

18



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID
OF
DATE: 23 FEB 2021 DAY: TUESDAY

TABLED BY: LOM
CLERK-AT THE-TABLE: Moses Lemuna

PARLIAMENT
OF KENYA
LIBRARY

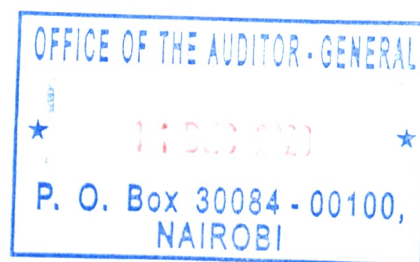
THE AUDITOR-GENERAL

ON

**COORDINATION OF POPULATION POLICY
IMPLEMENTATION PROJECT
(UNFPA PROJECT NO. KEN08POP)**

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

**NATIONAL COUNCIL FOR POPULATION
AND DEVELOPMENT**



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

Project Name: Coordination of Population Policy Implementation

Implementing Entity: National Council for Population & Development

PROJECT GRANT/CREDIT NUMBER KENO8POP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 2020

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

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

CONTENTS	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	ii
2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	xviii
3. REPORT OF THE INDEPENDENT AUDITORS ON THE UNFPA PROJECT	xix
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 TH JUNE 2020.....	1
5. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020.....	2
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020	3
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	4
8. NOTES TO THE FINANCIAL STATEMENTS	5
9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	12

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name:

The project's official is Dr. Mohamed Sheikh

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:

National Council for Population and Development,

Chancery Building, Valley Road, 4th Floor,

P.O Box 48994, 00100 Nairobi

Kenya

Contacts:

Telephone: (254) 2711600

E-mail: info@ncpd.go.ke

Website: www.ncpd.org

1.2 Project Information

Project Start Date:	The project start date is July 2008
Project End Date:	The project end date is June 2022
Project Manager:	The project manager is Dr Mohamed Sheikh
Project Sponsor:	The project sponsor is United Nations Population Fund

The UNFPA Annual work plan is based on the Calendar year January - December unlike the Government financial year which begins from July to June. Hence this financial statement cover two UNFPA work plans i.e. July – December 2019 and January - June 2020.

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	KENO8POP
Strategic goals of the project	<p>The strategic goals of the project are follows:</p> <p>Expected Outcome :</p> <ol style="list-style-type: none"> 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 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 <p>Expected Programme Output(s):</p> <ol style="list-style-type: none"> 1. Policy makers and programme managers have better access to high quality population data and information for evidence based decision-making 2. National and County governments have improved capacities to provide high-quality, integrated sexual and reproductive health services
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"> 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 fro National Demographic Dividend roadmap vi. Disseminate findings from FP surveys conducted vii. Advocate for Family Planning and

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

	viii. Strengthening SRH/FP supply chain systems in Kenya
Other important Background Information of the Project	The project 9 th cycle is for a period of five years from 2018 - 2022. A separate work plan is prepared and signed every year. The workplans for Jan-Dec 2019 and Jan-Dec 2020 were signed in the respective periods
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: Expected Country Programme Output (s) 1 By 2022, People in Kenya have increased and equitable access to and utilize high-quality health, including sexual, reproductive, maternal, newborn, child and adolescent health in emergency and non emergency settings 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
Project duration	The project 9 th cycle started on 1 st July 2018 and is expected to run until 30 June 2022

1.4 Bankers

The following are the bankers for the current year:

- a. Central Bank of Kenya
- b. Commercial Bank of Africa



1.5 Auditors

The project is audited by the Office of Auditor General.

1.6. Roles and Responsibilities



List the different people who will be working on the project are:

I. THE BOARD OF DIRECTORS

 <p>Mr. Samuel E. Kona</p>	<p>Board Chairman</p>	<p>He is a mediation, governance and conflict resolution expert with over 26 years of substantive experience in the sectors.</p> <p>Mr. Sam Kona holds a Masters Degree in Conflict Resolution from Lancaster University in the United Kingdom and currently serves as the Board's Chairperson.</p> <p>He brings to the Board a wealth of experience in governance and conflict resolution.</p>	<p>Oversight</p>
 <p>Amb. Mohammed Mahat</p>	<p>Board Member</p>	<p>He is the secretary General for SUPKEM and worked as an Ambassador and currently stationed at Ministry of Foreign Affairs.</p>	<p>Oversight</p>



