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THE AUDITOR-GENERAL

ON

**KENYA SOCIAL AND ECONOMIC INCLUSION
PROJECT CREDIT NUMBER 6348-KE**

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

**STATE DEPARTMENT FOR SOCIAL
PROTECTION AND SENIOR
CITIZEN AFFAIRS**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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KENYA SOCIAL AND ECONOMIC INCLUSION PROJECT

MINISTRY OF LABOUR AND SOCIAL PROTECTION

STATE DEPARTMENT OF SOCIAL PROTECTION AND SENIOR CITIZEN AFFAIRS

PROJECT NUMBER: P164654

IDA CREDIT NO. 6348-KE

GRANT NO. TF A9527

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

*Kenya Social and Economic Inclusion Project
State Department for Social Protection and Senior Citizen Affairs
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Kenya Social and Economic Inclusion Project

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Acronyms and Definition of Terms

BOS	Beneficiary Outreach Strategy
BETA	Bottom Up Economic Transformation Agenda
BWCs	Beneficiary Welfare Committees
CBK	Central Bank of Kenya
CCTPMIS System	Consolidated Cash Transfer Programme Management Information
CHWs	Community Health Workers
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
DFID	United Kingdom's Department for International Development
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
EIP	Economic Inclusion Programme
G&CM	Grievance and Case Management
GoK	Government of Kenya
HSNP	Hunger Safety Net Programme
ICPAK	Institute of Certified Public Accountants of Kenya
IDA	International Development Association
IFMIS	Integrated Financial Management System
IMF	International Monetary Project
IPF	Investment Project Financing
IPSAS	International Public Sector Accounting Standards
KSEIP	Kenya Social and Economic Inclusion Project
M&E	Monitoring and Evaluation

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MDA	Ministries, Departments and Agencies
MIS	Management Information Systems
MLSP	Ministry of Labour and Social Protection
NICHE	Nutrition Improvements through Cash and Health Education
NHIF	National Health Insurance Project
NSNP	National Safety Net Program
NT	National Treasury
OPCT	Older Persons Cash Transfer
PFM	Public Finance Management
PLW	Pregnant and Lactating Women
PSASB	Public Sector Accounting Standards Board
PWSD-CT	Persons with Severe Disability Cash Transfer
SDSP	State Department for Social Protection
SP	Social Protection
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and Registered Office

Name

Kenya Social and Economic Inclusion Project

Objective

The key objective of the project is to strengthen delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets for poor and vulnerable households.

Address

The project headquarters offices are in NSSF Building, Nairobi (city), and Nairobi County, Kenya. The address of its registered office is: P.O. Box 40326-00100 GPO, Nairobi.

Contacts: The following are the project contacts

State Department for Social Protection and Senior Citizen Affairs

P.O. Box 40326-00100

NSSF Building, Bishop Road

Nairobi, Kenya

Telephone: +254 (0) 2729800

E-mail: ps@socialprotection.go.ke

Website: www.socialprotection.go.ke

Project information and Overall performance (continued)

2.2 Project Information

Project Start Date:	31-Jan-2019
Project End Date:	31-Dec-2024
Project Coordinator:	Mrs Jane Muyanga
Project Sponsor:	World Bank

2.3 Project Overview

Line Ministry and State/ County Department	The project is under the supervision of the Ministry of Labour and Social Protection(State Department for Social Protection)
Project number	P164654
Strategic goals of the project	The strategic goals of the project are as follows: (i) Strengthening Social Protection Delivery Systems (ii) Increasing Access to Social and Economic Inclusion Interventions Increasing Access to Social and Economic Inclusion Interventions
Summary of the Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Provision of social inclusion (nutrition-sensitive safety net and referrals to the NHIF) and economic inclusion (livelihoods enhancement support) services to the existing National Safety Net Programme beneficiaries, as well as other poor and vulnerable, to be identified through the use of an objective targeting system already being used in the country.

	<p>(ii) By expanding their coverage to additional households and the functionality of financing arrangements for timely response in the event of droughts.</p> <p>(iii) Strengthening of Social Protection delivery systems by enhancing the scope and coverage of the Single Registry and support relevant program information systems, investments in the rollout of the improved payment system, and supporting greater integration and implementation of the Grievances & Case Management mechanism for all interventions supported by the proposed KSEIP.</p>
<p>Other important background information of the project</p>	<p>Social Protection has long been an important part of the Government strategy to fight poverty and promote equitable growth and social inclusion, as well as respond to emergencies such as natural disasters. The Government is committed to move beyond cash transfers to an integrated Social Protection system to enhance social and economic inclusion of the poor and vulnerable. Therefore, the underlying objective of KSEIP is to strengthen the delivery systems.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> (i) Strengthening Social Protection Delivery Systems (ii) Increasing Access to Social and Economic Inclusion Interventions (iii) Improving the Shock Responsiveness of Safety Net System
<p>Project duration</p>	<p>Five years plus one year extension</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Central Bank of Kenya Limited - Account number: 1000425059
- (ii) Central Bank of Kenya Limited – Account number: 1000488395
- (iii) Kenya Commercial Bank Kenya Limited – Account number 1293561193

2.5 Independent Auditor

The project is audited by the Office of The Auditor General.

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O Box 30084

GPO 00100

Nairobi, Kenya

2.6 Roles and Responsibilities

Key Personnel					
Jane Muyanga	Director Children Services	Masters	Project Coordinator	0722653187	
Franklyn Makhulu	Assistant Director Children Services	Degree	Lead-NICHE	0724510847	
Linnet Ochuma	Deputy Director Social Development	PhD	Lead-Economic Inclusion Programme	0721669104	
CPA Benard M. Sabwami	Deputy Accountant General	Masters	Head of Accounts Unit	0721589904	

2.7 Funding summary

The Project is for duration of 5 years with one-year extension period from 2019 to 2024 with an approved budget of Euro 152,800,000, USD 13,000,000 and USD 850,700,000 equivalent to KShs 19,496,501,100, KShs 1,406,600,637 and KShs 92,045,781,684.30 respectively as highlighted in the table below:

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Project information and Overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant	USD	Kshs	USD	Kshs	USD	Kshs
DFID-Grant	13,000,000.00	1,406,600,637.00	12,432,813.15	1,310,688,845	567,186.85	95,911,791.05
	13,000,000.00	1,406,600,637.00	12,432,813.15	1,310,688,845	567,186.85	95,911,791.05
(ii) Loan	Euro	Kshs	Euro	Kshs	Euro	Kshs
IDA Credit	47,500,000.00	6,060,758,130.00	14,974,222.03	2,033,811,359.95	32,525,777.97	4,026,946,770.05
IDA Credit Advance				1,241,379,992.00		(1,241,379,992)
IDA Credit (DLIS)	105,300,000.00	13,435,742,970.00	46,400,000.00	5,920,640,000.00	58,900,000.00	7,515,102,970.00
	152,800,000.00	19,496,501,100.00	61,374,222.03	9,195,831,351.95	91,425,777.97	10,300,669,748.05
(iii) Counterpart funds	USD	Kshs	USD	Kshs	USD	Kshs
Government of Kenya	850,700,000.00	92,045,781,684.30	642,644,169.47	69,534,130,625.75	208,055,830.53	22,511,651,058.55

