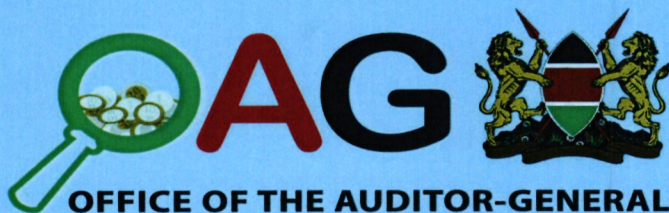


16




OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

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THE AUDITOR-GENERAL

ON

**INSTRUMENTS FOR DEVOLUTION ADVICE
AND SUPPORT PROJECT – GRANT
NO.KE/FED/024/230**

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

STATE DEPARTMENT FOR DEVOLUTION



PROJECT NAME
INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT (IDEAS)

IMPLEMENTING ENTITY
MINISTRY OF DEVOLUTION AND ASAL (MODA)

PROJECT GRANT/CREDIT NUMBER KE/FED/024/230

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE, 2020.

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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements

For the Year ended 30TH JUNE, 2020.

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INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT
Reports and Financial Statements
For the Year ended 30TH JUNE, 2020.

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Instruments for Devolution Advice and Support.

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

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

The address of its registered office is:
Teleposta House,
Kenyatta Avenue, and
P.O Box 30004-00100 Nairobi.

The project also has no offices/branches.

Contacts: The following are the project contacts
Telephone: (254) 202217475.
E-mail: ps@devolutionandasals.go.ke
Website: www devolutionandasals.go.ke

1.2 Project Information

Project Start Date	25 th September 2014
Project End Date	24 th September 2021
Project Manager	Ms. Emmy A M'mbwanga
The project sponsor	The European Union (EU)-GRANT

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Devolution and ASAL, State Department of Devolution.
Project number	KE/FED/2013/024/230
Strategic goals of the project	The strategic goals of the project are as follows: (i) The purpose of the project is to support National and county capacities in the responsible transfer and use of resources for the achievement of Local Economic Development at county level (ii) Strengthening of the national institutions capacities for the

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

	management of the devolution process and fiscal decentralization (iii) Development of county capacities to facilitate inclusive and sustained economic growth, participatory planning and service delivery
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Improved national institutional capacities to support participatory and accountable fiscal decentralization; (ii) Increased capacity at the county level to facilitate participatory planning, and local economic development
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Support the National treasury and other PFM actors to roll out Integrated planning and budgeting guidelines to the county level (ii) Design and test county performance and assessment tools based on service delivery of quality of service (iii) Facilitate establishment of LED units within selected counties
Project duration	The project started on 25 th September 2014 and is expected to run until 24 th September 2021

1.4 Bankers

The following are the bankers for the current year:

- (i) Central bank of Kenya.

1.5 Auditors

The project is audited by the –Office of the Controller and Auditor General and for the purposes of Expenditure Verification by auditor appointed by the EU delegation in line with the Financing Agreement.

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Mr.Charles.T. Sunkuli, CBS	Principal secretary		Accounting Officer
Mr.Silas Gitari	Director HRM&D		Imprest Administrator(IA)
Ms.Emmy M'mbwanga	Project manager		Supervisor
Martin Anyango	Assistant ,Director, CB&TA		Alternate Imprest administrator (IA)
Moses M Macharia	Accountant		Alternate (IAO)

1.7 Funding summary

The Project is for duration of between the periods Sept. 2014 to 21st Sept 2021 when the project ends with an approved budget of Euro. 28,600,000 spread over project estimates (PE's) for the entire period above. The counties are to receive 15,000,000 Euro as AIA while the Ministry is to receive 700,000 Euro as revenue. The budget for the current PE2 for the Ministry over the years 2018 to 2021 amounts to Ksh 1,851,276,900 as highlighted in the table below. Included in this budget is 85,321,900 in respect of revenue budget allocation due to the project of which Ksh 59,552,140 has already been released and 987,669,026 AIA budget allocation released to the counties.