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
 For the financial year ended June 30, 2020*

 <p>Ms. Imelda Namayi Sembe</p>	<p>Board Member</p>	<p>She possess 8 years proven experience and skills in project management and coordination from design, planning, implementation, monitoring and evaluation and reporting on health service delivery and advocacy programmes.</p> <p>Ms. Imelda Namayi holds a Master's of Science in Public Health from Jomo Kenyatta University of Agriculture and Technology (JKUAT ITROMID/ Kemri Nairobi.</p> <p>She is currently Programme Manager Education and Health at the National Council of Churches of Kenya (NCCCK).</p> <p>She brings to the Board experience in project implementation, design and co-ordination.</p>	<p>Oversight</p>
 <p>Mrs. Margaret Masibo</p>	<p>Board Member</p>	<p>She is an experienced human resource management and corporate governance practitioner with additional competencies in fundraising, community-based project design development, monitoring and evaluation.</p> <p>She holds a Master's of Business Administration (HR) from Kenyatta University. She currently serves as the Head of Human Resources at Kenya Conference of Catholic Bishops – (KCCB).</p> <p>She brings to the Board</p>	<p>Oversight</p>



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
 For the financial year ended June 30, 2020*

		experience in human resource management and corporate governance.	
Teresa Omondi-Adeitan	Board Member	She is the Executive director FIDA Kenya	Oversight
 Mr. Fredrick Mujumba	Board Member	<p>He is an accomplished, capable and result driven Educationist with 14 years' experience as a technical teacher.</p> <p>He holds a Post Graduate Diploma in Leadership Development in ICT and Knowledge Society, Master of Business Administration degree (Finance) and Bachelor's Degree in Technology Education (Electrical) .</p> <p>He currently serves at the Ministry of Education in the General, Early learning and Basic Education department.</p> <p>He brings to the Board a wealth of experience in leadership development and ICT.</p>	Oversight
 Dr. Charles N. Lenge	Board Member	<p>He is a research specialist in Biodiversity, Ecology and Entomology. Currently he is the Deputy Director for Environmental Planning and Research Coordination at the National Environment Management Authority (NEMA), Kenya.</p> <p>Mr. Lange brings to the Board experience in research and environmental planning that are key population development.</p>	Oversight



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
 For the financial year ended June 30, 2020

 <p>Dr. Musa Arusei</p>	<p>Board Member</p>	<p>He is an accomplished, academician and research specialist with more than 14 years' experience as a Lecturer in a number of Kenya's Public universities.</p> <p>He holds hold a Master of Science (Geochemistry) from the University of Leeds, UK and a Doctor of Philosophy (Geochemistry) from Moi University.</p> <p>He currently a Lecture at Moi University Eldoret. He brings to the Board experience in scientific research and the leadership.</p>	<p>Oversight</p>
 <p>Dr. Patrick Amoth</p>	<p>Board Member</p>	<p>He is a medical doctor with a Master of Medicine (MMed) degree in Obstetrics/Gynecology from University of Nairobi. He is currently the Head of Public Health at the Ministry of Health Kenya.</p> <p>He brings to the Board a wealth of experience in developing national guidelines on standards of health care for both clinical and community health practice in Reproductive, Maternal, Newborn and Child health, planning, directing and developing preventive and promotive policies at the national level, the formulation and development of national health policies, plans and programmes.</p>	<p>Oversight</p>

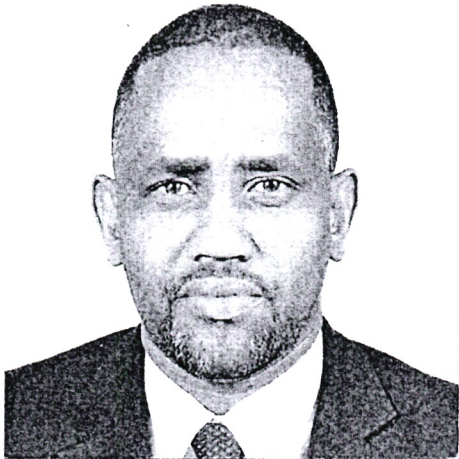
NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

