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**THE AUDITOR-GENERAL**

**ON**

**KENYA YOUTH EMPLOYMENT  
AND OPPORTUNITIES PROJECT  
(IDA CREDIT NO.5812-KE**

**FOR THE YEAR ENDED  
30 JUNE, 2020**

**MICRO AND SMALL ENTERPRISE  
AUTHORITY**





**PROJECT NAME:  
KENYA YOUTH EMPLOYMENT AND OPPRTUNITIES PROJECT (KYEOP)**

**IMPLEMENTING ENTITY:  
MICRO AND SMALL ENTERPRISES AUTHORITY (MSEA)**

**PROJECT CREDIT NUMBER: 5812 -KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

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

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## 1. PROJECT INFORMATION AND OVERALL PERFORMANCE

### 1.1 Name and registered office

**Name:** The Project official name is Kenya Youth Employment and Opportunities Project (KYEOP). The Micro and Small Enterprises Authority is implementing Component two (2) on job creation

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

**Address:** The project headquarters offices are in Nairobi County, Kenya  
 Authority's Headquarters  
 P.O. Box 48823-00100  
 Nairobi, Kenya  
 10<sup>th</sup> Floor Utalii House,  
 Utalii Lane/ Uhuru Highway  
 Nairobi, Kenya

**Contacts:** The Authority's contacts  
 Office of the Chief Executive Officer  
 Telephone: (254)020-3340006/0700-666000  
 E-mail: [msea@mseauthority.go.ke](mailto:msea@mseauthority.go.ke)/ [mseakenya@gmail.com](mailto:mseakenya@gmail.com)  
 Website: [www.mseauthority.go.ke](http://www.mseauthority.go.ke)

### 1.2 Project Information

Project Start Date:	The project effective date 1 <sup>st</sup> September, 2016
Project End Date:	The project end date is 31 <sup>st</sup> December, 2021
Project Co-ordinator:	The Project Co-ordinator is Samuel M. Matonda
Project Sponsor:	The Project Sponsor is World Bank (IDA)

### 1.3 Project Overview

Line Ministry/State Department of the project	The Project is under the supervision of the Ministry of Industry, Trade and Cooperatives The Implementing Agency is the Micro and Small Enterprises Authority (MSEA)
Project number	5812- KE
Strategic goals of the project	The project aims at addressing key constraints and market failures that limit the demand for the employment and hamper youth productivity once in employment
Achievement of strategic goals	The specific goals of component two (2) on job creation are: (i) To provide seed funding for youth led start ups (ii) To increase access to Business Development Services (BDS) for

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

	<p>young self-employed entrepreneurs</p> <p>(iii) To support innovative interventions to create jobs for targeted youths</p> <p>(iv) To expand economic opportunities to youth who are hard to serve</p>
<p>Other important background information of the project</p>	<p>The project is funded by the International Development Association (IDA) arm of World Bank. The Project total cost is 106.5 million SDR (US\$ 150 million) and is to be implemented over five (5) years</p> <p><b>Project categories</b>  The Overall project has eight categories as per the financing agreement:</p> <p><b>Category 1:</b> Goods, Non Consulting services , Consultant Services, Training and Incremental Operating Costs;  a) Part A.1 (a) A.2 (a) to implemented by MPYG total cost SDR 12,070,000  b) Part A.1 (b) A.2 (b) to implemented by MLEAA (NITA) total cost SDR 41,170,000</p> <p><b>Category 2:</b> Goods, Non Consulting services , Consultant Services, Training and Incremental Operating Costs under part B of the Project ( Excluding business start-up grants and Business Plan Competition Awards and Innovation Awards);  a) MITC (MSEA) (Part B.1 and B.2 (a) total cost SDR 9,370,000  b) MPYG (Part B.2 (a) and B.2 (b) total cost SDR 41,170,000</p> <p><b>Category 3:</b> Business start-up grants under part B.1 of the project to be implemented by MITC(MSEA) at a total cost of SDR 8,520,000</p> <p><b>Category 4:</b> Business Plan Competition Awards under Part B.2(a) of the project to be implemented by MPYG at a total cost of SDR 9,940,000</p> <p><b>Category 5:</b> Innovation Awards under part B.2(b) of the project to be implemented by MPYG at a total cost of SDR 852,000</p> <p><b>Category 6:</b> Goods, Non Consulting services , Consultant Services, Training and Incremental Operating Costs under part C of the Project to be implemented by MLEAA at a total cost of SDR 9,590,000</p> <p><b>Category 7:</b> Goods, Non Consulting services , Consultant Services, Training and Incremental Operating Costs under part D of the Project to be implemented by MPYG at a total cost of SDR 12,640,000</p> <p><b>Category 8:</b> Refund of preparation at a total cost of SDR 1,565,000</p>