Below is the funding summary

#	Source of funds	Donor Commitments (KES)	Amounts received to-date – 30 June 2020 (KES)	Undrawn balance to date – 30 June 2020(KES)
1	European Union	1,851,276,900	1,047,221,166	810,876,136

1.8 Summary of Overall Project Performance:

- The budget performance as highlighted in table 6 shows an absorption rate of 83%
- All the target 15 counties received their pre-financing totalling KES941,287,026 and KSG KES46,382,000 respectively. A total of KES56,141,939 being amount net of KES3,410,201 deduction from the source by the European Union has been received at the ministry's account as revenue in the years 2017/2018 and 2018/2019.
- No disbursements have been made to the counties during the financial year 2019/2020.

1.9 Summary of Project Compliance:

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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

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


The Principal Secretary for the Ministry of Devolution and Asal, State Department of Devolution and the Project Manager for IDEAS **project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020 and of the Project's financial position as at that date. The Principal Secretary for state Department of devolution and the Project Manager for IDEAS **project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary for the Ministry Devolution and Asal, State Department of Devolution and the Project Manager for IDEAS project on 30th June 2020 and signed by them.

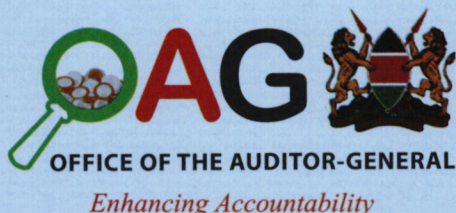

Charles T. Sunkuli, CBS
Principal Secretary


Emmy A. M'mbwanga
-Project Manager


Salim H Kuti REG 6777
Project Accountant:

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT - GRANT NO.KE/FED/024/230 FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR DEVOLUTION

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Instruments for Devolution Advice and Support Project set out on pages 6 to 19, which comprise the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015 and the Financing Agreement No. KE/FED/024/230 dated 20 July, 2015 between the Republic of Kenya and the European Union. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Instruments for Devolution Advice and Support Project as at 30 June, 2019, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement.

In addition, the special account statement presents fairly, the special account transactions, and the ending balance has been reconciled with the books of account.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements contain the following anomalies:

- (i) The statement of receipts and payments reflects other grants and transfers and payments cumulative to date balance totalling Kshs.938,849,773 which however differs with the audited comparative balance totalling Kshs.987,669,026 reflected in the financial statements for the year ended 30 June, 2018. The variance amounting to Kshs.48,819,253 between the two sets of records has not been reconciled.

- (ii) Note 8.4 to the financial statements reflects comparative proceeds from domestic and foreign grants balance totalling Kshs.1,043,810,965 instead of the audited balance amounting to Kshs.977,503,313 reflected in the audited financial statements for the previous year. The difference amounting to Kshs.66,307,652 has not been explained.
- (iii) The financial statements presented for audit namely, statement of financial assets, statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year ended 30 June, 2020, are labeled as relating to the year 2018/19 even though the balances reflected therein are for the year 2019/20.
- (iv) The statement of receipts and payments reflects receipts for the year under review totalling Kshs.28,484,747 whereas the statement of comparative budget and actual amounts reflects a total of Kshs.85,035,540. No explanation has been provided for the difference amounting to Kshs.56,550,793 between the two balances.

In view of these anomalies, the financial statements for the financial year ended 30 June, 2020 are inaccurate.

2. Variances Between the Financial Statements and IFMIS Ledger Balances

Several of the balances reflected in the financial statements differ from identical account balances reflected in the Integrated Financial Information System(IFMIS) ledgers presented for audit. In other instances, the IFMIS ledgers do not indicate the balances for some of the accounts reflected in the financial statements. These anomalies are summarized in the table below:

Account Name	Financial Statements (Kshs.)	Balance (Kshs.)	Variance (Kshs.)
Bank Balance	13,595,445	13,694,323	(98,898)
Domestic Travel and Subsistence	7,347,226	3,042,600	4,304,626
Compensation of Employees	5,632,312	8,751,220	(3,118,908)
Purchase of Goods and Services	72,000	-	72,000
Hospitality	1,681,764	-	1,681,764
Stationary	80,000	-	80,000

As a result of the anomalies, the accuracy and validity of the financial statements has not been confirmed.