 <p>Beatrice Manyonge</p>	<p>Board Member</p>	<p>She works in Ministry of Devolution & Planning and represents the Principal Secretary. She is an Economist by training</p>	<p>Oversight</p>
 <p>Isabel Ndolo</p>	<p>Board Member</p>	<p>She is the Maendeleo Ya Wanawake Organization (MYWO) National Chairperson in the Board</p> <p>She has 18 years progressive experience in Community Development and Gender Programming work. Majoring on Wealth of experience in Projects and Programme management, capacity building, leadership and management, partnership building and networking, resource mobilization and grant management</p> <p>Isabel possesses a Bachelor's degree in Leadership and Management from St. Paul's University and an ongoing Masters of Arts, Gender and Development Studies, Kenyatta University.</p>	<p>Oversight</p>

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)



Reports and Financial Statements
For the financial year ended June 30, 2020

 <p>Dr. Mohamed Sheikh</p>	Director General	<p>He is a Medical Doctor and holds a Master Degree in International Public Health and a second Master in Maternal and Child health.</p> <p>He previously served as the Head of Family Health Department, Ministry of Health Kenya and also served as the provincial director of medical services, North Eastern province of Kenya</p>	Director General
---	---------------------	--	---------------------

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)



*Reports and Financial Statements
 For the financial year ended June 30, 2020*

II. MANAGEMENT

NAME	QUALIFICATIONS	AREA OF RESPONSIBILITY
 Dr. Mohamed Sheikh	Masters in International Public Health Masters in Maternal & Child Health	Director General
 Peter Arisi Nyakwara	Masters in Demography	Director Technical Services



NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

 <p>Margaret M Mwangi</p>	<p>MBA - Finance</p>	<p>Director Corporate Services</p>
 <p>Lucy Kimondo</p>	<p>Master in Population Studies</p>	<p>Advocacy & Public Education</p>

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

 <p>Catherine Ndei</p>	<p>Masters in Applied Research</p>	<p>Policy & Research</p>
 <p>Hosea Nzomo Mulatya</p>	<p>Masters in Demography</p>	<p>Programmes & Monitoring/Cord</p>




NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

 <p>Taslim Mueni Wason</p>	<p>MBA – Finance MBA- Strategic Management</p>	<p>Finance and Accounting</p>
 <p>Dorothy A. Oliech</p>	<p>MBA – Human Resource Higher Dip in HRM</p>	<p>Human Resources & Administration</p>

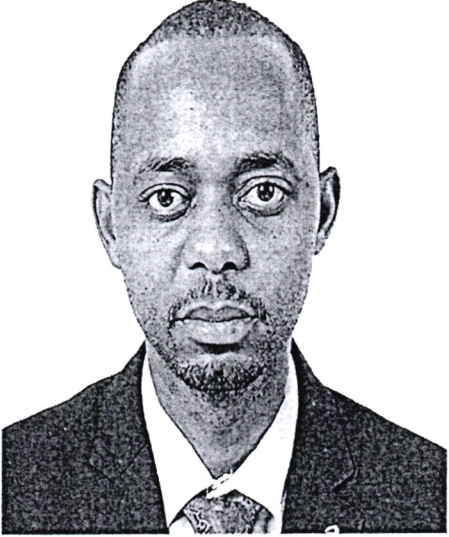

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

	MBA – Finance	Chief Internal Auditor
Susan Njeri Meshack		
	Post. Grad. Dip in Procure, BA Economics	Supply Chain Management
William O. Ochola		
	Masters of Arts - Economics	Planning, Budgeting, M&E and Resource Mobilization
Shelmith Mugo		

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

 <p>Francis Mwongela</p>	<p>Masters of Arts – Communication Studies</p>	<p>Chief Public Relations Officer</p>
 <p>Samuel Lubanga</p>	<p>Masters in Information Technology Management</p>	<p>Chief Information, Communication and Technology</p>

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

1.7 Funding summary

The Project will run for a period of five years from 2018 to 2022. The Annual work plan for 2019/2020 had an approved budget of Kshs.64, 256,575.00. However the council refunded Kshs. 21,314,254.90 for activities not undertaken/finalized. These activities will be rolled over to the annual work plan for 2020 for finalization.

