

PARLIAMENT
OF KENYA
LIBRARY

REPUBLIC OF KENYA



OAG



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE NATIONAL ASSEMBLY PAPER NO. 10	
DATE: 19 APR 2023	DAY: Wednesday
TABLED BY:	Hon. Owen Baya, Deputy leader of the Majority Party
CLERK-AT THE-TABLE:	Modo

THE AUDITOR-GENERAL

ON

**PROMOTION OF YOUTH EMPLOYMENT
AND VOCATIONAL TRAINING PHASE II IN
KENYA LOAN NO. BMZ 2018 65 120**

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

**STATE DEPARTMENT FOR VOCATIONAL
AND TECHNICAL TRAINING**



**PROMOTION OF YOUTH EMPLOYMENT AND VOCATIONAL TRAINING IN
KENYA (PHASE II PROJECT)**

**IMPLEMENTING ENTITY: MINISTRY OF EDUCATION
(STATE DEPARTMENT OF VOCATIONAL AND TECHNICAL TRAINING)**

PROJECT GRANT/CREDIT NUMBER: BMZ No: 2018 65 120

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2022

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

*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

Table Contents

1. Project Information and Overall Performance.....	iii
2. Statement of Performance against Project’s Predetermined Objectives.....	xii
3. Environmental and Sustainability Reporting.....	xiv
4. Statement of Project Management Responsibilities.....	xv
5. Report of the Independent Auditor on the Project.....	xvii
6. Statement Of Receipts and Payments for The Year Ended 30 June 2022.....	1
7. Statement of Financial Assets As at 30 June 2022.....	2
8. Statement of Cashflow for the Year Ended 30 June 2022.....	3
9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022.....	5
10. Significant Accounting Policies.....	6
11. Notes To the Financial Statements.....	15
12. Other Important Disclosures.....	19
13. Progress On Follow Up Of Prior Year Auditor’s Recommendations.....	22
14. Annexes.....	23

1. Project Information and Overall Performance

1.1 Name and registered office

Name

The name of the project is ‘Promotion of Youth Employment and Vocational Training in Kenya (TVET Phase II)’.

Objective

The key objective of the project is to equip Youth with relevant skills that support attainment of the big four agenda.

Address

The project headquarters offices are Nairobi (city), Nairobi County, Kenya.

The address of its registered office is:

Ministry of Education, State Department of Vocational and Technical Training,
Jogoo House B 8th Floor
P.O. Box 9583-00200
Nairobi, Kenya

Contacts: The following are the project contacts

Telephone: (254) 722492972

E-mail: psvtt@education.go.ke

Website: www.education.go.ke

Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 30.12.2020
Project End Date:	The project end date is 31.12.2024
Project Manager:	The project manager is Ms. Lina Ayako
Project Sponsor:	The project sponsor is GoK and KfW Development Bank (Germany)

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education, State Department of Vocational and Technical Training (SDVTT)
Project Reference number	Loan BMZ No. 2018 65 120
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <p>The challenges in the sector are well documented. They include inadequate facilities for training; capacity of trainers is is not aligned with the dynamic modern technology in the labour Market and low access rate due to cost implications of Technical and Vocational Education and Training. The consequences have been; poor perception of Technical and Vocational Education and Training and calibre of graduates that does not meet labour market requirements. The Government has put interventions in place including, capitation support, infrastructure support and supply of the State of the Art equipment. This project augments Government’s efforts in all areas of deficiency.</p>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <p>i) The project’s economic and social benefit is to equip the youth with necessary skills, to address the challenges of youth unemployment emanating from skills mismatch between the training and needs of the industry.</p>

	<p>ii) It will open a pathway to a demographic dividend for development that will improve Kenya's competitiveness, raise household incomes, and ultimately reduce poverty.</p> <p>iii) Reduction in poverty will transform Kenya into "a newly-industrializing, middle income country providing a high quality of life to all its citizens in a clean and secure environment as envisioned in vision 2030.</p> <p>iv) To exclusively finance the establishment of centres of excellence for cooperative vocational and technical training.</p>
<p>Other important background information of the project</p>	<p>The project Phase II Targets</p> <ol style="list-style-type: none"> 1.Kitale National Polytechnic – Agricultural Machinery 2.Ramogi Institute of Applied Technology - Refrigeration 3.Ekerubo Geitai - Solar Energy and Agricultural plant Technician 4. Bumbe Technical Training Institute - Automotive Mechatronics <p>It will also involve construction/rehabilitation of buildings, equipment supply and capacity building components.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas: The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> (i) To equip Youth with relevant skills that support attainment of the big four agenda (ii) Increase transition of youth from basic education into Technical and Vocational Education and Training and reduce unemployment (iii) Improve the quality and relevance of Technical and Vocational Education and Training for employable labour

Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022

Project Components	<p>1: Infrastructure measures at supported Technical and Vocational Education and Training institutions.</p> <p>2: Procurement of state-of-the-art equipment for training</p> <p>3: Implementation Consulting Services</p>
Project activities and inputs	Indicators
<p>i) Rehabilitation extension and/or construction of essential TVET buildings</p> <p>ii) Procurement of tools and state of the art equipment for training.</p> <p>iii) Private sector participation in support of cooperative training</p> <p>iv) Training and teaching sustainability</p> <p>v) Consulting services to support Ministry Of Education and beneficiary Technical and Vocational Education and Training institutions in the implementation of the project.</p>	<p>% Construction and rehabilitation measures completed</p> <p>% of equipment installed</p> <p>No of private sector Participating in Training</p> <p>No of trainers on use and maintenance of equipment</p>
Project duration	The project started on 30 December, 2020 and is expected to run until 31 December, 2024

Project Information and Overall Performance (Continued)

1.4 Bankers

The project does not have a separate bank account for its operations. It shares the Development Bank account for the State Department of Vocational and Technical Training at the Central Bank of Kenya.

1.5 Auditors

The project is audited by the:

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

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Mr. Tom Mulati	Ag. Director Technical education	Master of Education	Project overall project Coordinator
GAPCO	Implementing Consultants	International Consultancy	Support Ministry of Education on implementation of all aspects of the project (designs, scholarships, equipment etc)
Lina Ayako	Deputy Director	Master of Education	Project Coordinator

*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

	Technical Education		
Samuel Waweru	Deputy Director Technical Education	Masters in Arts – Information Communication Technology	Deputy project Coordinator
Eng. Elijah Abeka	Principal Director Technical Education	BSC-Engineering	Assistant Project Coordinator
Arc. Mwangi Kiragu	Senior Supt Architect	Master of Arts Urban Management	in charge of liaison with the implementing consultants on architectural designs
Peter G. Kamau	Senior superitendant Quantity surveyor	BSC quantity Surveying	In charge of liaison with the implementing consultants on material quantities
Gilbert Mamati	Head Of Procurement	Bachelor of Arts Commerce	Head of Supply Chain Management
Joseph Kiraita	Head of Accounts	Bachelor of Arts Commerce Certified Public Accountant - Kenya	Head of Accounting Unit
Anthony Masinde	Head of Finance	Masters Business Administration, Certified Public Accountant -Kenya	Head of Finance Unit
Carolyne Nyambok	Principal Accountant	Masters Business Administration, Certified Public Accountant -Kenya	Project Accountant
David Tande	Finance officer	Bachelor of Arts Commerce Certified Public Accountant - Kenya	Project Finance Officer

Ali Bocha	Supply chain Management officer	Bachelor of Arts Commerce	Project Supply Chain Officer
-----------	------------------------------------	------------------------------	------------------------------

Project information and overall performance (continued)

1.7 Funding summary

The Project is for duration of 4 years from 2021 to 2024 with an approved budget of Euros 12,200,000.00 equivalent to Kshs 1,403,000,000.00 as highlighted in the table below

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency Euros	KShs	Donor currency Euros	KShs	Donor currency Euros	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan						
KFW - Germany	12,000,000	1,380,000,000	-	-	12,000,000	1,380,000,000
(ii) Counterpart funds						
Government of Kenya	200,000	23,000,000	126,607	14,559,774	73,393	8,440,226
Total	12,200,000	1,403,000,000	126,607	14,559,774	12,073,393	1,388,440,226

*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative Amount paid to date – (30 th June 2022)	Unutilised balance to date (30th June 2022)	
	<i>Donor currency Euros</i>	<i>Kshs</i>		<i>Donor currency Euros</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Loan					
KFW - Germany	-	-	-	12,000,000	1,380,000,000
(ii) Counterpart funds					
Government of Kenya	126,607	14,559,774	14,559,774	73,393	8,440,226
Total	126,607	14,559,774	14,559,774	12,073,393	1,388,440,226

Project information and overall performance (continued)

1.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for current year and for cumulative to-date,
- ii) Physical progress based on outputs, outcomes, and impacts since project commencement,

The project is in the process of securing an implementing consultant.
Students are enrolled in the institutions under the technical support component.
No of Industry participating in training has been enhanced through recruitment of learners and also training of instructors.
- iii) Comment on value-for-money achievements,
- iv) Indicate the absorption rate for each year since the commencement of the project.
- v) List the implementation challenges and recommended way forward.
 - Lengthy procurement processes that undergo several approval processes
 - Extra effort needed to bring the Industry on board for training purposes

1.9 Summary of Project Compliance:

- i) Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- ii) Include consequences suffered on account of non-compliance or likely to be suffered.
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.