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	850,700,000.00	92,045,781,684.30	642,644,169.47	69,534,130,625.75	208,055,830.53	22,511,651,058.55
Total		112,948,883,421.30		80,040,650,822.70		32,908,232,597.65

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant	USD	Kshs	USD	Kshs	USD	Kshs
DFID-Grant	12,432,813.15	1,310,688,845.95	11,936,210.58	1,291,497,984.88	496,602.57	19,190,861.07
Subtotal	12,432,813.15	1,310,688,845.95	11,936,210.58	1,291,497,984.88	496,602.57	19,190,861.07
(i) Loan	EURO	Kshs	EURO	Kshs	EURO	Kshs
IDA Credit	14,974,222	2,033,811,360	14,973,353	2,394,155,546	869	360,344,186
IDA Advance		1,241,379,992				1,241,379,622

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IDA Credit (DLIS)	46,400,000	5,920,640,000	46,400,000	6,682,064,000	-	-761,422,000
	61,374,222	9,195,831,352	61,373,353	9,076,219,546	869.14	119,611,806
(iii) Counterpart funds	USD	Kshs	USD	Kshs	USD	Kshs
Government of Kenya	642,644,169	69,534,130,626	642,644,169	69,534,130,626	-	-
Subtotal	642,644,169	69,534,130,626	642,644,169	69,534,130,626	-	-
Totals		80,040,650,824		79,901,848,157		138,802,667

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

The Budget performance against actual amounts for current year is as follows.

BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS

SOURCE OF FUNDS	FISCAL YEAR 2023/2024			CUMULATIVE YEAR		
	Budget	Actual	Absorption Rate	Budget	Actual	Absorption Rate
GOK (counterpart Funding)	1,038,370,000	1,013,387,999	98%	3,872,031,203	2,606,736,750	67%
IPF Credit	1,517,470,000	1,894,226,637	125%	5,211,270,000	2,787,644,634	53%
Grant(AIA)	245,000,000	245,000,000	100%	1,867,669,200	1,805,347,417	97%
Grant(Revenue)	68,000,000	67,288,846	99%	337,200,000	116,582,762	35%
EEP	27,083,853,980	26,372,445,500	97%	86,299,364,907	80,896,855,180	94%
TOTAL	29,952,693,980	29,592,348,982	99%	97,587,535,310	88,213,166,743	90%

IMPLEMENTATION CHALLENGES

- 1. Delay in exchequer releases:** This has largely affected the implementation of GOK projected activities causing delays and crossover of activities meant for the previous financial year. This means that we have had to have less funds available to finance planned activities for the successive year as part of the allocation is applied to fund the previous year's activities.
- 2. Lack of KSEIP Budget Lines and Budget Management system:** KSIEP is implemented by various units within the SDSP but the entire KSIEP budget is however lumped into one for the entire State Department making it difficult to monitor activities and spending at the individual unit's level.

- 3. Project Reporting Requirements:** The project requires extensive reporting requirements to monitor the project progress and remain fully compliant with the financial reporting to the World Bank. IFMIS is currently not capable to run these reports with the details and formats that are required. The SDSP is currently considering using the data export capabilities of IFMIS, the data will be exported and a reporting application including a data analytical application with project reports using the original ledger data and adding additional data points to ensure 100% compatibility with the reporting requirements. Project dashboards will be developed to monitor project financial results and day-to-day progress and to support the development of project reports.

RECOMMENDATION

1. IPF Loan and grant should be available for implementation of the programme to achieve the planned milestones.
2. To have KSEIP budget lines for each implementing units to facilitate monitoring and spending at individual unit level.
3. Integration of IFMIS with project reporting templates to facilitate generation of reports with details and formats required by donor.

2.9 Summary of Project Compliance:

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

3. Statement of Performance against Project's Predetermined Objectives

Introduction

The objective of the KSEIP is “to strengthen delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets for poor and vulnerable households”. The Project supports the GoK to build upon the achievements made under the National Safety Net Program (NSNP) through putting in place credible delivery systems for social protection (SP) services. More specifically, the Project supports results in three areas: (i) enhancing institutional capacity and further strengthening of SP delivery systems, particularly the coverage and functionality of the existing single registry as well as to continue improving the efficiency of the payment and grievance management system; (ii) investing in scale-up of existing nutrition-sensitive safety net and testing of customized economic inclusion models as a complement to the sensitive safety net and testing of customized economic inclusion models as a complement to the regular cash transfers to improve human capital and self-sufficiency of the poor and vulnerable households; and (iii) improving shock responsiveness of the safety net system expanding its coverage as well as strengthening financing arrangements for timely support to the affected households to improve their resilience and coping with recurrent climate-induced droughts.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement

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Below, we provide the progress on attaining the stated objectives:

No	Disbursement Linked Indicator	Disbursement Linked Results	Progress in DLIs as of June 2024	Status
1.	Scope, coverage, and functionality of Single Registry enhanced	1a (i) - Design and implementation arrangements for enhancements in SR finalized - WB IDA - EUR 5.2m – June 2019	Achieved Feb 2023	Achieved.
		1a (ii) - Roll out of enhanced SR covers at least 75% of targeted households in 2 non-HSNP counties WB IDA - EUR 4.3m – June 2021	Achieved June 2023	Achieved.
		1a (iii) - Roll out of enhanced SR covers at least 75% of targeted households in 17 non-HSNP counties - WB IDA - EUR 12.9m – June 2022	Not Achieved	Achieved August 2024
		1a (iv) - Roll out of enhanced SR covers at least 75% of targeted households in 39 non-HSNP counties - WB IDA - EUR 12.9m (US\$ 14m) – June 2023	Not achieved	Data collection in the remaining 12 counties ongoing
		1b (i) - Re-registration exercise in the four original HSNP counties completed and beneficiary list updated accordingly - WB IDA - EUR 3.5m - DFID – US\$ 0.5m – June 2020	Achieved July 2022	Achieved.
		1b (ii) - Registration of households in the four expansion HSNP counties complete WB IDA – EUR 4.3m DFID – US\$ 0.5m – June 2021	Achieved in May 2023	Achieved.
2	New Inua Jamii Payment Mechanism for three NSNP cash transfer	2a - 60% of beneficiaries receiving payments through the new payment mechanism - WB IDA EUR 7.8m – June 2020	Achieved in May 2022	Achieved.
		2b - 100% of beneficiaries receiving payments through the new payment mechanism - IDA EUR 4.3m (US\$ 4.7m) – June 2021	Not Achieved	Achieved September 2024

