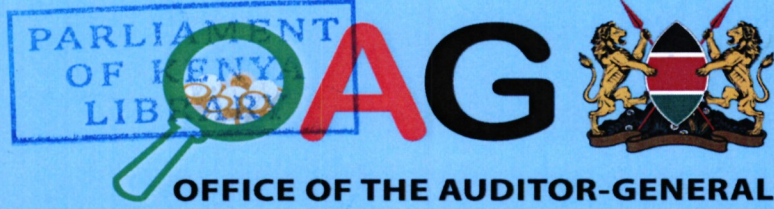



REPUBLIC OF KENYA



Enhancing Accountability

REPORT



 THE NATIONAL ASSEMBLY P. ...	
DATE:	13 APR 2023 THURSDAY
TABLED BY:	Lom
CLERK-AT THE TABLE:	Joyce Lemercelle

OF

THE AUDITOR-GENERAL

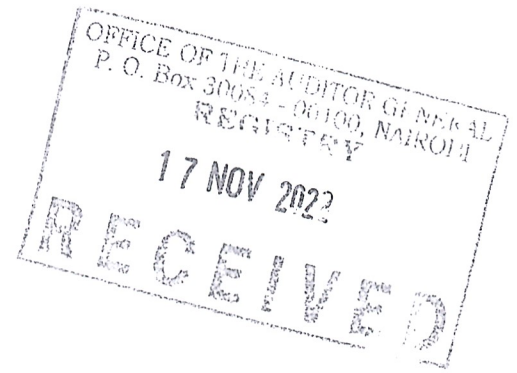
THE LEADER OF THE MAJORITY PARTY (Hon. Kimani Ichung'u)

ON

**PROGRAMME FOR LEGAL EMPOWERMENT
AND AID DELIVERY (GRANT NUMBER
KE/FED/2018/397-591)**

**FOR THE EIGHT MONTHS PERIOD
ENDED 30 JUNE, 2021**

**STATE LAW OFFICE AND
DEPARTMENT OF JUSTICE**



**PROJECT NAME: PROGRAMME FOR LEGAL EMPOWERMENT AND AID DELIVERY
(PLEAD)**

**IMPLEMENTING ENTITY: OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF
JUSTICE**

PROJECT GRANT/CREDIT NUMBER: KE/FED/2018/397-591

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE EIGHT-MONTHS ENDED

JUNE 30, 2021

**PREPARED IN ACCORDANCE WITH THE CASH BASIS OF ACCOUNTING METHOD UNDER
THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)**

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June, 2021

TABLE CONTENTS

1.	PROJECT INFORMATION AND OVERALL PERFORMANCE.....	ii
2.	STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETRMINED OBJECTIVES ...	xiii
3.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xvii
4.	STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES.....	xix
5.	REPORT OF THE INDEPENDENT AUDITOR ON THE PLEAD PROJECT	xx
6.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.....	1
7.	STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022.....	3
8.	STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2022	4
9.	STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	5
10.	SIGNIFICANT ACCOUNTING POLICIES	7
11.	NOTES TO THE FINANCIAL STATEMENTS	14
12.	OTHER IMPORTANT DISCLOSURES	29
13.	PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS.....	34
14.	ANNEXES	35

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is Programme for Legal Empowerment and Aid Delivery (PLEAD).

The registered Office is Kenya Charity Sweepstake House (KCS), 10th Floor, Mama Ngina Street, Nairobi.

Objective

The key objective of the project is, "to enhance the rule of law as an effective means to address insecurity, conflicts and socio-economic grievances in Kenya".

The specific objective of PLEAD is to develop an integrated approach at the central and local levels aimed at equality of all before the law, through improved access to and the expeditious delivery of justice, particularly in high-risk counties.

Address

The project headquarters are in Kenya Charity Sweepstake (K.C.S) House, 10th Floor, Mama Ngina Street, Nairobi City County, Kenya.

The address of its registered office is: 45597-00100 Nairobi.

The project has no branch offices.

Contacts:

The following are the project contacts

Telephone: (020) 2215627

E-mail: pleadnlas@gmail.com : nlas@ag.go.ke

Website: [https://statelaw.go.ke/departments/national-legal-aid-service/
www.nlas.go.ke](https://statelaw.go.ke/departments/national-legal-aid-service/www.nlas.go.ke)

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 1 st April 2020
Project End Date:	The project implementation period ends 31 st July 2024 and closure ends on 31 st March 2025.
Project Manager:	The project manager is Mr. Chimwemwe Mangeni
Project Sponsor:	The project sponsor is European Union

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Office of the Attorney General and Department of Justice
Project number	KE/FED/2018/397-591
Finance agreement Number	KE/FED/037-676
Strategic goals of the project	The strategic goal of the project is as follows: Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Access to legal aid, particularly in the marginalized and high-risk counties is improved (ii) Effectiveness of legal aid enhanced (iii) Kenyans are aware of their legal rights and how to access them (iv) Operationalization of NLAS under the Legal Aid Act of 2016 supported (v) Efficiency and effectiveness of ADR improved
Other important background information of the project	PLEAD has four interlinked and mutually supportive outcomes implemented through the following modalities: Direct management (procurement of services); Indirect management with International Organisations (Delegation agreements with UNDP and UNODC respectively) and Indirect management with the Republic of Kenya (Programme Estimate)

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021

Current situation that the project was formed to intervene is on access to legal aid.	The project was formed to intervene in the following area: Support to the Department of Justice (DoJ) and the National Legal Aid Service (NLAS) to ensure implementation of the Legal Aid Act of 2016 and the regulatory framework on legal aid.
Project duration	The project implementation period ends 31 st July 2024 and closure ends on 31 st March 2025.