2. Statement of Performance against Project's Predetermined Objectives

The key development objectives of the project's agreement/ plan are to:

- a) To equip Youth with relevant skills that support attainment of the big four agenda
- b) Increase transition of youth from basic education into Technical and Vocational Education and Training and reduce unemployment
- c) Improve the quality and relevance of Technical and Vocational Education and Training for the labour market industry

Progress on attainment of Strategic development objectives

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

**Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022**

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Promotion of Youth Employment and Vocational Training in Kenya (TVET Phase II)	To equip Youth with relevant skills that support attainment of the big four agenda	Kenyan Youth who have successfully completed high-quality labour market –oriented Technical and Vocational Education and Training	% Construction and rehabilitation measures completed % of equipment installed No. of trainers and technicians trained % Industries participating in training	In FY 21/22 The implementation of the project had just started and the project was being put into form,

3. Environmental and Sustainability Reporting

The project of Promotion of Youth Employment and Vocational Training in Kenya (TVET Project phase II) 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 sustainable efforts in place include building capacity of the institutions and industry to continue implementing the project. Efforts geared towards enhancing sustainability include development of policy that will guide dual training to enhance quality of training in Technical and Vocational Education and Training.

2. Environmental performance

The project is based on existing policies that guide environment management. The project will have minimum impact on environment since it will only involve building training infrastructure and training. However, an environmental impact assessment shall be undertaken

3. Employee welfare

The project is being implemented in Technical and Vocational Education and Training institutes. Employees involved in the project are those that are in existence. Consultants involved in the project are sourced competitively through advertisements. The institutions comply with the Occupational Safety and Health Act of 2007, (OSHA). The Government policies in use guide on gender inclusivity, capacity building and performance management.

4. Market place practices-

The organisation should outline its efforts to:

a) Responsible Supply chain and supplier relations-

Project is at the initiation and procurement process is on-going. Suppliers will be managed as per the Public Procurement & Asset Disposal Act 2015 and the Public Financial Management Act 2012.

b) Responsible ethical practices

The advertisement for tenders done is in line with the procurement laws of Kenya and the financiers procurement rules and procures. The advertisement is done through newspapers of larger circulation and through the Ministry and KfW websites. Individual institutions advertise for their programmes through the print and electronic media. There are also efforts to maintain ethical and responsible political environments and anticorruption practices.

c) Regulatory impact assessment

The ministry has regulatory agencies which include Technical and Vocational Education and Training Authority and Kenya National Qualification Authority (KNQA) which regulates the quality of training across the country to safeguard citizen and stakeholder's rights.

5. Community Engagements

Still at initiation stage.

4. Statement of Project Management Responsibilities

The Principal Secretary for the State Department for Vocational and Technical Training in the Ministry of Education and the overall project coordinator for the project promotion of youth employment and vocational training 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. The 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 State Department for Vocational and Technical Training in the Ministry of Education and the overall Project coordination for the project

Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022

promotion of youth employment and vocational training accept responsibility for the Project financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting Policies in accordance with the international Public Sector Accounting Standards

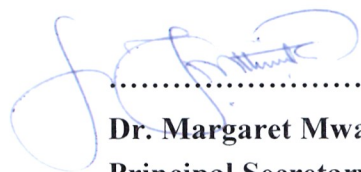
The Principal Secretary for the State Department for Vocational and Technical Training in the Ministry of Education and the overall Project coordinator for the project promotion of youth employment and vocational training are of the opinion that the Financial statements give a true and fair view of the state of the Project's transactions during the financial year ended 30 June 2022 and of the project's financial position as at that date.


The Principal Secretary for the State Department for Vocational and Technical Training in the Ministry of Education and the overall Project coordinator for the project promotion of youth employment and vocational training 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.

