in the Audit, Risk and Compliance committee as well as the Finance and General Purpose committee.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

7.	 Sachen Chandaria, MBS	Sachen was appointed as member of the President's Award – Kenya Board on 18th March, 2019. He is a well-rounded and influential businessman having been involved in running the family business traversing different countries like North America, Europe, Africa and the Middle East where he has gained both local and global wealth of experience. He is a graduate with Honours in Chemistry and Management from Imperial College in London. He is a Non- Executive and Independent Board member. He is the Chairperson of the Finance and General-Purpose committee and a member of the Technical committee.
8.	 Edwin Otieno Joseph, OGW	Edwin was appointed as member of the President's Award – Kenya Board on 18th March, 2019. Current positions are Chairman, Elimu SACCO and Chairman, CIC General Insurance Company. He was previously the Executive Director for The President's Award-Kenya. He is a Non- Executive Member and Independent Board Member. He is a member of the Finance and General Purpose committee as well as the Technical committee.
9.	 Veronica Chematia Birgen, MBS	Veronica was appointed as member of the President's Award – Kenya Board on 18th March, 2019 as an alternate to the CS Ministry of Public Service and Gender Affairs. She is the Technical Advisor to the CS – Ministry of Public Service, Youth and Gender Affairs and Commissioner, Public Service Commission. She holds a Master's Degree in Science Organisational Development from U.S.I.U Africa. Bachelor of Arts (Hons) from University of Nairobi, Post Graduate Diploma in Human Resource Management at Institute of Human Resource Management (Kenya). She is a Non- Executive Board Member and a member of the Finance and General Purpose committee.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

10.	 Nellie Munala	Nellie is the Chief Executive Officer at The President's Award-Kenya. Her experience includes 11 years international development exposure, which includes, 4 years working in conflict and post conflict communities in Rwanda and the DR Congo with Voluntary Service Overseas and MONUC (UN Mission to Congo) in the child, youth and gender sectors and 7 years in Zambia with the Commonwealth Secretariat, Youth Affairs Division, in the youth development sector. She holds a Master of Arts degree in Development Studies from Erasmus University, International Institute of Social Studies, The Hague, The Netherlands; a Bachelor of Arts degree in Sociology from the University of Nairobi; graduate and postgraduate qualifications in journalism and Mass Communication from the Kenya Institute of Mass Communication (KIMC) as well as Strategic Leadership Development Programme (SLDP) from Kenya School of Government. She is Secretary to the Board

3. MANAGEMENT TEAM

No	Management	Details
1.	 Nellie Munala Master of Arts, Development Studies Strategic Leadership Development Programme (SLDP) Postgraduate Certificate in Mass Communication Postgraduate Certificate in Journalism Bachelor of Arts, Sociology	Chief Executive Officer
2	 Isaac Orangi Masters in Public Sector Management, Higher diploma in HRM, Higher diploma in HRM, Higher diploma in International relations	Deputy Director HRM & D
3.	 Christine Chacha Higher National Diploma in Entrepreneurship, Diploma in Technical Education	Senior Programmes and Coordination Officer

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

4.	 Jinnarius Wambugu Bachelor of Arts in Community Development, Diploma in Technical Education	Senior Programmes and Coordination Officer
5	 Harat Malenya Bachelor of Arts and Social Sciences Post Graduate Diploma in Education	Principal Programmes and Coordination Officer
6.	 Wangari Kaburi Bachelor of Arts in Education, Diploma in Education	Senior Programmes and Coordination Officer
7.	 Joram Otieno Bachelor of Arts and Social Sciences	Principal Programmes and Coordination Officer

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

8.	 Grace Musyoka Masters of Business Administration -Strategic Management, Bachelor of Business Administration (Finance and Accounting), CPA (K)	Principal Finance Officer
9.	 Evans Odhiambo Okite Higher National Diploma in Purchasing and Supplies Management (FIS)	Principal Supply Chain Management Officer
10.	 Phelister Wanjau Diploma, Business Administration	Principal Assistant Administrator

4. CHAIRMAN'S STATEMENT

Dear Stakeholders,

It is with great pleasure and gratitude that I present the President's Award – Kenya (PA-K) FY 2020/2021 Annual Report and Financial Statements.

Half of the financial year ended though was challenging globally with the outbreak of the Corona Virus Disease at the end of the year 2019. This triggered unprecedented opportunities for creativity and innovativeness which PA-K took advantage of to ensure that young people continued to contribute to community and national development priorities areas.

As the world continues to mitigate the challenges occasioned by the Covid-19 pandemic, I am pleased to note that the young people are at the forefront in offering viable solutions across the country and the world. Our Award participants continue to serve their communities utilizing various avenues including the digital platforms to sensitise their peers and their communities to stay safe.

In the course of the year, a champion for youth empowerment, HRH Prince Phillip KT, the Duke of Edinburgh and the Founder of The Duke of Edinburgh's International Award passed away. His noble dedication pronounces our existence as an Organization. His steadfast belief and commitment to the infinite potential of young people will inspire many generations to come.

Some of the most exemplary contributions made by young people during the financial year revolved around mitigation of the spread of Covid-19 in the communities where our participants played a leading role in sensitization of their communities as well as innovativeness in the delivery of the Award.

The transition to being a State Corporation through the enactment of the President's Award Act No.30 of 2017, is a milestone achievement as it has given PAK more access to government support. As it journeys in the process of putting structures in place, the organization has two major challenges: Human and financial resources constraints to support the effective delivery of the programme. The Board has put in place strategies to ensure that the organization is sustainable and that the programme is delivered in an efficient manner.

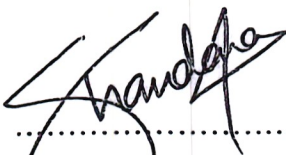
THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The President's Award-Kenya as mandated by the Act, is committed to impart positive life skills and ethical values to the young people for a better society. It continues to equip the young people with skills to navigate challenges and exploit their full potentials, enabling them to be ready for the World.

I would like to acknowledge the following for creating spaces for young people to better themselves:

- i. The Government of Kenya for its goodwill and continued support
- ii. The Board Trustees for their effective strategic leadership and oversight role
- iii. The staff of the President's Award-Kenya for implementing its goals and objectives
- iv. Corporate and individual supporters of the Award
- v. Heads of institutions, Award leaders, Award participants and volunteers
- vi. The International Award Foundation for its guidance and support over the years
- vii. All the stakeholders and champions of youth development at all levels

I would like to assure you that as an organisation we have continued to deliver on the mandate to promote national values and integrity in our community. Through inculcating leadership skills and a spirit of service we prepare young people to be world ready and the World ready for young people!



.....
FOR: DR (FR.) WAKIMANI WAMUGUNDA D.
CHAIRMAN, BOARD OF TRUSTEES

5. REPORT OF THE CHIEF EXECUTIVE OFFICER

The President's Award – Kenya: 2020/2021

The President's Award – Kenya continued to deliver its mandate during the year in the new normal era occasioned by the pandemic. During this period, the International Award Foundation complimented the Governments protocols in response to the prevailing circumstances by playing a key role in providing guidance on programme sustainability.

The President's Award-Kenya strategic directions are guided by the following instruments the President's Award Act, No.30 of 2017, Kenya's Vision 2030, the National Youth Policy 2007, the Constitution of Kenya 2010, the Duke of Edinburgh's Award Foundation Strategic Plan 2014-2027, the President's Award – Kenya Validation of 2020 and Improvement Plan 2013. The strategic directions include: Growth in staffing and participation levels, digitalization of the Award delivery and contribution to National Development priorities.

Some of the key highlights include:

1. Reach – Participation

- i. The prolonged closure of the learning institutions; public and private secondary schools, universities and tertiary colleges, which are the highest catchment for the Award programme witnessed reduction in enrolment of young people in the Award programme. This was addressed by devising non-traditional strategies by embarking on recruitment from the estates, churches and encouraging Award leaders from Correctional Institutions and Community based organisations to recruit more young people. A new development in the correctional institutions, the Prisons witnessed the first recruitment of Prison Officers from 5 Prisons, within the participation age bracket. In the previous years, only inmates were enrolling as participants. This helped to realise a total of 1070 new participants being enrolled.
- ii. The uptake of the Award on the online platform was at 99% as compared to 1% on the manual record book.
- iii. 1642 young people qualified for their Gold Award certificates.

