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TABLED BY:	MAJORITY LEADER
CLERK-AT THE TABLE:	

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA YOUTH EMPLOYMENT AND  
OPPORTUNITIES PROJECT - IDA CREDIT  
NO. 5812-KE**

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

**NATIONAL INDUSTRIAL TRAINING  
AUTHORITY**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

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**Project Name: KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT**

**Implementing Entity: NATIONAL INDUSTRIAL TRAINING AUTHORITY**

**PROJECT CREDIT NUMBER: IDA-5812-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

***NITA-KYEOP Project  
Annual Reports and Financial Statements  
For the financial year ended June 30, 2022***

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***NITA-KYEOP Project  
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## **1. PROJECT INFORMATION AND OVERALL PERFORMANCE**

### **1.1 Name and registered office**

**Name:** The Project's Official Name is

Kenya Youth Employment and Opportunities Project

**Objective:** The key objectives of the project is to increase employment and earnings opportunities for targeted youth.

**Address:** The Project offices are headquartered in Nairobi, Nairobi County, Kenya.

The address of its registered office is:

Commercial Street, Industrial Area Nairobi.  
P.O Box 74494-00200, Nairobi

The project also has county offices in the following counties:

- Mombasa
- Kisumu
- Nakuru
- Kwale
- Kilifi
- Mandera
- Kakamega
- Migori
- Turkana
- Nyandarua
- Kitui
- Kiambu
- Wajir
- Kisii
- Machakos
- Bungoma
- Nairobi

**Contacts:** The following are the Project Contacts  
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**Project information and overall performance(continued)**

**1.2 Project Information**

Project Start Date:	The Project start date was 20/05/2016
Project End Date:	The Project end date is 31/12/2022
Project Manager:	The Project Coordinator is Mr Joseph Kinuthia
Project Sponsor:	The Project sponsor is the International Development Association

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the overall supervision of the Ministry of ICT, Innovation and Youth and Affairs (MIIYA). NITA-KYEOP Reports through its line Ministry, the Ministry of Labour and Social Protection (ML&SP).
Project number	<b>5812-KE</b>
Strategic goals of the project	The strategic goals of the project are as follows: (i) Increase Employment for Youth (ii) Increase Earning Opportunities for Youth
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Improving Youth Employability (ii) Support for Job Creation (iii) Improving Labour Market Information (iv) Strengthening Youth Policy Development and Project Management
Other important background information of the project	The Project consists of four components to be implemented by four agencies. Component 1, being implemented by NITA and MIIYA addresses the skills mismatch of youth by engaging training providers and private sector employers to offer training and work experience to targeted youth. Component 2, being implemented by Micro Small Enterprise Authority(MSEA), responds to the need for job creation with initiatives to help launch new businesses, support innovative approaches to improve job and earning opportunities among the hard to serve youth. Component 3 being implemented by ML&SP, plans to improve access to and quality of labour market information. Component 4, being implemented by MIIYA provides support for strengthening youth policy development, monitoring and evaluation and general supervision of the entire project.

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Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Improving Youth Employability (ii) Support for Job Creation (iii) Improving Labour Market Information (iv) Strengthening Youth Policy Development and Project Management
Project duration	The project started on 20 <sup>th</sup> of May 2016 and is expected to run until 31 <sup>st</sup> December 2022.

#### **1.4 Bankers**

The following is the banker for the current year:

- (i) Kenya Commercial Bank

Others:

- Equity suspense account
- Cooperative suspense account



#### **1.5 Auditors**

The Project is audited by the Office of the Auditor General.


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**Project information and overall performance(continued)**  
**1.6 Roles and Responsibilities**



The Board and Management team involved in the stewardship of the Project during the financial year are listed below.