Source of funds	Donor Commitment		Amount received to-date – (30 th June 2020)		Undrawn balance to date (30 th June 2020)	
	Kshs (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant						
United Nations Population Fund	43,153,570	43,153,570	43,153,570	43,153,570	-	-
(ii) Loan						
(iii) Counterpart funds						
Government of Kenya	121,966	121,966	121,966	121,966		
Total	43,275,536	43,275,536	43,275,536	43,275,536	-	-

The Donor commitment was Kshs. 42,942,320.00 and that is what was received during the year ending 30th June, 2020. A total of Kshs. 2,197,719.00 was carried forward and hence brought forward in the current year since UNFPA operates under a calendar year (January to December). There was also a support from NCPD to UNFPA of Kshs. 121,966.00. Further Kshs. 211,250.00 was received for support towards an advocacy activity; this amount is outside the annual work plan.

1.8 Summary of Overall Project Performance:

The budget performance was 99.94%. 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.

1.9 Summary of Project Compliance:

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

There was no noncompliance to applicable laws.

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Board of the National Council for Population & Development and the *Director General* for KENO8POP project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

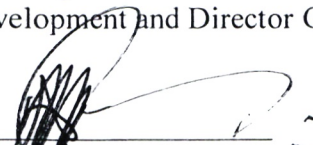
The Board of the National Council for Population & Development and the *Director General* for KENO8POP project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Board of the National Council for Population & Development and the *Director General* for KENO8POP project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the project financial position as at that date. The Board of the National Council for Population & Development and the *Director General* for KENO8POP project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control


The Board of the National Council for Population & Development and the *Director General* for KENO8POP project 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 Board of National Council for Population and Development and Director General for KENO8POP project on 31st August, 2020 and signed by them.



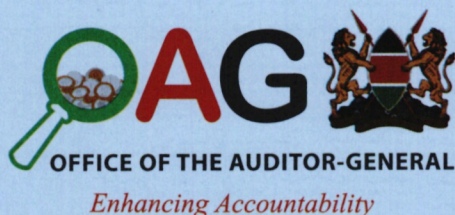
Director General



Project Accountant
Name: Taslim Wason
ICPAK Member Number 5236

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 PROJECT NO. KEN08POP) FOR THE YEAR ENDED 30 JUNE, 2020 – NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Coordination of Population Policy Implementation Project (UNFPA Project No.KEN08POP) set out on pages 1 to 13, which comprise the statement of financial assets as at 30 June, 2020, 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, Section 35 of the Public Audit Act, 2015 and Clause 33 of the Letter of Understanding dated 23 October, 2009 signed between the United Nations Population Fund (UNFPA) and the Government of Kenya. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Coordination of Population Policy Implementation Project (UNFPA Project No. KEN08POP) as at 30 June, 2020, 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 the Government of Kenya/UNFPA 9th Country Programme Agreement.

Basis for Qualified Opinion

1. Unauthorized Borrowings from National Council for Population and Development (NCPD)

The Project's records examined indicated that during the year under review, Management withdrew funds totaling to Kshs.38,067,000 from the Secretariat Account as follows:

Date	Amount (Kshs)
31 October, 2019	16,667,000
31 December, 2019	.6,304,845
30 January, 2020	15,095,159
Total	38,067,000

The withdrawals were designated as borrowings made to implement project activities and occasioned by delays in receipt of the Project's Funds. However, there was no evidence to show Management sought authority from the Accounting Officer or the UNFPA before withdrawing the funds.

The records further show that Kshs.22,971,845 was refunded later in the financial year which left Kshs.15,095,159 outstanding as at 30 June, 2020. However, whereas the withdrawals and refunds were, though inappropriately, treated as payments and receipts in the project accounts, the outstanding balance amounting to Kshs.15,095,159 as at 30 June, 2020 has not been disclosed in the Notes to the financial statements. As a result, the financial statements do not present a true and fair view of the financial position of the Project as at 30 June, 2020 and its operations for the year then ended.

2. Unreconciled Cash on Hand Balance

The statement of financial assets and liabilities reflects cash on hand totaling Kshs.94,248 held in five regional project offices namely Mombasa, Machakos, Kisumu, Eldoret, and Garissa. However records at the offices reflected cash on hand balances totaling to Kshs.499,833 as at 30 June, 2020. No information has been provided to reconcile the two balances. As a result, the accuracy and fair statement of the cash on hand balance totaling Kshs.94,248 reflected in the statement of financial assets and liabilities as at 30 June, 2019 has not been confirmed.