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

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Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Unemployment among the youth in the country (ii) Marginalisation of youth in some counties (iii) Lack of equity in Job opportunities for youth in the country
Project duration	The project started on 1st September, 2016 and is expected to run until 31 <sup>st</sup> December, 2021

**1.4 Bankers**

Kenya Commercial Bank  
P.O Box: 30012- 00100  
Kipande House  
Nairobi, Kenya

**1.5 Auditors**

The Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084 - 00100  
Nairobi, Kenya

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
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**1.6 Roles and Responsibilities**

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Henry Rithaa	Director General/ Chief Executive Officer	MBA (Strategic Management), Bachelor's Degree in Finance	Overall program leadership and direction.
Samuel Matonda	Project Coordinator	Master of Business Administration, Bachelor of Science Degree.	Oversee the coordination of all project activities and outputs of Component II
John Masha	Project Manager	Master of Business Administration, Bachelor of Commerce, Postgraduate Diploma in Systems Management.	Support the MSEA PIU project coordinator with the day-to-day management of all project activities and outputs and Establish systems to ensure effective and efficient delivery or all operational outputs for Component II targets
Caroline Kioko	Grants Coordinator	Master's Degree in Entrepreneurship, Bachelor's degree in Environmental Studies and Community Development	Support coordination of grants beneficiary selection activities and disbursement;
Festus Musyoki	Program Finance & Accounting	MBA (Finance), Bcom (Finance), CPA(K)	Oversee all aspect of program financing and financial reporting.
Raphael Koome	Business Plan Competition (BPC) and Monitoring and Evaluation Coordinator)	Master of Business Administration, Bachelor of Arts in Economics and Communications	Design and develop measures of monitoring the performance of Component 2 activities in meeting their objectives. Update the program key performance indicators (inputs, outputs, outcomes) for monitoring the project, their target values and specify the timing and format of reporting
Magdalene Mbithi	BDS Officer	B.A in Sociology	Coordinating business development services of the project
Silas Kiome	Program Procurement and Supply Chain	Msc. In Procurement & Contract Management (Ongoing), Bcom (Procurement & Supplies Management)	Coordinate procurement and supply chain activities of the project

## 1.7 Funding summary

The Project is for duration of five years from 2016 to 2021 with an approved budget of US\$ 25.2 M for component two (2) equivalents to KES 2.58 Billion as highlighted in the table below:

Source of funds	Donor Commitment-		Amount received to date – (30 <sup>th</sup> June, 2020)		Undrawn balance to date (30/6/19)	
	Donor currency(\$)	KShs	Donor currency	KShs	Donor currency	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Loan</b>						
IDA						
MITC	25,197,183	2,587,750,694	8,120,306.06	858,165,755	17,076,876.94	1,729,584,939
<b>Total</b>	<b>25,197,183</b>	<b>2,587,750,694</b>	8,120,306.06	858,165,755	17,076,876.94	1,729,584,939

- The Exchange rate is 1USD /KSH 102.7
- As per the financing agreement SDR 17,890,000(USD 25,197,183) was allocated to MSEA

## 1.8 Summary of Overall Project Performance:

### Budget performance against actual amounts for current year and for cumulative to-date.

The Authority was allocated a budget of Kshs 644,340,209 during the 2019/20 financial year, having a total actual expenditure of Kshs 460,610,959. The total receipts during the financial year amounted to Kshs 442,346,058

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

The project commenced in September 2017 and was negatively impacted by the political environment in the country such that little activities were undertaken until beginning of April 2018 when the project issued grants to 1,000 youths in selected five counties. So, the impact based on the grants issuance was assessed in the FY 2018/2019 and FY 2019/2020.

### Comment on value-for-money achievements,

As explained earlier, the project assessment on value for money achievements analysis continues in financial year 2019/2020 when Monitoring and Evaluation will be done and its results analysed.