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)
Project Information and Overall Performance (Continued)

1.4 Bankers

The following are the bankers for the current year:

- (i) National Bank of Kenya, Harambee Avenue Branch.

1.5 Auditors

The project is audited by Office of the Auditor General.

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities	Contact
Mr. Chimwemwe Mangeni	Team Leader	Masters Degree, Public and Development Management,	To offer technical advice for the implementation of the project	chimwemwemangeni@hotmail.com
Mr. James Njoroge	Imprest Administrator	Bachelor of Arts Economics, CPA-K	Project Implementation	njoroge.justice@yahoo.com
Ms. Flora Bidali	Ag, Chief Executive Officer, Imprest Accounting Officer	MSC Environmental Science, LLB	Project Implementation and Beneficiary	fbidali@yahoo.com
Ms Jackline Njuguna	Alternate Imprest Administrator	Masters in Economics Policy Management	Project Implementation	njugunajackie800@gmail.com
Mr. Walter Oselu	Alternate Imprest Accounting Officer	Masters in Finance	Project Finance Management	wjoselu@yahoo.co.uk

1.7 Funding summary

The Project is for duration of five (5) years from 2020 to 2025 with an approved budget of Euro 2,600,000 equivalent to KShs. 289,380,780 as highlighted in the table below:

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June, 2021*

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 June 2021)		Undrawn balance to date	
	EUR (A)	Kshs (A')	EUR (B)	Kshs (B')	EUR (A)-(B)	Kshs (A')-(B')
(i) Grant						
European Union	2,600,000.00	289,380,780.00	-	45,082,741.65	2,194,950.93	244,298,038.35
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	2,600,000.00	289,380,780.00	-	45,082,741.65	2,194,950.93	244,298,038.35

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative amount paid to date – (30 th June 2021)		Unutilised balance to date	
	Donor currency EUR (A)	Kshs (A')	Donor currency EUR (B)	Kshs (B')	Donor currency EUR (A)-(B)	Kshs (A')-(B')
(i) Grant						
European Union	751,341.03	-	390,696.30	45,082,741.65	360,644.73	40,002,593.90
(ii) Counterpart funds						
Government of Kenya	-	-	0	-	0.00	-
Total	751,341.03	-	390,696.30	45,082,741.65	360,644.73	44,002,593.90

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- i) During the period under review, the PLEAD programme recorded an absorption of Kshs 34,904,510.00 which translates to an absorption rate of 23%.

ii) *Physical progress based on outputs, outcomes, and impacts*

The project implemented various activities outlined in the Programme Estimate. The team conducted feasibility studies and identified seven office locations in Marsabit, Isiolo, Wajir, Mandera, Lamu, Tana River, Garissa and Counties. The project supported the equipping of NLAS offices through procurement of furniture, office equipment, office supplies, set up ICT infrastructure, purchased a speed boat and partitioned the Nairobi office. The project supported NLAS to set up operational structures and execute its legal mandate.

The project conducted training of members of Court Users Committees in 12 focal counties which enhanced the effectiveness of legal aid.

An ICT consultant was engaged to support the efficient and effective implementation of the activities geared towards advancement of legal aid services. The consultant supported the evaluation of ICT-related tenders as an independent expert and supervised the implementation of ICT related contracts after award. These contracts included supervising the development of the National Legal Aid Service website and mobile application and ICT Policy system. The Consultant formulated a draft ICT Policy for the beneficiary. This improved efficiency in service delivery, access to information and expeditious delivery of justice.

Standard Operating Procedures for Mobile Legal Aid Clinics were developed and preparatory meetings with stakeholders in the justice system were held in 11 focal counties to identify legal aid issues affecting the indigent persons in the communities. Through the mobile legal aid clinics, NLAS will take its services to the indigent thereby enhancing access to justice.

To enhance access to information, the project supported the production and dissemination of the simplified version of the Legal Aid Act in English,

Kiswahili, Braille and Kenyan Sign language. Simplifying the Legal Aid Act into various versions addresses language barrier which has been identified as an impediment to access to justice by the indigent, marginalized and vulnerable members of the community.

NLAS is a successor to The National Legal Aid and Awareness Programme (NALEAP). To ensure stakeholders and beneficiaries recognize NLAS as the primary state supported agency for legal aid, the project supported the rebranding of NLAS through registration of a new logo, development of IEC materials such as notebooks, calendars, pens, diaries, folders banners among others. This enhanced visibility and creation of awareness about NLAS.

Many advocates are not motivated enough to represent indigent persons on pro bono basis. As a result, the project supported NLAS in the development of Pro bono and internship schemes that aims to motivate legal aid providers to take up matters on pro bono basis through incentives such as recognition, provision of certificates among others. This enhanced access to justice through legal representation.

iii) Value-for-money achievements,

In implementing the above mentioned activities, the PLEAD Programme undertook a thorough market survey in order to obtain the best prices and quality in from the market. In order to reduce operational costs, PLEAD utilised ICT as a mode of communication and information sharing. The project ensured that payment for good and services was done upon delivery and quality assurance. All goods and services received were in full compliance with the specifications set out by the project.

iv) Being the first year of its implementation, the project recorded and absorption of 8%.

v) List the implementation challenges and recommended way forward.

a) At its inception, the project faced challenges in the currency to be used to transfer funds from the donor. Although the donor currency is Euro, the Programme estimate was drafted in Kenya Shillings. This challenge was