3. Unconfirmed Cash and Cash Equivalents Balance

The Statement of financial assets reflects cash and cash equivalents balance totalling Kshs.13,595,445, as further disclosed in Note 8.8 to the financial statements. However, the bank reconciliation statement as at 30 June, 2020 reflects a cash book balance amounting to Kshs.13,124,323 resulting to a difference of Kshs.471,122 which has not been reconciled.

Further, the bank reconciliation statement reflects payments in cashbook not recorded in the bank statement totalling Kshs.633,104 which sum consists of long outstanding items dating back to October, 2019. Management has not explained why the payees failed to present the cheques for payment, and why the stale ones among these have not been written back into the cash book.

As a result of these anomalies, the accuracy of the reported bank balances totalling Kshs.13,595,445 as at 30 June, 2019 has not been confirmed.

4. Unconfirmed Compensation of Employees Expenditure Balance

The statement of receipts and payments reflects compensation of employees payments totalling Kshs.5,632,312, as further disclosed in Note 8.6 to the financial statements. However, examination of salary payment vouchers indicated that compensation of employees payments made by the Project during the year under review totalled Kshs.6,630,000. No explanation has been provided for the difference amounting to Kshs.997,688 between the two sets of records.

In view of the anomaly, the accuracy and completeness of the compensation of employees payments totalling Kshs.5,632,312 reflected in the statement of receipts and payments for the year ended 30 June, 2020 has not been confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Instruments for Devolution Advice and Support Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 were no key audit matters to report in the year under review.

Other Matter

1. Budget Control and Performance

The statement of comparative budget and actual amounts reflects budgeted and actual receipts on a comparable basis totalling Kshs.708,711,733 and Kshs.85,035,540 respectively, resulting to underfunding of Kshs.623,076,193 equivalent to 12% of the budget. Contrary to the reporting requirement set by the Public Sector Accounting Standards Board, Management has not explained the underperformance.

2. Unresolved Prior Year Issues

The Project's financial statements for the year ended 30 June, 2018 reflected several unsatisfactory matters that were highlighted in the Audit Report for the year then ended.

These included unsupported expenditures on transfers to other Government Agencies and unconfirmed training and payments reportedly made to third parties on behalf of the project. The Report, in addition, highlighted unauthorized purchases of promotional merchandise.

Management has indicated that transfers made to Government Agencies have since been acknowledged by the parties. However, the evidence to confirm the assertion was not available.

Nonetheless, contrary to the reporting requirement set by the Public Sector Accounting Standards Board, Management has not disclosed the progress made in resolving the rest of the issues.

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 Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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. Failure to Achieve the Project's Mandate

The key objective of the Project is to contribute to the implementation of the devolution process as outlined in the Constitution of Kenya, 2010. The project is expected to provide the following interventions:

- (i) Support The National Treasury and other public financial management entities to establish Integrated planning and budgeting guidelines at County Level.
- (ii) Design and test county performance and assessment tools based on service delivery of quality of service.
- (iii) Facilitate establishment of Local Economic Development (LED) units within selected counties.

However, during the year under review, the project reported expenditures totalling only Kshs.14,889,302. Further, the expenditures were not supported with an approved work plan for the year. Consequently, the activities carried out during the year may not have been on target.

Should the low activity trend continue in coming years, the Project is unlikely to attain its goals and objectives before its closing date.

2. Irregular Procurement of Hospitality Services

Procurement records indicated that Kshs.360,190 was spent on hire of conference facilities procured directly through imprests issued to Officers contrary to the requirements of Section 107(b) of the Public Procurement and Asset Disposal Act, 2015.

Further, other conference facilities hired at Kshs.1,326,900 were not properly sourced as the procurement committee that evaluated the bids was not formally appointed. In addition, minutes of the meetings of the Committee were not presented for audit verification and further, the invoices were paid without withholding statutory Value Added Tax (VAT) deductions.

As a result of these anomalies, the validity and propriety of the expenditures amounting to Kshs.360,190 and Kshs.1,326,900 incurred on hospitality services has not been confirmed.