### Absorption rate for each year since the commencement of the project.

During the 2016/17 financial year, out of the allocated budget of Kshs 70 million, the Authority received only Kshs 11,491,000 leaving unreceived balance of Kshs 58,509,000. The actual expenditure for the 2016/17 financial year amounted to Kshs 5,825,416 giving an absorption rate of about 8%. In the 2017/18 financial year, total expenditure was Kshs 65,077,283 against a budget of Kshs 140,000,000. This translates to absorption rate of 58.9%. During FY 2018/2019, the total budget as per the revised estimates was Kshs 304,000,000. Against this budget, the expenditure for the period amounted to Kshs 278,538,403 translating to an absorption of 92%. During the financial year under review (FY 2019/2020), the total budget as per the revised estimates was Kshs 644,340,209. Against this budget, the expenditure for the period amounted to Kshs 460,610,959 translating to an

absorption of 70%

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

The major challenge witnessed so far is the low absorption rate for the funds allocated under the project. This was majorly witnessed during the beginning of the project around September 2017 when the political environment was so unfavorable for the project implementation. The procurement process has also been a bit slow due to the required World Bank and government public procurement and disposal guidelines and procedures to be adhered to. The COVID-19 situation in Kenya that led to the halting of many government activities, including KYEOP outlined activities for end of quarter 3 and all of quarter 4 FY2019/2020 contributed greatly to the low absorption of funds.

However, most of the procurements and activities have been put on a back to back in the Work plan for the 2019/20 financial year so as to fast track them to recover the lost timelines. However, still during the implementation of the work plan, the Government issued a moratorium to MSEA on procurement due to the planned merger of MSEA with the other funds to form Biashara Bank. This negatively affected the project until when the merger was uplifted.

**1.9 Summary of Project Compliance:**

The project has adhered to the procedures as per the World Bank Financial Management requirements, Government of Kenya Financial Regulations, Fiduciary framework and accountability.

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

### **Introduction**

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

The key development objective of the project's 2016-2021 plan is to increase employment and earnings opportunities for targeted youths.

### **Progress on attainment of Strategic development objectives**

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

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Kenya Youth Employment and Opportunities Project	To increase employment and earning opportunities for targeted youths	Increased employment and earning opportunities for targeted youths	Number of grants issued and business development services conducted	In FY 19/20 we issued grants and conducted business development services to 13,648 youth out of the targeted 38,750 youth

### **3. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project are responsible for the preparation and presentation of the Program's financial statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program; (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 Program; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project accept responsibility for the Program'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 *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project are of the opinion that the Program's financial statements give a true and fair view of the state of Program's transactions during the financial year/period ended June 30, 2020, and of the Program's financial position as at that date. The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program financial statements as well as the adequacy of the systems of internal financial control.

The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

#### **Approval of the Program financial statements**

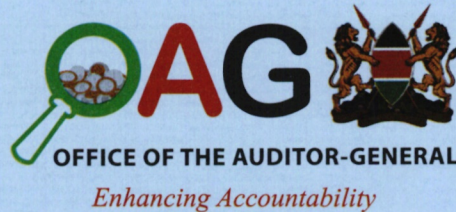
The Program financial statements were approved by The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project on 10.12.2020 and signed by them.

  
Henry M. Rithaa  
Accounting Officer

  
Samuel M. Matonda  
Program Co-ordinator

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT (IDA CREDIT NO.5812-KE) FOR THE YEAR ENDED 30 JUNE, 2020 - MICRO AND SMALL ENTERPRISE AUTHORITY**

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

#### **Opinion**

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Youth Employment and Opportunities Project as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Credit No.5812-KE of 4 July, 2016 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special accounts statement presents fairly the special accounts transaction and the closing balance has been reconciled with the books of account.

#### **Basis for Opinion**

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

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*Report of the Auditor-General on Kenya Youth Employment and Opportunities Project (IDA Credit No.5812- KE) for the year ended 30 June, 2020 - Micro and Small Enterprise Authority*

## **Other Matter**

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

#### **1.1 Budget Absorption**

The statement of comparative budget and actual amounts reflects receipts budget of Kshs.644,340,209 against actual receipts of Kshs.442,346,058 resulting to an under-funding of Kshs.201,994,151 representing 31% of the budget. Similarly, the Project spent an amount of Kshs.460,610,959 against the approved budget of Kshs.644,340,209 resulting to an under expenditure of Kshs. 183,729,250 or 31% of the budget. The project was not able to realise the budgeted receipts which affected the implementation of the planned activities and impacted negatively on service delivery to the public.

#### **1.2 Project Funding**

As indicated in Note 1.7 to the financial statements on funding summary, the Donor had committed to fund the project to the extent of Kshs.2,587,750,694 (USD 25,197,183). As at 30 June, 2020, the Project had received Kshs.858,165,755 (USD8,120,306.06) resulting to a variance of Kshs.1,729,584,93 (USD 17,076,876.94).