- resolved by opening a Kenya shillings account at the Central Bank of Kenya to facilitate the transfer of funds.
- b) The global Covid 19 pandemic affected implementation of majority of the planned activities which involved travelling and trainings in the 12 counties, whereas there were Covid 19 prevention guidelines issued by the Government that restricted movements and gatherings. However, with the lifting of some containment measures, the programme staff are now able to travel and undertake activities within the 12 focal counties.
 - c) The variation in accounting period between the PLEAD programme and the Government of Kenya posed a challenge in making budget provisions and releasing the funds to the PLEAD programme. While as the commencement date of the PLEAD programme is 1st April, the GoK financial years begins on 1st July. During negotiation of future contracts, The National Authorizing Officer should ensure projects are aligned to the government financial year to fast track the disbursement of funds.
 - d) Due to lack of human resource and financial capacity, NLAS is yet to open offices in the seven (7) marginalized counties further hampering the implementation of the project. NLAS Board and staff have formulated the Human Resource Policy documents that is at an advance stage of approval. The policy documents will enable NLAS to delink from OAG&DOJ and have the authority to independently recruit staff and operationalize 7 offices.
 - e) Institutional bureaucracy has led to delayed disbursement of funds from EU to The National Treasury, to the Office of the Attorney General and Department of Justice then finally to the project account. The delays affect the implementation of activities which leads to low absorption rates.
 - f) The resignation of the Team leader in August 2022 during the implementation of the project hampered projects due to lack of personnel to supervise technical experts on board who support the implementation of

the project, lack of technical expertise, advisory and coordination.
However, the Team leader was replaced in April, 2022.

1.9 Summary of Project Compliance:

PLEAD has been compliant with all provisions of the Financing Agreement signed between the Government of Kenya and the European Union in 2017, PLEAD Programme Estimate signed in April 2020, the Practical Guide for Programme Estimates 2015, Practical Guide for Procurement Grants and Contracts 2021, Public Finance Management Act, 2012 and local tax laws.

The programme has put in place appropriate internal control and policy measures by developing Finance and operations manual to guide programme implementation and has involved experts in various field to offer technical advice and undertake due diligence.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the PLEAD are:

- a) Access to legal aid, particularly in the marginalized and high-risk counties is improved
- b) Effectiveness of legal aid enhanced
- c) Kenyans are aware of their legal rights and how to access them
- d) Operation of NLAS under the Legal Aid Act, 2016 supported
- e) Efficiency and effectiveness of ADR improved

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:

Programme for Legal Empowerment and Aid Delivery (PLEAD)

Reports and Financial Statements

For the financial year ended 30th June, 2021

Project	Objective	Outcome	Indicator	Performance
Programme for Legal Empowerment and Aid Delivery	Access to legal aid, particularly in marginalized and high risk counties is improved.	Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.	No. of NLAS offices opened/ refurbished/equipped & fully operational	Conducted feasibility studies, identified 7 additional office locations in Marsabit, Isiolo, Wajir, Mandera, Lamu, Tana River, Garissa counties. Procured furniture and office equipment, ICT infrastructure, speed boat, office supplies and partitioned Nairobi office.
			NLAS-App- (developed, piloted, launched & publicized)	Developed a mobile phone application, awaiting piloting, training and launch.
			NLAS Mobile Legal Aid Clinic programme.	Developed Standard Operating Procedures for mobile legal aid clinics and mapped stakeholders for implementation.
			Translate the Legal Aid Act into Kiswahili, Kenyan Sign Language and Braille.	Legal Aid Act translated into Kiswahili, Kenyan Sign Language and Braille.
			Conduct a mapping exercise of legal aid providers in the 12 focal counties	This activity has not been undertaken.
Programme for Legal Empowerment and Aid Delivery	Effectiveness of legal aid enhanced	Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.	Conduct Training Needs Assessment for NLS Board, staff and legal aid providers.	Training Needs Assessment conducted and report prepared.
			Design overall training programme for NLS Board, staff and legal aid providers.	This activity has not been undertaken.
			Develop and pilot 3 training modules for legal aid providers.	This activity has not been undertaken.
			Create Training of Trainers manual for NLS training programme	Training of Trainers Manual created and report prepared.
			Design, pilot and	Developed ICT Policy,

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021

			implement an Information, Communications and Technology (ICT) policy and system for NLAS administration.	Installation of ICT system is ongoing.
			Supported NLAS to participate in legal aid forums.	Supported NLAS to participate in 4 legal aid forums.
			Design and strengthen research capability for NLAS and relevant stakeholders.	This activity has not been undertaken.
			Support provision of legal aid through pro bono services and use of interns.	Developed pro bono and internship schemes.
			Conduct sessions with Court Users Committees (CUCs).	12 Court Users Committee sessions undertaken and members trained on legal aid.
Programme for Legal Empowerment and Aid Delivery	Kenyans are aware of their legal rights and how to access them	Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.	Inaugurate annual Legal Awareness campaigns.	This activity has not been undertaken.
			NLAS website developed	Designed and developed NLAS website.
			Establish National Legal Aid Day, April 26.	This activity have not been undertaken.
Programme for Legal Empowerment and Aid Delivery	Operation of NLAS under the Legal Aid Act, 2016 supported	Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.	Support activities related to drafting regulatory scheme.	
			Review and update NLAS National Action Plan for Legal Aid 2017 -2022	
			NLAS Rebranded	Designed and registered NLAS new logo and disseminated 2566 IEC materials.
			Support finalization of the formulation of Legal Aid General Regulations, 2019 and Code of conduct for accredited legal aid providers.	Legal Aid General Regulations and Code of Conduct gazetted.
			Conduct training of paralegals.	This activity has not been undertaken.
	Prepare operational	Human resource manuals		

Programme for Legal Empowerment and Aid Delivery (PLEAD)