Notable is the integration of person's with special needs in the programme. The programme was delivered in schools for the visually and hearing impaired and persons with other physical disabilities.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

The programme was also delivered to young offenders in prisons, correctional centres and Borstal institutions.

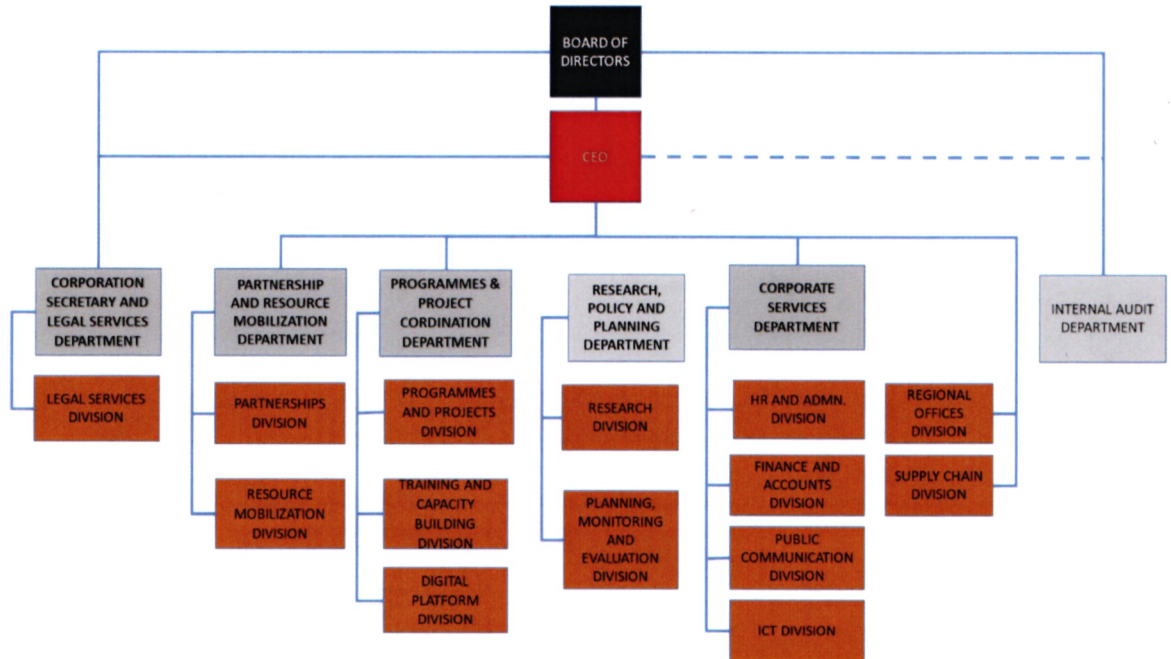
2. Relevance

- i. PA-K focuses on;
 - ✓ Contributing to the ideals of the Constitution of Kenya 2010; Chapter 2, Article 10:Principals of Governance and National Values and Chapter 6 :Leadership and Integrity
 - ✓ promoting young people's contribution to community, national and global development priority goals.
- ii. The new entrant participants undertook voluntary community service activities across the country. Examples of the projects they participated in included environmental conservation, construction of classrooms, home care services to orphans and the elderly, advocacy on children and young people's rights including person's with disability, medical camps and sign language training.
- iii. The Award impact areas are in synergy with education sector (Competence based curriculum) and youth development goals.

3. Structure

- i. The Secretariat comprised of 13 staff members, 8 staff were deployed from the Ministry of Education, The National Treasury, Ministry of Public Service, Youth and Gender Affairs as well as Ministry of Agriculture, Livestock, Fisheries and Irrigation.
- ii. The Secretariat has 5 staff members under Programmes department and 8 staff members under Administration. The Chief Executive officer oversees the Programmes and Administration departments.
- iii. The approved optimal staff establishment is eighty four (84) staff members
- iv. The Ministry of Education, Directorate of Youth Affairs and Office of the President supported the delivery of the Programme.

The President's Award – Kenya approved organization structure



4. Sustainability

- i. The Government of Kenya contributed Kshs. 47,000,000 in the year under review. Government provides annual subvention to support both recurrent and development Expenditure
- ii. Through the Duke of Edinburgh's International Award World Fellowship programme institutions were equipped with ICT and outdoor equipment to enhance the delivery of the programme on the digital platform through the Compass project. A total of 400 students from 40 institutions across 17 counties undertaking the programme on the digital platform are being supported.

5. Visibility

Award participants (young people's) contribution to achieving the Big4 agenda were reflected in the community service interventions that they undertook in regard to environmental conservation at their respective institutions as well as the neighboring communities.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

Award participants engaged in disseminating to their respective communities Government protocols on limiting the spread of the COVID-19 pandemic. The dissemination of information was mainly done using e-platforms available to communities, that is, short messaging service (sms). For example, an Award participant in Machakos county, used SMS texting to reach farmers in her community in regard to raising awareness on COVID-19 pandemic protocols.

The Award Holder's Alumni strengthened the delivery of the Award through fundraising, service to community and awareness raising activities. The 266 participants they supported in public schools in Kilifi county are progressing well with Award Programme activities

The Boards activities were highlighted in various forms in both Print and electronic media, through national media outlets. The publicity came in form of , articles , television coverage, interviews as well as publications such as the the Kenya Editorial Yearbook where the Program activities were featured.

6. Contribution to the Big 4 Agenda

The President's Award-Kenya is responding to the Government's Big 4 Agenda through activities conducted by the young people. We are in partnership with Kenya Forest Research Institute (KEFRI) and Kenya Forest Service (KFS) to support the governments initiative on National tree planting campaign. PA-K targets to plant 1,500,000 tree seedlings in the next three years, and the activities are ongoing. Greening the nation supports in mitigating climate change and influences agricultural activities hence enabling the country to be food secure. Award participants from the various Kenya Medical Training Colleges were part of the response teams in their communities during the early stages of the outbreak of the pandemic, supporting on health care needs.

Challenges

The entity identified the following key areas needing attention;

i. Human Resources

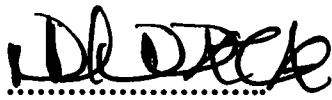
The current President's Award – Kenya staff compliment is inadequate to achieve its stated mandate. Sixty- one percent (61%) of the staff is seconded or deployed staff. Key functions required to deliver on the PA-K mandate have not been filled. The implementation of the operational instruments will mitigate this challenge.

ii. Financial Resources

The current annual Government subvention to the President's Award – Kenya is insufficient to meet the budgetary requirements to deliver the programmes and projects effectively. The President's Award – Kenya received an estimated 30% of its budgetary requirement.

iii. Visibility

The awareness of the President's Award – Kenya brand in the community and especially beyond the capital city is limited. This has an implication on the enrolment rates of young people in the Award programme as well as engagement of adults and potential supporters. The entity continues to explore opportunities to influence social policy and practice in youth as well as national development. The entity continues to strengthen its networking and partnerships agenda to enhance its visibility.



NELLIE MUNALA

CHIEF EXECUTIVE OFFICER

7. STATEMENT OF PAK's PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2020/2021

The Award Programme delivery mirrors the national development framework in order to significantly reach out to the youth segment both in and out of school. Thus the following Award impact areas are in line with the National Youth Development Policy as well as the Education sector goals of promoting non-formal education;

Key Impact areas are as follows;

- i. Improved employability and earning potential
- ii. Improved physical health and fitness
- iii. Improved mental health and emotional wellbeing
- iv. Increased engagement with charitable and community causes
- v. Increased social cohesion
- vi. Improved environmental impact
- vii. Reduced offending

The President's Award – Kenya identified Strategic Pillars are;

- i. Reach
- ii. Relevance
- iii. Structure
- iv. Visibility
- v. Sustainability

The following matrix summarizes progress and achievements made towards the Strategic Pillars.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Reach	Enrol 8,000 new participants from diverse backgrounds across the country	No. of new participants enrolled	Award presentations and sensitization sessions to prospective Institutions	1070 new participants enrolled

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

			Induction of Award Leaders and students Award leaders Recruitments drive in using non-traditional approaches: (i)Running Award in residential estates (ii)Award in faith based organizations (iii)Young Officers working in Prisons	
Pillar 2 Relevance	To facilitate young people's contribution to community and national development priorities	Types of young people's contributions to community and national development priorities	Engagements in community and national service Community Service and Gold Residential projects focused on providing solutions to community challenges Engagements of parents, guardians and relatives to support while participants carry on with activities when at home.	Environmental conservation at institution level. 10,000 seedlings planted in Central and Coast Regions 1642 Gold level participants engaged in Gold Residential community projects ranging from construction of classrooms, renovations, and disseminating information on COVID-19 pandemic protocols and agribusiness