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	programs is rolled out			
3	Integrated G&CM mechanism is strengthened and rolled out at decentralized level	3a - G&CM mechanism is functional at all levels for four NSNP programs in 47 counties - IDA EUR 8.65m – June 2020	Achieved September 2022	Achieved
		3b - Enhanced G&CM mechanism functional in all KSEIP counties as per revised design and implementation arrangements - IDA EUR 8.65m (US\$ 9.4m) – June 2022	Not achieved	To be achieved by Dec 2024
4	Increased access to social inclusion interventions	4a (i) - 1,700 households receiving nutrition-sensitive cash transfer IDA EUR 1.2m– June 2020	Achieved July 2022	Achieved.
		4a (ii) - 8,300 households receiving nutrition-sensitive cash transfer - IDA EUR 4.6m– June 2021	Achieved July 2022	Achieved.
		4a (iii) - 13,800 households receiving nutrition-sensitive cash transfer - IDA EUR 3.8m – June 2022	Achieved June 2024	Achieved.
		4a (iv) 19,400 households receiving nutrition-sensitive cash transfer - IDA EUR 3.9m (US\$ 4.2m) – June 2023	Not Achieved	Achieved September 2024
		4a (v) 23,500 households receiving nutrition-sensitive cash transfer - IDA EUR 2.9m (US\$ 3.2m) – December 2023	Not Achieved	Achieved September 2024
		4b (i) - Tools designed and formal agreement between the SDSP, MoH and NHIF in place to operationalize systematic enrolment of NSNP beneficiaries into the NHIF - IDA EUR 3.4m – June 2020	Achieved April 2023	Achieved.
		4b (ii) - 40% of NSNP beneficiaries enrolled in the NHIF with enrolment information available in the SR - IDA EUR 4.3m – June 2021	Achieved May 2023	Achieved.
		4b (iii) - 75% of NSNP beneficiaries enrolled in the NHIF with enrolment information available in the SR - IDA EUR 5.2m (US\$ 5.6m) – June 2022	Not achieved	Cancelled
5	Increased coverage and	5a (i) - 10,000 new HSNP households enrolled and paid for through the GoK's	Achieved June 2023	Achieved.

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	GoK financing of HSNP	budget in 2 expansion counties - IDA EUR 12m – June 2022		
		5a (ii) - 22,000 new HSNP households enrolled and paid for through the GoK's budget in 4 expansion counties - IDA EUR 13m – June 2023	Achieved June 2023	Achieved.
		5b - 100% of existing HSNP households in the original four counties financed by the GoK by July 2019 - IDA EUR 13m - DFID US\$ 9.6m – July 2019	Achieved.	Achieved.
6	HSNP scalability and financing arrangements enhanced	6a (i) - Financing plan for HSNP scalability for FY19/20 adopted and financed - IDA EUR 0.865m – June 2019	Achieved.	Achieved.
		6a (ii) Emergency payments made in FY18/19 for 100% of the total number of households triggered in 4 counties where HSNP is functional IDA EUR 3.5m DFID US\$ 6.9m – June 2019	Achieved.	Achieved.
		6a (iii) Emergency payments made in FY19/20 for 100% of the total number of households triggered in 4 counties where HSNP is functional and financing plan for FY20/21 updated - IDA EUR 1.7m - DFID US\$ 11.5m – June 2020	Achieved.	Achieved.
		6a (iv) Emergency payments made in FY20/21 for 100% of the total number of households triggered in 4 counties where HSNP is functional and financing plan for FY21/22 updated - IDA EUR 1.7m - DFID US\$ 11m – June 2021	Achieved.	Achieved.

4. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The GoK commitment to the proposed interventions and the alignment with its policy commitment for SP and the Bottom Up Economic Transformation Agenda 'BETA' is a prerequisite for sustainability beyond the life of the project. First, the GoK expanded the NSNP at a larger scale than originally expected (under the NSNP P for R operation), demonstrating its commitment. Second, the GoK continues to invest in SP delivery systems, including consolidation of the MIS, improved payment system, citizen's engagement and shock-responsiveness. Third, the proposed KSEIP is the culmination of nearly two years of in-depth consultations and consensus building within the GoK on the need for integrated SP services to strengthen resilience and enable self-sufficiency of poor and vulnerable households. A technical working group prepared a 'Comprehensive and Integrated SP Program,' which enjoyed high-level political backing of the Permanent Secretary, as well as the Cabinet Secretary for the MLSP. The project will be implemented through GoK entities, further ensuring the continuity and sustainability of interventions. Project design therefore builds upon existing institutional structures such as CHWs.

2. Environmental performance

The project has been screened for short and long-term climate change and disaster risks. The climate vulnerability of the project was identified, and climate adaptation measures considered in the project design. The proposed project would improve the shock-responsiveness of the safety net system in the ASAL areas, which are most affected by droughts occasioned by climate change. The enhanced SR would contribute to a system more responsive to shocks through better identification and categorization of beneficiaries. The expanded coverage of potential beneficiaries would also enable identification for other SP programs beyond the NSNP, including social and economic inclusion services, contributing to improved resilience of poor and vulnerable households. Institutional capacity for project implementation, coordination, and M&E, as well as enhancement of capacity and implementation of the BOS can all be considered to contribute to climate change adaptation. Particularly, Component 3 of KSEIP addresses some of the climate related challenges in the

project areas to reduce the impact and vulnerability of drought and food insecurity in counties and communities. The project would monitor progress toward shock-responsiveness and resilience to counter climate change through the outcome indicator on risk financing strategy for HSNP scalability. An assessment of the project activities was undertaken by the World Bank's Climate Change Group, which estimated the total climate co-benefits in this project to amount to US\$ 59.75 million (or 24% of the IDA contribution). The assessment found that adaptation co-benefits can be assigned for: (i) enhancing the scope and coverage of the single registry, since it will enable timely identification of households affected by climate-related emergencies; (ii) expanding the nutrition-sensitive safety net, since food insecurity has been linked to droughts and (iii) improving the shock responsiveness of the safety net system, since it will enhance the resilience of beneficiaries to the droughts induced by climate change.

3. Employee welfare

The project has not yet employed staff of its own but relies on personnel deployed by the State Department for Social Protection. However, in realization that the employees are an important stakeholder and asset in the realization of the Project's mandate, the Project sponsored some of the officers for training programmes. The Project also held team building forum for both the employees and the Trustees with an aim of enhancing their morale hence more productivity at work. In addition, the Project ensures maintenance of occupational health and safety at workplace.

4. Market place practices

The Project is involved in the following in relation to responsible market place practices.

a) Responsible Supply chain and supplier relations

The Project maintains good business practices through open tendering which is the recommended procurement approach and the use of other alternative procurement methods where applicable according to the World Bank Procurement Regulations for IPF Borrowers 2020 and Public Procurement and Asset Disposal Act 2015 and Regulations 2020.