3. Unsatisfactory Implementation of Projects

The following observations were made during sampled audit inspections conducted on the Project's activities in Taita Taveta and Kwale Counties during the months of September and October, 2020 .

3.1. Taita Taveta County – Construction of Factory for Banana Value Addition

- i. The contractor was not on site at the time of field inspection;
- ii. The newly built factory building had cracked walls which indicated that the workmanship was of low quality ;
- iii. The audit could not establish that the Project owned the land on which the building was built as the land titles were not made available for audit review;
- iv. The works were one year behind the original completion date of 31 October, 2019, which had since been extended to October, 2020; and
- v. Structural plans and Bills of Quantities to confirm that the works executed conformed to specifications were not presented for audit.

In addition, procurement records for the works indicated that:

- The Company contracted to execute the works was incorporated in July, 2014 and was, therefore, five (5) years old at the time of tendering. The tender qualification criteria had specified that bidders were required to have operated for at least six years at the time of tendering.
- The statement of directors in the audited financial statements for the winning bidder were not signed by the Chairman and were therefore invalid.

- No proper explanation was provided for the variation of the contract sum by Kshs.6,408,420 from Kshs.39,740,573 to 46,148,993. The variation was made on request by the Project Engineer.
- The extension of the completion period by one year to October, 2020 was not authorized in writing.

Further, examination of the payment vouchers revealed that payments totalling Kshs.36,036,480 were not authorized, dated and serialized as financial regulations require.

In view of these anomalies, the execution of the Banana Value Addition Project did not follow public procurement regulations and as a result, value for the money on the project's cost may not be achieved.

3.2. Kwale County – Construction of Kombani Fresh Produce Wholesale Market

- i. The contractor was not on site at the time of the field inspection;
- ii. Available records indicated that the design of the building was changed from the original plan - the cereals store was swapped with the meat center but no explanations or approvals were provided for the change;
- iii. Work on the refuse bin costed at Kshs.327,700 had not started in spite payment of Kshs.314,442 made to the contractor;
- iv. Cabro works at the parking area were at 50% level of completion against payments made to the contractor totaling Kshs.12,434,166 equivalent to 86% of the item's budget;
- v. Payments for construction of the septic tank totalled Kshs.1,799,118 against the item's budget amounting to Kshs.2,058,050 even though only the pit had been dug and no concrete works had been initiated; and
- vi. Gate C provided for in the in the design of the market, was blocked off by an adjacent building. No remedial measures had been taken to redeem the space and as a result the Gate was not of any use.

No plausible explanations have been provided for these anomalies that are likely to result in the works not meeting the needs of the residents of Kwale County who were the intended beneficiaries.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain limited 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, I confirm that, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, 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

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 such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and 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

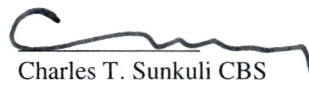
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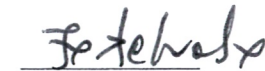
31 December, 2020


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

	Note	2020/2019		2019/2018		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Surplus Brought Forward		28,484,747		9,503,515	-	-
Proceeds from domestic and foreign grants	8.4	-	-	38,653,540	938,849,773	1,043,810,965
Miscellaneous receipts	8.6	-	-	-	-	-
TOTAL RECEIPTS/TOTAL FUNDS AVAILABLE		28,484,747	-	48,157,055	938,849,773	1,043,810,965
LESS PAYMENTS						
Training	8.5	-	-	2,643,893	-	2,643,893
Purchase of goods and services	8.5	72,000	-	100,000	-	6,808,184
Domestic travel and Subsistence	8.5	7,347,226	-	1,357,400	-	8,704,626
Compensation of employees	8.6	5,632,312	-	6,067,500	-	11,699,812
Hospitality		1,681,764	-	-	-	1,681,763
Acquisition of non-financial assets	8.9	-	-	-	-	1,348,700
Stationery	8.10	80,000	-	-	-	80,000
Other operating expenses	8.11	76,000	-	-	-	76,000
Other grants and transfers and payments	8.1	-	-	-	938,849,773	987,669,026
Surrender to EUD through National Treasury	8.1	-	-	9,503,515	-	9,503,515
TOTAL PAYMENTS		14,889,302	-	19,672,308	938,849,773	1,030,215,519
SURPLUS/(DEFICIT)	8.8	13,595,445	-	28,484,747	-	13,595,445

