

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: **OF** 13 MAY 2021

DAY.

THURSDAY

TABLED  
BY:

LOM  
HON. AMOS KIDUKUYA

**THE AUDITOR-GENERAL**

THE TABLE:

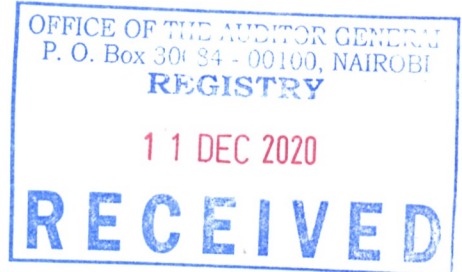
C. NDIRITU

ON

**STATE DEPARTMENT FOR GENDER**

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

PARLIAMENT  
OF KENYA  
LIBRARY



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**MINISTRY OF PUBLIC SERVICE AND GENDER  
STATE DEPARTMENT FOR GENDER**

**REPORTS 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)**

**STATE DEPARTMENT FOR GENDER**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The department for Gender was formed through Presidential Executive Order No. 1/2016 released in May of 2016. The state department of Gender is mandated to oversee Gender policy management, special programmes for women empowerment, Gender main streaming in Ministries /Department/ Agencies, Community Mobilization ,Domestication of International Treaties/ conventions on Gender and Policy and programmes on gender violence.

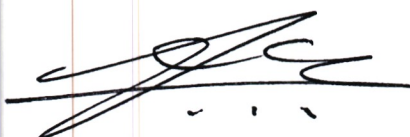
The Department derives its mandate from the Constitution of Kenya in Articles 10, 27, 60, 61, 81 and 100 among others and the Executive Order No. 1 of 2018. Article 10 outlines the national values and principles of governance which include equality, equity, inclusiveness and non-discrimination which provide anchorage for gender equality; and Article 27 ingrains the right to equality and freedom from discrimination.

The mandate of the State Department for Gender as provided in Executive Order No. 1/2018 include:

1. Gender Policy Management
2. Special Programmes for Women Empowerment
3. Gender Mainstreaming in Ministries/ Departments/Agencies
4. Community Mobilization
5. Domestication of International Treaties/Conventions on Gender
6. Policy and Programmes on Gender Based Violence (GBV)

The functions of the State Department for Gender (SDfG) are currently being executed through four Technical Directorates, County Gender Offices, Gender Focal Points and Administration. The Gender Function entails:

1. Developing, reviewing, interpreting, implementation and monitoring of gender policies, programmes and plans;
2. Designing and facilitating programmes/projects that promote gender equality;
3. Coordination of gender mainstreaming into the national development agenda;



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4. Institutionalization of gender mainstreaming in Ministries/Departments, Counties and Agencies (MDCAs);
5. Promotion of gender socio-economic empowerment;
6. Sensitization of stakeholders on gender related issues;
7. Monitoring the implementation of gender related funds;
8. Undertaking research on gender issues;
9. Management of the Gender Research and Documentation Centre;
10. Monitoring prevalence of Female Genital Mutilation (FGM) and Sexual and Gender Based Violence (SGBV);
11. Coordination of programmes for elimination of incidences of FGM and SGBV;
12. Development and maintenance of gender disaggregated data and management information systems;
13. Promotion of partnership with stakeholders on gender related matters;
14. Monitoring and validating impact of gender programmes and projects;
15. Negotiation, domestication and reporting on gender related international and regional treaties, protocols and conventions; and,
16. Community mobilization on gender issues.

**Vision**

A just, fair and transformed society free from gender discrimination in all spheres of life.

**Mission**

To coordinate gender mainstreaming in national development planning and promote equitable political and socio-economic development for women, men, girls and boys.



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**Core values**

We are guided by the National Values as espoused by the Constitution of Kenya, 2010. These values are;

- Gender Equality,
- Equity,
- Inclusiveness,
- Diversity,
- Gender responsiveness,
- Team work,
- Non-discrimination and Protection of the marginalized,
- Social justice,
- Participation of the people,
- Integrity,
- Transparency,
- Accountability, and
- Human Dignity

The State Department for Gender has four technical directorates and one support Directorate namely:

1. Gender Mainstreaming
2. Gender Policy and Research
3. Socio-Economic Empowerment



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4. Gender Based Violence and Family Protection.
5. Administration

The Department has oversight over four Semi-Autonomous Government Agencies:

1. The Women Enterprise Fund (WEF)
2. Uwezo Fund
3. National Government Affirmative Action Fund (NGAAF)
4. Anti-Female Genital Mutilation Board.

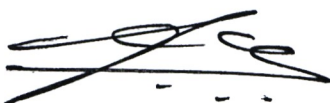
Other institutions under the Department are the Gender Violence Protection Centres and the National Gender and Equality Commission.

### **County Gender Officers**

The State Department for gender Affairs has of deployed Gender Officers in all the Counties.

The County Gender Officers will be expected to perform the following roles among other stated activities:

1. Coordinate all the departmental programmes and activities in the County;
2. Liaise with stakeholders and relevant agencies on gender issues;
3. Monitor County agencies on levels of compliance to gender frameworks and regulations; and,
4. Prepare and submit progress reports on county programmes and projects.



## **ENFORCEMENT STATUS OF 30% ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITIES (AGPO)**

AGPO is an initiative that seeks to fulfil Article 227 of the Constitution on procurement of goods and services. Under this Article, there is provision for preference in allocation of contracts as well as protection or advancement of previously disadvantaged persons, categories of persons or groups by unfair competition or discrimination. To operationalize the Article, through National Treasury Circular No.14/2013, the President directed that 30% of all Government procurements be allocated to Youth, Women and Persons with Disabilities. Pursuant to the above provisions and directive, the Public Procurement and Asset Disposal Act, 2015 provides for Preferences and reservations in procurement under Part XII. Amongst the provisions, every procuring entity shall ensure that at least thirty per cent of its procurement value in every financial year is allocated to youth, women and persons with disability.

Since the inception of AGPO, 45,812 tenders amounting to 50 billion shillings have been awarded to Youth (44%), Women (53%) and Persons with Disabilities (3%) owned enterprises. The Department monitors AGPO with the aim of increasing the uptake to Women, Youth and Persons with Disabilities.

## **GENDER POLICY MANAGEMENT**

The following are the national gender policies that have been developed to give effect to the Constitutional provisions on gender equality.

### **National Policy for Prevention and Response to Gender Based Violence, 2014**

The Policy was developed and launched in 2014 by H.E. the President. The Policy aims at strengthening coordination mechanism for effective programming, enhancing enforcement of Laws and Policies, increasing access to quality and comprehensive support services across sectors and improving sustainability of GBV prevention and response interventions.



### **National Gender and Development Policy (NGAD), 2017**

The NGAD Policy 2000, was reviewed and a Cabinet memorandum has been finalized. The objective of the Policy is to provide a framework for the integration of gender concerns into the development process across all sectors in the National, County Governments and private sector policies, programmes and plans.

### **The National Equality Policy, 2017**

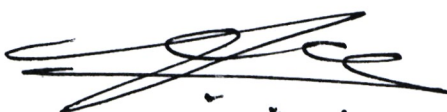
The Policy and the accompanying Cabinet Memorandum were finalized and submitted to the Cabinet in 2016. The policy provides a comprehensive framework to give effect to the equality Constitutional principles and secure the practical realization of equality and non-discrimination. It sets out legislative, administrative and policy measures and programs intended to address the existing gaps in the realization of the right to equality and non-discrimination. It also sets out the institutional mechanisms for implementing the policy so as to ensure that discrimination is eliminated and that everyone has equal opportunities to contribute to national development.

### **Policy for the Eradication of Female Genital Mutilation, 2017**

The Policy and the accompanying Cabinet Memorandum have been developed. The Policy aims at strengthening multi-sectoral interventions, coordination, networking, partnership and community participation in accelerating the eradication of FGM and to address emerging trends and practices aimed at challenges faced on enforcement of the law.

In addition to the above national policies, the ratified International and Regional treaties and conventions include:

- Commission on Status of Women (CSW),
- Convention on the Elimination of all forms of Discrimination against Women (CEDAW),
- Protocol to the African Charter on Human and Peoples Rights on the Rights of Women in Africa (Maputo Protocol),



- East African Community Prohibition of Female Genital Mutilation Act, 2016
- Solemn Declaration on Gender Equality in Africa and
- United Nations Security Council Resolution 1325 on Women, Peace and Security and related resolutions.

