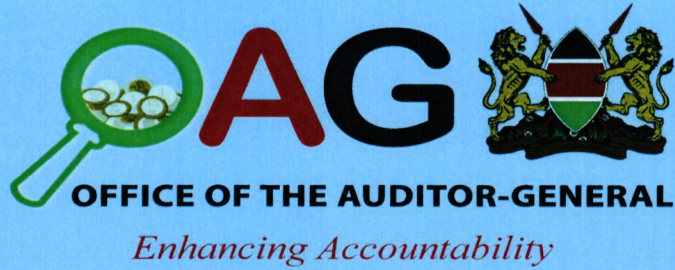
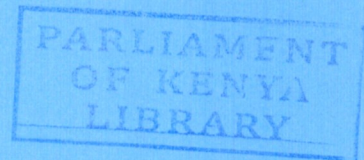


REPUBLIC OF KENYA



REPORT

OF



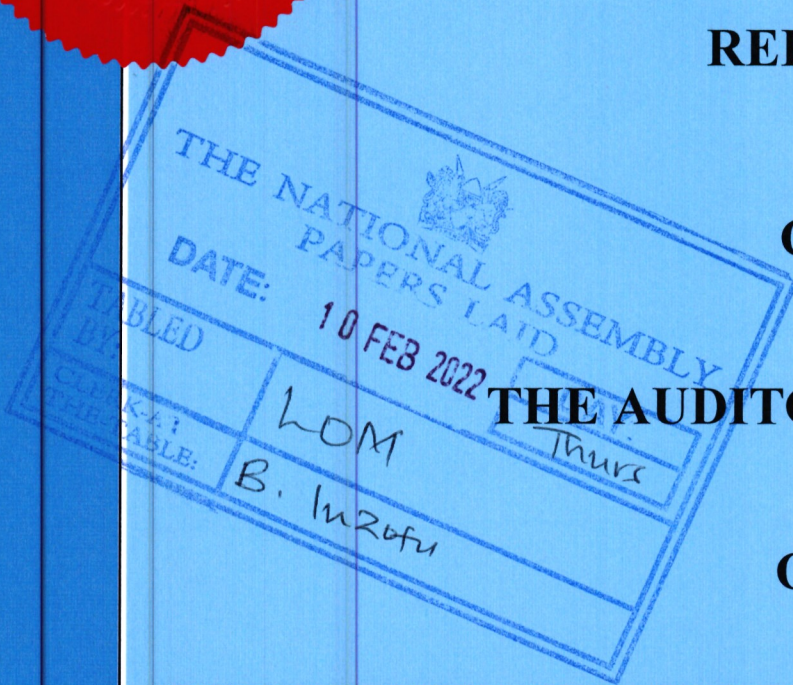
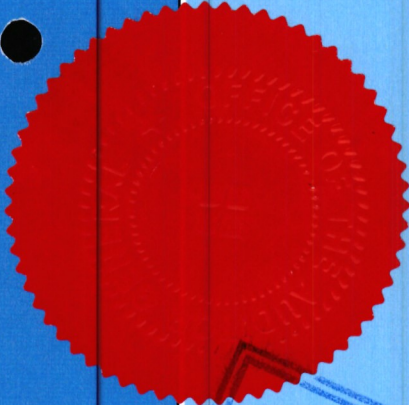
THE AUDITOR-GENERAL

ON

**INSTRUMENT FOR DEVOLUTION ADVICE AND
SUPPORT (IDEAS) CREDIT NO.KE/FED/024-230**

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

STATE DEPARTMENT FOR DEVOLUTION





Project Name
INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT (IDEAS)

Implementing Entity
MINISTRY OF DEVOLUTION AND ASAL (MODA)

PROJECT GRANT/CREDIT NUMBER
KEY/FED/024-230

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021

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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
Reports and Financial Statements
For the financial year ended June 30, 2021

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

Instruments for Devolution Advice and Support (IDEAS),

Objective

The key objective of the project is to contribute to the implementation of the Devolution process as outlined in the new constitution of Kenya, 2010,

Address

The project headquarters offices are City of Nairobi, Nairobi City County, Kenya.