Considering that the Project was to be implemented within a duration of five (5) years from 1 September, 2016 to 31 December, 2021, it is doubtful that the Project will be able to absorb all the funding within the remaining Project period. The Project may, therefore, not achieve the set objectives.

### **2. Management of Imprest**

As disclosed in Note 9.7 B to the financial statements, the statement of financial assets reflects a balance of Kshs.5,800,020 under imprests and advances which includes an amount of Kshs.1,873,590, being imprest for prior years that has remained outstanding for long. Some of the officers with these long outstanding imprests have since terminated services with the Project and resumed work at the Parent Ministry without surrendering the imprest. Failure to surrender imprests and advances is contrary to Regulation 92 (5-6) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account for or surrender the imprest within 7 working days after returning to duty station, failure to which the Accounting Officer is required to recover the full amount through salary deductions with interest set at the prevailing Central Bank Rate.

No effort has been made towards recovery of the long outstanding imprests.

## **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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 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 cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Project monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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.

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

**Nairobi**


**28 December, 2020**

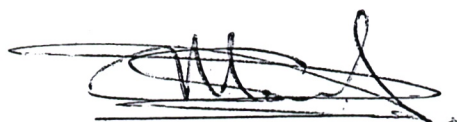
**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2020**

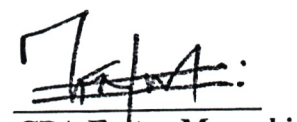
**5. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020**

	Notes	2019/2020 Kshs	2018/2019 Kshs	Cum to date Kshs
<b>RECEIPTS</b>				
Loan from external development partners	9.3	442,346,058	261,662,606	858,165,755
<b>TOTAL RECEIPTS</b>		<b>442,346,058</b>	<b>261,662,606</b>	<b>858,165,755</b>
<b>PAYMENTS</b>				
Compensation of employees	9.4	15,456,008	7,440,000	27,363,288
Purchase of goods and services	9.5	408,551,876	270,785,203	745,772,498
Acquisition of non-financial assets	9.6	36,603,075	-	58,393,538
<b>TOTAL PAYMENTS</b>		<b>460,610,959</b>	<b>278,225,203</b>	<b>831,529,324</b>
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>(18,264,901)</b>	<b>(16,562,597)</b>	<b>26,636,431</b>

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

  
 Henry M. Rithaa  
 Accounting Officer

  
 Samuel M. Matonda  
 Program Co-ordinator

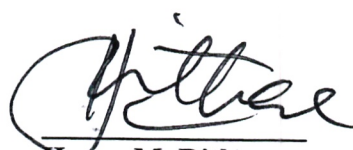
  
 CPA Festus Musyoki  
 Head of Finance  
 ICPAK No. 9775

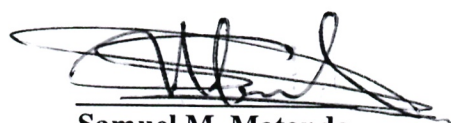
*Kenya Youth Employment and Opportunities Project (KYEOP)  
Reports and Financial Statements  
For the financial year ended June 30, 2020*

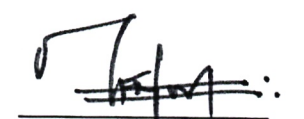
**6. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020**

FINANCIAL ASSETS	Note	2019/2020 Kshs	2018/2019 Kshs
<b>Cash and Cash Equivalents</b>			
Bank Balances	9.7 A	20,836,412	40,340,209
Imprests and Advances	9.7 B	5,800,020	4,561,124
<b>Total Cash and Cash Equivalents</b>		<b>26,636,432</b>	<b>44,901,333</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>26,636,432</b>	<b>44,901,333</b>
<b>REPRESENTED BY:</b>			
Fund balance b/fwd	10	44,901,333	61,463,930
Surplus/Deficit for the year		(18,264,901)	(16,562,597)
<b>NET FINANCIAL POSITION</b>		<b>26,636,432</b>	<b>44,901,333</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10.12.2020 and signed by:

  
Henry M. Rithaa  
Accounting Officer

  
Samuel M. Matonda  
Program Co-ordinator

  
CPA Festus Musyoki  
Head of Finance  
ICPAK No. 9775


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

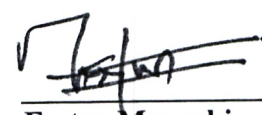
**7. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2020**