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The financial statements were approved on 30th June 2020 and signed by;


Charles T. Sunkuli CBS
Principal Secretary


Emmy A. M'bwanga
Project Manager


CPA Salim H. Kuti REG 6777
Project Accountant
ICPAK Number: 6777

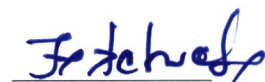
INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT
Reports and Financial Statements
For the Year ended 30TH JUNE, 2020.

5. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2020/2019	2019/2018
		KSh	KSh
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.8	13,595,445	28,298,812
Cash Balances	8.8	-	185,935
TOTAL FINANCIAL ASSETS		13,595,445	28,484,747
REPRESENTED BY			
Fund balance brought forward	8.8	28,484,747	9,503,515
Received during the year		-	38,653,540
Expenditure for the year	8.5/6/7	(14,889,302)	(10,168,793)
Surrender to EU through National Treasury	8.10	-	(9,503,515)
Surplus/(Deficit) for the year		13,595,445	28,484,747
NET FINANCIAL POSITION	8.8	13,595,445	28,484,747

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 2020 and signed by:


Charles T. Sunkuli CBS
Principal Secretary


Emmy A. M'mbwanga
Project Manager


Salim .H. Kuti
Project Accountant
ICPAK Number: 6777

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT


Reports and Financial Statements For the Year ended 30TH JUNE, 2020

6. STATEMENT OF CASHFLOW FOR THE PERIOD UPTO 30TH JUNE 2020

Item	Note	2020/2019	2019/2018
		KSh	KSh
Receipts for operating activities			
Fund balance B/F		28,484,747	
Proceeds from domestic and foreign grants	8.4	-	38,653,540
Payments for operating activities			
Training	8.5	-	(2,643,893)
Purchase of goods and services	8.5	(72,000)	(100,000)
Domestic travel and Subsistence	8.5	(7,347,226)	(1,357,400)
Compensation of employees	8.6	(5,632,312)	(6,067,500)
Hospitality	8.5	(1,681,764)	-
Stationery	8.5	(80,000)	-
Other operating expenses	8.5	(76,000)	-
Surrender to EUD through National Treasury	8.10	-	(9,503,515)
Net cash flow from operating activities		(14,889,302)	18,981,232
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8.7	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENT		(14,889,302)	18,981,232
Cash and cash equivalent at beginning of the year		28,484,747	9,503,515
Cash and cash equivalent at END of the year	8.8	13,595,445	28,484,747

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 2020** and signed by:


Charles T. Sunkuli, CBS
Principal Secretary


Emmy A. M'mbwanga
Project Coordinator


Salim H Kuti
Project Accountant:
ICPAK Member Number: 6777

Reports and Financial Statements
For the Year ended 30TH JUNE, 2020

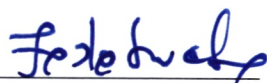
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
Receipts						
Proceeds from domestic and foreign grants						
Grants to Counties	521,687,333	-	521,687,333	NIL	(521,687,333)	0%
Transfers to KSG	122,000,000	-	122,000,000	46,382,000	(75,618,000)	38%
Revenue to MoDA	64,424,400	-	64,424,400	38,653,540	(25,770,860)	60%
Total	708,111,733	-	708,111,733	85,035,540	(623,076,193)	12%

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



Charles T. Sunkuli, CBS
Principal Secretary



Emmy A. M'mbwanga
Project Manager.



Salim H. Kuti
Project Accountant:
ICPAK Member Number: 6777

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

8. NOTES TO THE FINANCIAL STATEMENTS

8.1. Basis of Preparations

8.1.1 Statement of compliance and basis of preparation

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

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

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

8.1.2 Reporting entity

The financial statements are for the Project Instruments for Devolution advice and support under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

8.1.3 Reporting currency

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

8.2. Significant Accounting Policies

8.2.1 Recognition of receipts

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

- **Transfers from the Exchequer**

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

- **External Assistance**

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

- **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.