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

Pillar 3 Structure	To develop institutional operational manuals	Institutional operational manuals	Development of draft documents on; PA-K Human Resource Policies and Procedures manual PA-K careers progression guidelines PA-K Salary & Allowances PA-K organisational structure and staffing	PA-K Human Resource Policies and procedural manual approved for implementation PA-K career progression guidelines approved for implementation PA-K Salary & Allowances Structure approved for implementation PA-K organisational Structure and Staffing approved for implementation
	To comply with International Award Licence standards	Implement Licence requirements	Implement improvement plans	Licence Renewal obtained
Pillar 4 Visibility	To increase the profile and visibility of PA-K	Develop communications policy	PA-K Communication Policy	Work in progress
		Develop Branding guidelines	PA-K branding guidelines	Work in progress
Pillar 5 Sustainability	To expand PA-K resource base	Develop PA-K resource mobilisation strategy	PA-K Resource mobilisation strategy	Work in progress
		Operationalise PA-K Foundation	PA-K Foundation operationalised	Work in progress

8. CORPORATE GOVERNANCE STATEMENT

The Board of Trustees of the President's Award-Kenya believes that high standards of corporate governance fostering a culture that values integrity and ethical behaviour are essential for sustainable long-term performance and creating shareholder value. The Board has established a corporate governance framework, the key features of which are set out in this Corporate Governance Statement.

The Board of Trustees is responsible for the governance framework which operates under Board-approved policies and practices. The governance framework and associated practices are reviewed by the Board and its committees to ensure it complies with current regulations.

Role and Responsibilities of Trustees and Management

The President's Award Act, 2017 provides that the affairs of the organisation are to be managed under the direction of the Board. The Board of Trustees are responsible for the overall strategy, governance and performance of the President's Award-Kenya and delegates responsibility for the day-to-day management of the President's Award-Kenya to the C.E.O. The Chief Executive Officer in turn delegates authority to the appropriate senior managers for specific activities and transactions, including implementation of the corporate strategy and operating within the risk appetite set by the Board. This authority is governed by a formal delegation of authority that is approved by the Board and is reviewed as required.

Attendance to Board meetings by Board of Trustees

Members are expected to attend all Board meetings except with the permission of the Chairman. Failure to attend three consecutive Board meetings without chairman's permission may lead to removal from office.

No of meetings held during the FY 2020/21 are as follows:

Meetings held	No of meetings
Full Board meetings	6
Board Committee meetings	14

The President's Award – Kenya Operation Instruments

The President's Award – Kenya obtained approval of its operational instruments by the State Corporation Advisory Committee (SCAC) in August 2020 which categorized PA-K as a service state corporation PC 3C funded from the Exchequer. Further in December 2020 the President's Award - Kenya human resource instruments were approved by State Corporation Advisory Committee.

The President's Award – Kenya Board of Trustees adopted the operation instruments for implementation in February 2021. In June 2021 the Board approved and implemented the salary and grade conversion of existing staff members.

The Audit, Risk Management and Compliance Committee adopted the President's Award – Kenya Audit Committee Charter, 2020.

Trustee's Skills and Experience

The Board's objective is to have an appropriate mix of skills, expertise and experience on the President's Award-Kenya Board and Board committees. The Board as currently constituted draws a membership from wide sections of the society. Accordingly, the Board is also represented by representatives from all major stakeholders making the Board highly qualified to attend to all matters regarding the Organization.

Succession plan

The succession plan at the Board level involves notifying the Appointing Authority when the term of the Board is coming to an end. At the management level the President's Award-Kenya succession planning process, is to ensure that employees develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into more challenging roles.

Appointment and removal of Trustees

Board members are appointed by the Cabinet Secretary in charge of Education. Vacation of office of Board members is provided for in provisions of the President's Award Act, 2017 as well as Mwongozo, the code of Governance for State Corporation, 2015.

Conflict of Interest

The Board maintains a conflict of interest register where Board members are required to register and declare any conflict of interest in the course of Board business. The Member is not allowed to participate in decision making on matters where there he /she has conflict of interest.

The entity's Board of Trustees was gazetted and contained in Kenya Gazette Notice Vol. CXXI – No. 34 dated 22 March 2019 vide Gazette Notice No. 2579 and 2571.

The following are the President's Award – Kenya approved Board Committees;

- i) Technical Committee
 - a) Sylvia Mulinge – Chair person
 - b) Edwin Otieno
 - c) Sachen Chandaria

- ii) Finance and General Purpose Committee
 - a) Sachen Chandaria- Chair person
 - b) Godfrey Busolo
 - c) Edwin Otieno
 - d) Veronica Birgen

- iii) Audit, Risk and Compliance Committee
 - a) Susan Omanga- Chair person
 - b) Kennedy Kihara
 - c) Prof. Eric Ogur
 - d) Godfrey Busolo

The gazetted Boards' operations are guided by the President's Award Act, 2017, the State Corporation's Act as well as Mwongozo in its undertakings.

9. MANAGEMENT DISCUSSION AND ANALYSIS

The President's Award – Kenya's (PA-K's) broad strategy is to support young people to contribute significantly to national development priorities; plug into key national youth development processes; build its resource base, and devolve its structures to be closer to its youth constituencies at regional and county levels.



Award participants from Nairobi school, Nairobi County during Bronze Award Ceremony

The Award framework enables young people to build their confidence, demonstrate resilience and innovativeness in addressing and finding solutions to community challenges.

PROGRAMME IMPLIMENTATION MILESTONES DURING THE YEAR

1. The Gold Award Ceremony



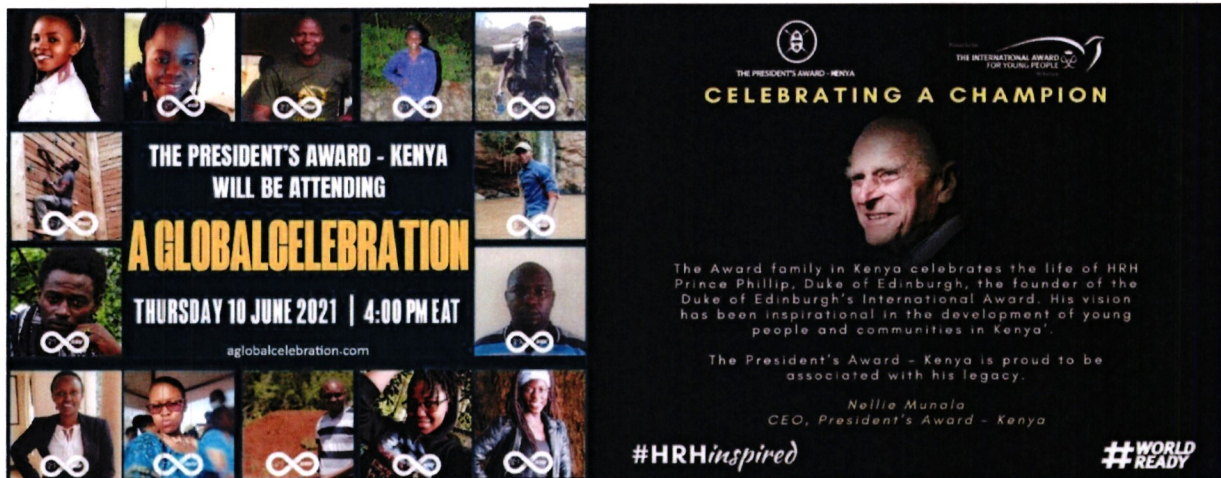
The President's Award-Kenya held the first ever virtual Gold Award ceremony presided over by His Excellency the President and Patron. A total of 1,642 young men and women drawn from 80 Award centres received their Gold Awards. 13 Award Holders Alumni received their life membership certificates.

2. PA-K Call for Action

A deliberate step forward to spur recruitment and growth in the Award programme while encouraging Award participants to progress with their activities wherever they are. The traditional approach of visiting learning institutions was not attainable since the learning institutions had closed for the better part of the year. This witnessed establishment of Award centres in residential estates/communities and faith-based organizations as well as more engagement on individual participation.