On the treatment of its suppliers responsibly, the department makes timely payments upon receipt of relevant documents from the suppliers and relevant approvals.

b) Responsible ethical practices

This is achieved through the Project maintaining the minimum set standards. This is achieved by ensuring that there is uniform treatment of its clients and stakeholders, as well as corrupt malpractices are not entertained in the organization.

c) Regulatory impact assessment

By ensuring service standards, the Project undertook its mandate to safeguard consumer rights and interests. Any deviation to the expected standards was addressed and corrected.

5. Community Engagements

KSEIP design incorporates Kenya-specific gender considerations. First, the project builds on the NSNP cash transfer programs which have demonstrated positive impact on gender outcomes. Program targeting of both the CT-OVC and HSNP recognizes the vulnerability of female-headed households: most recipients are women, although they are not explicitly targeted as the main beneficiaries. This has been reported to enable women to increase control of household budgets and participation in income-generating activities. Analysis of the HSNP has indicated spill over effects on more balanced household decision-making. Evaluations have found that the cash transfer programs reduced the likelihood of young women becoming pregnant and improved mental health outcomes, such as lower rates of depression, greater belief in self-agency and self-efficacy, and more positive views of the future. Second, the KSEIP supports positive gender outcomes through interventions specifically targeted to women. NICHE supports PLW and mothers to make better dietary decisions for their children and enhance existing impacts on household decision making through the provision of a top-up transfer. The KSEIP M&E framework includes gender-disaggregated indicators on proposed project beneficiaries. Project surveys would collect

data on gender dimensions of program implementation and outcomes. Lastly, the SR would be leveraged to collect and monitor gender specific data.

KSEIP uses the citizen's engagement mechanism already in place for the NSNP, namely the G&CM mechanism. This mechanism has been established at the national level with adequate staff and established procedures for receiving, recording, and acting on complaints along with a feedback mechanism to close the loop. It includes service charters to guide program engagement with beneficiaries, as well as MIS modules for tracking complaints and hotlines for receiving them. Community-level structures, such as the Constituency Social Assistance Committees and Beneficiary Welfare Committees (BWCs), have been established to raise awareness of the rights and entitlements of the beneficiaries, as well as to complement program officers and serve as an additional conduit for engaging with the beneficiaries and stakeholders. Work is ongoing to further strengthen this system by fully automating and decentralizing the G&CM mechanism as well as by rolling out Beneficiary Outreach Strategy (BOS) to increase beneficiary awareness of their rights and entitlements as well as the procedures for G&CM. The project further enhances the G&CM mechanism and beneficiary outreach to ensure that a consolidated and coherent citizen's engagement system is established to address complaints and grievances and facilitate community feedback on KSEIP activities in a structured manner.

5. Statement of Project Management Responsibilities

The Principal Secretary for State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary for State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

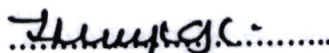
The Principal Secretary for State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for the State Department for Social Protection and Senior Citizen Affairs and the Project Coordinator for Kenya Social and Economic Inclusion Project on _____ 2024 and signed by:



Joseph M. Motari, MBS
Principal Secretary



Jane Muyanga
Project Coordinator



CPA Benard M. Sabwami
Deputy Accountant General
ICPAK Member No. 18274

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SOCIAL AND ECONOMIC INCLUSION PROJECT CREDIT NUMBER 6348-KE FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR SOCIAL PROTECTION AND SENIOR CITIZEN AFFAIRS

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and 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 Kenya Social and Economic Inclusion Project Credit Number 6348-KE set out on pages 1 to 34, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and the statement of comparison of

Report of the Auditor-General on Kenya Social and Economic Inclusion Project Credit No.6348 for the year ended 30 June, 2024 – State Department for Socio Protection and Senior Citizen Affairs

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 Kenya Social and Economic Inclusion Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Credit Agreement No.6348-KE dated 31 January, 2019 between the International Development Association and the Republic of Kenya.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

1.1 Budget Under Expenditure

The statement of comparison of budget and actual amounts reflects final total payments budget and actual on comparable basis of Kshs.29,952,693,980 and Kshs.28,519,249,967 respectively resulting to an under expenditure of Kshs.1,433,444,013 or 5% of the budget.

The under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

2. Pending Accounts Payables

Note 12 to the financial statements on other disclosures and as further disclosed in Annex 4a discloses pending accounts payable of Kshs.56,013,859 that was outstanding as at closure of the financial year. Management has not rendered explanations for failure to settle the bills.

Failure to settle bills during the year to which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal controls, Risk management and governance. However, the Management has not resolved the issues as at 30 June, 2024.

Other Information

Conclusion

The Project Management is responsible for the Other Information set out on page iv to xxiii which comprise of Project Information and Overall Performance, Statement of Performance Against the Project's Predetermined Objectives and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

Low Budget Absorption and Undrawn Fund Balances

Section 2.8 on summary overall project performance reflects overall 90% budget performance as at 30 June, 2024. However, the GOK counterpart funding, IPF Credit and Grant Revenue reflect absorption rates of 67%, 53% and 35% respectively six months to the Project end date.

Further, Section 2.7A of project information and overall performance on source of funds reflects total commitment of Kshs.112,948,883,421. However, as at 30 June, 2024, only Kshs.80,040,650,823 was drawn resulting to undrawn balance of Kshs.32,908,232,598 or 29% of total commitment. There was no satisfactory explanation provided for the slow drawn down of the funds.

In the circumstances, the Project may not achieve its goals and objectives closure.

In connection with my audit on the Project financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. In my opinion, except for the matter described in the Basis for Conclusion, I confirm that it is not materially inconsistent with the financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Recruitment of Employees

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects compensation of employee costs of Kshs.31,967,440. Review of documents revealed that 193 casuals and 161 mentors and supervisors were recruited in April 2024. However, adverts of the vacant positions, minutes supporting the shortlisting and interviews reports were not provided for audit verification contrary to Section B4(1) and (2) of Public Service Human Resource Policies and Procedure Manual, 2016.

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

2. Failure to Deduct and Remit Statutory Deductions

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects compensation to employees of Kshs.31,967,440. However, an amount of Kshs.4,998,455 comprising of Kshs.3,035,542, Kshs.930,500 and Kshs.1,032,412 on account of NSSF, NHIF and Housing Levy Fund respectively was not deducted from employees' salaries for remittance to the statutory bodies contrary to Section 20 of the National Social Security Fund Act, 2013 and Section 16(3) of National Health Insurance Fund Act.

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

2. Procurement of Hospitality Supplies and Services from Non-Prequalified Providers

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects purchase of goods and services of Kshs.843,528,896 which includes hospitality supplies and services of Kshs.48,993,241. Included in hospitality supplies and services expenditure are payments amounting Kshs.24,945,600 for which the conference facilities were procured from suppliers not listed in the list of registered suppliers' contrary to Section 95(3) of Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity shall invite tenders from only the approved persons who have been pre-qualified.