IDEAS PROJECT-Grants were received in 2017/2018 and 2018/2019. The EU sent Directly Ksh 941,287,026 to the targeted 15 Counties while Kshs 56,141,939 was revenue sent to the ministry's Headquarters Bank Account while kshs46,382,000 was paid to KSG, a total KSHS 1,043,810,965.00. KSHS 521,687,333 in form of Domestic and Foreign Grants is yet to be released in the current financial year 2019/2020 to counties while another 24m is to be received at the ministry

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

headquarters as revenue for administrative purposes.

- **Proceeds from borrowing**

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

- **Undrawn external assistance**

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

- **Other receipts**

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

8.2.2 Recognition of payments

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

- **Compensation of employees**

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

- **Use of goods and services**

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

- **Interest on borrowing**

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

- **Repayment of borrowing (principal amount)**

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

- **Acquisition of fixed assets**

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

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

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.

- **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.

- **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.

8.2.3 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. IDEAS did not have any cash restrictions in the reporting period on review and thus did not apply this policy in the preparation of financial statements for the period.

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

- **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. IDEAS put in place sufficient measures to guard against imprests remaining outstanding at the end of the period therefore all the expenses were incurred and accounted for in the receipts and payments.
- **Pending bills**
Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as ‘memorandum’ or ‘off-balance’ 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.
- **Budget**
The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project’s budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

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

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

During the year Kshs. NILmillion being loan disbursements were received in form of direct payments from third parties.

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

- **Exchange rate differences**
The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.
- **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.
- **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 30th, 2020.
- **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.

8.3. RECEIPTS FROM GOK

There were no receipts from GoK

8.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 3 months to 30th June 2020 we had received grants from donors as detailed in the table below:

Name of Donor	Total amount in KSh	
	FY 2020/19	FY 2019/18
	KSh	KSh
European Union	NIL	1,043,810,965
Total	NIL	1,043,810,965

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

8.5. PURCHASE OF GOODS AND SERVICES

Item	2020/2019			2019/18	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KSh	KSh	KSh	KSh	KSh
Training payments			2,643,893	1,587,500	4,231,393
Purchase of goods and services	72,000		72,000	200,000	272,000
Domestic travel and subsistence	7,347,226		7,347,226	2,307,500	9,654,726
Hospitality	1,681,764		1,681,764	532,000	2,213,764
Printing, advertising and – information supplies & services & other operating expenses	156,000		156,000	3,466,584	3,622,584
Total	9,256,990	-	11,900,883	8,093,584	19,994,467

8.6. COMPENSATION OF EMPLOYEES

Item	2020/2019			2019/2018	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KSh	KSh	KSh	KSh	KSh
Basic salaries of permanent employees	5,632,312	-	5,632,312	6,067,500	11,699,812
Basic wages of temporary employees	-	-	-	-	-
Total	5,632,312	-	5,632,312	6,067,500	11,699,812

8.7. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/2019			2019/2018	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of ICT equipment, software and other ICT Assets	-	-	-	-	1,348,700
TOTAL					1,348,700

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

Reports and Financial Statements For the Year ended 30TH JUNE, 2020

8.8. FUND BALANCE

The fund balance as at 30th June 2020 was Kshs 13,595,445.35

	2020/2019	2019/2018
	KSh	KSh
Central Bank of Kenya A/C No1000318287]- IDEAS PROJECT DEVELOPMENT BANK ACCOUNT	13,595,445	28,298,812
Petty Cash	-	185,935
Total	13,595,445	28,484,747

8.9. Special Deposit Accounts

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

8.10. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30th June 2020, we transferred funds to reporting government entities as shown below:

	2019/2020			2019/2018	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Total Payments
	KSh	KSh	KSh	KSh	KSh
Transfers to National Government entities					
National treasury	-	-	-	9,503,515	9,503,515
Kenya School of Government - KSG	-	-	-	46,382,000	46,382,000
Transfers to County Government					
Baringo	-	-	-	73,255,622	73,255,622
Kisii	-	-	-	48,162,417	48,162,417
Kisumu	-	-	-	58,305,601	58,305,601
Kwale	-	-	-	50,014,226	50,014,226
Laikipia	-	-	-	73,028,491	73,028,491
Makueni	-	-	-	48,819,253	48,819,253
Marsabit	-	-	-	70,008,819	70,008,819
Migori	-	-	-	50,705,756	50,705,756
Nyandarua	-	-	-	78,776,776	78,776,776
Samburu	-	-	-	62,214,484	62,214,484
Taita Taveta	-	-	-	51,980,909	51,980,909
Tana River	-	-	-	79,840,765	79,840,765
Uasin Gishu	-	-	-	48,776,496	48,776,496
Wajir	-	-	-	69,892,507	69,892,507

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

West Pokot	-	-	-	77,504,904	77,504,904
TOTAL	≡	≡	≡	997,172,541	997,172,541

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements. The Kshs 9,503,515 was the balance resulting from project estimate 1 of ksh 17,488,399 total sum of which the total expenditure was 7,984,884. The unspent balance from previous period of Kshs 9,503,515 was therefore surrendered to the National treasury.

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

8.11. PENDING STAFF PAYABLES

	2019/20	2018/2019
	KShs	KShs
Permanent employees – management	450,000	
Permanent employees – others		
Temporary employees		
TOTAL	450,000	NIL


Principal Secretary


Project Manager

Date

Date

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

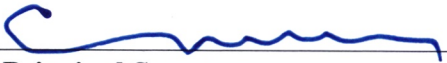
9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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	Accuracy of receipt of Kshs48,819,253	Supporting documents from both Donor and recipient provided.	IOA of the project at the MoDA	Not resolved	31/12/2019.
2	Utilisation and Audit of kshs48,819,253	Requested for the Audit report from Makeni.	IAO of the project at the MoDA	Not resolved	31/12/2019.
3	Acknowledgement of receipt of grants.	Acknowledgement Aailed.	Project manager	Resolved.	31/12/2019.
4	Unauthorised expenditure	Explanation provided.	Project Manager.	Not resolved.	31/03/2020.

Guidance Notes:

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



Principal Secretary



Project Manager

Date

Date

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants					
Total Receipts					
Payments					
Acquisition of non-financial Assets					
Training					
Hospitality					
Office supplies and utilities					
Maintenance of motor vehicle					
Domestic travel and subsistence.					
Advertising and Publicity					
Compensation of employees					
Other operating expenses					
Other grants and transfers and payments.					
Total payments					

Explain all variance below 90% and above 100%

- (i) All the target 15 counties have received their pre-financing totaling to KSH 938,849,773 in the year 2018/2019 which includes an amount of KSH 46,382,000 sent to Kenya school of Government. This budget is for PE 2 which runs to September 2020 hence the reason for the poor absorption rate observed above. Accounts for this project (PE2) are also to be prepared at the end of the

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

**Reports and Financial Statements
For the Year ended 30TH JUNE, 2020**

PE2(sept 2020). There is still a revenue amount of kshs25, 771,000 (38,653,540+25,771,000=64,424,400) to be released by the donor as Revenue.

(ii)Out of the total approved donor Commitment of KSHS1,837,424,400, KSHS 48,819,253 was disbursed in the year 2017/2018 and KSHS 64,424,400 which relates to revenue an amount of KSHS38,653,540 was released in the current year 2018/2019.

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT

*Reports and Financial Statements
For the Year ended 30TH JUNE, 2020*

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Contracted	Payable	Amount Paid To-Date	Outstanding Balance 2019/2020	Outstanding Balance 2018/2019	Comments
		a		B	C	d=a-c		
Permanent Employees - Management								
1. PROJECT MANAGER	U	450,000	1-MAY-2018		-	450,000	-	
2.								
3.								
Sub-Total		450,000		-	-	450,000		
Permanent Employees - Others								
4.								
5.								
6.								
Sub-Total								
Temporary employees								
7. Office Assistant					-		-	
8.								
9.								
Sub-Total					-		-	
Grand Total		450,000				450,000		