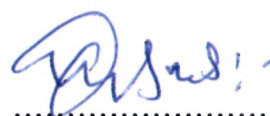
The Principal Secretary for the State Department for Vocational and Technical Training in the Ministry of Education and the overall Project coordinator for the project promotion of youth employment and vocational training confirm that the project has complied fully with applicable Government Regulations 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 of Education, State Department of Vocational and Technical Training and the Project Coordinator for the Promotion of Youth Employment and Vocational Training in Kenya (TVET II) Project and signed on 7th November, 2022 and signed by them.

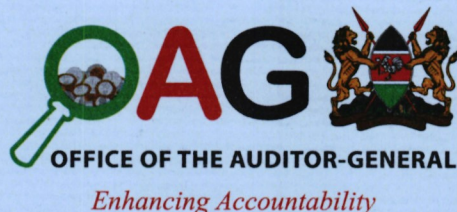

.....
Dr. Margaret Mwakima
Principal Secretary


.....
Lina Ayako
Project Coordinator


.....
Carolyne Nyambok
Project Accountant
ICPAK Member No: 5875

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 PROMOTION OF YOUTH EMPLOYMENT AND VOCATIONAL TRAINING PHASE II IN KENYA LOAN NO.BMZ 2018 65 120 FOR THE YEAR ENDED 30 JUNE, 2022 - STATE DEPARTMENT FOR VOCATIONAL AND TECHNICAL TRAINING

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such Projects are applied for the intended purpose.
- C. Report on the 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 Promotion of Youth Employment and Vocational Training Phase II in Kenya Loan No.BMZ 2018 65 120 set out on pages 1 to 23, which comprise of the statement of financial assets as at 30 June, 2022, and the

Report of the Auditor-General on Promotion of Youth Employment and Vocational Training Phase II in Kenya Loan No.BMZ 2018 65 120 for the year ended 30 June, 2022 - State Department of Vocational and Technical Training

statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Promotion of Youth Employment and Vocational Training Phase II in Kenya Loan No.BMZ 2018 65 120 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 comply with the Loan Financing Agreement No.BMZ 2018 65 120 between Kreditanstalt fur Wiederaufbau (KfW) and the Government of Kenya dated 30 December, 2019 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Promotion of Youth Employment and Vocational Training Phase II in Kenya Loan No.BMZ 2018 65 120 Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final budget and actual receipts on a comparable basis of Kshs.217,000,000 and Kshs.14,559,774, respectively, resulting in an underfunding of Kshs.202,440,226 (or 93%) of the budget. Similarly, the Project spent an amount of Kshs.14,559,774 against an approved budget of Kshs.217,000,000 resulting in an under-expenditure of Kshs.202,440,226 (or 93%) of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Failure to Open and Maintain a Separate Project Bank Account

The Project Management did not maintain a specific project bank account as funds received were credited to the Ministry's development bank account instead of a separate project account. It was therefore not possible to trace the receipts to the cash book and in the bank statement. This is contrary to Regulation 76(1) of the Public Finance Management (National Government) Regulations, 2015 which provides for the purpose of disbursement of project funds, there shall be opened and maintained a project account for every project at the Central Bank of Kenya unless it is exempted by the Cabinet Secretary, in writing, into which all funds shall be kept and such an account shall be known by the name of the project for which it is opened and each project shall maintain only one bank account. Further, the receipts were not supported with respective itemized exchequer issue notifications and receipt vouchers to confirm the receipt of funds.

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

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

REPORT ON THE 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 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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Kreditanstalt für Wiederaufbau (KfW), I report based on my audit that:

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

Responsibilities of Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

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

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

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

Because of its inherent limitations, internal controls 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 controls.
- 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


05 December, 2022


*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*


6. Statement Of Receipts and Payments for The Year Ended 30 June 2022.

Note	2021-2022		2020-2021		Receipts and payments controlled by the Project	Payments made by third parties	Total	Receipts and payments controlled by the Project	Payments made by third parties	Total	Cumulative to-date (From inception)
	Receipts and payments controlled by the Project	Payments made by third parties	Receipts and payments controlled by the Project	Payments made by third parties							
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Transfer from Government entities	14,559,774	-	14,559,774	-	-	-	-	-	-	-	14,559,774
Loan from external development partners	-	-	-	-	-	-	-	-	-	-	-
Total receipts	14,559,774	-	14,559,774	-	-	-	-	-	-	-	14,559,774
Payments											
Purchase of goods and services	14,559,774	-	14,559,774	-	-	-	-	-	-	-	14,559,774
Acquisition of non-financial assets	-	-	-	-	-	-	-	-	-	-	-
Total payments	14,559,774	-	14,559,774	-	-	-	-	-	-	-	14,559,774
Surplus/ (deficit)	-	-	-	-	-	-	-	-	-	-	-

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

.....