Reports and Financial Statements

For the financial year ended 30th June 2021

			manual for NLAS offices.	prepared with support from GoK.
			Develop a fundraising strategy for NLAS.	This activity has not been undertaken.
			Design and implement a Planning Monitoring, Evaluation, Review and Learning System	
Programme for Legal Empowerment and Aid Delivery	Efficiency and effectiveness of ADR	Access to legal aid and assistance is enhanced, especially for the poor and vulnerable.	Specific training modules & plan for ADR practitioners developed No. of targeted ADR providers trained Civic awareness/publicity materials for ADR campaign designed Civic awareness/publicity campaign for ADR rolled out Sensitization of legal aid & mediation training provided to targeted legal aid providers in each County. No. of targeted participants sensitized on legal aid & trained on mediation	Objective number 5 has not been undertaken

3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

(Two-to-three pages)

The overall objective of PLEAD is to enhance access to justice for the vulnerable, indigent and marginalized. Below is a brief highlight of our activities that drive towards sustainability.

1. Sustainability strategy and profile

In a bid to contribute to universal reform efforts, the PLEAD programme is aligned to Sustainable Development Goals (SDG). Its primary SDG is to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels" (SDG 16). Its second SDG is to "achieve gender equality and empower all women and girls" (SDG 5).

In compliance with SDG 16, The Constitution of Kenya, 2010, under Articles 48 and 50 among others obligates the state to enhance access to justice to all. To give effect to the mentioned articles, the Legal Aid Act, 2016 was enacted to establish a National Legal Aid Scheme that is affordable, accessible, sustainable and credible. The Act further provides for the establishment of the Legal Aid Fund which will consolidate funds from the Exchequer, grants, gifts, donations, loans or other endowments given to the Service, and funds that may vest in or accrue to the Service in the course of the exercise of its powers or the performance of its functions under the Act. To implement the Act, NLAS has developed the National Action Plan 2017-2022, draft strategic plan 2021 – 2025 which provide a roadmap on legal aid delivery in Kenya. The above legal frameworks are geared towards giving NLAS the necessary impetus to sustain itself beyond the project.

To enhance sustainability and accessibility of legal aid services to the indigent, vulnerable and marginalized, NLAS has adopted a collaborative approach whereby it will accredit state and non-state actors in the justice sector. The Legal Aid General Regulations, 2022 provide an accreditation framework for legal aid providers.

Since inception of the National Legal Aid and Awareness Programme (now NLAS) The Government of Kenya continues to provide resources to NLAS through recruitment of staff, payment of salaries, provision of office premises. The staff will continue to provide legal aid services beyond the project. To build the capacity of the staff and legal aid providers, PLEAD undertook a training needs assessment, supported the development of a Training of Trainers manual that will inform various training modules to enhance the effectiveness of legal aid delivery.

2. Environmental performance

PLEAD has adopted a paperless policy in its operation and adopted ICT. This has had a great impact in reducing usage of paper.

3. Employee welfare

PLEAD is an equal opportunity employer and has domesticated the Government of Kenya Human Resource Policy and Produce Manual, 2016 to guide staff management. Currently, PLEAD has recruited one male and two female officers. The Officers are on a medical insurance cover provided for by PLEAD.

PLEAD undertook a training needs assessment that will inform the development of an overall training programme to build the capacity and enhance skill development of staff.

4. Market place practices-

At the beginning of the Programme, PLEAD prequalified suppliers of goods and services through an open and transparent process. All the prequalified suppliers were granted an opportunity to place bidders for various supply contracts. Supplier are paid upon delivery, inspection and acceptance of products or services in compliance with the specifications set out by PLEAD.

5. Community Engagements

Since its inception, PLEAD programme has not been involved in any Community Social Investment activities. However, the programme aims at enhancing access to legal aid for the indigent members of the community. During the period under review, NLAS through PLEAD project simplified the Legal Aid Act in English which was then translated to Kiswahili, Braille and Kenyan Sign language. This activity aims at overcoming language barrier which has been identified as a challenge to access to justice by the indigent, marginalized and vulnerable members of the community.

Another barrier of access to justice is the geographical location of legal aid providers who are mainly concentrated in urban areas. Through PLEAD, NLAS developed Standard Operating Procedures and held preparatory meetings with stakeholders in the 11 focal counties to identify legal aid issues affecting the indigent persons in the community for purposes of conducting mobile legal aid clinics. Mobile legal aid clinics will enable NLAS take its services to the indigent thereby enhancing access to justice.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The **Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (*PLEAD*) *project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022.

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

The **Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (*PLEAD*) *project* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The **Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (*PLEAD*) *project* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The **Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (*PLEAD*) *project* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

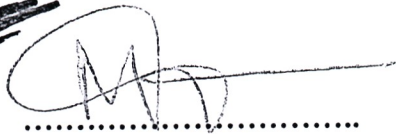
The **Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (*PLEAD*) *project* confirm that the Project has complied fully with applicable Government Regulations and the terms of

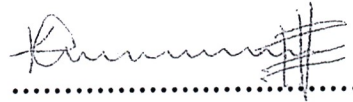
external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by **The Solicitor General, Office of the Attorney General and Department of Justice (OAG&DOJ)** and the *Project Coordinator* for Programme for Legal Empowerment and Aid Delivery (PLEAD) project on _____ 2022 and signed by them.