INSTRUMENTS FOR DEVOLUTION ADVICE AND SUPPORT PROJECT.
Statement of Budget Performance for the year ended 30TH JUNE, 2020

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2017/18 (a)	*Purchases/Additions in the Year (KShs) 2019/2020 (b)	**Disposals in the Year (KShs) 2020 (c)	Closing Cost (KShs) 2020 (d)= (a)+ (b)-(c)
ICT Equipment, Software and Other ICT Assets	1,348,700	-	-	1,348,700
Total	1,348,700		-	1,348,700

Notes

* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

APPENDICES(1-10)

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)

6th July, 2020

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000. Fax: 340192

CERTIFICATE OF BALANCES

Customer :

122548 STATE DEPARTMENT FOR DEVOLUTION

Balance

Date:

30-Jun-20

Account No	Account Name	Currency	Balance
1000209712	CBK165-STATE DEPT.FOR DEVOLUTION	KES	0.00
1000209763	DEV-STATE DEPARTMENT FOR DEVOLUTION	KES	73,172,360.00
1000209828	REC-STATE DEPARTMENT FOR DEVOLUTION	KES	15,395,906.05
1000212616	DEP-STATE DEPARTMENT FOR DEVOLUTION	KES	8,920,591.90
1000304863	INTER GOVT. RELATIONS TECH. COMM.	KES	27,767,413.20
1000318287	INSTRU FOR DEV. ADVICE SUPPORT PRG	KES	13,595,445.35
1000389408	STRATEGIC FOOD RESERVE FUND	KES	0.00

L. K. KIPSANAI
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

J. W. NASIEKU(MS)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

REPUBLIC OF KENYA

Date 01.07.2020

Report of the Board of Survey on the Cash and Bank Balances of STATE DEPARTMENT OF DEVOLUTION IDEAS A/C. as at the close of business on 30th JUNE, 20 20.

The Board, consisting of (Names and official titles)

- 1. MAURICE OGOLLA CHAIRMAN
2. JOANNE B. MONENE SECRETARY
3. MOSES MACHARIA MEMBER

assembled at the office of STATE DEPT OF DEVOLUTION CASH OFFICE at 02.00 PM (time) on the 30th JUNE, 20 20

and the following cash was produced: -

Table with 2 columns: Description (Notes, Silver, Copper, Cheques) and Amount (Sh. NIL, Sh., Sh., Sh. NIL)

It was observed that cheques amounting to Sh. N/A cts. had been on hand for more that 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the

30th JUNE, 20 20

Table with 2 columns: Description (Cash on Hand, Bank Balance) and Amount (Sh. NIL, Sh. 13,124,323)

The Bank Certificate of Balance showed a sum of Sh. 13,595,445.35

according to the credit of the account on 30th JUNE 20 20

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Signature of Chairman

Date 01.07.2020

Signature of JOANNE MONENE, Members of the Board

Signature of MOSES MACHARIA, Members of the Board

IDEAS

PAYMENTS

To Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
Totals	Nil						NIL		60000.00	
Allan Karanja	Jun 2020 salary	1-1018-01-2211311	0087	4342	534	99.50				
Tax					6500	0.50			60000	00
Emmy Mbwaga	May 2020 salary		0088	3919	4275	00.00				
Tax					22500	0.00			45000	00
Total payments							NIL		165000	00
Balance c/d							NIL		13124323	00
							NIL		13694323	00
	NAUR	OGOLLA	CHAIRMAN							
	JOANNE	MONENE	SECRETARY							
	MUSE	MAREHAZIA	MEMBER							
Brenda Wameyo	Surrender of Temp. Imprest	1-1018-01-3211211	0089	2159			15000	00		
Monica Chepkor	Travel & Sub.		0090	2584			32600	00		
Brenda Wameyo			0091	2582			32600	00		
Brenda Wameyo	Surrender of Temp. Imprest		0092	3028			30000	00		
Brenda Wameyo			0093	2050			25200	00		
Brenda Wameyo			0094	2600			30000	00		
Edwora Njiru			0095	3406			76000	00		
Johnson Ndoye			096	2634			33600	06		

100

100

100