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

4. Other Operating Payments

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects purchase of goods and services of Kshs.843,528,896 which includes other operating payments of Kshs.428,662,548. The following unsatisfactory matters were however noted:

4.1 Delay in Implementation of Procurement of Data Room Upgrades and IT Infrastructure Builds for Management Information System Contract

Included in other operating payments is Kshs.73,885,042 paid to a consultant for the procurement of two data room upgrades and two IT infrastructure builds for Enhanced Single Registry and Consolidated Cash Transfer Programme Management Information System under Contract No. KE-NSPS-279055-NC-RFB. The contract agreement was signed on 3 July, 2023 with a contract period of six months. As at the time of audit in October, 2024 the contract implementation was incomplete.

4.2 Delay in Implementation of Procurement of Provision of Technical Assistance to Support Implementation of Economic Inclusion Intervention

Included also in other operating payments is Kshs.51,440,746 being payments to a consultant for delivery of phase v deliverables under provision of technical assistance to support implementation of economic inclusion intervention. The State Department contracted the consultant in a consortium to offer consultancy services for provision of technical assistance to support implementation of economic inclusion intervention under the Project. The contract agreement contract no. ICB NO:KE-NSPS-91656-CS-QCBS/2018-2019 was signed on 16 November, 2020 which was also the commencement date. The contract period was 36 months with end date of 15 November, 2023. However, as at the time of audit in October, 2024 the support was incomplete.

4.3 Delay in Implementation of Procurement of a Third-Party Firm Quality Assurance Service Provider

Included also in other operating payments is Kshs.197,168,893 paid to a consultant for procurement of a third-party firm quality assurance phase II for households' registration towards enhanced single registry under the Project contract No. KE-NSPS-283362-CS-QCBS. The contract agreement was signed on 17 August, 2023 with a contract period of five months. However, as at the time of audit in October, 2024 the contract was incomplete.

In the circumstances, the Project objectives and goals may not have been met and may not be of benefit to the targeted citizens.

5. Lack of Fixed Asset register

The statement of receipts and payments and as disclosed in Note 7 reflects acquisition of non-financial assets of Kshs.260,029,475. However, Annex 5 to the financial statements on fixed asset register reflects assets valued at Kshs.242,663,883 indicating under booking of assets value at Kshs.17,365,592. Further, the fixed asset register was

not provided for audit verification contrary to Regulation 143 (1) of Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the controls over the management of fixed assets are weak while Management was in breach of the law.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the International Development Association, I report based on my audit that 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:

- i. Information given in the Management report on pages iv to xxiii is consistent with the financial statements;
- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The International Development Association requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require

expressing a separate opinion as to the Projects' compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

13 November, 2024

*Kenya Social and Economic Inclusion Project
State Department for Social Protection and Senior Citizen Affairs
Annual Report and Financial Statements for the financial year ended June 30, 2024*

7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		<i>FY 2023/2024</i>			<i>FY 2022/2023</i>			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	27,353,449,499	-	27,353,449,499	13,963,869,422	-	13,963,869,422	69,534,130,626
Proceeds from domestic and foreign grants	2	67,288,846	245,000,000	312,288,846		493,400,000	493,400,000	1,946,036,263
Loan from external development partners	3	1,926,425,037	-	1,926,425,037	596,561,544	-	596,561,544	3,275,191,353
Miscellaneous receipts	4	7,136,902	-	7,136,902	-	-	-	7,136,902
Total receipts		29,354,300,284	245,000,000	29,599,300,284	14,560,430,966	493,400,000	15,053,830,966	74,762,495,144
Payments								
Compensation to employees	5	31,967,440	-	31,967,440	157,053,722	-	157,053,722	195,560,562
Purchase of goods and services	6	843,528,896	-	843,528,896	723,666,131	493,400,000	1,217,066,131	3,940,678,642
Acquisition of non-financial assets	7	11,803,046	-	11,803,046	43,146,097	-	43,146,097	260,029,475
Other grants and transfers /payments	8	27,354,566,585	-	27,354,566,585	13,651,255,980	-	13,651,255,980	68,793,304,245

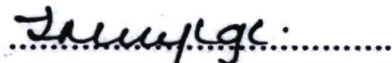
~~Kenya Social and Economic Inclusion Project~~
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Transfers to other government entities	9	32,384,000	245,000,000	277,384,000	-	-	-	277,384,000
Total payments		28,274,249,967	245,000,000	28,519,249,967	14,575,121,931	493,400,000	15,068,521,931	73,466,956,924
Surplus/ (deficit)		1,080,050,317	-	1,080,050,317	14,690,965	-	14,690,965	1,295,538,220

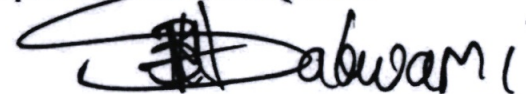
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Joseph M. Motari, MBS
Principal Secretary



Jane Muyanga
Project Coordinator



CPA Benard M. Sabwami
Deputy Accountant General
ICPAK Member No. 18274

Kenya Social and Economic Inclusion Project
State Department for Social Protection and Senior Citizen Affairs
Annual Report and Financial Statements for the financial year ended June 30, 2024

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

Description		2023/2024	2022/2023
Financial Assets			
Cash and Cash equivalents	10	1,295,538,220	215,487,903
Total Financial Assets (A)		1,295,538,220	215,487,903
Net Financial Assets (A)		1,295,538,220	215,487,903
Represented By			
Fund Balance B/fwd.	11	215,487,903	230,178,868
Surplus/(Deficit) for the Year		1,080,050,317	-14,690,965
Net Financial Assets		1,295,538,220	215,487,903

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



Joseph M. Motari, MBS
Principal Secretary



Jane Muyanga
Project Coordinator



CPA Benard M. Sabwami
Deputy Accountant General
ICPAK Member No. 18274

*Kenya Social and Economic Inclusion Project
State Department for Social Protection and Senior Citizen Affairs
Annual Report and Financial Statements for the financial year ended June 30, 2024*

9.Statement of Cash flows for the year ended 30th June 2024

Description	Notes	2024	2023
Receipts			
Transfer from government entities	1	27,353,449,499	13,963,869,422
Proceeds from domestic and foreign grants	2	312,288,846	493,400,000
Miscellaneous receipts	4	7,136,902	-
Total receipts		27,672,875,247	14,457,269,422
Payments			
Compensation of employees	5	31,967,440	157,053,722
Purchase of goods and services	6	843,528,896	723,666,131
Transfers to other government entities	8	27,354,566,585	13,387,289,481
Other grants and transfers	9	277,384,000	757,366,500
Total Payments		28,507,446,921	15,025,375,834
Net receipts/(payments)		- 834,571,674	- 568,106,412
Net cash flow from operating activities		834,571,674	- 568,106,412
Cashflow from investing activities			
Acquisition of non-financial assets	7	11,803,046	43,146,097
Net cash flows from investing activities		11,803,046	- 43,146,097
Cash flow from financing activities			
Proceeds from foreign borrowings	3	1,926,425,037	596,561,544
Net cash flow from financing activities		1,926,425,037	596,561,544
Net increase in cash and cash equivalent		1,080,050,317	- 14,690,965
Cash & cash equivalent at beginning of the year	10	215,487,903	230,178,868
Cash and cash equivalent at end of the year	10	1,295,538,220	215,487,903

