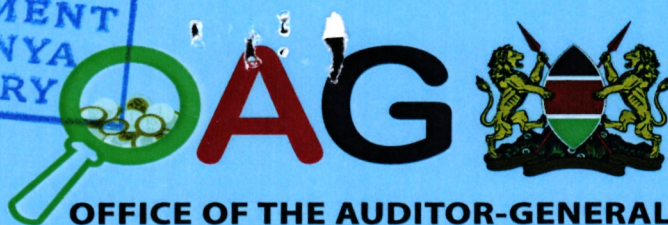


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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
**REPORT**

DATE: 08 MAR 2023

DAY.

TABLED  
BY:

OF

Hon. Owen Bayo, CBS, MP  
Deputy Majority Leader

CLERK-AT  
THE-TABLE:

Christine Ndiritu

**THE AUDITOR-GENERAL**

ON

**COORDINATION OF POPULATION POLICY  
IMPLEMENTATION PROJECT  
(UNFPA-KEN09POP)**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**NATIONAL COUNCIL FOR POPULATION  
AND DEVELOPMENT**

12



OFFICE OF THE ATTORNEY GENERAL  
P. O. Box 30084 - 00 00 NAIROBI  
REGISTRATION

30 SEP

RECEIVED



**Project Name:** Coordination of Population Policy Implementation

**Implementing Entity:** National Council for Population and Development

**PROJECT GRANT/CREDIT NUMBER:** KENO9POP

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

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**TABLE CONTENTS**

1. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PRE-DETERMINED OBJECTIVES .....	viii
3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	x
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES .....	xi
5. REPORT OF THE INDENDENT AUDITOR ON THE ON CO-ORDINATION OF POPULATION POLICY IMPLEMENTATION PROJECT .....	xii
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.....	1
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022 .....	2
8. STATEMENT OF CASHFLOW FOR THE ENDED 30TH JUNE 2022 .....	3
9. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022.....	4
10. SIGNIFICANT ACCOUNTING POLICIES.....	5
11. NOTES TO THE FINANCIAL STATEMENTS.....	9

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

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**1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

National Council for Population & Development

The project's official name: Coordination of Population Policy Implementation

**Objective**

The key objective of the project is to strengthen integration of Population and Development issues in national development planning, enhanced coordination of advocacy activities for Sexual and Reproductive Health and Family Planning and improved implementation of the National Population Policy.

**Address**

The project headquarters offices are;

National Council for Population and Development,

Chancery Building, Valley Road, 4<sup>th</sup> Floor,

P.O Box 48994, 00100 Nairobi

Kenya

**Contacts:** The following are the project contacts

Telephone: (254) 2711600

E-mail: [info@ncpd.go.ke](mailto:info@ncpd.go.ke)

Website: [www.ncpd.org](http://www.ncpd.org)

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.2 Project Information**

<b>Project Start Date:</b>	The project start date is July 2018
<b>Project End Date:</b>	The project end date is June 2022
<b>Project Manager:</b>	The project manager is Dr. Mohamed A. Sheikh
<b>Project Sponsor:</b>	The project sponsor is United Nations Population Fund

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury and Planning/State department for Planning
Project number	<b>UNFPA PROJECT NO. KEN09POP</b>
Strategic goals of the project	<p>The strategic goals of the project are follows:</p> <p><b>Expected Outcome:</b></p> <ol style="list-style-type: none"> <li>1. By 2022, management of population programmes and access to quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements with focus on vulnerable groups</li> <li>2. By 2022, people in Kenya have increased and equitable access to and utilize quality health services including sexual reproductive maternal new-born child adolescent health (SEMNCAH) in emergency and non-emergency settings</li> </ol> <p><b>Expected Programme Output(s):</b></p> <ol style="list-style-type: none"> <li>1. Policy makers and programme managers have better access to high quality population data and information for evidence based decision-making</li> <li>2. National and County governments have improved capacities to provide high-quality, integrated sexual and reproductive health services</li> </ol>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following activities aimed at strengthening population and development policies and their implementation:</p> <ol style="list-style-type: none"> <li>i. Support data analysis, report writing, printing and launch of the 2018 Kenya Service Delivery Indicators &amp; Health Facility Assessment</li> <li>ii. Advocacy and policy dialogue on family planning commodity security</li> </ol>