**(b) Key Management**

The State Department for Gender's day-to-day management is under the following key organs:

**(i) Gender Mainstreaming Directorate**

- Coordination of gender mainstreaming into national and county development agenda;
- Sensitization of stakeholders on gender related issues;
- Institutionalization gender mainstreaming in Ministries, Departments, Counties and Agencies (MDCAS);
- Collecting, compiling and analyzing sex disaggregated data from MDCAs;
- Analyzing MDCA reports to establish the level of compliance with the 'not more than two thirds gender principle' and gender budgeting;
- Identification of opportunities and documenting practices for up scaling and replication of gender programmes;
- Disseminating information on gender mainstreaming and other programmes;
- Coordinate organization of International Women, Widows Days and other national events;
- Facilitating formation of county and community level structures for coordinating gender focal points activities across sectors;
- Mobilization of communities to participate in activities for promotion of gender equity and empowerment of women, and awareness creation on gender issues;
- Coordination of the Gender Sector Working Groups (GSWGs);



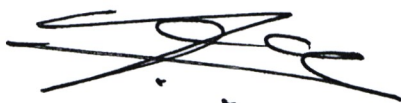
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- Coordination of the Inter-Governmental Consultative Fora on gender;
- Facilitating monitoring and evaluation of gender mainstreaming programmes in MDCAs;
- Liaising with organizations handling gender issues;
- Providing input on gender mainstreaming in Medium Term Expenditure Framework, Medium Term Plans and other national budgetary processes; and,
- Monitoring, evaluation and reporting on gender mainstreaming activities in all MDCAs.

**(ii) Socio-Economic Empowerment Directorate**

- Promotion of equitable socio-economic development between women and men;
- Sensitization and capacity building on gender related funds;
- Sensitization of women, youth and Persons with Disabilities (PWDs) on preferences and reservations on the 30% procurement provisions;
- Training, coaching and mentoring women, youth and PWD entrepreneurs on AGPO;
- Coordination of the Sanitary Towel distribution programme;
- Coordination of socio-economic empowerment grant for GBV survivors;
- Coordinate implementation of Uwezo Fund, Women Enterprise Fund(WEF) and National Government Affirmative Action Funds (NGAAF);
- Linking of beneficiaries with key financial institutions;
- Carry out periodical impact assessments of all gender related funds;
- Disseminate data on implementation of all gender funds;
- Monitoring and reporting on funding of gender programmes and projects;
- Appraisal and recommendation of CSOs and groups for funding;
- Monitoring and reporting on funding of gender programmes and projects; and,
- Researching and benchmarking on best practices on funding opportunities for target groups.



**(iii) Gender Policy and Research**

- Facilitate development, formulation, review, interpreting, implementation and monitoring of gender related policies, programmes and plans;
- Facilitate drafting of gender related policies and legislation in MDCAs;
- Development and maintenance of gender disaggregated data and management information systems;
- Designing and facilitating programmes and projects geared towards gender equality and women empowerment;
- Undertaking research including baseline surveys on gender and other emerging issues;
- Identify emerging gender issues for implementation across sectors;
- Undertake policy and programme analysis on gender parameters, make recommendations for review or termination and report appropriately;
- Conduct appraisal on policies, programmes and practices across sectors to establish the level of gender responsiveness;
- Establishment and implementation of a gender management system;
- Engaging with partners and stakeholders on gender related matters;
- Disseminating information on treaties, protocols and conventions;
- Monitoring and validating impact of gender programmes and projects;
- Liaise with research institutions to identify data gaps and carry out gender related research; and,
- Negotiations, domestication and reporting on gender related international and regional treaties, protocols and conventions.

**(iv) Gender Based Violence (GBV) and Family Protection Directorate**

- Coordination of programmes and activities for prevention and elimination of incidences of Female Genital Mutilation (FGM);
- Sensitization of communities and other stakeholders on FGM, SGBV on gender related issues;
- Coordination of programmes for the reduction of gender Based violence (GBV); collecting, collating and analyzing data on FGM, SGBV;
- Follow-up with gender violence victims for the expediency of justice for conclusive resolution;
- Oversee implementation and reporting on the Kenya National Action Plan (KNAP) on UN Security Resolution 1325;
- Collaboration with organizations and other service providers on SGBV issues;
- Disseminating information on FGM and SGBV activities and incidences;
- Referral, guiding and counselling of GBV survivors to relevant service providers.



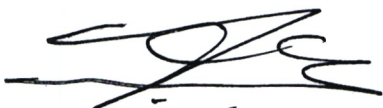
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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Accounting Officer	- Prof. Collette A. Suda, PhD, FKNAS, CBS
2.	Secretary Gender	- Faith Kasiva
3.	Secretary Administration	- Samuel M. Arachi, CBS, OGW, ndc (K)
4.	Director Administration	- Joseph M. Motari
5.	Director, Anti- GBV	- Luke M. Nkumbuku
6.	Director, Socio – Economic Empowerment	- James Sangori
7.	Director, Gender Policy and Research	- Verity M. Mghanga
8.	Director Human Resources Management & Development	- Henry N. Omosa
9.	Deputy Chief Finance Officer	- Caliph N. Ombati
10.	Assistant Accountant General	- Henry N. Mobegi
11.	Head Procurement	- Reuben K. Kioko



**(d) Fiduciary Oversight Arrangements**

**i. Departmental Budget Implementation Committee (Bic) – 2019/2020**

This committee is composed of the following members drawn from various sectors of the economy with broad business knowledge:-

Samauel Arachi, CBS,OGW,ndc(k)	Sec. Admin.	-Chairman
Caliph Ombati	DCFO	-Alternate Chair
H. N. Omosa	DHRM	-Member
Protus Onyango	DGM	-Member
Verity Mganga	DP&R	- Member
James Sangori	DSEE	-Member
Luke Kumbuku	DGBV	-Member
Joseph Motari, MBS	DS	-Member
William Komu	P/Econ.	-Member
Magdaline Kipkenei	Coord. Field Serv.	-Member
Henry Mobegi	PAC	-Member
Reuben Kioko	Asst.Dir.SCM	-Member

The functions of the committee are:

1. To review and consider the cash flow plans – this shall involve a regular review of the State Department’s cash plan and approval of any changes to the initial cash flow plan to be communicated to National Treasury
2. To review the utilization of cash limits and consider any changes as may be required
3. To review the utilization of donor funds, if any
4. To advise the Accounting Officer on any challenges related to the budget implementation
5. To review and recommend reallocation of expenditures;
6. To review and approve the submission of the expenditure returns, IPPD, pending bills and A.I.A returns for the SDGA and recommend actions to be taken
7. Participate in the Sector Working Groups
8. To prepare the budget for the State Department in consultation with Heads of Departments



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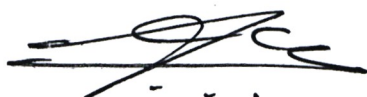
**ii. Ministerial Human Resource Management Advisory Committee (Mhrmac)**

This committee is composed of the following members drawn from various sectors of the economy with broad business knowledge:-

Prof. Collette A. Suda, PhD, FKNAS, CBS	Principal Secretary	- Chair
Samauel Arachi, CBS,OGW,ndc(k)	Secretary Administration	- Alternate Chair
H.N. Omosa	Director HRM&D	- Secretary
Ms. Faith Kasiva	Secretary Gender	- Member
Protus Onyango	Director GM	- Member
Halima Abdi	Actg. Director, GBV	- Member
Caliph Ombati	Head, Finance	- Member
Verity Mganga	Director, Policy	- Member
James Sangori	Director, SEE	- Member
Michael Kariuki	Deputy, SEE	- Member

**The functions of the committee are:**

- i. Recruitment, Selection and Appointment;
- ii. Promotions;
- iii. Confirmation in Appointment;
- iv. Training and Development;
- v. Training Impact Assessment;
- vi. Management of Skills Inventory;
- vii. Establishment and Complement Control;
- viii. Payroll Management;
- ix. Promotion of Values and Principles of Public Services;
- x. Recommendation for Waiver of requirements of the Schemes of Service;
- xi. Recommendation for Secondment and Unpaid leaves;
- xii. Recommendation for Retirement under 50 years rule and Medical Grounds;
- xiii. Recommendation for Re-designation;
- xiv. Recommendation for renewal of contract;
- xv. Ensure the Ministerial Human Resource Management Advisory Committee (MHRMAC) is convened as provided for in the public service commission human resource policies and procedures manual 2016;
- xvi. Ensure provision of professional advice to the Ministerial Human Resource Management Advisory Committee (MHRMAC);
- xvii. Ensure records for the Ministerial Human Resource Management Advisory Committee (MHRMAC) are confidential.



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**(e) Entity Headquarters**

State Department of Gender Affairs  
P.O. Box 30005-00100  
Telposta Towers  
Nairobi, KENYA

**Entity Contacts**

Telephone: (254) Tel: 020-2216500  
E-mail: psgender.go.ke  
Website: www.gender.go.ke

**(f) Entity Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



2. **FORWARD BY THE CABINET SECRETARY**

The Government of Kenya (GOK) acknowledges the importance of gender equality in development. The mandate of the SDfG focuses on projects and programs to bridge the gap between women and men, boys and girls across sectors and at all levels. These include; Gender Policy Management; Special Programmes for Women Empowerment; Gender Mainstreaming in Ministries/ Departments/Agencies; Domestication of International Treaties/Conventions on Gender; Policy and Programmes on Gender Based Violence (GBV); Promotion of Equity through complementing National Government Programmes; Community Mobilization and Promotion of Beads based products for cultural heritage and economic purposes. The Department has not had adequate funds to fully execute her mandate. In 2019/20 FY, the SDfG was allocated Kshs. **4,326,861,532**. The actual expenditure was Kshs. **4,009,733,059** which translates to 93% utilization level of the allocated funds. Despite the meagre allocation for the Department, various achievements were realized.