	Notes	2019/2020 Kshs	2018/2019 Kshs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Loan from external development partners	9.3	442,346,058	261,662,606
<b>Payments for operating expenses</b>			
Compensation of employees	9.4	(15,456,008)	(7,440,000)
Purchase of goods and services	9.5	(408,551,876)	(270,785,203)
<b>Net cash flow from operating activities</b>		<b>18,338,174</b>	<b>(16,562,597)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	9.6	(36,603,075)	-
<b>Net cash flows from Investing Activities</b>		<b>(36,603,075)</b>	<b>-</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Foreign Borrowings		-	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(18,264,901)</b>	<b>(16,562,597)</b>
Cash and cash equivalent at BEGINNING of the year		44,901,333	61,463,930
Cash and cash equivalent at END of the year		26,636,432	44,901,333

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10.12.2020 and signed by:

  
 Henry M. Rithaa  
 Accounting Officer

  
 Samuel M. Matonda  
 Program Co-ordinator

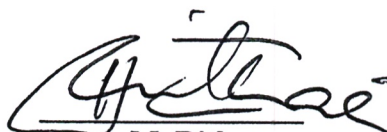
  
 Festus Musyoki  
 Head of Finance  
 ICPAK No. 9775


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

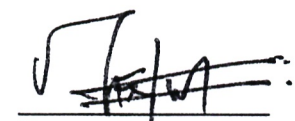
**8. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payment Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
<b>Receipts</b>						
Proceeds from domestic and foreign grants	644,340,209	-	644,340,209	442,346,058	(201,994,151)	(31%)
<b>Total Receipts</b>	<b>644,340,209</b>	<b>-</b>	<b>644,340,209</b>	<b>442,346,058</b>	<b>(201,994,151)</b>	<b>(31%)</b>
<b>Payments</b>						
Compensation of employees	15,500,000		15,500,000	15,456,008	43,992	0%
Purchase of goods and services	573,840,209	-	573,840,209	408,551,876	165,288,333	29%
Acquisition of non-financial assets	55,000,000		55,000,000	36,603,075	18,396,925	33%
<b>Total Payments</b>	<b>644,340,209</b>	<b>-</b>	<b>644,340,209</b>	<b>460,610,959</b>	<b>183,729,250</b>	<b>29%</b>

Refer to Annex I on variance explanation.

  
**Henry M. Rithaa**  
**Accounting Officer**

  
**Samuel M. Matonda**  
**Program Co-ordinator**

  
**Festus Musyoki**  
**Head of Finance**  
**ICPAK No. 9775**

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

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

### **9.1 Basis of Preparation**

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **External Assistance**

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

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

### ***Donations and grants***

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

### ***Proceeds from borrowing***

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

### ***Undrawn external assistance***

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

### **Other receipts**

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

### **b) Recognition of payments**

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

#### **Compensation of employees**

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

#### **Use of goods and services**

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

#### **Interest on borrowing**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Repayment of borrowing (principal amount)**

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

**Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

**c) In-kind donations**

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

**d) Cash and cash equivalents**

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

**e) Accounts receivable**

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.

**f) Pending bills**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**g) Budget**

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

**h) Exchange rate differences**

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

**i) 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.

**j) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

**k) Errors**

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

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

**9.3. RECEIPT FROM EXTERNAL DEVELOPMENT PARTNERS**

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

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KSh	
			KShs	KShs	FY19/20	FY18/19
Loans Received Donors (Int'l Organisations)						
World Bank	9/18/2019		136,661,442		136,661,442	261,662,600
World Bank	1/28/2020		108,716,178		108,716,178	
World Bank	3/31/2020		111,776,439		111,776,439	
World Bank	6/25/2020		85,192,000		85,192,000	
<b>Total</b>			<b>442,346,058</b>		<b>442,346,058</b>	<b>261,662,600</b>

**9.4. COMPENSATION OF EMPLOYEES**

Details	FY 2019/20			FY 2018/19	Cumulative To Date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
Category	KShs	KShs	KShs	KShs	KShs
Personnel Emolument	12,284,695		12,284,695	5,659,955	27,363,288
Leave Allowance	30,000		30,000		
PAYE	2,845,389		2,845,389	1,672,695	
NSSF	64,380		64,380	15,200	
NHIF	207,800		207,800	92,150	
HELB	23,744		23,744		
<b>TOTAL</b>	<b>15,456,008</b>		<b>15,456,008</b>	<b>7,440,000</b>	