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

	<ul style="list-style-type: none"> <li>iii. Positioning of the FP in the universal health coverage of the Big Four Agenda</li> <li>iv. Enhancing coordination of stakeholders in population and development, FP2020 and Family Planning in general</li> <li>v. Adapt Country specific demographic guidelines from National Demographic Dividend roadmap</li> <li>vi. Disseminate findings from FP surveys conducted</li> <li>vii. Advocate for Family Planning and</li> <li>viii. Strengthening SRH/FP supply chain systems in Kenya</li> </ul>
Other important background information of the project	<p>The project is for a period of five years from 2018 - 2022.</p> <p>A separate work plan is prepared and signed every year. The work plans for Jan-Dec 2019 and Jan-Dec 2020 were signed in the respective periods</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p><b>Expected Country Programme Output (s)</b></p> <ul style="list-style-type: none"> <li>1 By 2022, People in Kenya have increased and equitable access to and utilize high-quality health, including sexual, reproductive, maternal, new-born, child and adolescent health in emergency and non-emergency settings</li> <li>2 By 2022, management of population programmes and access to high quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements, with particular focus on vulnerable groups</li> </ul>
Project duration	<p>The project started on 1<sup>st</sup> July 2018 and is expected to run until 30 June 2022</p>

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION  
Reports and Financial Statements  
For the financial year ended June 30, 2022**

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.4 Bankers**

The following are the bankers for the current year:

- i) Central Bank of Kenya (Clearing Account)
- ii) Commercial Bank of Africa

**1.5 (a) Independent Auditors**

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

**1.6 (b) Principal Legal Adviser**

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

**1.7 Roles and Responsibilities**

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project

Names	Title designation	Key qualification	Responsibilities
Dr. Mohamed A. Sheikh	Director General	Medical Doctor. Master's Degree in International Public Health and a second Masters in Maternal and Child health.	Accounting Officer
Margret M. Mwangi	Director Corporate Services	Masters of Business Administration-Finance  Member of ICPAK	Signatory to the Project
Hosea Nzomo Mulatya	Programmes Coordination	Masters of Arts (Population Studies) Master of Arts (Environmental Planning and Management)	Programmes Coordination

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

CPA John Makau Kimwele	Deputy Director- Finance and Accounts	Masters of Science Finance and Investment (MSc-Finance) Bcom-Accounting Member of ICPAK	Project Accountant
Fidelis Ndungu	Assistant Director	Masters in Demography	Project-Technical Focal person
CPA Godana Dida	Management Accountant	Bachelor of commerce –Finance Member of ICPAK	Project-Accounts Focal Person

**1.8 Funding summary**

The Project will run for a period of five years from 2018 to 2022, Kshs. 512,380,846 for the period. However, the Donor commitment is given as per the annual approved work plan and FACE. The Annual work plan for 2021/2022 had an approved budget of Kshs. 22,066,181

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment		Amount received to date		Balance	
	Donor currency	Kshs	Donor currency	Kshs	(A)-(B)	(A)-(C)
	(A)	(B)	(C)	(D)	(E)	(F)
<b>Grant</b>						
(i)United Nations Population Fund		512,380,846		507,755,772	-	4,625,074
<b>(ii) Loan</b>						
<b>(iii)Counterpart funds</b>						
Government of Kenya					-	-
<b>Total</b>		512,380,846		507,755,772	-	4,625,074

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

**B. Application of Funds**

<b>B. Application of Funds</b>						
<b>Grant</b>						
(i)United Nations Population Fund		507,755,772		497,743,086	-	10,012,686
(ii) Loan						
(iii)Counterpart funds Government of Kenya						
<b>Total</b>		507,755,772		497,743,086	-	10,012,686

The Donor commitment was Kshs. 22,066,181 and that is what was cumulatively received during the Year ended 30<sup>th</sup> June 2022. Out of unutilized balance of Kshs. 7,171,642 is Kshs. 4,414,649 refunded to UNFPA leaving a bank balance of Kshs. 2,756,993. Part of the funds were in-transit from the National Treasury.