To strengthen GBV Prevention and Response Mechanism, the Department drafted regulations for operationalization of Protection against Domestic Violence Act, 2015. developed regulations for safe spaces, enhanced coordination (restructuring) for GBV Working Groups in 8 Counties (Kilifi, Narok, Nairobi, Homabay, Kajiado, Tana River, Marsabit and Isiolo ), launched 1195 GBV hotline in 8 Counties (Migori, Kilifi, Narok, Nairobi, Homabay, Kajiado, Laikipia and Isiolo) and undertook capacity building on GBV for 312 duty bearers

In compliance to International and Regional gender treaties and obligations, the Department prepared Action Plan for CSW (BFPA) and prepared reports on CSW (BFPA), Commonwealth, Maputo Protocol and Solemn Declaration on Gender Equality in Africa reports and EAC and engaged in Negotiations. To strengthen Socio-economic empowerment of women, 815 widows were trained on access to affirmative action funds in Kwale, Taita Taveta, Kajiado, Migori, Nyamira and Kisii counties; Information on women in entrepreneurship and trade collated and data base prepared; 50 million women speak project platform was developed, 3 County Project implementation forums were convened and forum on Media Engagement on the platform held. The Department also developed draft Women Economic Empowerment Policy and Gender Mainstreaming Guidelines.



**The emerging issues related to SDfG are,**

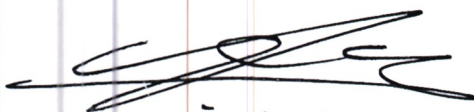
Increased cases of child marriages coupled by inadequate data to inform planning and budgeting; weak enforcement of existing policies and legislations; strong cultural beliefs regarding child marriages; inadequate coordination among key stakeholders in the child marriage prevention and response initiatives.

**The Department faces the following challenges in implementation of its programmes.**

- Inadequate staffing leading to work overload.
- Inadequate funding for gender programs that has led to low and non-achievement of set targets.
- Culture/mind sets of "free goodies" from the Government affect loan repayments for the WEF and UWEZO Funds.
- Persistence of Harmful Socio-cultural practices such as Gender-Based Violence including Female Genital Mutilation
- Inadequate gender statistics thus affecting policy decisions
- Inadequate Financial, Monitoring and Evaluation systems
- Weak Entrepreneurial Skills amongst the Youth and Women: Most youth and women are yet to embrace entrepreneurship as a form of employment. The few that are entrepreneurs lack adequate entrepreneurial skills to sustain and grow their businesses thus Affirmative Action Funds invest a lot of resources in sensitizations and entrepreneurship skills trainings to youth, women and PWDs prior to them accessing the loans.
- Covid-19 pandemic disruption on business presents an uncertain future for both disbursement and training of women on entrepreneurship.

**The above challenges are being addressed through;**

- Partnerships with Development Partners, CSOs, Private sector and other key stakeholders for technical and financial support
- Continuous training and sensitization of the beneficiaries and the public on entrepreneurship skills including value addition
- Collaboration with Media houses on GBV and FGM awareness
- Using the available online platforms to convene meetings due to Covid 19 pandemic

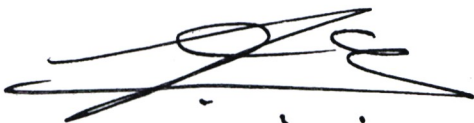


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I wish to take this opportunity to acknowledge the role played by the Principal Secretary for providing good leadership during the implementation of the programmes and all members of staff for their team work to ensure the State Department achieves its mandate.

***Cabinet Secretary***



**3. STATEMENT OF PERFORMANCE AGAINST MDA'S PREDETRMINED OBJECTIVES**

**Introduction**

The key development objectives of the *SDfG 2018-2022* plan are to:

- a) To promote formulation, review and management of Gender Policies and their Management.
- b) To promote development and implementation of Special Programmes for Women Empowerment
- c) To promote Gender Mainstreaming in Ministries/Departments/Agencies.
- d) To co-ordinate negotiation, domestication and reporting on gender related international and regional treaties and conventions.
- e) To co-ordinate development and implementation of Policies and Programmes on Gender Based Violence.

**Progress on attainment of Strategic development objectives**

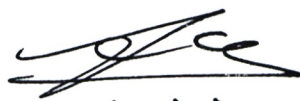
For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking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

MDA Program	Objective	Outcome	Outcome Indicator	Performance
Gender Mainstreaming	To Mainstream Gender in MDAs	Gender responsive Programs and Projects in MDAs	Reduced disparities between men and women, boys and girls	<ul style="list-style-type: none"> <li>• Developed draft Gender Mainstreaming Guidelines</li> <li>• Developed 2<sup>nd</sup> Kenya National Action Plan on Peace and Conflict Resolutions.</li> <li>• Trained 360 officers from Public and Private sector on Gender Mainstreaming</li> <li>• Established and launched Gender Sector Working Group in 5 counties (Narok, Kilifi, Tana</li> </ul>



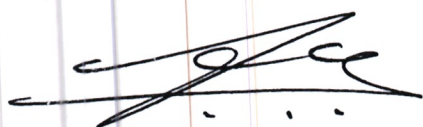
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				<p>River, Isiolo and Marsabit).</p> <ul style="list-style-type: none"> <li>In collaboration with KNBS, developed Women Empowerment Index Report and Gender Sector Statistics Plan</li> </ul>
<p><b>Gender Policy Management and Research</b></p>	<p>To improve Gender Policy Environment</p>			<ul style="list-style-type: none"> <li>Prepared and submitted country reports to relevant monitoring bodies, which included; Commission on Status of Women, United Nations General Assembly, Commonwealth, Maputo Protocol and Solemn Declaration on Gender Equality in Africa reports and EAC and engaged in Negotiations.</li> <li>Women Economic Empowerment Strategy and Women Economic Empowerment Policy developed</li> </ul>
<p><b>Socio-Economic Empowerment of women</b></p>	<p>To Empower Women to effectively participate in Socio-Economic Development of the Country</p>	<p>Reduced inequalities between men and women</p>		<ul style="list-style-type: none"> <li>Women Economic Empowerment Strategy and Women Economic Empowerment Policy developed</li> <li>Trained 815 widows on access to affirmative action funds in Kwale, Taita Taveta, Kajiado, Migori, Nyamira and Kisii counties</li> <li>Collated information and prepared data base on women in entrepreneurship and trade</li> </ul>



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				<ul style="list-style-type: none"> <li>Developed 50 million women speak project platform and convened 3 County Project implementation forums on Media Engagement on the platform.</li> </ul>
<b>Eradication of GBV</b>	To eradicate GBV	Reduced Prevalence of GBV	GBV Prevalence rate	<ul style="list-style-type: none"> <li>Developed and disseminated Guidelines for establishment of Gender Based Violence Recovery Centers (GBVRCs) in health facilities</li> <li>Developed draft regulations for operationalization of Protection Against Domestic Violence Act, 2015</li> <li>Developed regulations for safe spaces</li> <li>Enhanced coordination (restructuring) for GBV Working Groups in 8 Counties (Kilifi, Narok, Nairobi, Homabay, Kajiado, Tana River, Marsabit and Isiolo ), launched 1195 GBV hotline in 8 Counties (Migori, Kilifi, Narok, Nairobi, Homabay, Kajiado, Laikipia and Isiolo)</li> <li>Undertook capacity building on GBV for 312 duty bearers</li> </ul>