The address of its registered office is:

Teleposta House,

Kenyatta Avenue, and

P.O Box 30004-00100 Nairobi.

The project also has no offices/branches

Contacts: The following are the project contacts

Telephone: (254) 202217475.

E-mail: ps@Devolutionandasals.go.ke

Website: www.Devolutionandasals.go.ke

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
Reports and Financial Statements
For the financial year ended June 30, 2021

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	25 September 2014
Project End Date:	30 September 2022
Project Manager:	Ms Emmy M'mbwanga
Project Sponsor:	The European Union (EU)-GRANT

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Devolution and ASAL, State Department of Devolution.
Project number	KE/FED/2013/024-230
Strategic goals of the project	The strategic goals of the project are as follows: (i) The purpose of the project is to support National and county capacities in the responsible transfer and use of resources for the achievement of Local Economic Development at county level (ii) Strengthening of the national institution's capacities for the management of the Devolution process and fiscal decentralization (iii) Development of county capacities to facilitate inclusive and sustained economic growth, participatory planning and service delivery
Achievement of strategic goals	The project management aims to achieve the goals through the following means: 1. Improved national institutional capacities to support participatory and accountable fiscal decentralization; 2. Increased capacity at the county level to facilitate participatory planning, and local economic development
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: 1. Support the National treasury and other PFM actors to roll out Integrated planning and budgeting guidelines to the county level 2. Design and test county performance and assessment tools based on service delivery of quality of service 3. Facilitate establishment of LED units within selected counties
Project duration	The project started on 25 th September 2014 and is expected to run until 30 th September 2022

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

- (i) Central bank of Kenya.
- (ii)

1.5 Auditors

The project is audited by the Office of the Auditor General and Auditors appointed by the EU delegation.

1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Julius korir ,CBS	Principal Secretary		Accounting Officer
Mr.Silas Gitari	Director Human Resource management and Development		Imprest Administrator (IA)
Ms.Emmy M'mbwanga	Project manager		Supervisor
Martin Anyango	Assistant Director, CB&TA		Alternate Imprest administrator (IA)
Moses M Macharia	Accountant		Alternate (IAO)

1.7 Funding summary

The Project is for duration of seven (7) years, from Sept. 2014 to 30th Sept 2022 with an approved budget of Euro. 28,600,000 as highlighted in the table below;

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 Jun 2021)		Undrawn balance to date	
	EUR (A)	KShs (A')	EUR (B)	KShs (B')	EUR (A)-(B)	KShs (A)-(B)
(i) Grant						
European Union (EU)	28,600,000	3,276,416,000	9,861,380	1,282,194,911	18,738,620	1,994,221,089
(ii) Counterpart funds						
Government of Kenya	0	0	0	0	0	0
Total	28,600,000	3,276,416,000	9,861,380	1,282,194,911	18,738,620	1,994,221,089

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
Reports and Financial Statements
For the financial year ended June 30, 2021

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)	Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date – (30 th June 2021)
EUR	US\$	EUR	US\$
(A)	(A)	(B)	(A)-(B)
(i) Grant			
European Union (EU)	9,861,380	1,282,194,911	-
Total	9,861,380	1,282,194,911	7,424,401

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- The budget performance as highlighted in table 6 shows an absorption rate of 62%. The low funds absorption being due to end of contractual period for employees engaged under the IDEAS project and delays by counties to fully comply with the conditional grants terms.
- Out of the targeted 8 counties, 5 counties: Kisii, Kwale, Makueni, Migori and Uasinambishu received their 2nd pre-financing totalling Ksh. 238,384,450 in the year 2020/2021.

1.9 Summary of Project Compliance:

The project has not had any issues of non-compliance with any international conventions or regulation.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PRE-DETERMINED OBJECTIVES

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 IDEAS Programme aims at meeting the overall objective of the Kenya Government, which is **“Contributing to the implementation of the Devolution process as outlined in the Constitution of Kenya 2010”**. Deriving from the above, the specific objective of the IDEAS programme is to **“Support Central/National and County Government capacities in the responsible transfer and use of resources for the achievement of Local Economic Development at the County Level.**

The programme has two **Key results** are:

1. Result Area 1. **Improved national institutional capacity** to be able to support participatory and accountable fiscal decentralization; and
2. Result Area 2. **Increased capacity at County level** to facilitate participatory planning and Local Economic Development.