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

The outstanding tax refunds amounting to Kshs.500,400 due from the Kenya Revenue Authority, and insufficient disclosure made on expenditures totaling Kshs.24,781,975 highlighted in the audit report for the financial year ended 30 June, 2019 were not resolved during the year under review.

No plausible explanation has been provided by Management for the failure to address the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, except for the matters described in the Qualified Opinion Section of my report, 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.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the procedures performed, except for the matters described in the Basis for Qualified Opinion section of my report, 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.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor-General's Responsibilities for the Audit of the Financial Statements

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness

of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

30 December, 2020

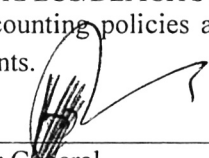
NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020


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

		2019-2020	2018-2019	Cumulative to Date kshs
	Notes			
RECEIPTS				
Transfer from Government Entities	8.3	121,966	-	11,644,929
Proceeds from domestic and foreign grants	8.4	42,942,320	-	390,417,855
- UNFPA Direct payments		-	-	25,768,422
- UNFPA Direct payments (NETWORKS)		-	-	21,076,960
Miscellaneous Receipts	8.7	211,250	-	1,848,960
Total Receipts		43,275,536	-	450,757,126
PAYMENTS				
Purchase of goods and services	8.8	41,285,742	143,633	392,647,414
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
TOTAL PAYMENTS		41,285,742	143,633	446,569,613
SURPLUS/DEFICITS FOR THE YEAR		1,989,794	(143,633)	4,187,513

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



 Director General



 Project Accountant
 Name: Taslim Wason
 ICPAK Member No 5236

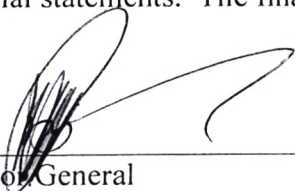
NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020


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

	Notes	2019-2020	2018-2019
Cash in Bank (NCPD)	8.9	3,687,473	1,603,431
Cash on hand in regional accounts	8.10	-	94,248
Imprests and Advances	8.11	-	-
KRA	8.12	500,040	500,040
TOTAL FINANCIAL ASSETS		4,187,513	2,197,719
Represented By:			
Cash & Cash Equivalents Bfwd		2,197,719	2,341,352
Surplus/ Deficit for the period		1,989,794	(143,633)
NET FINANCIAL POSITION		4,187,513	2,197,719

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31st August, 2020 and Signed by:



Director General



Project Accountant
Name: Taslim Wason
ICPAK Member Number: 5236

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

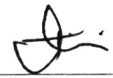
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

Receipts for operating income	2019-2020	2018-2019
Transfer from Government entities	121,966	-
Proceeds from domestic and foreign grants	42,942,320	-
Miscellaneous receipts	211,250	-
	43,275,536	-
Payments for operating expenses		
Purchase of goods and services	41,285,742	143,633
Changes in Working capital		
Net cash flow from operating activities		(143,633)
Net increase in Cash and cash equivalent	1,989,794	(143,633)
Cash and cash equivalent at BEGINNING of the year	2,197,719	2,341,352
Cash and cash equivalent at END of the year	4,187,513	2,197,719

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 31st August, 2020 and Signed by:



Director General



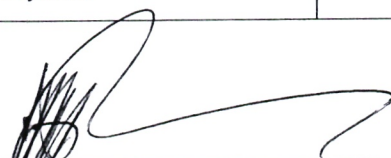
Project Accountant
Name: Taslim Wason
ICPAK Member Number: 5236


NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
 For the financial year ended June 30, 2020*

7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=c/c%
Receipts						
Transfer from Government entities	-	121,966	121,966	121,966		
Proceeds from domestic and foreign grants	42,942,320	-	42,942,320	42,942,320		
Proceeds from borrowings	-	-	-	-		
Income (Balance BFW)	2,197,719	-	2,197,719	2,197,719		
Miscellaneous receipts	211,250.00	-	211,250.00	211,250.00		
Total Receipts	45,351,289	121,966	45,473,255	45,473,255	-	-
Payments						
Purchase of goods and services	45,473,255	-	45,473,255	41,285,742	4,187,513	0.06
Other payables	-	-	-	-	-	-
Total Payments	45,473,255	-	45,473,255	41,285,742	4,187,513	0