~~.....
Name
Solicitor General~~

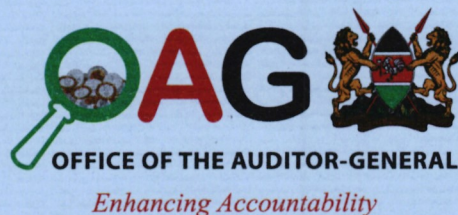

.....
Name **CUTIMWE MWE MANGENI**
Project Coordinator


.....
Name **NAMASAKE**
Project Accountant

5. REPORT OF THE INDEPENDENT AUDITOR ON THE PLEAD PROJECT 

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PROGRAMME FOR LEGAL EMPOWERMENT AND AID DELIVERY (GRANT NUMBER KE/FED/2018/397-591) FOR THE EIGHT MONTHS PERIOD ENDED 30 JUNE, 2021 – STATE LAW OFFICE AND DEPARTMENT OF JUSTICE

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Programme For Legal Empowerment and Aid Delivery set out on pages 1 to 34, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the eight months period 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 audit.

In my opinion, because of the significance of matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Programme For Legal Empowerment and Aid Delivery as at 30 June, 2021, and of its financial performance and its cash flows for the eight months period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012 and Financing Agreement No. KE/FED/037-676 dated 19 June, 2017 between the European Commission and Republic of Kenya.

Basis for Adverse Opinion

1. Presentation and Disclosure in the Financial Statements

The revised amended financial statements submitted for audit have the following anomalies:

- (i) Details of cash and cash equivalents have not been disclosed in Note 11 to the financial statements.
- (ii) Report of the Independent Auditor section is on same page with the statement of project management responsibilities.
- (iii) The amended financial statements are indicated as having been signed on 30 June, 2021 which is before the submission of the original financial statements which were signed on 29 September, 2022.
- (iv) The page headings and tables in the financial statements are not aligned to the page margins.
- (v) The statement of receipts and payments for year ended 30 June, 2021 is described as for year ended 30 June, 2022 and has a comparative for 2021-2022.

- (vi) The statement of receipt and payments is indicated as for the “year” ended instead of the “eight months period” ended 30 June, 2021.
- (vii) The statement of comparative budget and actuals amounts does not have data on budget utilization difference in percentages while annexure 1- explaining variances has a variance of Kshs.3,000,000, whose source is not consistent with the information in the statement.
- (viii) The financial statements presented for audit were not supported with signed confirmations from beneficiaries in respect of transfers to other government entities, bank reconciliations statement, register of contingent liabilities and board of survey report.
- (ix) The financial statements were not supported with a trial balance for the eight (8) months period ended 30 June, 2021.
- (x) The statement of financial assets reflects a cash balance of Kshs.20,000 as disclosed under Note 11 but the Note reflects a nil balance.
- (xi) The statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts have been presented for the year ended instead of eight months period ended 30 June, 2021.

In the circumstances, the financial statements for the eight months period ended 30 June, 2021 have not been prepared in accordance with the reporting guidelines issued by the Public Sector Accounting Standards Board and their accuracy, completeness and validity could not be confirmed.

2. Inaccuracies in the Statement of Comparative Budget and Actual Amounts

The statement of comparative budget and actual amounts reflects final budget receipts and payments of Kshs.45,082,741 and Kshs.9,485,492, respectively. However, the actual receipts and payments on a comparable basis both reflect nil amounts while the statement of receipts and payments reflects actual receipts of Kshs.45,082,741 and actual payments of 9,485,492 respectively.

In the circumstances, the accuracy and completeness of the statement of comparative budget and actual amounts could not be confirmed.

3. Inappropriate Charge of Expenditure - Compensation to Employees

The statement of receipts and payments reflects an expenditure of Kshs.2,882,861 on compensation of employees as disclosed in Note 5 of the financial statements. The amount includes Kshs.462,441 paid for office toner and petty cash disbursement. In addition an amount of Kshs.308,600 was paid for staff airtime allowances which was not authorized and supported by approvals.

In the circumstances, the validity and accuracy of the expenditure on compensation of employees could not be confirmed.

4. Unsupported Cash and Cash Equivalent

The statement of financial assets reflects cash and cash equivalent balance of Kshs.35,764,382. However, the amount was not supported by bank confirmation certificate and bank reconciliation statements.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.35,764,382 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Programme for Legal Empowerment and Aid Delivery 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 adverse opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the eight (8) months period ended 30 June, 2021 were submitted on 14 January 2021 after the statutory deadline of 30 September 2021. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

2. Delayed Remittance of Statutory Deductions

The statement of receipts and payments reflects an amount of Kshs.2,822,861 in respect of compensation of employees for the eight (8) months period ended 30 June, 2021. However, the Management did not remit the monthly Pay As You Earn (P.A.Y.E) deductions relating to the project manager's salaries for seven (7) months totaling Kshs.964,425. This is contrary to Section 72(d) of the Income Tax Act Cap 470 (Revised 2017).

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

3. Failure to Prepare and Submit Bank Reconciliations

The project management did not prepare and submit monthly bank reconciliations to the National Treasury with a copy to the Auditor-General as required under Regulation 90(1) of the Public Finance Management Act (National Government) Regulations, 2015.

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Review

During the period under review, the State Law and Department of Justice internal audit did not carry out review of the project's activities. This contrary to Section 73(3)(b) of the Public Finance Management Act, 2012 which require that the Internal Auditor shall conduct internal auditing which includes risk-based, value-for-money and systems audits

aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

In the circumstances, it was not possible to confirm whether the Project's internal controls were effective.

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 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 enough 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2022

Programme for Legal Empowerment and Aid Delivery (PLEAD)
 Reports and Financial Statements
 For the financial year ended 30th June, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.