**1.9 Summary of Overall Project Performance:**

The budget performance was 90%. There was value for money and activities were implemented within the agreed time frames.

The major challenge is the difference between the financial period of the donor and that of the government. There was also delay in accessing the donor funds from the PMG special account.

**1.10 Summary of Project Compliance:**

There was no non-compliance to applicable laws.

## **2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PRE-DETERMINED 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 *project's agreement/ plan* are to:

- a) By 2022, management of population programmes and access to quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements with focus on vulnerable groups
- b) By 2022, people in Kenya have increased and equitable access to and utilize quality health services including sexual reproductive maternal new-born child adolescent health (SEMNAH) in emergency and non-emergency settings

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

By 2022, People in Kenya have increased and equitable access to and utilize high-quality health, including sexual, reproductive, maternal, new born, child and adolescent health in emergency and non-emergency settings

By 2022, management of population programmes and access to high quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements, with particular focus on vulnerable groups

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

- i. Support data analysis, report writing, printing and launch of the 2018 Kenya Service Delivery Indicators & Health Facility Assessment
- ii. Advocacy and policy dialogue on family planning commodity security
- iii. Positioning of the FP in the universal health coverage of the Big Four Agenda
- iv. Enhancing coordination of stakeholders in population and development, FP2020 and Family Planning in general
- v. Adapt Country specific demographic guidelines for National Demographic Dividend roadmap
- vi. Disseminate findings from FP surveys conducted
- vii. Advocate for Family Planning and
- viii. Strengthening SRH/FP supply chain systems in Kenya

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Population and Development	To enhance access to high-quality population data and information for evidence-based decision-making by Policy makers and programme managers	By 2022, management of population programmes and access to quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements with focus on vulnerable groups.	<ul style="list-style-type: none"> <li>▪ Number of advocacy forums on ICPD25 commitments and other population issues held in 2022.</li> <li>▪ Existence of Humanitarian Data</li> <li>▪ Existence of Investment Case Advocacy Strategy.</li> <li>▪ Existence of Investment Case M and E Plan</li> <li>▪ Number of Investment Case Policy Briefs developed.</li> </ul>	Policy makers and programme managers have better access to high-quality population data and information for evidence-based decision-making

### **3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The project exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

#### **1. Sustainability strategy and profile**

The top management especially the Board of Directors and Accounting officer has made reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities:

a) By 2022, management of population programmes and access to quality, affordable and adequate housing is improved in socially and environmentally sustainable settlements with focus on vulnerable groups

b) By 2022, people in Kenya have increased and equitable access to and utilize quality health services including sexual reproductive maternal new-born child adolescent health (SEMNCAH) in emergency and non-emergency settings

#### **2. Community Engagements**

The project agreement does not fund CSR activities, however the strategic goals of the project carried out in the year has great impact to the society.

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

The *Director General* of the National Council for Population and Development and the *Project Accountant* 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 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 (vi) making accounting estimates that are reasonable in the circumstances.

The *Director General* of the National Council for Population and Development and the *Project Accountant* 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 *Director General* of the National Council for Population and Development and the *Project Accountant* 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 ended June 30, 2022, and of the project financial position as at that date. The *Director General* of the National Council for Population and Development and the *Project Accountant* 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 *Director General* of the National Council for Population and Development and the *Project Accountant* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants.

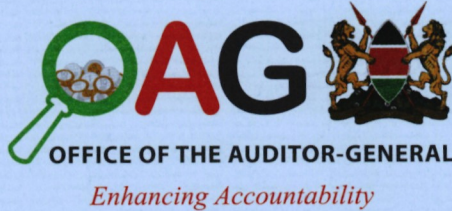
#### **Approval of the Project financial statements**

The Project financial statements were, approved by the *Director General* of National Council for Population and Development and *Project Accountant* for KENO9POP project on 8<sup>th</sup> September 2022 and signed by:

  
\_\_\_\_\_  
Director General

  
\_\_\_\_\_  
Project Accountant  
Name: John Makau  
ICPAK Member Number 6571

# REPUBLIC OF KENYA



Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## REPORT OF THE AUDITOR-GENERAL ON COORDINATION OF POPULATION POLICY IMPLEMENTATION PROJECT (UNFPA-KEN09POP) FOR THE YEAR ENDED 30 JUNE, 2022 - NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