3. Marking the Life and Legacy of the HRH Prince Phillip, KT

This was marked through celebration of the infinite potential of the young people. The event was virtually held on 10th June 2021. HRH Prince Edward, the Earl of Wessex graced the occasion where young people from Kenya also participated. The occasion was transmitted live with international viewership.



4. Founder's 100 Campaign

The initiative to celebrate the Founder's centenary was marked on 10th June 2021. The International Award Foundation and National Award operators (NAO's) utilized the opportunity to;

- i. Raise profile
- ii. Increase participation; and
- iii. Raise funds for NAO's

In particular the objectives of the Founder's 100 campaign were to;

- i. Support Award delivery
- ii. Communicate Impact of the Vision
- iii. Create a legacy to sustain the Vision

The Founder's 100 campaign was celebrated across the 130 countries and territories globally that deliver the Award programme. The International Award Foundation identified five lead National Award Operators to promote the Founder's 100 campaign.

Kenya was singled out alongside the United Kingdom, Canada, Czech Republic and Australia. The President's Award-Kenya had identified the following activities which are on continuous implementation:

i. Raise Profile

- a) Engaged with media to disseminate information about the campaign – central message, promoting non-formal education. The Organization benefitted from both print and electronic media coverage during the year. The Gold Award ceremony was transmitted live, some of our young people's achievements were covered by media houses.
- b) Developed documentary to showcase young people's inspiring actions
- c) Partnered with Kenya Forest Research Institute (KEFRI) to contribute to national tree planting campaign – Planting 100,000 Bamboo seedlings dedicated to Founder's 100.

ii. Increase Participation

- a) Supported 100 Award centers to transition to delivering the Award on ORB (100 centers of excellence). The Safaricom support towards provision of internet bundles will go along way in enabling the identified Award centers to transition.
- b) Mounted a recruitment campaign (Founder's 100) to provide access to more young people to participate in the programme.

iii. Raise Funds

Engaged with private sector to support the digital adoption agenda.

5. Engagement of Interns

The Public Service Internship Programme (PSIP) is a Government initiative under the Public Service Commission designed to offer opportunity for graduates to acquire and develop viable technical and professional skills as well as work experience in the Public service; ministries, departments and agencies. The President's Award-Kenya received a total of eight (8) interns who completed their one-year internship in April 2021. The interns were exposed to workplace procedures.

6. Participants' Registrations

There was a drop in new participants registrations occasioned by the review of education sector calender and limitations on co-curricular activities. Award leaders experienced challenges in

recruitment and retention of participants due to financial constraints on the part of the parents/guardians and the Award centres.

7. Award Centres Licencing

As the country experienced an economic downturn as a result of the COVID pandemic, institutions had challenges in payment of the annual fees as prescribed in PA-K Licence agreement.

8. Award Leaders' Inductions

The year had a total 52 Award leaders inducted from various institutions.



Award Leaders (Prison Officers) from Nyeri Main Prison attending an induction at the PA-K Head Office



Students Award Leaders from Kabarak University, Nakuru County during an induction

9. Award Presentation

During the year, 167 Award presentations were done in Prisons, Borstal institutions, Secondary schools, Tertiary institutions and faith-based institutions.



Riabai Youth Centre participants, Kiambu County with PA-K staff with after presentation



PA-K Staff making a presentation to Kenyatta Secondary School, Nakuru County

Award presentation to special segments of the Society:



Presentation to Reverend Muhoro Secondary school for the hearing impaired, Kiambu County.

10.Adventurous Journey (AJ)



Campsite at Bar Union Primary School during creation of new routes; Kisumu/Vihiga Counties

i. New AJ routes:

The programme witnessed development of more routes across the country to create more accessible areas for carrying out Adventurous Journeys. A total of five AJ routes were generated across the country; Kibwezi/Makueni, Kwale, Kisumu/Vihiga, Mukurweini and Loitoktok.

ii. Expeditions/Explorations:

The challenges posed by the new normal notwithstanding, fewer Award centres managed to carry out Adventurous journeys compared to the previous years. However, the traditional Expeditions were blended with Exploration to suite the government protocols during the period. This was not only convenient and cost effective, but impactful, generating excitement and satisfaction to the Award participants, assessors and Award Coordinators.

The adventurous journeys (outdoor experiential activities) conducted by the Award Centres ranged from Bronze to Gold. The Prison Service embarked on their first ever Adventurous Journey, Gold expedition in June 2021, bringing together a total 40 young officers in the Prison service. The participants were drawn from Kiambu Prison, Kamae Girls Borstal, Thika Main Prison, Thika Women Prison, Nyeri Maximum Prison, Nyeri Medium Prison and Nyeri Women Prison.



The Director of Rehabilitation Madam Mary Khaemba, Officer In charge Nyeri Maximum Security Prison Mr. Yusuf Koitapok, Officer In charge Nyeri Women Prison Madam Elizabeth Sivi, Prison officers award leaders, Prison officer's participants, assessors and staff of The President's Award-Kenya pose for a photograph during adventurous journey in Mukurwe-ini, Nyeri County

10. Contribution To The Big 4 Agenda

The President's Award-Kenya is keen and dedicated to participate and support in Government Big 4 Agenda. One of the key identified activities is contribute in the National tress planting campaign, which has a direct bearing on agenda of Food Security& Nutrition. To leverage on impact PA-K partnered with Kenya Forest Research Institute (KEFRI) and Kenya Forestry Service (KFS) in supporting young people to establish tree nurseries and embark on sustainable tree planting programmes.

The Organization identified 100 Award Centres to pioneer the initiative with the goal of replicating it in all award centres across the country. PA-K targets to plant 1,500,000 trees in the next three years. The Government through a Cabinet deliberation put emphasis on the growing of bamboo trees and creation of bamboo forest due its many environmental and commercial advantages. For the launch of the bamboo growing initiative, The President's Award-Kenya and Kenya Forestry Research

Institute conducted the first activity at Nyeri Maximum Prison and planted 500 tree seedlings on the bank of river Chania which is adjacent to the Prison facility.



Kiambu Township Primary and Secondary schools, Kiambu county

From left: Hon Jude Njomo, MP Kiambu Town Constituency and PAK CEO Nellie Munala (Fifth from right) during PA-K partnership with Kiambu Town Constituency in planting indigenous trees.

11. Celebrating Exemplary Young People and Award Leaders

The global challenges occasioned by the Covid-19 and the subsequent government containment measures pronounced a new normal that PA-K adapted to. PA-K was honoured and recognized in the financial years as follows;

i. Recognition by Ministry of Labour and Special Protection in Collaboration with the Civil Society

In regards to its sustained community service activities, PA-K was recognized by the Ministry of Labour and Special Protection in Collaboration with the Civil Society for championing outreach activities during the pandemic. PA-K was further honored during the ceremony when three of its Award alumni members were recognized for their exemplary service in their communities during the pandemic. The three are from Coast Region, Kilifi County; Joseph Nazareth, Athman Anuar and Zarika Juma. The event was graced by H.E Prof. Kivutha Kibwana, Governor, Makueni County who's also the Ambassador of the Volunteer Involving Organisations, Kenya.



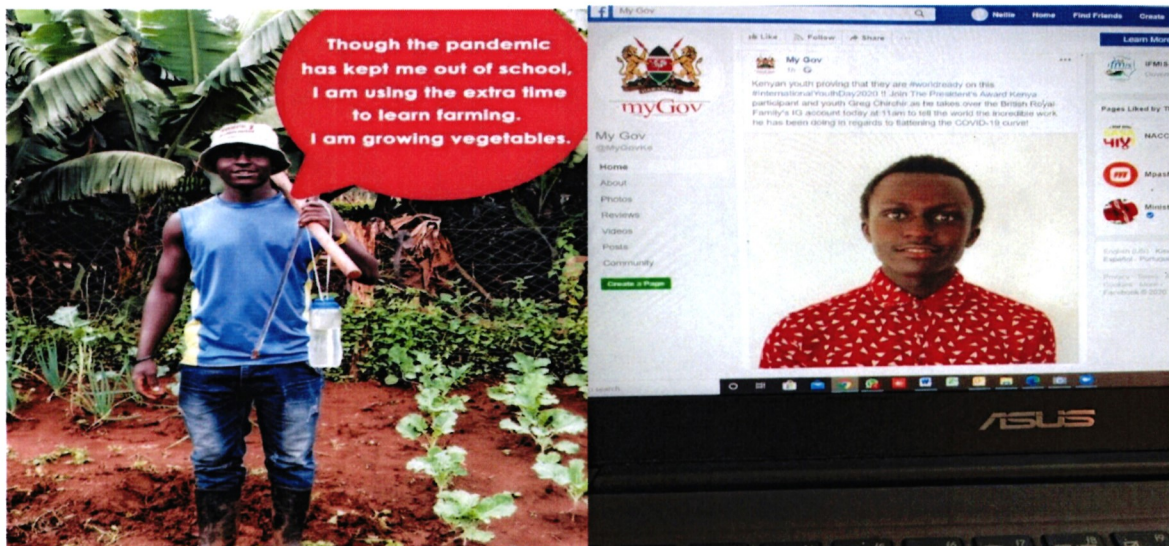
Certificate of Recognition Awarded to PA-K by Volunteer Involving Organizations