Dr. Margaret Mwakima
 Principal Secretary

.....

Lina Ayako
 Project Coordinator


.....

Carolyne Nyambok
 Project Accountant
 ICPAK Member No: 5875


*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

7. Statement of Financial Assets As at 30 June 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances		-	-
Cash Balances		-	-
Cash Equivalents (Short-Term Deposits)		-	-
Total Cash and Cash Equivalents		-	-
Imprests and Advances		-	-
Total Financial Assets		-	-
Financial Liabilities			
Deposits and Retention Monies		-	-
Net Assets		-	-
Represented By			
Fund Balance B/Fwd		-	-
Prior Year Adjustments		-	-
Surplus/(Deficit) For the Year		-	-
Net Financial Position		-	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved and signed on 7th November, 2022 and signed by:


.....
Dr. Margaret Mwakima
Principal Secretary


.....
Lina Ayako
Project Coordinator

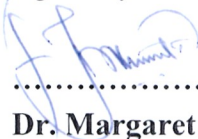

.....
Carolyne Nyambok
Project Accountant
ICPAK Member No: 5875

8. Statement of Cashflow for the Year Ended 30 June 2022

Description	Notes	2021-2022	2020-2021
		KShs	KShs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	14,559,774	-
Total Receipts		14,559,774	-
Payments			
Purchase of goods and services	3	(14,559,774)	-
Total Payments		(14,559,774)	-
Adjustments during the year			
Prior year adjustments		-	-
Decrease/(increase) in accounts receivable		-	-
Increase/(decrease) in accounts payable:		-	-
Net cash flow from operating activities		-	-
Cashflow from investing activities			
Acquisition of non-financial assets	4	-	-
Net cash flows from investing activities		-	-
Cashflow from Financing activities			
Proceeds from foreign borrowings	2	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalent at beginning of the year		-	-
Cash and cash equivalent at end of the year		-	-

Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Promotion of Youth and Vocational Training in Kenya (TVET II) Project financial statements were approved and signed on 27th November, 2022 and signed by:



.....
Dr. Margaret Mwakima
Principal Secretary



.....
Lina Ayako
Project Coordinator



.....
Carolyne Nyambok
Project Accountant
ICPAK Member No: 5875

*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

9. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022

Receipts/Payments Item	Original Budget Kshs a	Adjustments Kshs b	Final Budget Kshs c=a+b	Actual on Comparable Basis Kshs d	Budget Utilization Difference kshs e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	17,000,000	-	17,000,000	14,559,774	2,440,226	86%
Proceeds from borrowings	200,000,000	-	200,000,000	-	200,000,000	0%
Total Receipts	217,000,000	-	217,000,000	14,559,774	202,440,226	6.7%
Payments						
Payment for Promotion of youth employment and vocational training in Kenya (consultancy)	200,000,000	-	200,000,000	-	200,000,000	0%
Purchase of goods and services	17,000,000	-	17,000,000	14,559,774	2,440,226	86%
Total Payments	217,000,000	-	217,000,000	14,559,774	202,440,226	6.7%
Surplus or Deficit	-	-	-	-	-	-

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

.....
Dr. Maragaret Mwakima
Principal Secretary

.....
Linah Ayako
Project Coordinator

.....
Carolyne Nyambok
Project Accountant
ICPAK Member No: 5875

10. Significant Accounting Policies

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

10.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for the Project “ Promotion of Youth Employment and Vocational Training in Kenya (TVET II)” under National Government of Kenya. The financial statements encompass reporting as specified in the relevant legislation PFM Act 2012 .

10.3 Reporting currency

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

10.4 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 Project.

ii) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

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

a) 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 Project 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.

b) 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.

c) 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

d) Recognition of payments

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

i) Compensation of employees

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

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

e) In-kind donations

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

Significant Accounting Policies (Continued)

f) 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.

g) Restriction on cash

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

h) Imprests and Advances

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 Authority to incur expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

i)Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the project; or

- b) A present obligation that arises from past events but is not recognised because:

Significant Accounting Policies (Continued)

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Project does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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

j) Contingent Assets

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

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' 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.