Receipts	Note	2019-2020		2020-2021		Total	Year 2020 - 2022
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties		
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Transfer from Government entities	1	-	-	-	-	-	-
Proceeds from domestic and foreign grants	2	-	-	45,082,741.65	-	45,082,741.65	45,082,741.65
Loan from external development partners	3	-	-	-	-	-	-
Miscellaneous receipts	4	-	-	-	-	-	-
Total receipts		-	-	45,082,741.65	-	45,082,741.65	45,082,741.65
Payments							
Compensation to employees	5	-	-	2,822,861.00	-	2,822,861.00	2,822,861.00
Purchase of goods and services	6	-	-	6,653,631.00	-	6,653,631.00	6,653,631.00
Social security benefits	7	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	9,000.00	-	9,000.00	9,000.00
Transfers to other government entities	9	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-
Total payments		-	-	9,485,492.00	-	9,485,492.00	9,485,492.00

Reports and Financial Statements

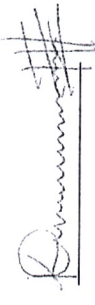
For the financial year ended 30th June 2021

Surplus/ (deficit)	-	-	-	35,597,249.65	-	35,597,249.65	35,597,249.65
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The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

~~_____~~
 Solicitor General
 Name:


 Project Coordinator
 Name: CHIMWEMBE MANG'ENI


 Project Accountant
 Name: NIMASAKE

(IPSAS 1.3.24 requires an entity to separately disclose third party payments separately on the statement of receipts and payments. These are payments made by development partners directly on behalf of the entity. In recognising these transactions, the receipts must be equal to the payments made and therefore there is no surplus or deficit.)

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June, 2021*

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

Description	Note	2019-2020	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	-	35,744,382.65
Cash Balances	11. B	-	20,000.00
Cash equivalents (Short-term deposits)	11.C	-	-
Total Cash and Cash equivalents		-	35,764,382.65
Imprests and Advances	12	-	-
Total Financial Assets		-	35,764,382.65
Financial Liabilities			
Deposits and Retention monies	13	-	-
Net Assets		-	35,764,382.65
Represented By			
Fund Balance B/fwd.	14	-	-
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		-	35,597,249.65
Net Financial Position		-	35,764,382.65

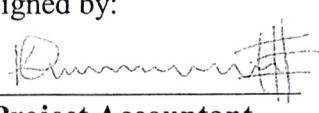
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th June 2021 and signed by:



Director General
Date



Project Coordinator
Date



Project Accountant.
Date

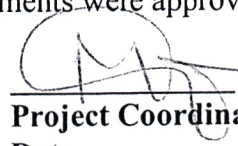
Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
the financial year ended 30th June 2021

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

Description	Notes	2019-2020	2020-2021
		Kshs	Kshs
Cash flow from operating activities			
Receipts			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	-	45,082,741.65
Miscellaneous receipts	4	-	-
Total receipts		-	45,082,741.65
Payments			
Compensation of employees	5	-	2,822,861.00
Purchase of goods and services	6	-	6,653,631.00
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		-	9,476,492.00
Adjustments during the year			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		-	35,606,249.65
Cash flow from investing activities			
Acquisition of non-financial assets	8	-	9,000.00
Net cash flows from investing activities		-	9,000.00
Cash flow from financing activities			
Proceeds from foreign borrowings	3	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	35,615,249.65
Cash and cash equivalent at beginning of the year	11	-	-
Cash and cash equivalent at end of the year	11	-	35,764,382.65

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 30th June 2021 and signed by:


Solicitor General
Date


Project Coordinator
Date

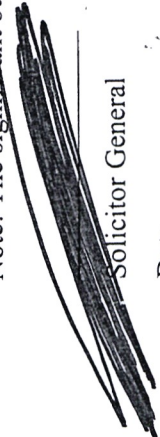

Project Accountant
Date

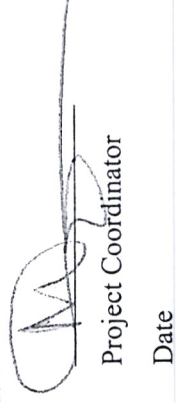
*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June, 2021*

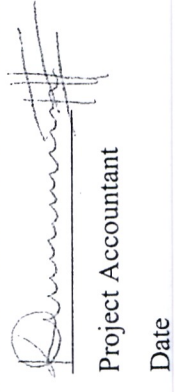
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities				-		
Proceeds from domestic and foreign grants	45,082,741.65		45,082,741.65	-	45,082,741.65	
Proceeds from borrowings				-		
Miscellaneous receipts				-		
Total Receipts	45,082,741.65	-	45,082,741.65	-	45,082,741.65	
Payments						
Compensation to employees	2,822,861.00		2,822,861.00		2,822,861.00	
Purchase of goods and services	6,653,631.00		6,653,631.00		6,653,631.00	
Social security benefits						
Acquisition of non-financial assets	9,000		9,000		9,000	
Transfers to other government entities	-		-		-	
Other grants and transfers	-		-		-	
Total Payments	9,485,492.00	-	9,485,492.00		9,485,492.00	
Surplus or Deficit	35,597,249	-	35,597,249		35,597,249	

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


Solicitor General
Date


Project Coordinator
Date


Project Accountant
Date

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the PLEAD Project under the Office of the Attorney General and Department of Justice . The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

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

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

j) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

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

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

m) Third party payments

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

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

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

q) Errors

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

NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

Description	KShs		Cumulative to-date (from inception)
	2019-2020	2020-2021	
<i>Counterpart funding through Ministry SLO&DOJ</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total (See Annex 2)	-	-	-
<i>Other transfers from government entities</i>			
Ministry xx	-	-	-
Ministry xy	-	-	-
Project zz	-	-	-
Agency xx	-	-	-
Total	-	-	-
Appropriations-in-Aid	-	-	-
Total	-	-	-

[Provide explanation as necessary noting that “Other transfers from government entities” is not the counterpart funding which is the government’s share of contribution towards the implementation of the project as mandated by the Project Agreement.]