PA-K CEO Nellie Munala, H.E Prof. Kivutha Kibwana, Governor, Makueni and Award Participant Joseph Nazareth during Volunteer Involving Organisation's Award Ceremony

ii. Award participant honored by the Royal Family United Kingdom

Gregory Chirchir, a Gold Award participant at Egerton University was reconized globally for his innovativeness in generating income, supporting his family from diversifying his farming activities during the pandemic. Gregory's story was covered in local and international media outlets.



iii. Joy Recho Akinyi honored

Joy Recho Akinyi, a Gold Award recipient in the President's Award – Kenya Gold Award Ceremony, 2020, was recognised in one of the national daily newspapers as a young woman in leadership. She is a graduate of Mt.Kenya University, Thika Campus, where she had served as the deputy leader of the University Student's Union.



Joy Recho Akinyi, featured in one of the leading Kenyan national newspaper's.

12. Staff Capacity Building

Staff Capacity Development is part of the stakeholder's capacity building observed by the Organisation. This undertaking is a continuous exercise which is also part of the Government policy. PA-K is now a state agency and hence the need to observe the regulations cannot be overemphasized.

During the year, 13 staff members were trained in the following courses:

- Senior Management Course
- Strategic Leadership Development Programme
- Advanced Human Resource Management
- Emerging Areas in Procurement

- Customer Care
- Taxation in Public Sector
- Defensive and First Aid Courses
- Management and Leadership for Executive Secretaries & Admin Assistant Program

13. Approval of President's Award – Kenya Operational Instruments

The President's Award – Kenya obtained approval of its operational instruments by the State Corporation Advisory Committee (SCAC) in December 2020.

The operational instruments approved are the following;

- i) PA-K organizational structure
- ii) PA-K categorization and salary structure
- iii) PA-K Human Resource and Procedures manual
- iv) PA-K Career guidelines

The President's Award – Kenya intends to implement the approved staff establishment over a period of three (3) years commencing in FY2021/2022 upon authorization by the National Treasury.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Below is an outline of the organisation's policies and activities that promote sustainability.

(i) Sustainability strategy and profile

PAK has put in place various measures to ensure that the organisation is able sustain itself in the medium and long term period. Some of the initiatives put in place are;

- i. Establishment of an affective governance and internal control system
- ii. Establishment of a Partnership department to spearhead fund raising activities
- iii. Enhanced management of revenues and expenditure through development of finance policies
- iv. Increased numbers of participants and award centres

i) Environmental performance

Partnership with Kenya Forest Research Institute (KEFRI) to contribute to national tree planting campaign.

- ✓ PAK has entered into partnership with KEFRI enabling Several Award Centres and Campsites to receive tree seedlings from PA-K to plant in their compounds/regions to contribute to the national tree planting campaign. The trees planted include Bamboos planted in river valleys where water is readily available.

During the financial year under review, 100 award centres planted trees in partnership with PA-K;

- ✓ E- communication: The Organization has also adopted a paperless working environment and all possible information is shared in electronic form.

ii) Employee welfare

PAK is implementing the following Human Resource Policy instruments;

- i. HR Policies and procedures manual
- ii. Career guidelines
- iii. Organization structure

These policies together with existing National policies are guiding the hiring process to ensure during hiring the gender ratio is taken into account. Relevant stakeholders were involved in the development of the policies.

iii) Market place practices

Responsible Supply chain and supplier relations

PAK treats its own suppliers responsibly by honouring contracts and respecting payment practices. PAK did not have any outstanding bills (payables) at the closure of financial year

iv) Corporate Social Responsibility / Community Engagements

PAK participated in the following CSR activities;

- i. Participants took part in various Covid 19 awareness creation and mitigation activities
- ii. Participants took part in Blood donations
- iii. Participants took part Distributions of sanitary pads in their communities
- iv. Equipping of school libraries
- v. donated computers
- vi. construction and rehabilitation of schools.

THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

11. REPORT OF THE TRUSTEES

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2021, which show the state of the PAK's affairs.

i) Principal activities

The principal activities of the entity are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

ii) Results

The results of the entity for the year ended June 30, 2021, are set out on pages 44-54

iii) Directors

The members of the Board of Trustees who served during the year are shown on page 5-8.

iv) Surplus remission

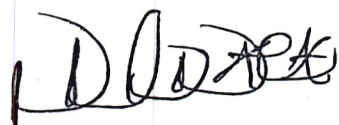
In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

PAK is not a regulatory body and is not subject to that requirement.

v) Auditors

The Auditor General is responsible for the statutory audit of PA-K in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Nellie Munala

CHIEF EXECUTIVE OFFICER

Date..... **30 SEPTEMBER 2021**

12. STATEMENT OF TRUSTEES RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Trustees to prepare financial statements in respect of the President's Award-Kenya, which give a true and fair view of the state of affairs of the President's Award-Kenya at the end of the financial year and the operating results of the President's Award-Kenya for that year. The Trustees are also required to ensure that the President's Award-Kenya keeps proper accounting records which disclose with reasonable accuracy the financial position of the Organization. The Trustees are also responsible for safeguarding the assets of the President's Award-Kenya.

The Trustees are responsible for the preparation and presentation of the President's Award-Kenya financial statements, which give a true and fair view of the state of affairs of the President's Award-Kenya for and as at the end of the financial year ended on June 30, 2021. This responsibility includes:

- (i) Maintaining adequate financial management arrangements 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 President's Award-Kenya
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the President's Award-Kenya
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the President's Award-Kenya financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Trustees are of the opinion that the President's Award-Kenya financial statements give a true and fair view of the state the Organization's transactions during the financial year ended June 30, 2021, and of the President's Award-Kenya financial position as at that date.

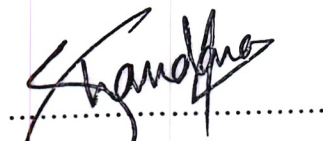
THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The Trustees further confirm the completeness of the accounting records maintained for the President's Award-Kenya, which have been relied upon in the preparation of the President's Award-Kenya financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the President's Award-Kenya will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

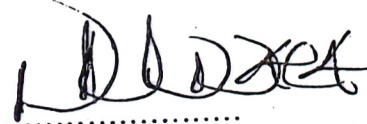
The President's Award-Kenya financial statements were approved by the Board on 30 SEPTEMBER 2021 and signed on its behalf by:



Signature

For: Dr. (Fr.) Wakimani Wamugunda D.

CHAIRMAN, BOARD OF TRUSTEES



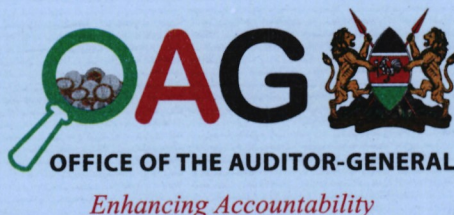
Signature

Nellie Munala

CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON THE PRESIDENT'S AWARD - KENYA FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of The President's Award - Kenya set out on pages 45 to 86, which comprise the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of The President's Award - Kenya as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and Public Finance Management Act, 2012 and The President's Award Act, 2017.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Trustee

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Award's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Award or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of 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.