 Director General


 Project Accountant
 Name: Taslim Wason
 ICPAK Member Number: 5236

8. NOTES TO THE FINANCIAL STATEMENTS

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

8.1 BASIS OF PREPARATION

8.1.1 Statement of compliance and basis of preparation

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

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

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

8.1.2 Reporting Entity

The financial statements are for the Project Coordination of Population Policy implementation under National Council for population and Development. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

8.1.3 Reporting Currency

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

8.2 SIGNIFICANT ACCOUNTING POLICIES

a) Recognition of receipts

The project recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by NCPD.

- **Transfers from the Exchequer**

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

- **External Assistance**

External assistance is received through grants development partner UNFPA.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 NCPD. 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.

- **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) **Recognition of payments**

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

- **Compensation of employees**

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

- **Use of goods and services**

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

- **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, contra transaction is recorded as receipt and as a payment.

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) 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.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits and 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 part deposits.

8.3 RECEIPTS FROM THE GOVERNMENT OF KENYA

Description	2019-2020	2018-2019
Transfer from Government entities	121,966	
Total	121,966	0

This was ncpd support for UNFPA ICPD+25 of Kshs. 121,966.00

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
 For the financial year ended June 30, 2020*

8.4 PROCEEDS FROM FOREIGN GRANTS

Description	2019-2020	2018-2019
NCPD	27,931,161	0
UNFPA-DEV	15,011,159	0
Total	42,942,320	0

Included in the receipts is a borrowing of Kshs. 15,011,159.00 which was sent to exchequer by UNFPA on 07/11/2019 but was not released on time for the Oct – Dec 2019. Further the financial year for UNFPA was coming to an end in December and the activities had to be finalized.

During the financial year 2019/2020 the Council refunded to UNFPA Kshs. 21,314,255 for activities that were not undertaken. During the year the Council together with UNFPA hosted the International Conference for Population and Development which was quite involving and had the council engaged most of the period therefore affecting the implementation of the annual work plan fully.

It should be noted that this activities have been rolled over to the annual work plan for the financial year 2020/2021.

8.5-8.6 UNFPA DIRECT PAYMENTS AND DIRECT PAYMENTS NETWORKS

There were no transactions in the last two years.

8.7 MISCELLANEOUS RECEIPTS

Miscellaneous receipts of Kshs. 211,250.00 were received to support an advocacy activity for teenage pregnancy.

8.8 PURCHASE OF GOODS AND SERVICES

		FY 2019/2020			FY 2018/2019	Cumulative to date
		Payment by the entity in cash (Kshs)	Payments made by third parties(Kshs)	Total Payments (Kshs)	Kshs	Kshs
4106/000	Budget for the County Leadership Advocac					
4106/125	Tools Kits Development	243,600	-	243,600		

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
 For the financial year ended June 30, 2020

4106/12 6	DSA	281,200	-	281,200		
4301/00 0	DD guidelines & coord strategy					
4301/00 1	Hotel package	781,970	-	781,970		
4301/00 3	Coordination for HQ activities officers	50,000	-	50,000		
4301/00 4	DSA for CPCs & PPO	357,000	-	357,000		
4301/00 5	DSA for county drivers	134,400	-	134,400		
4301/00 8	Transport reimb. for county stakeholders	413,500	-	413,500		
4301/00 9	DSA for HQ staff	847,700	-	847,700		
4301/01 1	Document distribution	161,100	-	161,100		
4302/00 0	World Population Day					
4302/00 2	Material development	509,000	-	509,000		
4302/00 3	Publicity & documentation	149,000	-	149,000		
4302/00 5	Organise World Population Day celebratio	265,000	-	265,000		
4303/00 0	Popn stakeholder coord forum					
4303/00 1	Conference	1,104,000	-	1,104,000		
4305/00 0	ICPD@25 kenya national report					
4305/00 2	ICPD DSA	1,142,400	-	1,142,400		
4305/00 3	Conferencing	627,000	-	627,000		
4305/00 5	Hotel Catering	230,750	-	230,750		
4307/00 0	ICPD@25 report					
4307/00 1	Publishing ICPD@25 report	480,000	-	480,000		
4308/00 0	Policy analysis					
4308/00 1	Consultancy	1,050,525	-	1,050,525		
4309/00 0	World Contraceptive Day					
4309/00 1	High level adv meetings for WCD	766,470	-	766,470		