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

**9.5. PURCHASE OF GOODS AND SERVICES**

<b>Expenditure Item</b>	<b>2019/20 Kshs</b>	<b>2018/19 Kshs</b>	<b>Cumulative Kshs</b>
Communication Supplies and Services	3,762,743	3,542,040	11,365,202
Domestic Travel, Subsistence	30,238,212	33,903,037	91,041,649
Foreign Travel, Subsistence	137,445	7,882,154	8,019,599
Printing, Advertising and information	8,634,253	4,713,703	13,347,956
Rent and Rates- Non-Residential	1,932,000	104,400	2,370,927
Training Expenses-Staff	850,954	7,965,824	11,510,295
Hospitality Supplies and Services	8,789,799	10,468,960	23,612,029
Office General Supplies and Services	3,282,585	7,701,517	15,212,353
Routine Maintenance of Vehicles	1,497,703	35,000	1,532,703
Refined Fuels and Lubricants	2,250,572	-	2,250,572
Bank Charges	278,928		278,928
Consultancy Service	169,616,682	3,347,638	174,437,320
Grants to Beneficiaries	177,280,000	191,120,930	390,792,965
<b>Sub-Total</b>	<b>408,551,876</b>	<b>270,785,203</b>	<b>745,772,498</b>

**9.6. ACQUISITION OF NON-FINANCIAL ASSETS**

<b>Expenditure Category</b>	<b>2019/20 Kshs</b>	<b>2018/19 Kshs</b>	<b>Cumulative Kshs</b>
Purchase of ICT Equipment and Software	16,004,175	-	27,274,175
Purchase of other office Equipment	-	-	10,520,463
Purchase of Motor vehicles	20,598,900	-	20,598,900
<b>Sub-Total</b>	<b>36,603,075</b>	<b>-</b>	<b>58,373,538</b>

**9.7. CASH AND CASH EQUIVALENTS CARRIED FORWARD**

	<b>2019/20 Kshs</b>	<b>2018/19 Kshs</b>
Bank accounts (Note 9.7A)	20,836,412	40,340,209
<b>Total</b>	<b>20,836,412</b>	<b>40,340,209</b>

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

**9.7 A Bank Accounts**

	<b>2019/20</b>	<b>2018/19</b>
<b>Local Currency Accounts</b>	<b>Kshs</b>	<b>Kshs</b>
Kenya Commercial Bank	20,836,412	40,340,209
Total local currency balances	20,836,412	40,340,209
<b>Total bank account balances</b>	<u>20,836,412</u>	<u>40,340,209</u>

**9.7 B Imprest and Advances**

The total outstanding imprest and advances amount to Kshs. 5,800,020 as per the schedule below.

<b>Name of Officer</b>	<b>Amount Taken</b>	<b>Due Date of Surrender</b>	<b>Amount Surrendered</b>	<b>Balance 2019/20</b>	<b>Balance 2018/2019</b>
Allan Kobiya	263,100	19/10/2018	-		
Allan Kobiya	76,200	4/12/2018	-		
Allan Kobiya	245,000	19/2/2019	-		
Allan Kobiya	425,370	1/4/2019	-	1,009,670	746,570
			-	-	-
Ann Kuria	8,960	12/5/2020	-	-	-
Ann Kuria	13,440	30/6/2020	-	22,400	
			-	-	
Athony Oiruria	15,000	30/7/2018	-	-	
Athony Oiruria	32,500	6/8/2018	-	-	
Athony Oiruria	176,600	2/28/2020	-	-	
Athony Oiruria	52,500	10/1/2020	-	276,600	
			-	-	
Bosco Muriithi	59,620	12/4/2018	-	59,620	158,980
Brian Wamukota	20,000	6/3/2020	-	20,000	-
Caroline Mbaire	109,200	19/10/2018	-	-	92,400
Caroline Mbaire	92,400	19/2/2019	-	201,600	-
			-	-	
Catherine Githinji	50,400	1/4/2019	-	50,400	
Cecilia Kioko	12,000	18/6/2019	-	12,000	-
Cepha Nyaundi	50,400	1/4/2019	-	50,400	-
Charles Kithuku	57,120	1/4/2019	-	57,120	-
Christine Mungai	31,500	28/02/2020	-	-	-
Christine Mungai	42,000	6/3/2020	-	73,500	-
			-	-	-
Duncan Gitau	12,000	18/6/2019	-	12,000	
Ebony Masha	8,960	6/3/2020	-	-	
Ebony Masha	8,960	12/5/2020	-	17,920	