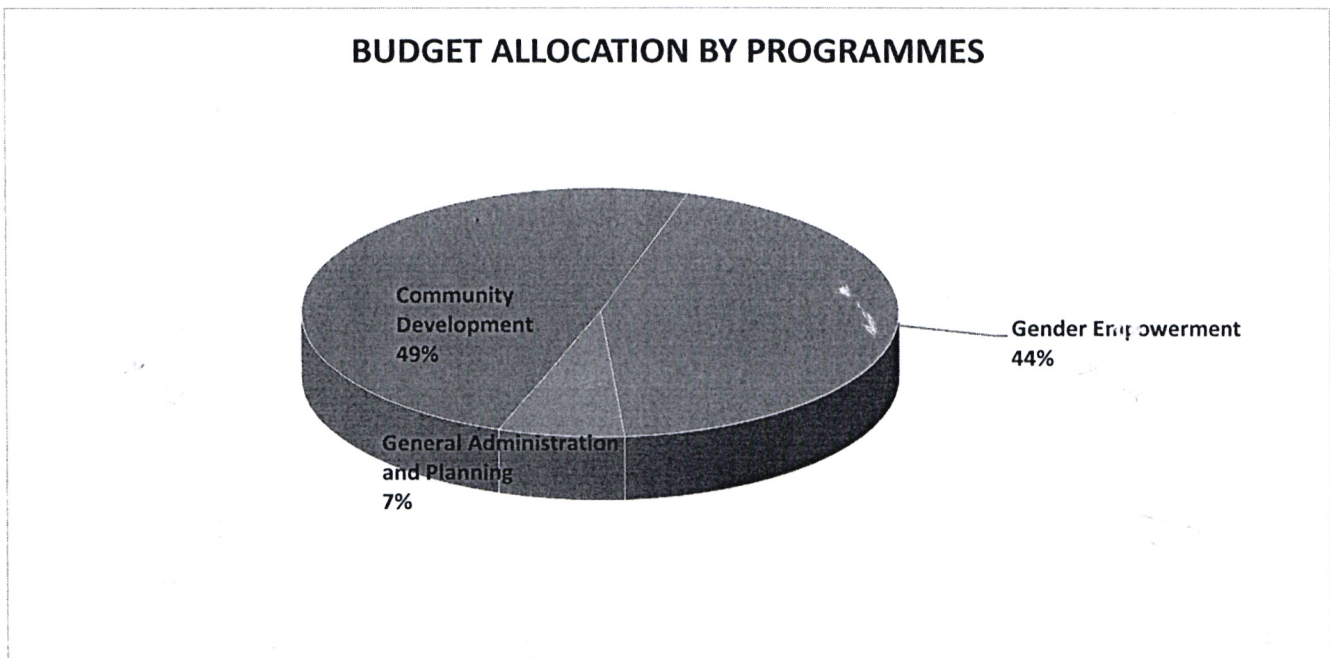


### BUDGET ALLOCATION

In the financial year 2019/20 the State Department for Gender had a gross budget of **KShs. 4,326,861,532**, which was made up of **KShs. 1,522,035,150** and **KShs. 2,804,826,382** for the Recurrent and Development vote respectively.

The State Department was to expend the gross budget of KShs. **4,326,861,532** under the following three programmes:

1. Community Development - Kshs 2,130,000,000
2. Gender and Women Empowerment – Ksh 1,901,381,275
3. General Administration and Planning– Ksh 295,480,257



#### I. Programme 1: Community development

To promote socio economic empowerment of men and women, boys and girls and enhance participation in community development.

This programme was allocated KShs 2,130,000,000 representing 49% of the budget. A total of KShs 2,130,000,000 was spent under the Affirmative Action Fund sub-programme.

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**II. Programme 2: Gender Empowerment**

To mainstream gender in Government and Private sector and promote equitable socio-economic development between men and women, boys and girls.

This programme was allocated KShs. 1,901,381,275 representing 44% of the budget. A total of KShs 1,601,020,479 was spent under the following sub programme:

- a. Sub-programme 2.1: Gender mainstreaming Ksh,734,320,479.
- b. Sub Programme 2.2 Gender and social economic empowerment ksh.866,700,000.

**III. Programme 3: General Administrative and Planning**

This programme was allocated KShs. 295,480,257 representing 7% of the budget. The total of KShs 278,712,580 was spent under the programme.

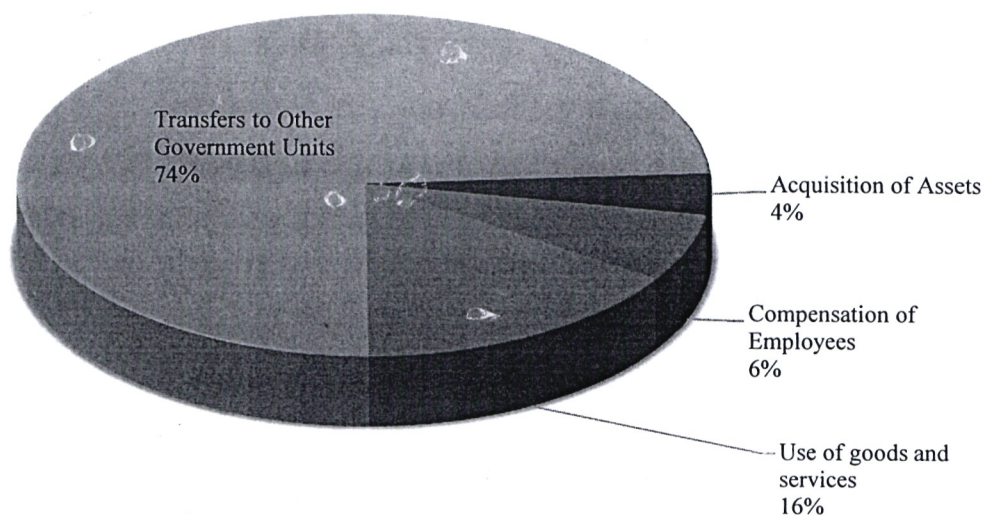
**Budget Utilisation**

The State Department spent **KShs 4,009,733,059** against an approved budget of **KShs. 4,326,861,532** representing absorption of **93%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below;

	<b>Approved Budget Allocation</b>	<b>Actual Payments</b>	<b>Variance</b>
Compensation of Employees	272,480,000	259,420,630	13,059,370
Use of goods and services	668,361,096	626,275,634	42,085,462
Transfers to Other Government Units	3,079,000,000	2,967,100,000	111,900,000
Acquisition of Assets	307,020,436	156,936,795	150,083,641
<b>Total Payments</b>	<b>4,326,861,532</b>	<b>4,009,733,059</b>	<b>317,128,473</b>

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**Budget Utilisation as Per Economic Items**



It is noted that 74% of the State Department's budget was used in Transfers to Other Government entities i.e. Semi-Autonomous Government Agencies (SAGAs), 6% of the budget was utilised on Employee Compensation while 4% was utilized in Acquisition of Assets and 16% of the budget was used for Use of Goods and Services.

**Actual Performance against Budget for Year to 30th June 2020**

<b>Financial Performance</b>	<b>Printed Estimates</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>%</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>Utilisation Variance</b>
Total Receipts	4,326,861,532	4,014,665,358	312,196,174	93%
Total Payments	4,326,861,532	4,009,733,059	317,128,473	93%
<b>Surplus for the Year</b>		<b>4,932,299</b>		

#### 4. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

The Accounting Officer in charge of the State Department for Gender accepts responsibility for the entity'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 (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for Gender further confirms the completeness of the accounting records maintained for the State Department for Gender which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

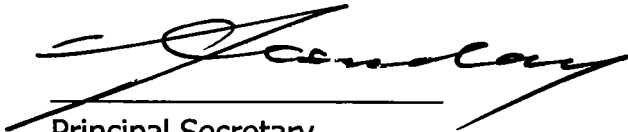
The Accounting Officer in charge of the State Department for Gender confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

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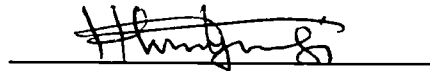
**Approval of the financial statements**

The State Department for Gender financial statements were approved and signed by the Accounting Officer on 9/12/20 2020.



Principal Secretary

Name: **Prof. Collette A. Suda**



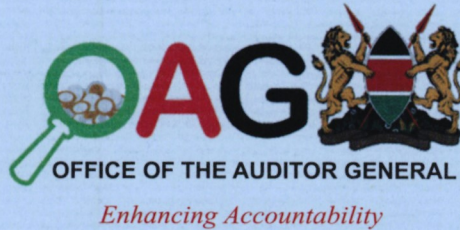
Principal Accounts Controller

Name: **Henry N. Mobegi**

ICPAK Member Number: **9167**

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR GENDER FOR THE YEAR ENDED 30 JUNE, 2020

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of State Department for Gender set out on pages 1 to 27, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined 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 audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for Gender as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Accuracy and Completeness of the Financial Statements

##### 1.1 Variances between the financial statements and IFMIS balances

Comparison of financial statements balances and the supporting schedules generated from the Integrated Financial Management Information System (IFMIS) revealed variances which were not explained or reconciled as detailed below:

Details	Financial Statements (Kshs.)	IFMIS Generated Reports (Kshs.)	Variance (Kshs.)
Bank balance	741,374	(1,461,367,510)	1,462,108,884
Cash balance	0	2,669,885,976	(2,669,885,976)
Accounts Receivables	5,400,477	4,011,932	1,388,545
Accounts Payables	100,000	80,825,266	(80,725,266)

<b>Details</b>	<b>Financial Statements (Kshs.)</b>	<b>IFMIS Generated Reports (Kshs.)</b>	<b>Variance (Kshs.)</b>
Fund Balance brought forward	1,816,101	1,126,772,833	(1,124,956,732)
Prior year adjustments	(706,459)	0	(706,459)
Adjustments during the year	4,190,925	3,937,379,631	(3,933,188,706)
Net cash flow from operating activities	156,971,620	3,775,510,536	(3,618,538,916)
Net increase in cash and cash equivalents	34,825	(3,932,447,331)	3,932,482,156
Cash and cash equivalents at the beginning of the year	706,549	5,140,965,798	(5,140,259,249)
Cash and cash equivalents at the end of the year	741,374	1,208,518,467	(1,207,777,093)

Consequently, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

## **1.2 Unsupported Accounts Receivables Balances**

The statement of assets and liabilities reflects a balance of Kshs.5,400,477 under accounts receivables – outstanding imprest which, as disclosed in Note 8 to the financial statements, includes district suspense and clearance accounts balances of Kshs.3,234,101 and Kshs.1,659,216 respectively, for which supporting documents were not provided for audit review.