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

4311/00 0	FP2020 meetings & National TWG				
4311/00 6	National FP adv TWG meeting	178,500	-	178,500	
4313/00 0	FP advocacy champions				
4313/00 3	legistaors allowances	162,750	-	162,750	
4313/00 4	FP/popn advocacy package	16,800	-	16,800	
4314/00 0	Monitoring framework for FP 2020				
4314/00 2	DSA	24,500	-	24,500	
4315/00 0	FP best practice				
4315/00 1	FP focal point meeting	52,400	-	52,400	
4315/00 2	Technical committee meeting	136,000	-	136,000	
4315/00 4	DSA - note collection	554,400	-	554,400	
4315/00 8	conference validation meeting	136,000	-	136,000	
4316/00 0	KEMSA LMIS & DHIS 2				
4316/00 1	DSA - participants	3,717,200	-	3,717,200	
4316/00 2	Conference package	136,800	-	136,800	
4317/00 0	WMS system & linkage to LMIS & DHIS 3				
4317/00 1	DSA - Participants	3,196,100	-	3,196,100	
4317/00 2	Conference package	141,000	-	141,000	
4318/00 0	Job training on WMS system				
4318/00 1	DSA - Participants	1,656,100	-	1,656,100	
4321/00 0	National FP Dashboards technical review				
4321/00 1	DSA - Participants	1,858,100	-	1,858,100	
4322/00 0	Rationalization on KEMSA LMIS & DHIS				
4322/00 1	Conference package	165,000	-	165,000	
4324/00 0	ICPD+25				

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

*Reports and Financial Statements
For the financial year ended June 30, 2020*

4324/00 1	ICPD Retreats	11,143,774	-	11,143,774		
4324/00 3	Media engagement	100,000	-	100,000		
4324/00 4	Publicity and advocacy	104,190	-	104,190		
4324/00 5	Secretariat operational exp.	2,086,250	-	2,086,250		
4324/00 6	ICPD25 side events	2,783,617	-	2,783,617		
4324/00 7	ICPD foreign travel	2,987,896	-	2,987,896		
4750/00 0	Parliamentary Network Pwd					
4750/00 3	Regional Conferences	213,207	-	213,207		
4801/00 0	unfpa refund					
4105/00 1	Bank Charges	140,543.00	-	140,543.00		
	Total	41,285,742		41,285,742	143,633	392,647,414

8.9-8.10 FUND BALANCE BROUGHT FORWARD

		2018/19	2018/2019
		KShs	KShs
	<u>Local Currency Accounts</u>		
8.9	Commercial Bank of Africa [A/c No 6427120041	3,687,473	1,603,431
8.10	Cash at regional Bank Accounts	-	94,248
	Total Local Currency	3,687,473	1,697,679

8.11- OUTSTANDING IMPREST

There were no outstanding imprests.

8.12 Outstanding Debtors

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
For the financial year ended June 30, 2020

	2019/2020	2018/2019
UNFPA- KRA	500,040	500,040
Total	500,040	500,040

Kshs. 500,040 is an outstanding refund from KRA for tax overpayment.

NATIONAL COUNCIL FOR POPULATION AND DEVELOPMENT
 KEN08POP Project (COORDINATION OF POPULATION POLICY IMPLEMENTATION)

Reports and Financial Statements
 For the financial year ended June 30, 2020

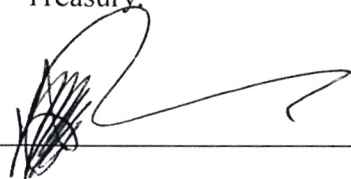
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolve d / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	There were no issues				

Guidance Notes:

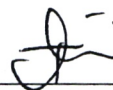
- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed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



Director General

11-12-2020

Date



Deputy Director Finance and Accounts

11.12.2020

Date