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

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

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in Kshs	
						2019-2020	2020-2021
						Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-	-
Insert name of foreign Government		-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations)	30/06/2022	345,797.03	45,082,741.65	-	-	-	45,082,741.6
Insert name of international organization		-	-	-	-	-	-
Grants Received from Local Individuals and organizations		-	-	-	-	-	-
Insert name of individual or local organization		-	-	-	-	-	-
Total		345,797.03	45,082,741.65	-	-	-	45,082,741.6

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30th June 2021, PLEAD did not receive any funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs	KShs	2021/22	2020/21
Loans Received from Bilateral Donors (Foreign Governments)						
Insert name of foreign Government	0	0	0	0	0	0
Loans Received from Multilateral Donors (International Organization's)						
Insert name of international organization	0	0	0	0	0	0
Total					0	0

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. MISCELLANEOUS RECEIPTS

	2021/2022			2020/2021	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash:	Receipts controlled by third parties	Total Receipts	Total Receipts	
	KShs	KShs	KShs	KShs	KShs
Property income	0	0	0	0	0
Sales of goods and services	0	0	0	0	0
Administrative fees and charges	0	0	0	0	0
Fines, penalties and forfeitures	0	0	0	0	0
Voluntary transfers other than grants	0	0	0	0	0
Other receipts not classified elsewhere	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

[Provide explanation as necessary]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. COMPENSATION OF EMPLOYEES

	2019/2020			2020/2021	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	2,822,861.00	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	-	-	-	2,822,861.00	-

programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
for the financial year ended 30th June 2021

ANNEXES TO THE FINANCIAL STATEMENTS (Continued)

USE OF GOODS AND SERVICES

	2019/2020			2020/2021	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	-	-	-	254,280.00	-
Domestic travel and subsistence	-	-	-	5,745,050.00	-
Foreign travel and subsistence	-	-	-	219,820.00	-
Printing, advertising, and information supplies	-	-	-	-	-
Depreciation of produced assets	-	-	-	-	-
Training payments	-	-	-	-	-
Accommodation, hospitality supplies and services	-	-	-	141,040.00	-
Insurance costs	-	-	-	93,441.00	-
Specialized materials and services	-	-	-	-	-
Other operating payments	-	-	-	217,050.00	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	=	=	=	6,670,681.00	=

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SOCIAL SECURITY BENEFITS

	2019-2020			2020-2021	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
for the financial year ended 30th June 2021

ANNEXES TO THE FINANCIAL STATEMENTS (Continued)

ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2019-2020			2020-2021	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	-
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	-	-
Purchase of specialized plant, equipment and machinery	-	-	-	9,000.00	9,000.00
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, seedling stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	=	-	=	9,000.00	9,000.00

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30th June 2021, PLEAD did not transfer any funds to reporting government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2019-2020		2020-2021		
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
OAG&DOJ (SLO)	-	-	-	-	
	-	-	-	-	
Transfers to County Governments					
County	-	-	-	-	
County	-	-	-	-	
	-	-	-	-	
Total	-	-	-	-	

No transfers received during this period.

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
 Reports and Financial Statements
 For the financial year ended 30th June 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2019-2020			2020-2021	
	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g. schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
Total	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. CASH AND CASH EQUIVALENTS

Description	2019-2020	2020-2021
	Kshs	Kshs
Bank accounts (Note 8.13A) 11A	-	35,744,382.65
Cash in hand (Note 8. 13B) 11B	-	20,000.00
Cash equivalents (short-term deposits) (Note 8.13C) 11C	-	-
Total	=	<u>35,764,382.65</u>

The project has one project account spread within the project implementation area and one local currency designated account managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

11A: Project Bank Accounts

Details	2019-2020	2020-2021
	Kshs	Kshs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No:10000484136]	-	-
Total Foreign Currency balances	=	=
Local Currency Accounts		
National Bank of Kenya [A/c No: 01071210963000]	-	35,744,382.65
Total local currency balances	=	<u>35,744,382.65</u>
Total bank account balances	=	<u>35,744,382.65</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Special Deposit Accounts Movement Schedule

Description	2019-2020	2020-2021
	Kshs	Kshs
(i) A/c Name [A/c No.....]		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	_____ -	_____ -
Closing balance (as per SDA bank account reconciliation attached)	===== -	===== -
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	_____ -	_____ -
Closing balance (as per SDA bank account reconciliation attached)	===== -	===== -

PLEAD does not have Special Deposit Account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 B Cash in Hand

	2019/20	2020/21
	KShs	KShs
Petty Cash	-	0
Total cash balances	≡	<u>0</u>

There was no cash at Hand.

11 C Cash equivalents (short-term deposits) N/A

	2019/20	2020/21
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	0	0
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others (<i>Specify</i>)	0	0
Total	<u>0</u>	<u>0</u>

No cash deposit Received.