The IDEAS programme specifically related to the LED capacity building and grants has the following **budgets: €15 million** for LED grants to 15 Counties; €0.7 million to MoDA; €1 million for the KSG; €5.3 million for the technical assistance contract.

Additionally, and outside the MoDA'S ideas led SCOPE, The World Bank receives EUR 2,500,000 For Support to PFM Stakeholders through an administrative agreement and delegation agreement, and Commission on Revenue Allocation (CRA) receives EUR 796,000 for capacity building on fiscal decentralization. Since outside MoDA's IDEAS LED scope, we are not reporting on these latter IDEAS components.

Project	Objective	Outcome	Indicator	Performance
		Successful Implementation of – EU – Co-funded County IDEAS LED Projects	The supported 17 County IDEAS LED projects have achieved the set LED objectives	The Counties are doing reasonably well in implementing the County IDEAS LED Projects, with most projects likely to start successful operation soon, with benefits reaching the targeted beneficiaries (farmers, traders). It is too early to assess the current achievements in creating benefits for the targeted beneficiaries, though.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

EU-IDEAS exist to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability strategy and profile

The strengthening of the capacity of project management and LED in the Ministry and the participating counties is being achieved in a way that these increased capacities are operational in the ministry and counties for a long time to come.

The supported County LED projects are designed and implanted in a manner to secure that these projects will be in operation successfully (in terms of achieving the project/business objectives/targets) for a period of at least 10 years.

2. Environmental performance

The supported County LED Projects are designed and being implemented in a way that reduces environmental degradation, and if possible, supporting environmental protection by improving farming/livestock techniques that support environmental protection.

3. Employee welfare

The participating Counties will ensure that the County LED projects will be managed with good employee welfare in mind.

4. Market place practices

The supported County LED projects were selected, and designed in a way that no other private sector competitor would get unfair competition. Of course, starting a new business will increase the competition in the market, but the IDEAS businesses will do this in a fair manner, and the IDEAS businesses were selected for exploring the possibilities in a niche, where no serious other competitors were/are operational.

The projects were selected and designed after a thorough Value Chain Analysis.

Most Counties have elaborate plans to before or after start of operation get the private sector operators involved in the IDEAS LED businesses, through an operation contract, a lease contract with operation, PPP (with private sector risk capital investment) or through sale of the project to the private sector.

5. Community Engagements

The surrounding communities are engaged from the very beginning of the county LED projects: the projects were identified in the CIDP in which process the community is participating. The project intends to have many clearly identified and measurable benefits for the targeted beneficiaries in the participating communities.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Devolution and Asal and the Project Manager for IDEAS **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 (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the Ministry of Devolution and Asal, state Department of Devolution and the Project Coordinator for IDEAS **project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The Principal Secretary for the Ministry of Devolution and Asal, State Department of Devolution and the Project Manager for IDEAS **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/period ended June 30, 2021 and of the Project's financial position as at that date. The Principal Secretary for state Department of Devolution and the Project Manager for IDEAS **project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

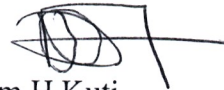
The Principal Secretary for the Ministry of Devolution and Asal, State department of Devolution and the Project Manager for IDEAS **project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary for the Ministry Devolution and Asal, State Department of Devolution and the Project Manager for IDEAS project on 15th September 2021 and signed by them.