*Kenya Social and Economic Inclusion Project
State Department for Social Protection and Senior Citizen Affairs
Annual Report and Financial Statements for the financial year ended June 30, 2024*

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024

	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities	30,484,682,500	-2,772,458,520	27,712,223,980	27,353,449,499	358,774,481	99%
Proceeds from domestic and foreign grants	283,000,000	30,000,000	313,000,000	312,288,846	711,154	100%
Proceeds from borrowings	1,927,470,000	0	1,927,470,000	1,926,425,037	1,044,963	100%
Miscellaneous Receipts				7,136,902	-7,136,902	
Total Receipts	32,695,152,500	-2,742,458,520	29,952,693,980	29,599,300,284	353,393,696	
Payments						
Compensation to employees	106,814,000	- 13,300,000.00	93,514,000	31,967,440	61,546,560	34%
Purchase of goods and services	1,527,306,150	- 201,700,000.00	1,325,606,150	843,528,896	482,077,254	64%
Social security benefits	0	-	0	0	0	0%
Acquisition of non-financial assets	166,349,850	-	166,349,850	11,803,046	154,546,804	7%
Transfers to other government entities	30,484,682,500	- 2,772,458,520.00	27,712,223,980	27,354,566,585	357,657,395	99%
Other grants and transfers	410,000,000	245,000,000.00	655,000,000	277,384,000	377,616,000	42%
Total Payments	32,695,152,500	- 2,742,458,520.00	29,952,693,980	28,519,249,967	1,433,444,013	
Surplus or Deficit	-	-	-	1,080,050,317	-1,080,050,317	

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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Kenya Social and Economic Inclusion Project under the State Department of Social Protection and Senior Citizen Affairs. The financial statements are for the reporting entity as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

The Kenya Social and Economic Inclusion Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments when the goods/services are consumed and paid for. If not paid for when goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

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

f) In-kind donations

In-kind contributions are donations made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public-Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The 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.

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance.' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

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

Significant Accounting Policies (Continued)

n) Third-party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

r) Prior period adjustments

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

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022/2023	2023/2024	2024/2025
Counterpart funding through Ministry			
Cash Transfer-NICHE	124,971,500	18,849,000	221,937,500
Cash Transfer-OVC	6,712,586,000	6,564,496,000	26,993,646,000
Cash Transfer-Older Persons	18,489,254,000	5,613,944,480	35,920,671,160
Cash Transfer -PWD	1,013,250,000	1,190,000,000	3,883,310,000
Exchequer Receipts - Operations	1,013,387,999	576,579,942	2,514,565,966
Total	<u>27,353,449,499</u>	<u>13,963,869,422</u>	<u>69,534,130,626</u>

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Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2024, we received funding from development partners in the form of loans negotiated by the National Treasury, as detailed in the table below:

Particulars	Date received	Amount in US\$	Amount in Kenya Shillings	Interest	Amount in US\$	Amount in Kenya Shillings
IDA Credit (World Bank)	18-Jan-24	2,399,672	418,095,056	-	418,095,056	596,561,544
IDA Credit (World Bank)	19-Mar-24	1,752,678	266,949,989	-	266,949,989	
IDA Credit (World Bank)	03-Jun-24		1,241,379,992		1,241,379,992	
Total		4,152,349	1,926,425,037	-	1,926,425,037	596,561,544

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	FY 2023/2024			2022/2023	
	Receipts controlled by the entity in charge of Cash	Receipts controlled by other entities	Total Receipts	Receipts	Receipts
	Kshs	Kshs	Kshs	Kshs	Kshs
Tender Fee - IDA Credit	1,000	-	1,000	-	1,000
Tender Fee - Grant	20,000	-	20,000	-	20,000
Unspent Imprest	184,600	-	184,600	-	184,600
Other receipts (Refund - Grant)	6,931,302	-	6,931,302	-	6,931,302
Total	7,136,902	-	7,136,902	-	7,136,902

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	FY 2023/2024			FY 2022/2023	
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	Cumulative total payments
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic wages of temporary employees	31,967,440	-	31,967,440	157,053,722	195,560,562
Total	31,967,440	-	31,967,440	157,053,722	195,560,562

6. Purchase of Goods and Services

	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	1,066,000	-	1,066,000	28,326,830	77,805,752
Domestic travel and subsistence	341,331,252	-	341,331,252	221,228,000	1,216,926,923
Foreign travel and subsistence	3,222,985	-	3,222,985	8,185,112	24,250,208
Printing, advertising, and information supplies	-	-	-	27,745,612	79,174,776
Rentals of produced assets	-	-	-	-	-
Training payments	11,739,570	-	11,739,570	38,903,181	121,458,788
Hospitality supplies and services	48,993,240.50	-	48,993,240.50	142,991,091.00	368,636,656
Office and General supplies	3,917,200	-	3,917,200	16,355,115	51,918,041
Insurance costs	-	-	-	-	-
Fuel and oil Lubricants	4,446,100	-	4,446,100	9,332,982	25,699,082
Specialized materials and services	-	-	-	-	-

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Other operating payments	428,662,548	-	428,662,548	227,731,527	1,927,386,495
Routine maintenance – vehicles and other transport equipment	150,000	-	150,000	2,364,181	14,029,820
Routine maintenance- other assets	-	-	-	502,500	33,389,021
Exchange rate losses/gains (net)	-	-	-	-	-
Total	843,528,896	==	843,528,896	723,666,131	3,940,678,642

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7. Acquisition of Non-Financial Assets

Description	FY 2023/2024		FY 2022/2023	Cumulative to-date	
	Payments made in Cash	Payments made by third parties	Total payments		
	Kshs.	Kshs.	Kshs	Kshs	
Purchase of vehicles & other transport equipment	-	-	-	31,407,617	106,164,593
Purchase of office furniture & general equipment	11,803,046	-	11,803,046	3,179,440	141,020,438
Purchase of ICT Equipment	-	-	-	8,559,040	12,844,444
Total	<u>11,803,046</u>	=	<u>11,803,046</u>	<u>43,146,097</u>	<u>260,029,475</u>

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8. Other Grants, Transfers, and Payments