In the circumstances, the accuracy and full recoverability of the reported accounts receivables balance of Kshs.5,400,477 could not be confirmed.

## **1.3 Unsupported Expenditure Balances**

### **1.3.1 Routine Maintenance – Other Assets**

The statement of receipts and payments reflects an expenditure balance of Kshs.626,275,634 under use of goods and services which, as disclosed in Note 4 to the financial statements, includes an amount of Kshs.2,810,591 in respect of routine maintenance – other assets, whose ledger reflected unexplained and unsupported adjustments of Kshs.1,614,314 (Debit) and Kshs.241,200 (Credit).

### **1.3.2 Supply and Delivery of Sanitary Towels**

Included in the expenditure amount of Kshs.626,275,634 under use of goods and services is an amount of Kshs.485,721,875 in respect of office and general supplies and services. The latter balance includes prior year's pending bills amounting to Kshs.104,262,688 paid out during the year to various suppliers in respect of supply and delivery of sanitary

towels. However, the payments were made without proof of requisite supporting documents including procurement requisitions, monitoring reports, minutes of the implementation committee confirming supply and receipt, delivery status reports, signed stores ledgers (S13) confirming the receipts, Kenya Bureau of Standards compliance certificate, inspection and acceptance report and performance bonds.

### **1.3.3 Other Unsupported Expenditure**

Also included in the expenditure amount of Kshs.626,275,634 under use of goods and services, is unsupported expenditure totalling to Kshs.1,797,649 incurred on printing, advertising and information supplies and services (Kshs.175,088), communication supplies and services (Kshs.339,501), and domestic travel and subsistence (Kshs.1,283,060).

From the foregoing, the accuracy and validity of the reported expenditure of Kshs.626,275,634 for use of goods and services could not be confirmed.

## **2. Non-Compliance with Financial Reporting Guidelines**

The forward by the Cabinet Secretary contained in the financial statements presented for audit was not signed contrary to guidelines issued by the Public Sector Accounting Standards Board. In addition, issues contained in the prior year's audit report on lawfulness and effectiveness in use of public resources and on effectiveness of internal controls, risk management and governance are not included under the progress on follow up of prior year's auditors recommendations section of the financial statements.

## **3. Compensation of Employees**

As disclosed in Note 3 to the financial statements, the statement of receipts and payments reflects an expenditure balance of Kshs.259,420,630 (2019- Kshs.205,404,606) under compensation of employees which includes an amount of Kshs.3,864,480 (2019 – Kshs.3,819,832) paid to the Secretary- Gender Affairs whose appointment, as previously reported, was irregular.

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There are no Key Audit Matters to communicate in my report.

## **Other Matter**

### **1. Unresolved Prior Year Audit Matters**

As disclosed under the Progress on Follow Up of Prior Year's Auditor's Recommendations section of the financial statements, various prior year audit matters remained unresolved as at 30 June, 2020. Management has not provided any explanation for the delay in resolving the prior year audit matters.

### **2. Pending Bills**

Note 15 to the financial statements reflects pending bills amounting to Kshs.2,214,035 that were not settled in the year under review but were carried forward to 2020/2021 financial year. Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year's budgeted programmes as the pending bills form a first charge to that year's budget provision.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Procurements**

##### **1.1 Communication Supplies and Services**

As disclosed in Note 4 to the financial statement, the statement of receipts and payments reflects an expenditure of Kshs.3,639,381 relating to communication supplies and services. The expenditure includes an amount of Kshs.1,545,572 paid on 8 October, 2019 in respect of procurement of ICT equipment and networking services contrary to ICT Circular No. MICT/A/10/3 VOL.L of 24 January, 2019. The circular directed that all ICT procurements be done through the State Department for ICT. No approvals or exemptions from the Ministry of ICT were availed for audit examination.

Further, the State Department had a budgetary allocation of Kshs.21,609,270 provided for under the Ministry of ICT for purchase of computers, printers and other IT equipment, photocopiers, and ICT networking and communication equipment for the financial year 2019/2020. However, Management did not utilize the allocation and no explanation has been provided for failure to utilize.

Under the circumstances, the State Department was in breach of the Presidential Procurement Directives on ICT equipment and no value was derived from unutilized budgetary allocation of Kshs.21,609,270.

## **1.2 Hospitality Supplies and Services**

As disclosed in Note 4 to the financial statements, the statement of receipts and payments reflects an expenditure of Kshs.30,565,632 under hospitality supplies and services. However, examination of records and documents revealed irregular procurements worth Kshs.12,996,957 by the State Department during the 12<sup>th</sup> Commonwealth Women Affairs Ministers Meeting (WAMM) held in Nairobi between 16 to 20 September, 2019 as follows:

- (a) On the hire of public address system (line array sound equipment and presidential backline) for three (3) days during the event at a cost of Kshs.1,322,400, the criteria and basis for identification of the three (3) firms invited to submit quotations on 16 September, 2019 (the date of the event commencement) could not be established. A fourth firm that was not invited to submit quotations did so under unclear circumstances. Although there was an evaluation undertaken, no professional opinion was given for the approval of the Accounting Officer before issuance of the purchase order on 08 November, 2019 - more than a month after the event had taken place and a day after the invoice date from the service provider. The inconsistencies have not been explained.
- (b) The State Department procured event organizer services, supply of exhibition booths and hire of conference equipment at a cost of Kshs.889,256, Kshs.1,954,600 and Kshs.1,318,926 respectively through request for quotations method of procurement. However, the Local Purchase Orders (LPOs) were issued on 23 September, 2019 – seven days after the commencement of the event.
- (c) The department procured conference facilities at a cost of Kshs.7,511,775 using the request for quotations method contrary to the provisions of Section 106 of the Public Procurement and Asset Disposal Act, 2015 and the First Schedule of the Public Procurement and Disposal (Amendment) Regulations, 2013 which provides a threshold of Kshs.2,000,000 for use of the method for procurement of services.

In addition, whereas the request for quotations to the service provider was dated 23 August, 2019, with a closing date of 26 August, 2019, the award had already been done vide letter Ref. No. MPSYGA/SDGA/PROC/3/5 of 12 July, 2019 with the acceptance of the award of the contract by the service provider having been received by the Department on 16 July, 2019.

Further, the professional opinion No.01/01/2019/2020 dated 10 July, 2019 indicated that the Commonwealth Secretariat and the Office of the Commonwealth Secretary General had already indicated to the Accounting Officer on 9 November, 2018 of their preferential hotel and residences service provider. Subsequently, the Accounting Officer gave approval for the procurement of that venue on 3 May, 2019 vide a memo Ref: MPSYGA/SDGA/FTA/7/15(A). However, the service provider had already forwarded a

quotation of Kshs.13,405,500 on 7 March, 2019 which was 2 months earlier than the date of the memo and for which request for quotations was sent out in September, 2019. No explanation has been given of how the preferred service provider was identified without subjecting it to competitive procurement process or how two quotations of Kshs.13,405,500 and Kshs.7,027,500 were received for the same event from one service provider.

It was also noted that the payment of Kshs.7,511,755 to the service provider was higher than the quoted cost of Kshs.7,027,500 resulting to an overpayment of Kshs.484,275 that was not explained.

## 2. Irregular Expenses - Domestic Travel and Foreign Travel

Included in the expenditure amount of Kshs.626,275,634 under use of goods and services are amounts of Kshs.23,984,535 and Kshs.3,450,722 incurred on domestic travel and subsistence, and foreign travel and subsistence respectively. Examination of supporting documents and records revealed that the State Department staff undertook activities at their own expense in form of daily subsistence allowances amounting to Kshs.2,597,201 while away from their duty stations. The allowances or expenses were then later claimed for reimbursements. However, the State Department did not avail approvals or authority for staff to incur expenses on its behalf to be reimbursed later. In addition, it was not clear why the staff were not facilitated given that the activities were included in the work plan and budgeted for during the year. Further, reimbursements amounting to Kshs.2,284,000 brought forward from the previous financial year were neither budgeted for in the year under review nor disclosed in the previous year's financial statements as payables.

In the circumstances, the regularity and validity of the payments could not be confirmed.

## 3. Fixed Assets Register

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.6,936,795 under acquisition of non-financial assets. However, as previously reported, the State Department did not maintain an updated fixed asset register. A comparison of the total cost of assets acquired in the financial year as reflected in the assets register submitted for audit review and the total acquisition of assets balance reflected in the financial statements revealed unexplained and unreconciled variances as shown below:

Financial Year	Financial Statements (Kshs.)	Assets Register (Kshs.)	Variances (Kshs.)
FY 2018/19	27,691,735	20,245,964	7,445,771
FY 2019/20	6,936,795	5,828,800	1,017,995

In addition, the assets register reflected assets with a total value of Kshs.8,698,412 of which assets with a historical cost of Kshs.7,589,048 and Kshs.1,109,364 were indicated

as issued to various officers and held in the stores respectively. However, the assets could not be identified by Management for physical verification.