Julius Korir, CBS
Principal Secretary


Emmy A. M'mbwanga
Project Manager


Salim H Kuti
Project Accountant:
ICPAK: Number: 6777

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INSTRUMENT FOR DEVOLUTION ADVICE AND SUPPORT (IDEAS) CREDIT NO.KE/FED/024-230 FOR THE YEAR ENDED 30 JUNE, 2021- STATE DEPARTMENT FOR DEVOLUTION

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal 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 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 Instruments for Devolution Advice and Support Project set out on pages 1 to 27, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Instruments for Devolution Advice and Support Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.KE/FED/024-230 dated 24 September, 2014 between European Commission and the Republic of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

During the year under review the Instruments for Devolution Advice and Support Project had an expenditure budget of Kshs.396,485,699 against an actual expenditure of Kshs.244,554,990 resulting in net under expenditure of Kshs.151,930,709 (or 38%) as summarized below:

Details	Budget (Kshs.)	Actual (Kshs.)	(Excess)/Shortfall (Kshs.)	(Excess)/Shortfall %
Purchase of Goods and Services	15,759,760	3,111,044	12,648,716	80%
Transfer to Other Government Entities	370,725,939	238,383,946	132,341,993	36%
Compensation of Employees	10,000,000	3,060,000	6,940,000	69%
Total	396,485,699	244,554,990	151,930,709	38%

From the analysis above, it is evident that the Programme under spent on their budget by Kshs.151,930,709 (38%) this may have a negative impact on implementation of planned activities and service delivery to stakeholders. There is need for proper planning to avoid instances of idle funds.

2. Unresolved Prior Year Issues

The Project's audited financial statements for the year ended 30 June, 2020 reflected several unsatisfactory matters that were highlighted there in.

However, contrary to the reporting requirement set by the Public Sector Accounting Standards Board, the management has not disclosed the progress made in resolving the prior year 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. I have determined that there are no other key audit matters to communicate in my report.

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 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

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Internal Audit Committee

According to Section 174(1) of PFM Regulation 2015 each national government entity is supposed to establish an audit committee to perform various roles which includes among others the understanding and assessing the overall risks the entity is facing and reviewing the adequacy of internal controls that management has put in place regarding financial control, accounting systems and reporting.

However, during the period under review, the project did not have an audit committee as required by law.

In absence of audit committee, there is lack of oversight role in risk assessment, governance and implementation of both internal and external reports by the management and as such the effectiveness of the internal controls, risk management and governance could not be confirmed for the year ended 30 June, 2021

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Financing Agreement between the European Commission and the Republic of Kenya I report based on my audit, that:

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

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 governance.

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

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

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

Those charged 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi


20 December, 2021

1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

	Note	2020/2021			2019/2020			Cumulative to-date (From inception)
		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	
		KShs	KShs	KShs	KShs	KShs	KShs	KShs
RECEIPTS								
Proceeds from domestic and foreign grants	1	-	238,383,946	238,383,946	-	-	-	1,282,194,911
TOTAL RECEIPTS		-	238,383,946	238,383,946	-	-	-	1,282,194,911
PAYMENTS								
Compensation of employees	2	3,060,000	-	3,060,000	5,632,500	-	5,632,500	14,760,000
Purchase of goods and services	3	3,111,044	-	3,111,044	9,256,802	-	9,256,802	24,454,023
Transfers to other government entities	4	-	238,383,946	238,383,946	-	-	-	1,235,556,487
TOTAL PAYMENTS		6,171,044	238,383,946	244,554,990	14,889,302	-	14,889,302	1,274,770,510
SURPLUS/(DEFICIT)		(6,171,044)		(6,171,044)	(14,889,302)	-	(14,889,302)	7,424,401

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 15th September 2021 and signed by;


Julius Korir, CBS
Principal Secretary


Emmy A. M'mbwanga
Project Manager


Salim H. Kuti
Project Accountant
ICPAK Number: 6777

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
Reports and Financial Statements
For the financial year ended June 30, 2021


2. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6	7,424,401.00	13,595,445.00
Total Cash and Cash Equivalents		7,424,401.00	13,595,445.00
TOTAL FINANCIAL ASSETS		7,424,401.00	13,595,445.00
FINANCIAL LIABILITIES			
NET ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd	7	13,595,445.00	28,484,747.00
Surplus/(Deficit) for the year		(6,171,044.00)	(14,889,302.00)
NET FINANCIAL POSITION		7,424,401.00	13,595,445.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15th September 2021 and signed by:


Julius Korir, CBS
Principal Secretary


Emmy A. M'mbwanga
Project Manager



Salim.H. Kuti
Project Accountant
ICPAK No. 6777

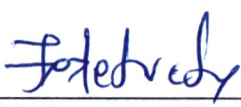
INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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For the financial year ended June 30, 2021


3. STATEMENT OF CASH FLOW FOR THE PERIOD 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Proceeds from domestic and foreign grants	1	-	-
Payments from operating activities			
Compensation of employees	2	3,060,000	5,632,312
Purchase of goods and services	3	2,767,078	9,256,990
Transfers to other government entities	4	-	-
Adjustments during the year			
Net cash flow from operating activities		(5,827,078)	(14,889,302)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	3	(343,966)	-
Net cash flows from Investing Activities		-	-
CASH FLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(6,171,044)	(14,889,302)
Cash and cash equivalent at BEGINNING of the year	5	13,595,445	28,484,747
Cash and cash equivalent at END of the year	5	7,424,401	13,595,445

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 15th September 2021 and signed by:


 Julius Korir, CBS
 Principal Secretary


 Emmy A. M'mbwanga
 Project Manager


 Salim .H. Kuti
 Project Accountant
 ICPAK No. 6777


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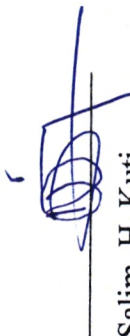
4. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	396,485,699.00		396,485,699.00	238,383,946.00	158,101,753.00	60%
Proceeds from borrowings	-	-	-	-	-	-
Total Receipts	396,485,699.00	-	396,485,699.00	238,383,946.00	158,101,753.00	60%
Payments						
Compensation of employees	10,000,000.00		10,000,000.00	3,060,000.00	6,940,000.00	30%
Purchase of goods and services	15,759,760.00		15,759,760.00	3,111,044.00	12,648,716.00	20%
Social security benefits	-	-	-	-	-	-
Other grants and transfers	370,725,939.00		370,725,939.00	238,383,946.00	132,341,993.00	64%
Total Payments	396,485,699.00	-	396,485,699.00	244,554,990.00	151,930,709.00	62%

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


 Julius Korir, CBS
 Principal Secretary


 Emmy A. M'mbwanga
 Project Manager


 Salim .H. Kuti
 Project Accountant
 ICPAK No. 6777

5. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 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.

10.3 Reporting entity

The financial statements are for the Instrument for Development, Advice and Support Project (IDEAS) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 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.

10.4 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.

i) 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.

ii) External Assistance

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

iii) Other receipts

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

b) 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.

c) 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.

d) 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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

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

Restriction on cash

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

h) Accounts receivable

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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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i) 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. There were no contingent liabilities in the year under review.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) 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.

k) 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.

l) Budget

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

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

m) 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.

During the year Kshs 238,383,946 being loan disbursements were received in form of direct payments from third parties.

n) Exchange rate differences

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

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o) 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.

p) 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, 2021.

q) 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.

6. NOTES TO THE FINANCIAL STATEMENTS

1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021, we received grants from donors as detailed in the table below:

Name of Donor	Date of Grant	Amount of Grant Received	Grant Received	Grant Received	Grants Received	
					2020/21	2019/20
					KSh	KSh
Grants Received from Multilateral (International Organizations)						
European Union (EU)				238,383,946		238,383,946
Total				238,383,946		238,383,946

* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. COMPENSATION OF EMPLOYEES

	KShs	KShs	KShs	KShs	KShs
-					
Basic salaries of permanent employees	3,060,000		3,060,000	5,632,500	13,500,000
Basic wages of temporary employees				-	1,260,000
Total	3,060,000		3,060,000	5,632,500	14,760,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PURCHASE OF GOODS AND SERVICES