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Cash Transfer-NICHE	124,971,500	-	124,971,500	18,849,000	221,937,500
Cash Transfer - Economic Inclusion	-	-	-	263,966,499	327,634,499
Cash Transfer-OVC	6,712,586,000	-	6,712,586,000	6,564,496,000	26,993,646,000
Cash Transfer-Older Persons	18,489,254,000	-	18,489,254,000	5,613,944,481	35,920,671,161
Cash Transfer-PWSD	1,013,250,000	-	1,013,250,000	1,190,000,000	3,883,310,000
Operations	1,014,505,085	-	1,014,505,085	-	1,446,105,085
Total	27,354,566,585	=	27,354,566,585	13,651,255,990	68,793,304,245

9. Transfers to other Government Entities

	Kshs	Kshs	Kshs	Kshs	Kshs
Cash Transfer-Economic Inclusion	32,384,000	-	32,384,000	-	32,384,000
DFID Direct Payment	-	245,000,000	245,000,000	-	245,000,000
Total	32,384,000	245,000,000	277,384,000	-	277,384,000

10. Cash And Cash equivalents

Bank accounts (Note 10A)	1,295,538,220	215,487,903
Total	<u>1,295,538,220</u>	<u>215,487,903</u>

Notes to the Financial Statements (Continued)

10. A Bank Accounts

Project Bank Accounts

<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000425059]	138,970.65	189,977,873
Central Bank of Kenya[A/c No 1000488395]	53,732,397.95	24,106,084
KCB Project Account	1,241,666,851.64	1,403,946
Total local currency balances	<u>1,295,538,220.24</u>	<u>215,487,903</u>
Total bank account balances	<u>1,295,538,220.24</u>	<u>215,487,903</u>

11. Fund Balance Brought Forward

Bank accounts	215,487,903	230,178,868
Cash in hand	-	-
Total	215,487,903	230,178,868

Other Important Disclosures

12. Pending Accounts Payable (See Annex 4a)

Supply of goods	5,218,380	51,874,620	5,218,380	51,874,620
Supply of services	1,717,130	1,599,020	1,717,130	1,599,020
PAYE		2,540,219		2,540,219
Total	6,935,510	56,013,859	6,935,510	56,013,859

Notes to the Financial Statements (Continued)

13. External Assistance

Description		
External assistance received as grants	67,288,846	-
External assistance received as loans	1,926,425,037	596,561,544
External assistance received in kind- as payment by third parties	245,000,000	493,400,000
Total	2,238,713,883	1,089,961,544

a). External assistance relating to loans and grants

Description		
External assistance received as loans	1,926,425,037	596,561,544
External assistance received as grants	67,288,846	-
Total	1,993,713,883	596,561,544

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b) Undrawn external assistance

Description			
Undrawn external assistance - loans		11,542,049,740	13,936,934,784
Undrawn external assistance - grants		95,911,791	408,200,637
Total		11,637,961,531	14,345,135,421

c) Classes of providers of external assistance

Description		
International assistance organization	2,238,713,883	1,089,961,544
Total	2,238,713,883	1,089,961,544

Other Important Disclosures (Continued)

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

International assistance organization	245,000,000	493,400,000
Total	245,000,000	493,400,000

8. Related Party Disclosures

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

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

Related party transactions:

Compensation to Key Management		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other government entities	27,354,566,585.35	13,963,869,423.00
Other Grants and Transfers	277,384,000.00	757,366,500.00
Total Transfers to related parties	27,631,950,585.35	14,721,235,923.00
Transfers from related parties		
Transfers from the State Department		
Payments made on behalf of the project by other govt. entities	27,354,566,585.35	13,963,869,423.00
Other grants , transfers and payments	277,384,000.00	757,366,500.00
Total Transfers from related parties	27,631,950,585.35	14,721,235,923.00

12. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

1627	Unsupported Bank Balance	The Bank Statement and Bank Reconciliation have been provided for the unsupported bank balance held at Central Bank of Kenya relating to KSEIP	Unresolved
1631	Delayed Cash Transfers	The systems enhancements the on-boarding of the beneficiaries to the new payment model also took some time, which caused the said delays in payments. On the other hand, delay in release of Exchequer in the later months of the financial year also contributed to non-compliance to the timeliness and regularity of payment as	Unresolved

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		<p>outlined in the programme Operations Manual.</p> <p>Further, His Excellency the President, directed that Inua Jamii beneficiaries be paid on a monthly basis, and ahead of the payment of civil servants' salaries. This directive has since commenced, thus payment to beneficiaries are up to date.</p>	
1633	Undeserving Program Beneficiaries	<p>These cases were required /expected to have been identified and graduated through recertification process, which is supposed to be undertaken regularly. However, due to inadequate operations funds for the programme this has not been possible.</p> <p>However, in this current financial year, the State Department shall undertake Payroll Cleaning to exit the deceased cases, and graduate undeserving households to pave way for on-boarding of new deserving households.</p>	Unresolved

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1634	Overpayment of Transfers	Regular Inua Jamii payments are in multiples of KShs. 4,000, the variance noted by the audit team is therefore correctly attributed to the NICHE top-up payments that provides for additional amounts in multiples of KShs. 500.	Unresolved
1635	Lack of Effective Internal Audit Function	The internal audit unit received additional new staff during the 2022/2023 Financial Year	Unresolved
1638	Unsupported Payments	<p>The activity in formation and training of consolidated beneficiary's welfare committees in twenty counties was undertaken and all payments were done through the KSEIP KCB account.</p> <p>The signed payment schedule to field officers have been provided.</p> <p>The documents relating to activity on training on baby friendly initiative strategy have been provided.</p> <p>The supporting documents to support the amount paid to facilitate movement of the</p>	Unresolved

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		<p>persons to be trained that is bus tickets and signed transport reimbursement schedules have been provided.</p> <p>Under the KSEIP Donor funded activities, the budget of fuel and airtime are funded under the GoK counterpart fund. Hence fuel and airtime were charged under GoK counterpart fund.</p>	
1639	Cash and Cash Equivalents	<p>The bank reconciliation statements, bank statements, bank confirmation certificates for the month of June, 2022 for the two bank accounts was been submitted.</p> <p>Authority to open bank account has also been submitted.</p>	Unresolved

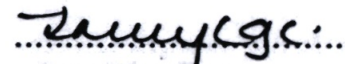
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1640	Budgetary Control and Performance	The underfunding and under expenditure affected the planned activities and programmes which impacted negatively on effective service delivery to the citizens. This was occasioned by the delay in release of exchequer by the National Treasury and Economic Planning	Unresolved
1641	Irregular Recruitment of Project Co-ordination Assistant	Selected consultant had better edge for having more assignments on office organization and optimization techniques. She had interacted with KSEIP Project before and multilateral donors in social protection sector. On the member referenced in the CV, didn't participate in this particular evaluation due to conflict of interest. This was noted by the evaluation committee and requested to withdraw from the exercise. The recruited consultant had worked at the National Social Protection Secretariat as a	Unresolved