Under the circumstances, it could not be confirmed that preventative mechanisms were in place to eliminate theft, security threats, losses, wastage and misuse of assets as required under Regulation 139 of the Public Finance Management (National Government) Regulations, 2015.

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 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**

#### **Lack of Audit Committee and Public Finance Management Standing Committee**

As previously reported, the State Department has not constituted an Audit Committee as required by Regulation 174(1) of the Public Finance Management Regulations, 2015 and Treasury Circular No. NT/IAG/GEN/055(163) of 26 April 2016. In addition, contrary to Regulation 18 (1) of the Public Finance Management (National Government) Regulations, 2015, the State Department had not put in place Public Finance Management Standing Committee. It has not been established how the roles and responsibilities meant for the committees and the other non-operational committees were carried out and there is no evidence of the Department having been exempted from the requirement of the Regulations.

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

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

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

In preparing the financial statements, Management is responsible for assessing the State Department's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using applicable basis of accounting unless Management is aware of the intention to terminate the State Department 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 with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with

the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department'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 State Department 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 State Department 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**

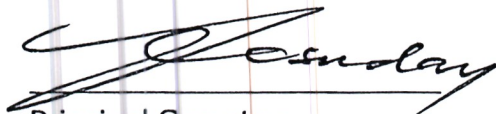
**22 April, 2021**

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 For the year ended June 30, 2020

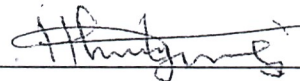
6. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019- 2020	2018-2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from National Treasury	1	3,879,665,358	3,909,503,400
Other Revenues	2	135,000,000	-
<b>TOTAL REVENUES</b>		<b>4,014,665,358</b>	<b>3,909,503,400</b>
<b>PAYMENTS</b>			
Compensation of Employees	3	259,420,630	205,404,606
Use of goods and services	4	626,275,634	573,338,957
Transfers to Other Government Units	5	2,967,100,000	2,861,814,500
Acquisition of Assets	6	156,936,795	267,129,235
<b>TOTAL PAYMENTS</b>		<b>4,009,733,059</b>	<b>3,907,687,298</b>
<b>SURPLUS/DEFICIT</b>		<b>4,932,299</b>	<b>1,816,102</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 9/12/ 2020 and signed by:



Principal Secretary  
 Name: **Prof. Collette A. Suda**



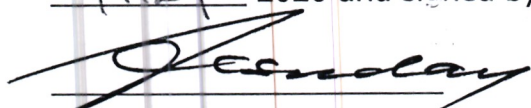
Principal Accounts Controller  
 Name: **Henry N. Mobegi**  
 TCPAK Member Number: **9167**

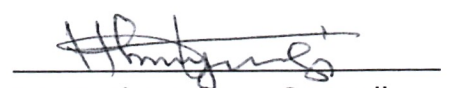
STATE DEPARTMENT FOR GENDER  
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**7. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019- 2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	7	741,374	706,549
<b>Total Cash And Cash Equivalents</b>		<b>741,374</b>	<b>706,549</b>
Accounts Receivables - Outstanding Imprest and Clearence Accounts	8	5,400,477	1,109,552
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,141,851</b>	<b>1,816,101</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
Accounts Payables - Deposits	9	100,000	-
<b>NET FINANCIAL ASSETS</b>		<b>6,040,851</b>	<b>1,816,101</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	10	1,816,101	4,207,522
Prior year adjustments	11	-706,549	- 4,207,522
<b>Surplus/Defict for the year</b>		<b>4,932,299</b>	<b>1,816,102</b>
<b>NET FINANCIAL POSITION</b>		<b>6,041,851</b>	<b>1,816,102</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 9/12/20 2020 and signed by:

  
 Principal Secretary  
 Name: **Prof. Collette A. Suda**

  
 Principal Accounts Controller  
 Name: **Henry N. Mobegi**  
 ICPAK Member Number: **9167**

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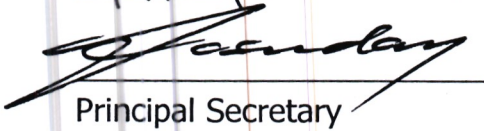
**8. STATEMENT OF CASH FLOWS**

	Note	2019- 2020	2018-2019
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Transfers from National Treasury	<b>1</b>	3,879,665,358	3,909,503,400
Other Revenues	<b>2</b>	135,000,000	-
		<b>4,014,665,358</b>	<b>3,909,503,400</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	<b>3</b>	259,420,630	205,404,606
Use of goods and services	<b>4</b>	626,275,634	573,338,957
Transfers to Other Government Units	<b>5</b>	2,967,100,000	2,861,814,500
		<b>3,852,796,264</b>	<b>3,640,558,063</b>
<b>Adjusted for:</b>			
Prior Year Adjustments	<b>11</b>	- 706,549	- 4,207,522
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	<b>12</b>	- 4,290,925	2,931,118
Increase/(Decrease) in Accounts Payable: (deposits)	<b>13</b>	100,000	-
<b>Net cash flow from operating activities</b>		<b>156,971,620</b>	<b>267,668,933</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	<b>6</b>	(156,936,795)	(267,129,235)
<b>Net cash flows from Investing Activities</b>		<b>(156,936,795)</b>	<b>(267,129,235)</b>

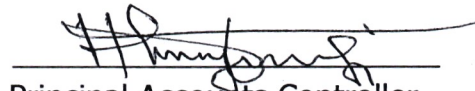
**STATE DEPARTMENT FOR GENDER**  
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<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>34,825</b>	<b>539,698</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>706,549</b>	<b>166,852</b>
<b>Cash and cash equivalent at END of the year</b>	<b>741,374</b>	<b>706,550</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 9/12/20 2020 and signed by:



Principal Secretary  
 Name: **Prof. Collette A. Suda**



Principal Accounts Controller  
 Name: **Henry N. Mobegi**  
 ICPAK Member Number: **9167**

STATE DEPARTMENT FOR GENDER  
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9. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation Difference to Final Budget f=d/c %
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	39,652,764	(19,826,382)	19,826,382	0	19,826,382	0%
Exchequer releases	4,318,730,000	(146,694,850)	4,172,035,150	3,879,665,358	292,369,792	93%
Other Receipts	67,500,000	67,500,000	135,000,000	135,000,000	-	100%
<b>Total Receipts</b>	<b>4,425,882,764</b>	<b>(99,021,232)</b>	<b>4,326,861,532</b>	<b>4,014,665,358</b>	<b>312,196,174</b>	<b>93%</b>
<b>Payments</b>						
Compensation of Employees	175,240,000	97,240,000	272,480,000	259,420,630	13,059,370	95%
Use of goods and services	724,742,544	(56,381,448)	668,361,096	626,275,634	42,085,462	94%
Transfers to Other Government Units	2,728,300,000	350,700,000	3,079,000,000	2,967,100,000	111,900,000	96%
Acquisition of Assets	315,183,715	(8,163,279)	307,020,436	156,936,795	150,083,641	51%
<b>Grand Total</b>	<b>3,943,466,259</b>	<b>383,395,273</b>	<b>4,326,861,532</b>	<b>4,009,733,059</b>	<b>317,128,473</b>	<b>93%</b>

**Commentary on significant underutilization (below 90% of utilization)**

- i. Acquisition of Assets for item Domestic Lending and On-lending was underspent due to no funding from the Exchequer.