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### PREAMBLE

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

- A. Report on the Financial Statements which considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations which 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 controls, 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

#### Opinion

I have audited the accompanying financial statements of Coordination of Population Policy Implementation Project (UNFPA-KEN09POP) set out on pages 1 to 14, which

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*Report of the Auditor-General on Coordination of Population Policy Implementation Project (UNFPA-KEN09POP) for the year ended 30 June, 2022 – National Council for Population and Development*

comprise of the statement of financial assets as at 30 June, 2022, and the 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. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Coordination of Population Policy Implementation Project as at 30 June, 2022, 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 complies with the Public Finance Management Act, 2012 and the Government of Kenya/UNFPA 9<sup>th</sup> Country Programme Agreement dated 18 February, 2019 and Implementing Partner Agreement No. KEN09POP between the United Nations Fund for Population (UNFPA) and National Council for Population and Development (NCPD) dated 02 December, 2020.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements which 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 sustaining 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 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 Project's financial reporting process, reviewing the effectiveness of how 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 which 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 which govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control which 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 misstatement 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 Project's policies and procedures may deteriorate.


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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which 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 which 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 controls which 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 which may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
 CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**17 October, 2022**

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**


**For the financial year ended June 30, 2022**

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

		2021/2022	2020/2021	Cumulative to Date
		Kshs	Kshs	Kshs
	Notes			
<b>RECEIPTS</b>				
Transfer from Government Entities			-	11,644,929
Proceeds from domestic and foreign grants	1	22,066,181	18,980,050	452,778,341
- UNFPA Direct payments				25,768,422
- UNFPA Direct payments (NETWORKS)				21,076,960
Miscellaneous Receipts	2		15,160	1,864,120
<b>Total Receipts</b>		<b>22,066,181</b>	<b>18,995,210</b>	<b>513,132,772</b>
<b>PAYMENTS</b>				
Purchase of goods and services	3	16,039,120	17,073,348	447,074,137
Other Grants and transfers & Payments (Direct)			-	25,732,279
Other Grants and transfers & Payments (Networks)			-	21,076,960
Transfers from Government Entities			-	6,522,960
Other Grants and transfers & Payments (Other Donors)			-	590,000
<b>TOTAL PAYMENTS</b>		<b>16,039,120</b>	<b>17,073,348</b>	<b>500,996,336</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>6,027,061</b>	<b>1,921,862</b>	<b>12,136,436</b>
Refunds to UNFPA for Unutilized Funds	4	4,414,649	4,859,434	9,274,083
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>1,612,412</b>	<b>(2,937,572)</b>	<b>2,862,353</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial were approved on 8<sup>th</sup> September 2022 and signed by:

  
Director General

  
Project Accountant  
Name: John Makau  
ICPAK Member No 6571

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

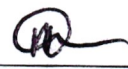
**For the financial year ended June 30, 2022**

**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022**

	<b>Notes</b>	<b>2021/2022</b>	<b>2020/2021</b>
Cash and Cash Equivalents	<b>5</b>	2,756,993	1,144,581
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,756,993</b>	<b>1,144,581</b>
<b>Represented By:</b>			
Accumulated reserves		<b>1,144,581</b>	4,082,153
Surplus/ Deficit for the Year		1,612,412	(2,937,572)
<b>NET FINANCIAL POSITION</b>		<b>2,756,993</b>	<b>1,144,581</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial were approved on 8<sup>th</sup> September 2022 and signed by:

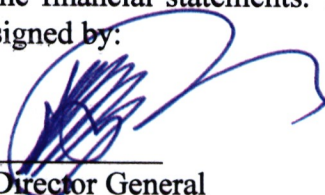
  
\_\_\_\_\_  
Director General


  
\_\_\_\_\_  
Project Accountant  
Name: John Makau  
ICPAK Member No 6571

**8. STATEMENT OF CASHFLOW FOR THE ENDED 30TH JUNE 2022**

		2021-2022	2020-2021
	Note	KShs	KShs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts from Operating Activities</b>			
Proceeds from Domestic and Foreign grants	1	22,066,181	18,980,050
Miscellaneous Receipts	2	-	15,160
<b>Payments from Operating Activities</b>			
Purchase of Goods and Services	3	(16,039,120)	(17,073,348)
<b>Net Cash flow from Operating Activities</b>		<b>6,027,061</b>	<b>1,921,862</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
<b>Net Cash flow from Financing Activities</b>			
		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>6,027,061</b>	<b>1,921,862</b>
<b>Cash and Cash equivalent at BEGINNING of the year</b>		<b>1,144,581</b>	<b>4,082,153</b>
Refund of Unutilized Funds to UNFPA	4	(4,414,649)	(4,859,434)
<b>Cash and cash equivalent at END of the year</b>	5	<b>2,756,993</b>	<b>1,144,581</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 8<sup>th</sup> September 2022 and signed by:

  
Director General

  
Project Accountant  
Name: John Makau  
ICPAK Member No 6571

**UNFPA Project No. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

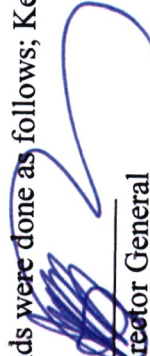
**For the financial year ended June 30, 2022**

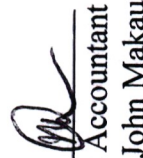
**9. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022**

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 %
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Receipts	22,066,181	-	22,066,181	22,066,181	-	100%
Proceeds from Domestic and Foreign Grants						
Receipts B/f		1,144,581	1,144,581	1,144,581	-	100%
<b>Total Receipts</b>	<b>22,066,181</b>	<b>1,144,581</b>	<b>23,210,762</b>	<b>23,210,762</b>	<b>-</b>	
Payments						
Purchase of Goods and Services	22,066,181	1,144,581	23,210,762	16,039,120	7,171,642	69%
<b>Total Payments</b>	<b>22,066,181</b>	<b>1,144,581</b>	<b>23,210,762</b>	<b>16,039,120</b>	<b>7,171,642</b>	
Refund of Un-utilized Funds				4,414,649		
<b>Total Payments &amp; Refund</b>				<b>20,453,769</b>		
<b>Bank Balance</b>				<b>2,756,993</b>		

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

Refunds were done as follows; Kes. 4,414,649 on 30/06/2022

  
Director General

  
Project Accountant  
Name: John Makau ICPAK NO.6571

## **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**

The accounts are prepared using International Public Sector Accounting Standards (IPSAS)

### **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 Coordination of Population Policy Implementation Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

### **10.4 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.

## **10.5 Significant Accounting Policies**

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

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

#### **i) Transfers from the Exchequer**

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

#### **ii) Other receipts**

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

### **b) Donations and grants**

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

### **c) Recognition of payments**

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

#### **i) 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.

#### **d) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized 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 party deposits.

**Significant Accounting Policies (Continued)**

**a) Accounts receivable**

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

**b) 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.

**c) 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.

**d) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

**11. NOTES TO THE FINANCIAL STATEMENTS**

**1. RECEIPTS FROM DOMESTIC AND FOREIGN GRANTS**

During the 12 months to 30 June 2022 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Total amount in KShs	
		2021/22 KShs	2020/21 KShs
<b>Grants Received from Multilateral Donors (International Organizations)</b>			
UNFPA	21/04/2022	9,269,500	18,980,050
UNFPA	04/11/2021	7,419,681	-
UNFPA	27/06/2022	5,377,000	
<b>Total</b>		<b>22,066,181</b>	<b>18,980,050</b>

\* 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.