	2020/2021		2019/2020		
	Payments made by the Entity in Cash	Payments made by other parties	Payments	Payments due	
	KShs	KShs	KSh	KShs	KShs
Training payments				2,643,893	4,231,393
Utilities, supplies and services				72,000	272,000
Acquisition of Asset	343,966		343,966		1,692,666
Domestic travel and subsistence				7,347,038	9,654,538
Foreign travel and subsistence					
Printing, advertising and information supplies	2,767,078		2,767,078	156,000	6,389,662
Training payments					
Hospitality supplies and services				1,681,764	2,213,764
Other operating payments					
Total	3,111,044	-	3,111,044	9,256,802	24,454,023

[Purchase of laptops/computers of Ksh 343,966 is also recognized as an asset and has been included in the asset register]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, we transferred funds to reporting government entities as shown below:

	2020/2021			Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	KShs
	KShs	KShs	KShs	
Transfers to National Government entities				
National treasury		-	-	9,503,515.00
Kenya School of Government-KSG				46,382,000.00
				-
Transfers to County Government				
Baringo				73,255,622.00
Kisii		45,697,438.00	45,697,438.00	93,859,855.00
Kisumu				58,305,601.00
Kwale		48,985,774.00	48,985,774.00	99,000,000.00
Laikipia				73,028,491.00
Makueni		50,180,747.00	50,180,747.00	99,000,000.00
Marsabit				70,008,819.00
Migori		43,296,987.00	43,296,987.00	94,002,743.00
Nyandarua				78,776,776.00
Samburu				62,214,484.00
Taita Taveta				51,980,909.00
Tana River				79,840,765.00
Uasin Gishu		50,223,000.00	50,223,000.00	98,999,496.00
Wajir				69,892,507.00
West Pokot				77,504,904.00
TOTAL		238,383,946.00	238,383,946.00	1,235,556,487.00

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 6A)	7,424,401	13,595,445
Cash in hand (Note 5B)	-	-
Cash equivalents (short-term deposits) (Note 5)	-	-
Total	7,424,401	13,595,445

The project has one Local project account as listed below:

6. A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
Local Currency Accounts		
Central Bank of Kenya [A/c No 1000318287]	7,424,401	13,595,445
Total bank account balances	7,424,401	13,595,445

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. FUND BALANCE BROUGHT FORWARD

Bank accounts	13,595,445	28,298,812
Cash in hand	-	185,935
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	13,595,445	28,484,747

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)

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7. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 3A)

Description	Balance b/f FY	Additions for	Paid during the	Balance c/f
	2019/2020	the period	year	FY 2020/2021
	Kshs	Kshs	Kshs	Kshs
Supply of goods	3,111,044	0	(3,111,044)	0
Total	3,111,044	0	(3,111,044)	0

2. PENDING STAFF PAYABLES (See Annex 3B)

Description	Balance b/f FY	Additions for	Paid during	Balance c/f
	2019/2020	the period	the year	FY 2020/2021
	Kshs	Kshs	Kshs	Kshs
Middle management	450,000	0	(450,000)	0
Total	450,000	0	(450,000)	0

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Inaccuracies in the financial statements	The inaccuracies were rectified in the amended financial statement for FY 2019-2020	Project accountant	Resolved	Resolved .
2.	Variance between financial statements and IFMIS ledger balances	Reconciliation between IFMIS ledgers and financial statements have been done and is now available	Project accountant.	Not resolved	31/12/2021.
3	Unconfirmed cash and cash equivalent balances	The differences as noted between bank statement and cash book were reconciling items due to timing differences and have now been adjusted in the cash book and in the bank reconciliation statements for the period july-september 2020	Project accountant	Not resolved	31/12/2021.
4	Unconfirmed compensation of employees expenditure balance	The difference between actual paid and total vouchers arose due to timing differences which has now been reconciled. The payment vouchers for april to June 2019 were paid in FY 2019/2020	Project accountant.	Not resolved.	31/12/2021
Other matters					
1	Budget control and performance. There was under performance in the budget compared	The ministry budgeted to receive kshs 521,687,333, but the participating counties did not fulfil the project conditionality's	Project coordinator	Not resolved	30/06/2021

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)