The Board of Trustee is responsible for overseeing the Award's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk Management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 Award's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Award to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Award to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 July, 2022

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	47,000,000	60,000,000
Licenses	7	175,000	630,000
Deferred Income	8	929,140	1,238,856
Other Income	9	-	275,500
		48,104,140	62,144,356
Revenue from exchange transactions			
Sale of goods	10	551,100	1,921,800
Rental Income from Regional office	11	-	583,446
Interest income	12	7,186,142	6,129,365
		7,737,242	8,634,611
Total revenue		55,841,382	70,778,967
Expenses			
Programme Development Costs	13	15,936,636	4,783,303
Employee costs	14	21,536,736	16,454,329
Provision of Gratuity and Pension	15	1,622,910	987,779
Board expenses	16	3,209,560	4,286,418
Depreciation and amortization expense	17	2,774,887	2,097,510
Repairs and maintenance	18	1,676,167	7,947,489
Grants and Transfers to other Institutions	19	-	65,000
General Expenses	20	8,021,064	5,268,842
Provision for Audit Fees	21	350,000	350,000
Revaluation loss	32	154,340	-
Total expenses		55,282,300	42,240,670
Surplus before tax		559,082	28,538,297
Taxation		-	-
Surplus/(deficit) for the period/year		559,082	-
Remission to National Treasury		-	-
Net Surplus for the year		559,082	-
Attributable to:			-
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		559,082	-

The notes set out on pages 55 to 85 form an integral part of these Financial Statements

The Financial Statements set out on pages 45-54 were signed on behalf of the Board of Directors by:

THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The Financial Statements set out on pages 45-54 were signed on behalf of the Board of Directors by:



Accounting Officer/ CEO

Nellie Munala

Date 30.09.2021



Head of Finance

Grace Musyoka

ICPAK Member No: 24686

Date 30/9/21



Chairman of the Board

For: Dr. (Fr.) Dominic Wamugunda

Date 30/9/21

The President's Award-Kenya
Annual report and financial statements
For the Year ended June 30, 2021

14 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	22	188,244,020	201,181,190
Rent Receivable	23	-	600
Inventories	24	1,421,963	305,424
Accrued Interest on call deposit	25	1,527,671	574,795
Withholding tax paid	26	934,989	
Total Current Assets		192,128,643	202,062,009
Non-Current Assets			
Property, plant and equipment	30	26,143,400	9,520,677
Total Non- Current Assets		26,143,400	9,520,677
Total Assets		218,272,043	211,582,686
Liabilities			
Current Liabilities			
Trade and other payables	27	-	8,000
Total Current Liabilities			8,000
Non-Current Liabilities			
Provision for Gratuity	28	2,702,351	1,388,541
Provision for Pension	29	309,100	-
Provision for Audit Fees	31	700,000	350,000
Total Non- Current Liabilities		3,711,451	1,738,541
Total Liabilities		3,711,451	1,746,541
Fund Balances			
Surplus /deficit Reserves		202,239,362	201,681,242
Capital Fund		7,225,763	8,154,903
Revaluation Surplus		5,095,467	-
Total Fund Balances		214,560,592	209,836,145
Total Funds and Liabilities		218,272,043	211,582,686

THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The Financial Statements set out on pages 45 to 54 were signed on behalf of the Board of Directors by:



Accounting Officer/CEO

Nellie Munala

Date 30.08.2021

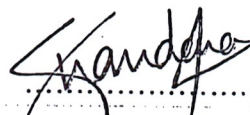


Head of Finance

Grace Musyoka

ICPAK Member No:24686

Date 30.09.2021



Chairman of the Board

For: Dr. (Fr.) Dominic Wamugunda

Date 30.09.2021

15. STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2021

	note s	Surplus/ Deficit Reserve	Capital Fund	Revaluation Surplus	Total
As at July 1, 2020		201,681,242	8,154,903	-	209,836,145
Surplus for the year		559,082		-	559,082
Transfer to income		-	(929,140)	-	(929,140)
Revaluation surplus				5,095,467	5,095,467
<i>Adjustment to retained earning N¹</i>		(962)			(962)
As at June 30, 2021		202,239,362	7,225,763	5,095,467	214,560,592

Note:

1. N¹ Refers to expenditure incurred in the previous periods voided in the first quarter of the financial year therefore changing the figures of retained earning

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		2020-2021	2019-2020
	Notes	Kshs	Kshs
Profit for the Year		559,082	28,538,297
Adjustments to Profit for Non-Cash Items			
Less Deferred Income	8	(929,140)	(1,238,856)
Less Depreciation	17	(2,774,887)	(2,097,510)
ADJUSTED PROFIT		(3,144,945)	25,201,931
Adjustments to Reconcile net income to net cash provided by operations			
(Increase)/Decrease in Rent Receivable	23	600	3,592,566
(Increase)/Decrease in other financial assets	-	-	106,595,665
(Increase)/Decrease in inventory	24	(1,116,539)	(305,424)
Increase/(Decrease) in Trade and other payables	27	(8,000)	(3,914,979)
Increase/(Decrease) in Gratuity	28	1,313,810	(3,357,775)
Increase/(Decrease) in Pension	29	309,100	-
Increase/(Decrease) in Audit Fees	31	350,000	350,000
(Increase)/ Decrease in Accrued interest	25	(952,876)	(574,795)
(Increase)/ Decrease in Withholding Tax paid	26	(934,989)	
Total Cash flows from operating activities		(1,038,894)	102,385,258
Cash flows from investing activities			
(Increase)/ Decrease in property, plant and equipment		(13,847,836)	5,291,814
Net cash flows from/ (used in) investing activities		(13,847,836)	5,291,814
Cashflows from Financing activities			
Changes in retained earnings q1		(962)	-
Revaluation surplus		5,095,467	-
Total Cashflows from Financing activities		5,094,505	-
Changes in cash during the year		(12,937,170)	132,879,003
Cash at the beginning of the year		201,181,190	68,302,187
Cash at the end of the year		188,244,020	201,181,190

THE PRESIDENTS AWARD - KENYA
Annual Reports and Financial Statements
For the year ended June 30, 2021.

The Financial Statements set out on pages 45 to 54 were signed on behalf of the Board of Directors by:



Accounting Officer/ CEO

Nellie Munala

Date: 30.09.2021

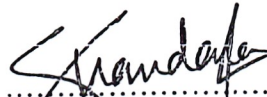


Head of Finance

Grace Musyoka

ICPAK Member No:24686

Date: 30/9/21



Chairman of the Board

For: Dr. (Fr.) Dominic Wamugunda

Date: 30/9/21

The President's Award-Kenya
Annual report and financial statements
For the Year ended June 30, 2021

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS PER STATEMENT OF FINANCIAL
PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustme nts	Final Budget	Actual on comparabl e basis	Performanc e difference	% of utilisation	Explanation of material variances
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C (a+b)	d	E=(c-d)	F=d/c	
	Shs		Shs	Shs	Shs		
Revenue							
Government Subventions	50,000,000	-	50,000,000	47,000,000	3,000,000	-6.00%	
Licenses and Sales Of R/Books	6,000,000	-	6,000,000	726,100	5,273,900	-87.90%	(a)
Partial Redemptions C/Deposit	44,000,000	-	44,000,000	0	44,000,000	-100.00%	(c)
Interest Income	6,000,000	-	6,000,000	7,186,142	-1,186,141	19.77%	(d)
Total Revenue	106,000,000	-	106,000,000	54,912,242			
Expenses							
Programme Development Costs	40,541,959	-	40,541,959	15,936,636	24,605,303	60.68%	(e)
Employee Costs	26,265,500	-	26,265,500	21,536,736	4,728,764	18%	(f)
Board Expenses	5,300,000	-	5,300,000	3,209,560	2,090,440	39.44%	(g)
Repairs and Maintenance	2,400,000	-	2,400,000	1,676,167	723,833	30.16%	(i)
General Expenses	12,523,125	-	12,523,125	8,021,064	4,502,061	35.94%	(j)

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

Total Expenses	87,030,584		87,030,584	50,380,163		
Surplus for the Year				4,532,079		

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS PER STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of utilisation	Explanation of material variances
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C (a+b)	d	E =(c-d)	F=d/c	
	Shs		Shs	Shs	Shs		
Container office additional works	800,000	-	800,000	774,829	25,171		
Purchase of motor vehicles	10,000,000	-	10,000,000	9,594,000	406,000		
Purchase of computers and printers	2,597,016	-	2,597,016	2,203,654	393,362		
Purchase of furniture and office equipment	2,255,600	-	2,255,600	1,884,000	371,600		
Server room and related costs	3,066,800	-	3,066,800	-	3,066,800		
CCTV Installation	250,000	-	250,000	-	250,000		
Total Expenses	18,969,416	-	18,969,416	14,456,483	2,597,016		
Total Budget	106,000,000		106,000,000	64,779,712			