**2. MISCELLANEOUS RECEIPTS**

	Receipts controlled by the entity in Cash	Receipts controlled by third parties	2021/22	2020/2021
			Total Receipts	Total Receipts
	KShs	KShs	KShs	KShs
Other receipts not classified elsewhere	-	-	-	15,160
<b>Total</b>	-	-	-	<b>15,160</b>

**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

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

**3. PURCHASE OF GOODS AND SERVICES**

		FY 2021/2022	FY2020/2021
		Total Payments for the year Kshs	Total Payments for the year Kshs
4010-010	Implement ICPD25 Commitments	319,200	-
4010-011	Conference Package	1,064,430	-
4010-012	DSA for participants	1,789,500	-
4010-013	Editing Consultancy	602,100	-
4010-014	Transport Facilitation	94,500	-
4010-015	Coordination	8,500	-
4105/001	Bank Charges	39,828	18,641
4106/000	Budget for the County Leadership Advocacy	-	-
4106/125	Tools Kits Development	-	-
4106/126	DSA	-	-
4301/000	DD guidelines & coordination strategy	-	-
4301/001	Hotel package	-	84,000
4301/003	Coordination for HQ activities officers	-	-
4301/004	DSA for CPCs & PPO	-	-
4301/005	DSA for county drivers	-	-
4301/006	Communication/coordination	-	22,380
4301/008	Transport reimb. for county stakeholders	-	3,118,775
4301/009	DSA for HQ staff	-	-
4301/011	Document distribution	-	-
4302/000	World Population Day	-	-
4302/001	Consultancy	619,600	750,000
4302/002	Material development	-	-
4302/003	Publicity & documentation	658,800	239,719
4302/004	Daily Subsistence Allowance	374,200	-
4302/005	Organise World Population Day celebration	-	-
4302/007	DSA for resource persons	-	996,800
4302/008	DSA for drivers	-	197,400
4302/009	Administration assistant	-	50,400
4302/011	Communication	-	36,000
4303/000	Popn stakeholder coordination forum	-	-
4303/001	Conference	-	-
4303/002	Conference and LCD	-	94,000
4303/003	DSA for participants	-	371,400
4303/004	DSA for support staff and drivers	-	31,500

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

4303/006	Communication	-	65,000
4305/000	ICPD@25 Kenya national report	-	-
4305/002	ICPD DSA	-	-
4305/003	Conferencing	-	-
4305/005	Hotel Catering	-	-
4306/005	DSA for Participants	-	382,200
4306/006	Conference Package	-	481,500
4307/000	2018 KHFA report	-	-
4307/001	Publishing KHFA report	-	-
4307/003	Media engagement on FP	12,000	
4308/000	Policy analysis	-	-
4308/001	Consultancy	-	-
4308/005	Conference package	-	33,600
4308/006	validation dissemination of FP 2020	-	70,000
4308/007	FP best practices document	-	713,833
4309/000	World Contraceptive Day	-	-
4309/001	High level advocacy meetings for WCD	-	-
4309/004	Coordination	48,000	
4310/002	Consultancy	-	2,449,200
4311/000	FP2020 meetings & National TWG	-	-
4311/001	Consultative meeting	63,000	
4311/006	National FP advocacy TWG meeting	-	-
4312/001	Venue and others	-	134,250
4312/002	Conference package	-	360,000
4313/000	FP advocacy champions	-	-
4313/001	DSA for participants	-	1,997,000
4313/003	Legislators allowances	-	-
4313/004	FP/popn advocacy package	-	-
4313/005	DSA	-	-
4313/006	Driver & Secretariat	19,600	
4314/000	Monitoring framework for FP 2020	-	-
4314/001	DSA	-	102,200
4314/002	DSA	-	-
4314/003	PHE Programme	-	906,000
4314/004	lunch allowance	-	94,500
4315/000	FP best practice	-	-
4315/001	FP focal point meeting	-	-
4315/002	Technical committee meeting	-	-
4315/004	DSA - note collection	-	-
4315/008	conference validation meeting	-	-
4316/000	KEMSA LMIS & DHIS 2	24,800	-