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

Alijah Akumu	36,380	15/5/2018	-	-	
Alijah Akumu	42,040	30/7/2018	-	78,420	42,040
			-	-	-
			-	-	-
Emily Kamondo	37,800	5/10/2018	-	37,800	-
Everlyn Chemutai	8,400	6/3/2020	-	8,400	-
			-	-	-
Fanuel Mango	50,960	8/11/2019	-	-	-
Fanuel Mango	40,440	23/12/2019	-	-	-
Fanuel Mango	8,960	12/5/2020	-	100,360	-
			-	-	-
Festus Koech	24,500	1/4/2019	-	24,500	-
Florence Vonosa	33,600	10/8/2017	-	33,600	-
Francis Mbatia	11,200	18/3/2020	-	-	-
Francis Mbatia	8,920	12/5/2020	-	20,120	-
			-	-	-
Fredrick Kaduka	16,800	18/10/2019	-	-	-
Fredrick Kaduka	85,000	12/8/2019	-	-	-
Fredrick Kaduka	84,000	8/11/2019	-	185,800	741,380
			-	-	-
Grace Akinyi	50,400	27/2/2018	-	50,400	-
Hilda Njiru	12,000	18/6/2019	-	-	-
Hilda Njiru	106,400	8/11/2019	-	118,400	-
			-	-	-
James Mulinge	4,900	17/2/2020	-	-	-
James Mulinge	8,400	9/6/2020	-	13,300	-
James Wahome	26,700	20/10/2017	-	-	-
James Wahome	17,400	25/10/2017	-	-	-
James Wahome	17,400	25/10/2017	-	61,500	-
			-	-	-
Jane Kinyanjui	25,200	18/4/2019	-	25,200	-
Janet Kamotho	33,600	1/12/2017	-	33,600	-
			-	-	-
Jimmy Odhiambo	42,000	6/3/2020	-	42,000	82,520
			-	-	-
Joshua Mwangi	26,700	25/10/2017	-	26,700	-
			-	-	-
Joyce Mnyazi	4,000	6/3/2020	-	-	-
Joyce Mnyazi	2,940	12/5/2020	-	6,940	-
			-	-	-
			-	-	-
Justus Kiprono	22,800	30/11/2017	-	-	-
Justus Kiprono	26,900	15/11/2017	-	-	-

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

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Justus Kiprono	51,500	12/4/2018	-	-	
Justus Kiprono	44,600	19/10/2018	-	-	
Justus Kiprono	29,800	20/10/2018	-	-	
Justus Kiprono	24,700	18/6/2019	-	-	
Justus Kiprono	29,700	30/7/2018	-	-	
Justus Kiprono	39,600	6/8/2018	-	-	
Justus Kiprono	44,400	10/3/2019	-	-	
Justus Kiprono	20,000	9/4/2018	-	-	
Justus Kiprono	61,760	18/4/2019	-	-	
Justus Kiprono	13,800	8/26/2019	-	-	
Justus Kiprono	14,700	17/02/2020	-	424,260	247,560
			-	-	
Kenneth Ruttoh	53,000	25/3/2018	-	-	
Kenneth Ruttoh	8,400	18/6/2019	-	61,400	23,400
			-	-	-
			-	-	-
Lilian Kibui	33,600	10/8/2017	-	-	-
Lilian Kibui	50,400	27/2/2018	-	84,000	-
			-	-	-
Lina Maitho	42,000	6/3/2020	-	42,000	-
Lisray Maina	8,900	6/3/2020	-	8,900	-
Martin Gacheru	50,400	1/4/2019	-	50,400	-
Martin Njue	249,000	19/10/2018	-	-	
Martin Njue	5,040	19/10/2018	-	254,040	
			-	-	
Maureen Ngendo	91,500	18/5/2020	-	91,500	
Mercy Katela	63,000	27/2/2018	-	63,000	
Michelle Calvins	3,200	6/3/2020	-	3,200	
			-	-	
Mjera Mbetsa	39,540	30/7/2018	-	39,540	39,540
			-	-	
Moses Kosgei	9,500	25/10/2017	-	-	
Moses Kosgei	522,000	1/4/2019	-	-	
Moses Kosgei	56,600	21/3/2019	-	-	
Moses Kosgei	715,600	17/4/2019	-	1,303,700	578,600
			-	-	-
Moses Njoroge	8,960	12/5/2020	-	8,960	-
			-	-	-
Nahashon Macharia	42,600	10/8/2017	-	42,600	-
Paul Ngila	42,000	23/12/2019	-	42,000	-
Persil Telewa	8,960	6/3/2020	-	8,960	-
Peter Kivuva	92,400	10/9/2018	-	92,400	-