12. ACCOUNTS RECEIVABLES N/A

<i>Description</i>	2019-2020	2020-2021
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021

NOTES TO THE FINANCIAL STATEMENTS

12B: BREAKDOWN OF IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2019	Balance 2021
	Kshs	Kshs	Kshs	Kshs	Kshs
Officer 1	-	-	-	-	-
Officer 2	-	-	-	-	-
Officer 3	-	-	-	-	-
Officer 4	-	-	-	-	-
Officer 5	-	-	-	-	-
Programme 1	-	-	-	-	-
Total	-	-	-	-	-

13. ACCOUNTS PAYABLES

Description	2019-2020	2020-2021
	Kshs	Kshs
Retention	-	-
Deposits	-	-
Total	-	-

14. FUND BALANCE BROUGHT FORWARD

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PRIOR YEAR ADJUSTMENT

	Balance b/f FY (2020/2021 audited financial statements)	Adjustments	Adjusted balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

prior year does not relate to errors noted in prior year

16. CHANGES IN RECEIVABLE

Description	2019-2020	2020-2021
	Kshs	Kshs
Opening Receivables as at 1 st July 2020	-	-
Closing account receivables as at 30 th June 2021	-	-
Change in Receivables	-	-

17. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2019-2020	2020-2021
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2020	0	0
Closing accounts payables as at 30 th June 2021	0	0
Change in payables	0	0

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021

11. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 3A)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	0	0	0	0
Construction of civil works	0	0	0	0
Supply of goods	0	0	0	0
Supply of services	0	0	0	0
Total	0	0	0	0

2. PENDING STAFF PAYABLES (See Annex 3B)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management	0	0	0	0
Middle management	0	0	0	0
Unionisable employees	0	0	0	0
Others	0	0	0	0
Total	0	0	0	0

OTHER IMPORTANT DISCLOSURES (Continued)

3. OTHER PENDING PAYABLES (See Annex 3C)

	Balance b/fFY 2019/2020	Additions for the period	Paid during the year	Balance c/fFY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	0	0	0	0
Amounts due to County Government entities	0	0	0	0
Amounts due to third parties	0	0	0	0
Total	0	0	0	0

4. EXTERNAL ASSISTANCE

	FY 2019/2020	FY 2020/2021
Description	Kshs	Kshs
External assistance received as grants	0	0
External assistance received as loans	0	0
External assistance received in kind- as payment by third parties	0	0
Total	0	0

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021*

OTHER IMPORTANT DISCLOSURES (Continued)

a). External assistance relating loans and grants

Description	FY 2019/2020	FY 2020/2021
	Kshs	Kshs
External assistance received as loans	0	0
External assistance received as grants	0	45,082,741.65
Total	0	45,082,741.65

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2020/2021
		Kshs	Kshs
Undrawn external assistance - loans		0	0
Undrawn external assistance - grants		0	244,289,038.35
Total		0	244,289,038.35

c) classes of providers of external assistance

Description	FY 2019/2020	FY 2020/2021
	Kshs	Kshs
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	289,380,780.00
NGOs	0	0
National Assistance Organization	0	0
Total	0	289,380,780.00

Assistance provided under MDG NO:16 Access to Justice

Programme for Legal Empowerment and Aid Delivery (PLEAD)

•Reports and Financial Statements

For the financial year ended 30th June 2021

OTHER IMPORTANT DISCLOSURES (Continued)

d. non-monetary external assistance

Description	FY 2019/2020	FY 2020/2021
	Kshs	Kshs
Goods	0	0
Services	0	0
Total	0	0

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B : Disclose the basis on which the value of goods and services were determined (This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.

e Purpose and use of external assistance

Payments Made by Third Parties	FY	FY
	2019/2020	2020/2021
	Kshs	Kshs
Compensation of Employees	0	2,822,861.00
Use of goods and services	0	6,653,631.00
Subsidies	0	0
Transfers to Other Government Units	0	0
Other grants and transfers	0	0
Social Security Benefits	0	0
Acquisition of Assets	0	9,000.00
Finance Costs, including Loan Interest	0	0
Repayment of principal on Domestic and Foreign borrowing	0	0
Other Payments	0	0
TOTAL	0	9,485,492.00

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.

Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021

OTHER IMPORTANT DISCLOSURES (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2019/2020	FY 2020/2021
Description	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS

The PLEAD Programme has not undergone any audit since inception.

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	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

Solemn General

Date

Judango

Imprest Administrator

Date

Programme for Legal Empowerment and Aid Delivery (PLEAD)
 Reports and Financial Statements
 For the financial year ended June 30, 2021

13. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	3,000,000.00	0	(3,000,000.00)	100%	Amount allocated in OAGDOJ(SLO) but not Received in project account.
Proceeds from domestic and foreign grants	45,082,741	45,082,741	0	100%	Lengthy procurement process, Covid-19 containment measures affected implementation of the activities.
Proceeds from borrowings	0	0	0	0	
Miscellaneous receipts	0	0	0	0	
Total Receipts	48,082,741	45,082,741	(3,000,000.00)	100%	
Payments					
Compensation of employees	7,260,000	2,822,861.00	4,437,139	39%	Payment was only for 8 months that the PMFU Staff were recruited.
Use of goods and services	37,822,741	6,653,631	3,1169,110	18%	Lengthy procurement process, Covid-19 containment measures affected implementation of the activities.
Social security benefits	0	0	0	0	
Acquisition of non-financial assets	0	0	0	0	
Transfers to other government entities	0	0	0	0	

**Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Other grants and transfers	0	0	0	0	
Total payments	45,082,741	9,485,492.00	35,597,249	21%	

*Programme for Legal Empowerment and Aid Delivery (PLEAD)
Reports and Financial Statements
For the financial year ended 30th June 2021*

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:			
Break down of Transfers from the State Department of XXX			
a. Government Counterpart Funding	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	Total	-	
b. Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	Total	-	
c. Others	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		-	
		-	
	Total	-	
TOTAL(a+b+c)		-	

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

Project Coordinator

Name *Catherine Mwangi*

Sign *[Signature]*

Head of Accounting Unit

Name

Sign-----

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1 *Programme for Legal Empowerment and Aid Delivery (PLEAD)*
2 *Reports and Financial Statements*
3 *For the financial year ended June 30, 2021*