Significant Accounting Policies (Continued)

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the Ministries Departments and Agencies 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 Annex 1 to these financial statements.

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs. Nil being loan disbursements were received in form of direct payments from third parties (KFW – Germany).

n) Exchange rate differences

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

Significant Accounting Policies (Continued)

o) Comparative figures

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

p) Subsequent events

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

q) Prior period adjustments

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.

11. Notes To the Financial Statements

1. Transfers From Government entities

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

Description	KShs		Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	3,639,943	-	3,639,943
Counterpart funds Quarter 2	3,639,943	-	3,639,943
Counterpart funds Quarter 3	3,639,944	-	3,639,944
Counterpart funds Quarter 4	3,639,944	-	3,639,944
Total	14,559,774	-	14,559,774

Notes To The Financial Statements (Continued)

2. Loan From External Development Partners

During the 12 months to 30 June 2022, we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency Euros	Loans received in cash KShs	Loans received as direct payment* KShs	Total amount in KShs	
					2021-2022	2020-2021
KfW Development Bank	Various	-	-	-	-	-
Total	-	-	-	-	-	-

Notes To The Financial Statements (Continued)

3. Purchase Of Goods And Services

	2021/2022		2020/2021	Cumulative to-date
	Payments made by the Project in Cash	Payments made by third parties		
	KShs	KShs	KShs	KShs
Domestic travel and subsistence	9,609,205	-	9,609,205	9,609,205
Training payments	4,950,569	-	4,950,569	4,950,569
Total	14,559,774	-	14,559,774	14,559,774

Notes To The Financial Statements (Continued)

4. Acquisition Of Non-Financial Assets

	Payments made by the Project in Cash	Payment s made by third parties	Total Payment s	Total Payment s	Cumulat ive to- date
	2021-2022			2020- 2021	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Payment for consultancy services for youth empowerment	-	-	-	-	-
Total	-	-	-	-	-

12. Other Important Disclosures

1. External Assistance

	2021-2022	2020-2021
Description	Kshs	Kshs
External assistance received as loans	-	-
Total	-	-

Promotion of Youth Employment and Vocational Training in Kenya TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022

Other Important Disclosures (Continued)

a). External assistance relating loans and grants

	2021/2022	2020/2021
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2021/2022	2020/2021
Description		Kshs	Kshs
Undrawn external assistance - loans	Youth empowerment	1,380,000,000	-
Undrawn external assistance - grants	TVET student scholarships	-	-
Total		1,380,000,000	-

c) Classes of providers of external assistance

	2021/2022	2020/2021
Description	Kshs	Kshs
Multilateral donors KFW – Germany	-	-
Total	-	-

Other Important Disclosures (Continued)

d. Purpose and use of external assistance

Payments Made by Third Parties	2021/2022	2020/2021
	Kshs	Kshs
Use of goods and services– consultancy	-	-
Total	-	-

(N/B The above Sub-Classification has been Adopted Based on the Purpose of the External Assistance and How the External Assistance Was Used).

Promotion of Youth Employment and Vocational Training in Kenya TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022

13. Progress On Follow Up Of Prior Year Auditor’s Recommendations

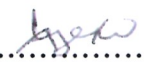
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	There was no audit conducted since the project commenced in the financial year 2021/2022			

Guidance Notes:

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



Dr. Margaret Mwakima
 Principal Secretary



Lina Ayako
 Project Coordinator

*Promotion of Youth Employment and Vocational Training in Kenya (TVET II Project)
Annual Report and Financial Statements For the financial year ended 30 June, 2022*

14. Annexes

Annex I - Variance Explanations - Comparative Budget and Actual Amounts for FY 2021-2022

	Final Budget kshs	Actual on Comparable Basis Kshs	Budget Utilization Difference Kshs	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	17,000,000	14,559,774	2,440,226	86%	The balance is for training of project staff and the MHRAC approval delayed
Proceeds from borrowings	200,000,000	-	200,000,000	0%	Delayed absorption of funds due to ongoing procurement process to engage consultant and contractors
Total Receipts	217,000,000	14,559,774	202,440,226	6.7 %	
Payments					
Purchase of goods and services	17,000,000	14,559,774	2,440,226	86%	The balance is for training of project staff and the MHRAC approval delayed
Acquisition of non-financial assets	200,000,000	-	200,000,000	0%	Delayed absorption of funds due to ongoing procurement process to engage consultant and contractors
Total payments	217,000,000	14,559,774	202,440,226	6.7 %	