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

RECONCILIATION BETWEEN THE SURPLUS AS PER THE BUDGET AND AS PER STATEMENT OF FINANCIAL PERFORMANCE

DESCRIPTION	SURPLUS (KShs)
Surplus under the statement of budgeted and actual amounts	4,532,079
Surplus under the statement of financial statements	559,082
Difference	3,972,997

Explained by:

Deferred income	(929,140)
Provision for gratuity and pension	1,622,910
Provision for audit fees	350,000
Revaluation loss	154,340
Depreciation expense in the financial statement	2,774,887
Total	3,972,997

BUDGET NOTES

Government subvention-Budget cuts due to austerity measures

- a) Licences – Closure of schools during the year resulted to less payment of licence fees by institutions
- b) Sale of goods-Closure of schools, review of education sector calender and ban on co-curricular activities led to less enrolment of participants
- c) Redemption on call deposits- There was no redemption on call deposits in the year.
- d) Programme development costs-There were limited outdoor activities due to ban on co-curricular be carried out as a result of closure of schools
- e) Employee costs- Costs for interns budgeted for in the year were met by Public Service Commission and Pension for PA-K staff was not paid in the year since the approval process of staff establishment documents had not been completed by closure of the year.
- f) Board expenses-Medical expenses, induction costs were less than projected and visits to schools were not able to be achieved as planned as a result of their closure.
- g) Projected recruitment not finalised during the financial year
- h) Board activities slowed down by the Covid 19 pandemic
- i) Projected depreciation slightly increased due to underestimation of projected purchase prices of assets
- j) Maintenance and repair works exceeded projections
- k) Uptake of General expenses slowed down by Covid 19

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The President's Award - Kenya is established by and derives its authority and accountability from The President's Award Act, No.30 of 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activities are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of items of property, plant and equipment at fair value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying PAKs accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of PAK.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the President's Award Act, 2017, Mwongozo and International Public Sector Accounting Standards (IPSAS)

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

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020/2021.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Summary of Significant Accounting Policies (Continued)

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for the financial year 2020-2021 was approved by PAK's Board on 4th September 2020.

The budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget

Summary of Significant Accounting Policies (Continued)

and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

The organization's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

c) Taxes

Current income tax

The President's Award - Kenya is a non – commercial state corporation that receives substantial revenue from non – exchange transactions (especially from the National Government in form of transfers and grants).

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to

Summary of Significant Accounting Policies (Continued)

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Summary of Significant Accounting Policies (Continued)

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at revalued figures less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are

recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Summary of Significant Accounting Policies (Continued)

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Summary of Significant Accounting Policies (Continued)

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

m) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the

financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The following are the reserves maintained at PAK;

- i. Profit loss reserves/Retained Earnings-To record cumulative profits or losses made by PAK
- ii. Capital fund-To record continuous and progressive transfer of donated vehicles to the income statement
- iii. Revaluation surplus-To record gains out of revaluations. To offset against any future revaluation losses

o) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

During financial year 20/21 PAK moved from historical cost method of valuing assets to revaluation model as guided by IPAS 17 (PPE).

The impact of the policies is as follows;

- i. Revaluation gains realised were recorded in an equity account called Revaluation Surplus
- ii. The losses were recorded in an expense account called Revaluation losses
- iii. Accumulated depreciation was written off
- iv. Value of assets were adjusted according to the assigned values as a result of the revaluation exercise
- v. PAK Intends to be carrying out regular revaluations as required by IPSAS 17
- vi. The reducing balance method will be employed as was the case during historical cost model

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Summary of Significant Accounting Policies (Continued)

s) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

t) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 15 and 16.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The following are the provisions maintained by President's Award Kenya;

- i. Provision for Audit fees- Provides for estimated audit fee to the Auditor General which we have not been invoiced
- ii. Provision for gratuity-Provides for gratuity obligations for two officers on contract and who are entitled to gratuity
- iii. Provision for pension-Provides for pension payments for officers who have been recruited on permanent and pensionable basis awaiting establishment of a pension scheme.

6. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of PA-K sending the grant	Amount recognized to Statement of Financial Performance	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year	2019/2020
	KShs	KShs	KShs	KShs	KShs
Ministry of Education	27,000,000	-	-	27,000,000	40,000,000
Ministry of Public Service, Youth and Gender Affairs	20,000,000	-	-	20,000,000	20,000,000
Total	47,000,000	-	-	47,000,000	60,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. LICENCES

Description	2020/2021	2019/2020
	KShs	KShs
Licence fees from Award Centres	175,000	630,000
Total other income	175,000	630,000

8. DEFERRED INCOME

Description	2020/2021	2019/2020
	KShs	KShs
Transfer from capital fund	929,140	1,238,856
Total deferred income	929,140	1,238,856

9. OTHER INCOME

Description	2020/2021	2019/2020
	KShs	KShs
Miscellaneous income - Exchange Programme (Source)	-	-
Fundraising Activities	-	275,500
Total other income	-	275,500

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

10. SALE OF GOODS

Description	2020/2021	2019/2020
	KShs	KShs
Manual record books	8,000	809,400
Online record books	526,900	1,111,500
Badges	15,300	-
Bucket hats	900	900
Total sale of goods	551,100	1,921,800

11. RENTAL INCOME – REGIONAL OFFICE (AFRICA)

Description	2020/2021	2019/2020
	KShs	KShs
Opening balance	600	3,593,166
Rental income receivable during the year	-	583,446
Total amount Due	600	-
Rent payment received during the quarter/year	(600)	(4,176,012)
Closing Balance (Prepayment)/ Due	-	600

12. INTEREST INCOME

13. Description	2020/2021	2019/2020
	KShs	KShs
Interest income from investments in treasury bills	-	3,830,185
Interest income from call deposits	5,658,471	1,724,385
Accrued Interest	1,527,671	574,795
	7,186,142	6,129,365

NB

Interest includes interest amounting **Kshs.322,778** for the PA-K Foundation

Principal 18/19	-	10,000,000
Interest FY18/19	-	1,062,075
Closing Bal 18/19	-	11,062,075
Interest FY19/20	-	153,278
Closing Bal 19/20	-	11,215,353
Interest FY 20/21	-	322,778
Closing Balance 20/21-		11,538,131

13. PROGRAMME DEVELOPMENT COSTS

Description	2020/2021	2019/2020
	KShs	KShs
Adventurous Journey Expenses	801,373	-
Award Presentations	1,524,160	-
Development of Routes	3,225,370	-
Digital Platform Expenses	111,924	-
National Residential pro. Costs	255,400	-
New and Innovative Programmes	1,458,100	-
Partnerships & Fund Raising Cost	512,195	-
Quarterly Reports	242,200	-
Staff Training & Cont. Prof. Devt	3,009,792	60,876
Strategic Plan	1,063,470	-
Volunteer Medical Cover	1,757,915	-
Zoom Application Expenses	82,135	-
Africa Regional Conference expenses	-	675,892
Gain Conference Expenses	-	1,250,205
Award day preparation costs	287,570	-
Volunteer meals and transport	158,100	213,800
Induction of coordinators	159,860	426,140
National and regional visits	-	85,330
Validation expenses	-	277,930
Monitoring and evaluation	922,683	776,250
World Ready Campaigns	-	28,000
Outward Bound Expenses	-	70,000
Printing of certificates and forms	231,102	96,367
Badges and Handbooks	133,287	676,000
Covid 19	-	146,513
Total programme development costs	15,936,636	4,783,303

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

14. EMPLOYEE COSTS

15. Description	2020/2021	2019/2020
	KShs	KShs
Salaries and Wages	15,960,565	12,809,712
Staff medical expenses	2,894,071	2,657,402
Staff travel	808,618	88,830
Staff subsistence allowance	465,600	230,600
Staff training	-	399,498
Staff establishment	462,300	257,087
Professional membership fees	-	11,200
Casual Labour	103,150	-
Pension Payment	842,432	-
Total employee costs	21,536,736	16,454,329

15. A. PROVISION FOR GRATUITY

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	987,779	987,779
Gratuity provision during the year	1,313,810	-
Closing Balance	2,301,589	987,779

B. PROVISION FOR PENSION

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	-	-
Gratuity provision during the year	309,100	-
Closing Balance	309,100	-

16. BOARD EXPENSES

Description	2020/2021	2019/2020
	KShs	KShs
Board induction expenses	-	1,349,500
Monthly honoraria	696,000	894,516
Sitting allowances	1,368,400	902,000
Board PAYE	728,500	831,936
Medical cover	323,910	171,872