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements**  
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Peter Muli	8,960	6/3/2020	-	8,960	-
			-	-	-
Polycap Otedo	13,440	6/3/2020	-	-	-
Polycap Otedo	42,460	12/5/2020	-	55,900	-
			-	-	-
Rebecca Kerubo	4,900	28/2/2020	-	4,900	-
Risper Wanjiku	4,000	28/2/2020	-	4,000	-
Rita Mwachofi	42,000	19/10/2018	-	42,000	-
			-	-	-
Samson Ngambo	16,000	17/1/2020	-	-	-
Samson Ngambo	3,920	12/5/2020	-	19,920	-
			-	-	-
Simon Nzwili	48,720	1/4/2019	-	48,720	267,140
			-	-	-
Teressiah Kinyua	50,400	1/4/2019	-	50,400	-
Timothy Kajang	14,000	25/3/2018	-	14,000	-
Victor Musamale	73,200	5/1/2018	-	73,200	-
Vincent Muli	5,040	12/5/2020	-	5,040	-
			-	-	-
William Machoka	38,900	18/6/2019	-	-	-
William Machoka	44,000	10/3/2019	-	-	-
William Machoka	5,000	9/4/2019	-	-	-
William Machoka	33,950	15/4/2019	-	121,850	141,950
John Masha			53,000	-	53,000
Caroline Kungu			20,000	-	20,000
Christine Kirui			49,000	-	49,000
Magdaline Mbithi			350,478	-	350,478
Raphael Koome			300,760	-	300,760
Charles Murage			249,280	-	249,280
Judy Njeru			376,526	-	376,526
<b>Total</b>	<b>5,800,020</b>			<b>5,800,020</b>	<b>4,561,124</b>

**10. FUND BALANCE BROUGHT FORWARD**

Particulars	2019/20	2018/19
	KSh	KSh
Bank accounts	20,836,412	40,340,209
Imprest and advances	5,800,020	4,561,124
<b>Total</b>	<b>26,636,432</b>	<b>44,901,333</b>

**Kenya Youth Employment and Opportunities Project (KYEOP)**  
**Reports and Financial Statements**  
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**11. SPECIAL DEPOSIT ACCOUNT**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2020 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

**Credit No. IDA LOAN No. CREDIT No.58120-KE DA BB**  
**Bank Account No.: 1000308664 Held with CENTRAL BANK OF KENYA**

		NOTES	AMOUNT USD	AMOUNT KSH
1	Amount advanced by IDA		9,376,867	963,004,203
2	Less: Total Amount Documented		7,195,276	738,954,842
3	<b>Outstanding amount to be documented</b>		<b>2,181,591</b>	<b>224,049,361</b>
4	<b>Represented by: Ending special account balance as at 30 June 2020</b>		1,013,502	104,086,611
5	Amounts claimed but not credited as at 30 June 2020		-	-
6	Amounts Withdrawn and not claimed		<b>1,168,089</b>	<b>119,962,750</b>
7	Service Charges (if not included in lines 5 & 6 above)		-	-
8	Interest earned (if included in special account)		-	-
9	Total Advance to special account year ended 30 June 2020		<b>2,181,591</b>	<b>224,049,361</b>

Discrepancy between total appearing on line 3 & 9

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**12. CORPORATE SOCIAL RESPONSIBILITY**

The project did not directly engage in corporate social responsibility activities in line with the approved annual work plan during the period under review.

**ANNEX I – VARIANCE EXPLANATION ON COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

A variance of 31% was recorded on proceeds from domestic and foreign grant due to low disbursement rate occasioned by COVID 19 pandemic which affected absorption rate.

The variance of 29% on payment for expenditure is largely influenced by the COVID-19 pandemic which slowed down the project's activities towards the end of the third quarter and all of the fourth quarter planned activities for 2019/20 financial year. This greatly affected the project's absorption rate as compared to approved budget.

Moreover, the project is on course with more activities planned for next financial period 2020/2021.

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

**Summary of Fixed Asset Register As At 30.06.2020**

	<b>ICT Equipment</b>	<b>Other Office Equipment</b>	<b>Motor Vehicle</b>	<b>Totals</b>
<b>Opening Balance 01.07.2019</b>	<b>11,270,000</b>	<b>10,520,463</b>	<b>-</b>	<b>21,790,463</b>
Additions during the year	16,004,175	-	20,598,900	36,603,075
<b>Closing Balance 30.06.2020</b>	<b>27,274,175</b>	<b>10,520,463</b>	<b>20,598,900</b>	<b>58,393,538</b>

**ANNEX III - PROGRESS ON FOLLOW UP OF AUDIT RECOMMENDATIONS**

There were no unresolved audit issues as per the Office of the Auditor General external audit report 2018/2019 financial year.