The entity financial statements were approved on 9/12/2020 and signed by:

  
Principal Secretary

Name: **Prof. Collette A. Suda**

  
Principal Accounts Controller

Name: **Henry N. Mobegi**

ICPAK Member Number: **9167**

**10. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=d-c	% of Utilisation Difference to Final Budget f=d/c %
<b>RECEIPTS</b>						
Exchequer releases	1,526,730,000	(139,694,850)	1,387,035,150	1,363,965,358	23,069,792	98%
Other Receipts	67,500,000	67,500,000	135,000,000	135,000,000	-	100%
<b>Total Receipts</b>	<b>1,594,230,000</b>	<b>(72,194,850)</b>	<b>1,522,035,150</b>	<b>1,498,965,358</b>	<b>23,069,792</b>	<b>98%</b>
<b>PAYMENTS</b>						
Compensation of Employees	175,240,000	97,240,000	272,480,000	259,420,630	13,059,370	95%
Use of goods and services	671,139,780	(30,005,066)	641,134,714	626,275,634	14,909,080	98%
Transfers to Other Government Units	250,700,000	350,700,000	601,400,000	601,400,000	-	100%
Acquisition of Assets	14,733,715	(7,713,279)	7,020,436	6,936,795	83,641	99%
<b>Grand Total</b>	<b>1,111,813,495</b>	<b>410,221,655</b>	<b>1,522,035,150</b>	<b>1,494,033,059</b>	<b>28,052,091</b>	<b>98%</b>

The entity financial statements were approved on 9/17/20 2020 and signed by:



Principal Secretary  
Name: **Prof. Collette A. Suda**



Principal Accounts Controller  
Name: **Henry N. Mobegi**  
ICPAK Member Number: **9167**

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**11. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Proceeds from Domestic and Foreign Grants	39,652,764	(19,826,382)	19,826,382	-	19,826,382	0%
Exchequer releases	2,792,000,000	(7,000,000)	2,785,000,000	2,515,700,000	269,300,000	90%
<b>Total Receipts</b>	<b>2,831,652,764</b>	<b>(26,826,382)</b>	<b>2,804,826,382</b>	<b>2,515,700,000</b>	<b>289,126,382</b>	<b>90%</b>
<b>Payments</b>						
Use of goods and services	53,602,764	(26,376,382)	27,226,382	-	27,226,382	0%
Transfers to Other Government Units	2,477,600,000	-	2,477,600,000	2,365,700,000	111,900,000	95%
Acquisition of Assets	300,450,000	(450,000)	300,000,000	150,000,000	150,000,000	50%
<b>Grand Total</b>	<b>2,831,652,764</b>	<b>(26,826,382)</b>	<b>2,804,826,382</b>	<b>2,515,700,000</b>	<b>289,126,382</b>	<b>90%</b>

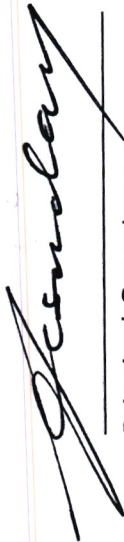
**Commentary on significant underutilization (below 90% of utilization)**

- i. Proceeds from Domestic and Foreign Grants was not realized by the development partners.
- ii. Use of goods and services was not spent because the line items were not mapped in IFMIS for the Development vote.

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iii. Acquisition of Assets for item Domestic Lending and On-lending was underspent due to no funding from the Exchequer.

The entity financial statements were approved on 9/12/ 2020 and signed by:

  
\_\_\_\_\_

Principal Secretary  
Name: **Prof. Collette A. Suda**

  
\_\_\_\_\_

Principal Accounts Controller  
Name: **Henry N. Mobegi**  
ICPAK Member Number: **9167**

STATE DEPARTMENT FOR GENDER  
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12. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/ Sub-programme	Original Budget 2020 Kshs	Adjustments Kshs	Final Budget 2020 Kshs	Actual on comparable basis Date, 2020 Kshs	Budget utilization difference Kshs
<b>Community Development</b>	<b>2,130,000,000</b>	-	<b>2,130,000,000</b>	<b>2,130,000,000</b>	-
National Affirmative Action Fund	2,130,000,000	-	2,130,000,000	2,130,000,000	-
<b>Gender Empowerment</b>	<b>1,517,986,002</b>	<b>333,395,273</b>	<b>1,901,381,275</b>	<b>1,601,020,479</b>	<b>300,360,796</b>
Gender Mainstreaming	772,781,275	-	772,781,275	734,320,479	38,460,796
Gender and Social Economic Empowerment	745,204,727	383,395,273	1,128,600,000	866,700,000	261,900,000
<b>General Administration and Planning</b>	<b>295,480,257</b>	-	<b>295,480,257</b>	<b>278,712,580</b>	<b>16,817,677</b>
General Administration and Planning	210,129,037	-	210,129,037	200,465,903	9,663,134
Gender Field Services	85,351,220	-	85,351,220	78,246,677	7,104,543
<b>TOTAL</b>	<b>3,943,466,259</b>	<b>383,395,273</b>	<b>4,326,861,532</b>	<b>4,009,733,059</b>	<b>317,128,473</b>

### **13. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (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.

#### **2. Reporting Entity**

The financial statements are for the State Department for Gender. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

#### **3. Reporting Currency**

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

#### **4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

##### **a) Recognition of Receipts**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

- **Transfers from the Exchequer**

Transfers from the exchequer are 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.

Grants and loans 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/loan 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. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

- **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 Entity recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

- **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 paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Interest on Borrowing**

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

### **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.

### **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 financial statements.

## **5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity 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.

## **6. Third Party Payments**

Included in the receipts and payments, are payments made on its behalf 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 in the statement of receipts and payments as proceeds from foreign borrowings.

## **7. 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.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **8. 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 are 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.

### **9. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

### **10. 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 Entity 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.

### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government 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.

**SIGNIFICANT ACCOUNTING POLICIES**

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. 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.

During the year there were no errors.

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

STATE DEPARTMENT FOR GENDER  
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**14. NOTES TO THE FINANCIAL STATEMENTS**

**1 EXCHEQUER RELEASES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Total Exchequer Releases for quarter 1	218,787,397	334,399,900
Total Exchequer Releases for quarter 2	1,302,009,979	1,242,831,100
Total Exchequer Releases for quarter 3	2,042,251,022	915,000,000
Total Exchequer Releases for quarter 4	316,616,960	1,417,272,400
<b>TOTAL</b>	<b>3,879,665,358</b>	<b>3,909,503,400</b>

**2 OTHER REVENUES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from Administrative Fees and Charges from Women Enterprise Fund	135,000,000	-
<b>TOTAL</b>	<b>135,000,000</b>	<b>-</b>

**3 COMPENSATION OF EMPLOYEES**

	<b>2019- 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic salaries of permanent employees	174,528,034	132,387,511
Personal allowances paid as part of salary	84,892,596	73,017,095
<b>TOTAL</b>	<b>259,420,630</b>	<b>205,404,606</b>

STATE DEPARTMENT FOR GENDER  
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 USE OF GOODS AND SERVICES

	2019- 2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services		
Communication, supplies and services	3,639,381	8,078,056
Domestic travel and subsistence	23,984,535	40,548,428
Foreign travel and subsistence	3,450,722	13,170,770
Printing, advertising and information supplies & services	7,726,836	9,771,849
Rentals of produced assets	45,090,010	43,559,709
Training expenses	6,146,994	12,954,106
Hospitality supplies and services	30,565,632	29,331,061
Specialised materials and services	2,704,298	5,670,463
Office and general supplies and services	485,721,875	371,069,567
Other operating expenses	5,409,018	6,561,771
Routine maintenance – vehicles and other transport equipment	1,135,400	6,871,750
Routine maintenance – other assets	2,810,591	13,774,341
Fuel Oil and Lubricants	7,890,341	11,977,086
<b>TOTAL</b>	<b>626,275,634</b>	<b>573,338,957</b>

STATE DEPARTMENT FOR GENDER  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**5 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

Description	2019- 2020	2018-2019
	Kshs	Kshs
Current Grants to Government Agencies	601,400,000	472,752,000
Capital Grants to Government Agencies	50,000,000	
Other Capital Grants and Transfers	2,315,700,000	2,389,062,500
<b>TOTAL</b>	<b>2,967,100,000</b>	<b>2,861,814,500</b>

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	Total 2019-2020	2018-2019
	Kshs	Kshs	Kshs	Kshs
<b>Transfers to SAGAs and SCs</b>				
Anti-FGM	120,400,000	-	120,400,000	96,432,000
NGAAF	-	2,130,000,000	2,130,000,000	2,075,000,000
UWEZO Fund	170,800,000	185,700,000	356,500,000	395,301,950
WEF	175,200,000	50,000,000	225,200,000	295,080,550
AIA-Women Enterprise Fund	135,000,000	-	135,000,000	-
<b>TOTAL Transfers</b>	<b>601,400,000</b>	<b>2,365,700,000</b>	<b>2,967,100,000</b>	<b>2,861,814,500</b>
<b>Acquisition of Assets to WEF</b>		150,000,000	150,000,000	239,437,500
<b>TOTAL</b>			<b>3,117,100,000</b>	<b>3,101,252,000</b>

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

**Note:** See transfer of Ksh. 150,000,000 to WEF classified as of Acquisition of assets in note 6.

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to these financial statements.