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

Telephone allowance	44,750	55,000
Other expenses	48,000	81,594
Total Board expenses	3,209,560	4,286,418

17. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2020/2021	2019/2020
	KShs	KShs
Land and Building		-
Furniture and Fittings office and other equipment	270,825	197,373
Motor vehicles	1,728,640	1,238,856
Computers	775,422	661,281
Total depreciation and Amortization expense	2,774,887	2,097,510

NB: Calculation for depreciation has been explained on note 30

18. REPAIRS AND MAINTENANCE

Description	2020/2021	2019/2020
	KShs	KShs
Building	503,910	6,530,193
Equipment and machinery	107,962	57,480
Vehicles	986,295	1,341,816
Computers and printers	78,000	18,000
Total repairs and maintenance	1,676,167	7,947,489

19. GRANTS AND TRANSFERS TO OTHER INSTITUTIONS

Description	2020/2021	2019/2020
	KShs	KShs
Special projects	-	-
Compass project	-	65,000
Total grants and transfers to other institutions		65,000

20. GENERAL EXPENSES

Description	2020/2021	2019/2020
	KShs	KShs
Printing and stationery	62,195	233,091
Courier	107,827	292,294

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

Postage	9,700	9,450
Insurance	-	12,877
Hospitality expenses	596,874	326,234
Electricity	22,278	165,858
Fuel and oil	705,580	482,000
Water	64,565	106,307
Security costs	1,130,880	1,136,520
Internet	1,237,578	604,396
Email Hosting	65,110	46,600
Telephone	399,195	331,328
Prequalification and evaluation of tenders expenses	722,900	223,000
Annual budget expenses	699,531	577,700
Annual financial reporting	-	268,200
Office expenses	372,101	277,175
Bank charges	167,710	139,512
Bulk SMS	-	36,300
Covid 19	168,054	-
Revaluation of Assets	295,000	-
Cleaning and fumigation	616,049	-
Advertisement	516,252	-
Household Appliances	61,685	-
	8,021,064	5,268,842

21. PROVISION FOR AUDIT FEES

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	350,000	-
Provision during the year	350,000	350,000
Closing balance	700,000	350,000

22. CASH AND CASH EQUIVALENTS

Description	2020/2021	2019/2020
	KShs	KShs
Current account	18,244,020	51,181,190
Call deposit	170,000,000	150,000,000
Cash in Hand	-	-
Total cash and cash equivalents	188,244,020	201,181,190

DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Description	Account number	2020/2021 KShs	2019/2020 KShs
a) Current account			
Kenya Commercial Bank	1104068737	18,244,020	51,181,190
Sub- total		18,244,020	51,181,190
b) Call Deposit			
Kenya Commercial Bank	1104068737	170,000,000	150,000,000
Sub- total		170,000,000	150,000,000
Grand total		188,244,020	201,181,190

NB: This includes Kshs. 11,538,131 for the President's Award-Kenya Foundation.

23. RENT RECEIVABLE

Description	2020/2021 KShs	2019/2020 Kshs
Opening balance	600	3,593,166
Rental income receivable during the year	-	583,446
Rental income paid during the year	(600)	(4,176,012)
Closing balance	0	600

24. INVENTORIES

Description	2020/2021 KShs	2019/2020 KShs
Stationery Items and Consumables	705,837	305,424
Sanitizers	45,126	
Certificates	671,000	
Grand total	1,421,963	305,424

25. ACCRUED INTEREST ON CALL DEPOSIT

Description	2020/2021 KShs	2019/2020 KShs
Opening balance	574,795	-
Accrued interest received	(574,795)	-
balance	-	-
Accrued during the year	1,527,671	574,795
Closing balance	1,527,671	574,795

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

26. WITH HOLDING TAX PAID

Description	2020/2021	2019/2020
	KShs	KShs
Opening balance	-	-
Paid during the year	934,889	-
Closing balance	934,889	-

27. TRADE AND OTHER PAYABLES

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	8,000	8,000
Trade payables	(8,000)	-
Closing Balance	0	8,000

28. PROVISION FOR GRATUITY

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	1,388,541	4,746,316
Gratuity Accrued	1,313,810	987,779
Gratuity paid in the year	-	(3,534,397)
Pension paid in the year	-	(811,157)
Closing Balance	2,702,351	1,388,541

29. PROVISION FOR PENSION

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	-	-
Pension paid in the year	309,100	-
Closing Balance	309,100	-

30. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Furniture, fittings, office equipment	Motor vehicles	Computers	Total
Cost	KShs	KShs	KShs	KShs	KShs
At July 1, 2019	-	3,862,635	16,707,125	2,845,653	23,415,413
Additions	2,879,511	592,220	0	1,926,688	5,398,419
At 30th June 2020	2,879,511	4,454,855	16,707,125	4,772,341	28,813,832
Additions	774,829	1,884,000	9,594,000	2,203,654	14,456,483
At 30th June 2021	3,654,340	6,338,855	26,301,125	6,975,995	43,270,315
Depreciation					
At July 1, 2019	0	2,734,904	10,099,895	2,449,107	15,283,906
Depreciation	0	140,967	1,651,808	118,964	1,911,739
At June 30, 2019	0	2,875,871	11,751,703	2,568,071	17,195,645
Depreciation	0	197,373	1,238,856	661,281	2,097,510
30th June 2020	0	3,073,244	12,990,559	3,229,352	19,293,155
Depreciation	0	270,825	1,728,640	775,422	2,774,887
Acc Dep 30 th June 2021	0	3,344,069	14,719,199	4,004,774	22,068,042
Net Book Values					
At July 1, 2019		986,764	4,955,422	277,582	6,219,768
At June 30, 2020	2,879,511	1,381,611	3,716,566	1,542,989	9,520,677
At June 30, 2021 before revaluation loss/gain	3,654,340	2,994,786	11,581,926	2,971,221	21,202,273
Revaluation surplus/loss	(154,340)	1,105,114	2,718,074	1,272,279	4,941,127
At June 30, 2021 After revaluation loss/gain	3,500,000	4,099,900	14,300,000	4,243,500	26,143,400

31. PROVISION FOR AUDIT FEES

Description	2020/2021	2019/2020
	KShs	KShs
Opening Balance	350,000	-
Fees provided during the year	350,000	350,000
Fees paid in the year	-	-
Closing Balance	700,000	350,000

32. Revaluation loss

This resulted in the downward valuation of container office from its cost of ksh 3,654,000 to ksh 3,500,000

33. FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At June 30, 2021				
Receivables from exchange transactions	-	-	-	-

The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021

At June, 30, 2020				
Receivables from exchange transactions	600		600	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of trustees sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with PA-K's trustees, who have built an appropriate liquidity risk management framework for the management of the organization's short, medium and long-term funding and liquidity management requirements. The organization manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
At June 30, 2021				
Trade payables	-	-	-	-
Retirement benefits obligation	-	-	-	-
Other payables	-	-	-	-
Total	-	-	-	-
At June 30, 2020				
Trade payables	-		8,000	8,000
Retirement benefits obligation	-	-	-	-
Other payables	-	-	-	-
Total	-		8,000	8,000

34. EVENTS AFTER THE REPORTING PERIOD

There were no material adjusting and non - adjusting events after the reporting period.

35. ULTIMATE AND HOLDING ENTITY

The entity is a State Corporation/ or a Semi - Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

During the audit of PA-K annual report and financial statements for the year ended June 30, 2020, the report was unmodified and the report indicated that there were no issues to report on.

**The President's Award-Kenya
Annual Report and Financial Statements
For the year ended June 30, 2021**

APPENDIX II: INTER-ENTITY TRANSFERS

	ENTITY NAME:	The President’s Award – Kenya		
Breakdown of Transfers from other Governments				
	FY 2020/21			
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	Indicate the FY to which the amount relate
	Ministry of Education	10/08/2020	7,500,000	2020/2021
		5/11/2020	7,500,000	2020/2021
		10/02/2021	7,500,000	2020/2021
		12/05/2021	4,500,000	2020/2021
		Total	27,000,000	
	State Department for Youth Affairs	10/08/2020	5,000,000	2020/2021
		18/11/2020	5,000,000	2020/2021
		2/02/2021	5,000,000	2020/2021
		19/05/2021	5,000,000	2020/2021
		Total	20,000,000	
		Grand Total	47,000,000	

Sign.....
Nellie Munala
CHIEF EXECUTIVE OFFICER