		<p>Program support assistant for a period of 10 months as per information provided in her Curriculum Vitae.</p> <p>The contract agreement document have been submitted.</p>	
1642	<p>Non-Payment to Beneficiaries in the Economic Inclusion Programme</p>	<p>The beneficiaries whose accounts had not been submitted to the Consolidated Cash Transfer Programme Management Information System (CCTPMIS) were later paid in the subsequent payrolls in arrears, and reconciliation was done.</p> <p>Additionally, Some beneficiaries had exited the program during implementation.</p>	Unresolved
1643	<p>Irregular Payments</p>	<p>The training took place at the sub county level but participants resided at the county headquarters due to lack of accommodation facilities at the sub county level.</p>	Unresolved



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Joseph M. Motari, MBS
Principal Secretary



.....
Jane Muyanga
Project Coordinator

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Annex 2: Variance explanations - Comparative Budget and Actual Amounts for Current FY 2023/2024

	Kshs	Kshs	Kshs		
Receipts					
Transfer from Government entities	27,712,223,980	27,353,449,499	358,774,481	99%	
Proceeds from domestic and foreign grants	313,000,000	312,288,846	711,154	100%	
Proceeds from borrowings	1,927,470,000	1,926,425,037	1,044,963	100%	
Miscellaneous receipts		7,136,902	-7,136,902		
Total Receipts	29,952,693,980	29,599,300,284	353,393,696		
Payments					
Compensation to employees	93,514,000	31,967,440	61,546,560	34%	Delay in recruitment of KSEIP casuals and Economic inclusion programme mentors and mentor supervisors
Purchase of goods and services	1,325,606,150	843,528,896	482,077,254	64%	Closure of IFMIS procurement module
Acquisition of non-financial assets	166,349,850	11,803,046	154,546,804	7%	Closure of IFMIS procurement module
Transfers to other government entities	27,712,223,980	27,354,566,585	357,657,395	99%	
Other grants and transfers	655,000,000	277,384,000	377,616,000	42%	Slow implementation of EIP Programme
Total Payments	29,952,693,980	28,519,249,967	1,433,444,013		

Annex 3: Reconciliation of inter-entity transfers

Annex 3: Reconciliation of inter-entity transfers			
a. Government Counterpart funding	Bank Statement Date	Amount (Kshs)	FY 2023/2024
Exchequer		27,353,449,499	
	Total	27,353,449,499	
B. Direct payments			
TA UNICEF	Bank Statement Date	Amount (Kshs)	FY 2023/2024
		245,000,000	
	Total	245,000,000	
C. Others			
	Bank Statement Date	Amount (Kshs)	FY 2023/2024
	IPF Funds	1,993,713,883	
	Miscellaneous Receipts	7,136,902	
	Total	2,000,850,785	
	Total (A+B+C)	29,599,300,284	

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

Project Coordinator
 Jane Muyanga

Sign Jane Muyanga

Head of Accounting Unit
 CPA Benard M. Sabwami

Sign Benard M. Sabwami

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Annex 4a: Analysis of Pending Bills

		a	b	c=a-b		
Supply of goods						
Gulkano Works Limited	26-09-2023	4,997,950.00	4,997,950.00	0	-	
Bridgitline General Merchants	27-11-2023	95,000.00	95,000.00	0	-	
Semco Agencies Limited	15-12-2023	125,430.00	125,430.00	0	-	
Kivy Systems Ltd	24-06-2024	12,384,000	0	12,384,000		
Jylan Agencies	28-06-2024	7,248,000	0	7,248,000		
Indica Limited	26-06-2024	5,750,400	0	5,750,400		
Jusgat Enterprises	14-06-2024	680,000	0	680,000		
Lantana Suppliers	28-06-2024	2,832,000	0	2,832,000		
Modern Business Solutions	28-06-2024	1,200,000	0	1,200,000		
Jusgat Enterprises	13-06-2024	478,000	0	478,000		
Starion East Africa Limited	24-06-2024	9,120,000	0	9,120,000		
Betacamp General Suppliers	14-06-2024	680,000	0	680,000		
Betacamp General Supplies	25-06-2024	2,985,000	0	2,985,000		
Bluescope Contractors	24-06-2024	780,000	0	780,000		
Limeparm Ventures	03-05-2024	392,500	0	392,500		
Swiftdiamond Enterprises	28-06-2024	780,000	0	780,000		

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Jochann Enterprises	13-06-2024	432,000	0	432,000		
Vinyaki Enterprises	14-06-2024	304,000	0	304,000		
Goldedge Suppliers	24-06-2024	327,000	0	327,000		
Nandatech General Suppliers	13-06-2024	80,000	0	80,000		
Nokela Agencies	21-06-2024	437,000	0	437,000		
Tanzuku Enterprises	12-06-2024	216,000	0	216,000		
Tuots Supplies Limited	24-06-2024	961,000	0	961,000		
Nzumberie Enterprises	28-06-2024	192,720	0	192,720		
Goldpal Enterprises	26-06-2024	249,750	0	249,750		
Kabutha General Merchants	11-06-2024	282,500	0	282,500		
Layton International Supplies	28-06-2024	900,200	0	900,200		
Dalaq Enterprises Ltd	28-06-2024	400,000	0	400,000		
Putitie Trader	06-06-2024	214,450	0	214,450		
Boncar Enterprises	11-06-2024	251,600	0	251,600		
RH Devani	30-06-2024	804,000	0	804,000		
Razmine Enterprises	25-06-2024	512,500	0	512,500		
		57,093,000	5,218,380	51,874,620		
Supply of services						
Mombasa Beach Hotel	07-11-2023	1,354,500.00	1,354,500.00	0		
Pago Airways Company Ltd	08-11-2023	362,630.00	362,630.00	0		
Jenjay and Travel	28-06-2024	459,000	0	459,000		

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Ellabel Agencies	28-06-2024	548,060	0	548,060		
Dimension Data East Africa LTD	24-06-2024	120,060	0	120,060		
Stockwell Properties ltd	22-06-2024	471,900	0	471,900		
Sub-Total		3,316,150	1,717,130	1,599,020		
PAYE		2,540,219		2,540,219		
Grand Total		62,949,369	6,935,510	56,013,859		

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Annex 5: Summary of Fixed Assets Register

Assets	Opening Cost (KSh) FY 2023/2024	Donation at the start of assets (KSh) FY 2023/2024	Purchases Addition in the Year (KSh) FY 2023/2024	Disposal in the Year (KSh)	Transfer in the Year (KSh)	Closing Cost (KSh) FY 2023/2024
	(a)	(b)	(c)	(d)	(e)	(f)
Transport equipment	106,164,593	-	-	-	-	106,164,593
Office equipment, furniture and fittings	113,835,980	-	11,803,046	-	-	125,639,026
ICT Equipment,	10,860,264	-	-	-	-	10,860,264
Total	230,860,837	-	11,803,046	-	-	242,663,883

Annex 6: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2024
- ii. Board of Survey Report
- iii. Trial Balance



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