Reports and Financial Statements

For the financial year ended June 30, 2021

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	to actuals	hence the failure by EU to release the funds to the ministry			
Basis of conclusion					
1	Failure to achieve project mandate		Project coordinator	Not resolved	30/06/2021
2.	Irregular procurement of hospitality services	<p>The EU rules and regulations allow cash procurements upto kshs 2000 EURO, this was used to pay hotel facilities in 2 different locations and different times.</p> <p>The late payments for the hotel of kshs 1029,000 was due to budget cuts in the last 3 months of the financial year and being reinstated 3 months after end of financial year(next financial period).it was not recognised as a pending bill because as a project the funds were still available both in the bank account and the work plan (budget) of P2 for the EU.the tax exemption is available for audit.</p>		Not resolved	30/06/2021
3.	Unsatisfactory implementation of projects	The IDEAS grant agreement is implemented through 17 grant contracts to 15 counties and the actions within these grants contracts are implemented by the counties as accounting entities in line with grant agreements. The contracting authority MODA provides	Project coordinator	Not resolved	30/06/2021

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		supervision and advisory while county is responsible for execution. The county governments are independent entities and use of the funds is guided by the county systems just like any other funds received by the counties, these funds are appropriated by the county assembly and reported and audited at the county level by the auditor general.			

Guidance Notes:

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



Principal Secretary

Date



Project Manager

15/9/2021
Date

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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9. ANNEXES

ANNEX 1. VARIANCE EXPLANATIONS-COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	396,485,699.00	238,383,946.00	158,101,753.00	60%	Some Of The Counties Under The Led Project Had Not Met Other Conditionalities For grant Disbursement
Total Receipts	396,485,699.00	238,383,946.00	158,101,753.00	60%	
Payments					
Compensation of employees	10,000,000.00	3,060,000.00	6,940,000.00	31%	The contract period for the programme estimate II had lapsed in December and thus no further payments was supported.
Purchase of goods and services	15,759,760.00	3,111,044.00	12,648,716.00	20%	The contract period for the programme estimate II had lapsed in December and thus no further payments was supported.
Other grants and transfers	370,725,939.00	238,383,946.00	132,341,993.00	64%	Some Of The Counties Under The Led Project Had Not Met Other Conditionalities For Disbursement
Total payments	396,485,699.00	244,554,990.00	151,930,709.00	62%	

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)

Reports and Financial Statements

For the financial year ended June 30, 2021

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:				
Break down of Transfers from the State Department of Devolution				
	Government Counterpart	Bank Statement Date	Amount (KShs)	FY to which the amounts relate
a.	Funding		0	-
			-	-
	Total		0	-
b.	Direct Payments			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		26-02-2021	45,697,438	2020/2021
		06-01-2021	48,985,774	2020/2021
		04-12-2020	50,180,747	2020/2021
		26-02-2021	43,296,987	2020/2021
		07-05-2021	50,223,000	2020/2021
	Total		238,383,946	
c.	Others			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
			-	-
	Total		-	
	TOTAL(a+b+c)		238,383,946	2020/2021

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator
IDEAS PROJECT

Jekechew

Sign

Head of Accounting Unit
STATE DEPARTMENT FOR DEVOLUTION

[Signature]

Sign

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)
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For the financial year ended June 30, 2021

ANNEX 2A - ANALYSIS OF PENDING BILLS

	a	b	c	d=a-c
Construction of buildings				
1.				-
Sub-Total				-
Construction of civil works				
2.				
Sub-Total				-
Supply of goods				
3.				3,111,044
4.				
Sub-Total				3,111,044
Supply of services				
5.				-
Sub-Total				
Grand Total				3,111,044

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT (IDEAS)

*Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Permanent Employees - Management							
1.	Program coordinator					450,000	
2.						450,000	
Sub-Total							
Permanent Employees - Others							
3.							
Sub-Total							
Temporary employees							
4.						-	
Sub-Total							
Grand Total							
						450,000	

ANNEX 3 – SUMMARY OF FIXED ASSETS REGISTER

ICT Equipment, Software and Other ICT Assets	1,348,700		343,966						1,692,666
Total	1,348,700		343,966						1,692,666

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. **GOK IFMIS comparison Trial Balance**