**6 ACQUISITION OF ASSETS**

	<b>2019- 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<b><u>Non Financial Assets</u></b>		
Purchase of Vehicles and Other Transport Equipment	5,213,000	5,599,980
Purchase of Office Furniture and General Equipment	1,723,795	19,743,627
Purchase of Specialised Plant, Equipment and Machinery	-	2,348,128
<b>Sub Total</b>	<b>6,936,795</b>	<b>27,691,735</b>
<b><u>Financial Assets</u></b>		
Domestic Lending and On-lending	150,000,000	239,437,500
<b>Sub Total</b>	<b>150,000,000</b>	<b>239,437,500</b>
<b>TOTAL</b>	<b>156,936,795</b>	<b>267,129,235</b>

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

**7 BANK ACCOUNTS**

Name of Bank, Account No. & currency	Indicate whether recurrent, Development, deposit e.t.c	2019-2020	2018-2019
		Kshs	Kshs
Central Bank of Kenya, 1000303344,KShs	Recurrent	641,374	606,549
Central Bank of Kenya, 1000303368,KShs	Development	-	100,000
Central Bank of Kenya, 1000181947,KShs	Deposit	100,000	-
<b>Total</b>		<b>741,374</b>	<b>706,549</b>

**8 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<i>Description</i>	2019- 2020	2018-2019
	Kshs	Kshs
Government Imprests	60,000	1,109,552
Salary advances	447,159	-
District suspense	3,234,101	-
Clearance accounts	1,659,216	-
<b>TOTAL</b>	<b>5,400,477</b>	<b>1,109,552</b>

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

**9 ACCOUNTS PAYABLE**

	<b>2019- 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits	100,000	-
<b>TOTAL</b>	<b>100,000</b>	<b>-</b>

**10 FUND BALANCE BROUGHT FORWARD**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	706,549	166,852
Receivables - Outstanding Imprests	1,109,552	4,040,670
<b>TOTAL</b>	<b>1,816,101</b>	<b>4,207,522</b>

**11 . PRIOR YEAR ADJUSTMENTS**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Adjustments on bank account balances	<b>-706,549</b>	<b>-4,207,522</b>
<b>TOTAL</b>	<b>(706,549)</b>	<b>(4,207,522)</b>

This amount is the unspent balance at the end of the financial year which is recovered by The Exchequer.

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

**12. CHANGES IN RECEIVABLE**

<b>Description</b>	<b>2019 - 2020</b>
	<b>KShs</b>
Outstanding Imprest as at 1 <sup>st</sup> July 2019	1,109,552
Imprest issued during the year	12,645,602
Imprest surrendered during the Year	13,695,154
Outstanding Imprest	60,000
Salary advances	447,159
Suspense and Clearance	4,893,317
Net changes in account receivables	- 4,290,925

**13. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS**

<b>Description</b>	<b>2019 - 2020</b>
	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-
Deposit and Retentions held during the year (B)	100,000
Deposit and Retentions paid during the Year (C)	-
Net changes in account receivables D= A+B-C	<b>100,000</b>

**14 . RELATED PARTY DISCLOSURES**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department for Gender

- Other Ministries Departments
- State Corporations and Semi-Autonomous Government Agencies.

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**Related party transactions:**

	<b>2019- 2020</b>	<b>2018- 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<b><u>Transfers to related parties</u></b>		
Transfers to SCs and SAGAs	3,117,100,000	3,101,252,000
<b>Total Transfers to related parties</b>	<b>3,117,100,000</b>	<b>3,101,252,000</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	3,879,665,358	3,909,503,400
<b>Total Transfers from related parties</b>	<b>3,879,665,358</b>	<b>3,909,503,400</b>

**OTHER IMPORTANT DISCLOSURES**

**15. PENDING ACCOUNTS PAYABLE (See Annex 1)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Supply of goods	1,497,750	107,300,408
Supply of services	716,285	-
<b>TOTAL</b>	<b>2,214,035</b>	<b>107,300,408</b>

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**15. PROGRESS ON FOLLOW UP OF PRIOR YEARS 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 (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Unexplained variances between Financial Statements and IFMIS Balances.	These variances are as a result of system required liabilities generated on these particular below the line account items. We are in consultation with the National Treasury's IFMIS Department to reconcile and resolve these balances to reflect as per the accurate reported balances in the financial statements.	Henry N. Mobegi	Not Resolved	30/12/2020
1.2	Unexplained Prior Year Adjustments.	This adjustment amount of Ksh.4,207,522 consists of unspent bank balance of Ksh.166,852 and Accounts receivable (imprests) of Ksh.	Henry N. Mobegi	Not Resolved	30/12/2020

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		4,040,670 which formed cash and cash equivalents at the end of f/y 2018/19. These as advised by the National Treasury we treated as adjustments in the subsequent year whereby unspent balance was recovered by exchequer, clearing of surrendered imprests and recovery of outstanding imprests from salaries.			
1.3	Non-Compliance with Financial Reporting Guidelines	Management acknowledges the oversight and will comply with the set guidelines.	Henry N. Mobegi	Not Resolved	30/12/2020
2.	Unsupported Routine Maintenance-Other Assets.	It is true that the Department procured partitioning works of its offices vide W.P ITEM NO D103NB/NB/1602 JOB NO. 10158 B issued by quantities and contracts section, State department of Public works, in March, 2018. The Procurement was conducted through restricted Tendering pursuant to section 102(b) of the Public Procurement and Asset Disposal act, 2015.	Reuben K. Kioko	Not Resolved	30/12/2020

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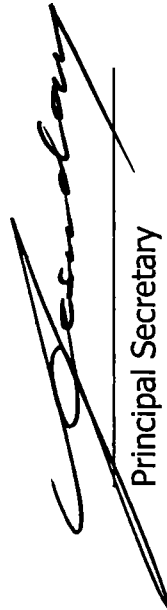
3.	Non-Disclosure of Retention Fees- Deposits	<p>It is true we have a nil balance on deposits account. The Renovation works that cost the department Ksh. 8,512,000 done on the State department offices was classified as minor renovations and as such no retention money was withheld as is the case with major renovations, contracts and works. The payments was done after completion in four (4) instalments</p>	Henry N. Mobegi	Not Resolved	30/12/2020
4.	Outstanding Imprest.	<p>It is true that the imprest registers show balances for surrendered imprests for 2017/2018 and 2018/2019. The manual imprest register had not been updated since the department has heavily relied on the system maintained imprests record which we are expected to base our financial reports on. We have since updated the manual register for 2018/19.</p>	Henry N. Mobegi	Not Resolved	30/12/2020
5.	Summary of Fixed Assis Register.	<p>The Fixed Asset Register indicates a balance brought forward of Ksh. 38,692,930 which was the reported balance as per the F/Y 2017/2018 audited reports. Acquisition for</p>	Henry N. Mobegi	Not Resolved	30/12/2020


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		the year under review were Ksh267,129,935 which includes intangible assets of Ksh. 239,129,235 which was a transfer to WEF being Domestic lending and On-lending funds to women groups. The Fixed Asset register has since been updated.			
6.	Pending Bills.	Had funds been availed by the Exchequer the pending bills amounting to Ksh 107,300,408.00 would have been paid within the year. The variances of 1,761 packets of sanitary pads worth Ksh.48,780 as noted is being looked into.	Reuben K. Kioko	Not Resolved	30/12/2020
7.	Compensation of Employees.	It is noted that the Recruitment process was undertaken through Public Service Commission which is the organ mandated to recruit public Servants on behalf of Government. On the issue of compensation, HRM gave guidance on the requirements of regulations applicable before implementation.	Henry N. Omosa	Not Resolved	30/12/2020
8.	Wasteful Expenditure included in Domestic Travel and Subsistence.	The Trailblazer program held at State House was for honouring remarkable women who made considerable contributions to Kenya's development including	Protus Onyango	Not Resolved	30/12/2020

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		<p>pre-independence and second liberation. The Launch of Mama Phoebe Asiyo's Memoir was a side event that formed part of the State Department of Gender Trailblazers program. The book launched is a documentation of the journeys of the trailblazers and is one of the actions under the trailblazer's program.</p>			
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Principal Secretary  
Name: **Prof. Collette A. Suda**

  
Principal Accounts Controller  
Name: **Henry N. Mobegi**  
ICPAK Member Number: **9167**

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	A	B	C	d-a-c		
<b>Supply of goods</b>						
Trojan Trading Ltd	129,250	15/06/2020	-	129,250	-	VAT not defined
Kasyala Investment Ltd	1,368,500	21/04/2020	-	1,368,500	-	Budget cut
<b>Sub-Total</b>	<b>1,497,750</b>		-	<b>1,497,750</b>	-	
<b>Supply of services</b>						
Intercontinental Nairobi	148,500	21/08/2019	-	148,500	-	Budget cut
Intercontinental Nairobi	423,500	13/09/2019	-	423,500	-	Budget cut
Machakos University	108,320	17/01/2020	-	108320	-	Budget cut
Silver Africa	35,965	10/03/2020	-	35,965	-	Budget cut
<b>Sub-Total</b>	<b>716,285</b>		-	<b>716,285</b>	-	
<b>Grand Total</b>	<b>2,214,085</b>		-	<b>2,214,085</b>	-	

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**ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f	Historical Cost during the year	Disposals during the year	Historical Cost c/f
	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Transport equipment	21,514,980	5,213,000	-	26,727,980
Office equipment, furniture and fittings	37,666,307	1,723,795	-	39,390,102
ICT Equipment, Software and Other ICT Assets	2,348,128	-	-	2,348,128
Other Machinery and Equipment	4,855,250	-	-	4,855,250
Intangible assets	239,437,500	150,000,000	-	389,437,500
<b>Total</b>	<b>305,822,165</b>	<b>156,936,795</b>	<b>-</b>	<b>462,758,960</b>

**NB:** Intangible Assets are the Domestic lending and On-Lending to WEF