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

4316/001	DSA - participants	546,812	-
4316/002	Conference package	660,100	-
4317/000	WMS system & linkage to LMIS & DHIS 3	-	-
4317/001	DSA - Participants	-	-
4317/002	Conference package	-	-
4318/000	Job training on WMS system	-	-
4318/001	DSA - Participants	-	-
4319-001	DSA for the participants	661,200	-
4321/000	National FP Dashboards technical review	-	-
4321/001	DSA - Participants	-	-
4322/000	Rationalization on KEMSA LMIS & DHIS	-	-
4322/001	Conference package	-	-
4324/000	ICPD+25	-	-
4324/001	ICPD Retreats	-	3,273,050
4324/003	Media engagement	-	-
4324/004	Publicity and advocacy	-	-
4324/005	Secretariat operational exp.	-	-
4324/006	ICPD25 side events	-	-
4324/007	ICPD foreign travel	-	-
4403-001	Other Costs	14,000	-
4503/001	Breakfast conference package	1,123,500	-
4503/002	Transport for the legislators	432,600	-
4560/001	GOK Counter funding	-	-
4750/000	Parliamentary Network Pwd	-	-
4750/003	Regional Conferences	-	-
4901/001	Banners on ending teenage pregnancy	60,750	-
4901/002	Daily subsistence for participants	1,062,800	-
4902-003	Conference package	306,000	-
4902-004	DSA for Participants	806,400	-
4902-006	Airtime/Coordination	9,600	-
4903-000	INVESTMENT CASE RESULT ROLL-OUT	25,200	-
4903-001	Conference Package	1,917,400	-
4903-002	Daily subsistence for participants	2,157,800	-
4903-003	Airtime/Coordination	108,000	-
4904-003	DSA for participants in the dissemination Forums	408,900	-
	<b>Total</b>	<b>16,039,120</b>	<b>17,073,348</b>

**4. REFUNDS TO UNFPA**

	2021/22	2020/21
	KShs	KShs
<b>Local Currency Accounts</b>		
Refunds to UNFPA	4,414,649	4,859,434

During the year ended 30<sup>th</sup> June 2022 Kshs 4,414,649 was returned as it was held in the account for six months.

**5. (a) CASH AND CASH EQUIVALENTS**

	2021/22	2020/21
	KShs	KShs
<b>Local Currency Accounts</b>		
Commercial Bank of Africa [A/c No 6427120041]	2,756,993	1,144,581
<b>Total bank account balances</b>	<b>2,756,993</b>	<b>1,144,581</b>

**(b) CENTRAL BANK ACCOUNT**

As per UNFPA agreement all funds for project are remitted through Ministry of National Treasury and Planning account via Central Bank account as the clearing bank account, all funds requested are channeled through this account and the same remitted in full to the project account in Commercial Bank of Africa. No funds balances are held in the clearing account with Central

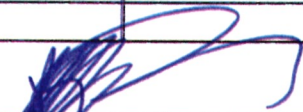
**UNFPA Project N0. KEN09POP Project-COORDINATION OF POPULATION POLICY IMPLEMENTATION**


**Reports and Financial Statements**

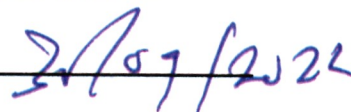
**For the financial year ended June 30, 2022**

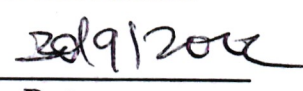
**6. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITO'S RECOMMENDATIONS**

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)
	There were no issues			

  
 \_\_\_\_\_  
**Director General**

  
 \_\_\_\_\_  
**Project Accountant**

  
 \_\_\_\_\_  
**Date**

  
 \_\_\_\_\_  
**Date**

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION  
Reports and Financial Statements  
For the financial year ended June 30, 2022**

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**7. APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities-Not Applicable**
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2022-Attached is the hard copy the bank reconciliation**
- iii. Board of Survey Report-Not applicable, the council does not handle cash transaction**
- iv. Special Deposit Account(s) reconciliation statement(s)-NOT APPLICABLE-the council requisite the funds through mother ministry (National treasury and planning)**
- v. GOK IFMIS comparison Trial Balance-Not applicable the council does not use IFMIS**

**UNFPA Project NO. KEN09POP Project-COORDINATION OF POPULATION POLICY  
IMPLEMENTATION**

**Reports and Financial Statements**

**For the financial year ended June 30, 2022**

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**NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT**

**NCAPD - UNFPA - 6427120041**

**Bank Reconciliation statement for the month as at 30th June, 2022**

Balance as per Cash Book	2,756,993
Add: Items in the Cashbook not in Bank	7,037,955.05
Less: Receipt in the Cashbook not in Bank	(5,377,000)
Balance as per Bank Statement as at 30 June 2022	<u>4,417,948.05</u>