Names		Title designation	Key qualification	Responsibilities
 Dr. Kamau Gachingi		Chairman, National Industrial Training Board	<ul style="list-style-type: none"> <li>• B.Sc. (Hons) in Materials Science, University of Bath (UK) 1985-1988</li> <li>• M.S. in Solid State Science, IMRL, The Pennsylvania State University (USA) 1990-1993</li> <li>• PhD. in Solid State Science, IMRL, The Pennsylvania State University (USA) 1993-1996</li> </ul>	Member of the AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP
 Carolyn C. Rutto		Member – National Industrial Training Board Representing COTU (K)	<ul style="list-style-type: none"> <li>• Certificate Public Relations (RGI)</li> <li>• P1 Certificate (Kericho Teachers T. College)</li> <li>• <b>2nd Assistant Secretary General</b> – Central Organization of Trade Unions, COTU ( K).</li> <li>• <b>Member</b> - General Wages Council.</li> <li>• Member of reconciliation committee</li> <li>• Counter Trafficking Advisory Committee (CTIP).</li> <li>• National Advisory Committee on person with disability</li> <li>• Assistant National Women leader - Kenya Electrical Trades and Allied Union (KETAWU).</li> </ul>	Chairperson - AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP




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		<ul style="list-style-type: none"> <li>• <b>2019 to date</b> - County revenue collection coordinated and relationship officer Kenya Power.</li> </ul>	
 <p><b>Gilda Atieno Odera</b></p>	<p><b>Member</b> National Industrial Training Board Representing FKE</p>	<p><b>Consultant Director</b>, All About Marketing Ltd <b>Current Vice President</b>, Federation of Kenya Employees <b>Current Board Member</b>, University Funds Board <b>Panel Member &amp; Chair</b> of Business Process Committee in the Health <b>Feb 2019- June 2020</b> - Reform Panel of Experts, Kenya <b>2016 to 2019</b> - Council Member, Kenya National Quality Authority <b>2012 to 2019</b> - Board Director, National Hospital Insurance Fund <b>2013 to 2015</b> - Board Member, Public Procurement Administrative Review Board Current Part- time PhD Candidate, Public Policy Administration, MA in Leading Innovation and Change, (University of York St John, United Kingdom) Degree in Sociology (UON)</p>	<p>-Member - AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP</p>






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	<p>Member– National Industrial Training Board representing FKE</p>	<ul style="list-style-type: none"> <li>• HRM - Institute of HRM</li> <li>• Kenya Institute of Management</li> <li>• The Technical University of Kenya</li> <li>• <b>Chief Executive Officer</b> - Kenya Tea Growers Association (KTGA)</li> <li>• <b>Management Board Member</b> – Federation of Kenya Employers</li> <li>• <b>Member</b> – Tea Industry Task Force</li> </ul>	<p>-Member - AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP</p>
	<p><b>Member</b> National Industrial Training Board Representing Principal Secretary Ministry of East African Community, Labour &amp; Social Protection (State Department for Labour)</p>	<ul style="list-style-type: none"> <li>• Masters in Medicine (MMED)</li> <li>• Secretary Ministry of East African Community, Labour &amp; Social Protection (State Department for Labour)</li> <li>• <b>3<sup>rd</sup> June 2019 – date - Director</b>, Directorate of Occupational Safety and Health Services (DOSHS), Department for Labour, Ministry of Labour and Social Protection.</li> <li>• Secretary to the National Council for Occupational Safety and Health (NACOSH), a body whose role is to advise the Cabinet Secretary in matters OSH</li> </ul>	<p>-Member - AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP</p>

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 <p>Rev. Brother Joel Kandie Chebii, OGW</p>	<p>Member – National Industrial Training Board Representing COTU (K)</p>	<p>Higher level Diploma Entrepreneurship Education in Kenya (ILO) Diploma in Vocational and Technical Training of Trainers (ILO) Diploma in Theology Vice Chairman General of COTU Kenya</p> <p><b>2000 to 1995:</b> National General Secretary of Tailors and Textiles Workers Union.</p> <p><b>1990 to 1986:</b> Elected National Chairman of Tailors and Textiles Workers Union</p> <p><b>1986 to 1989</b> - Assistant National Treasurer for Tailors and Textiles: Workers Union as well as COTU (K) Board member.</p>	<p>-Member - AD HOC Steering Committee of the Board Charged with the Overall Stewardship of NITA-KYEOP</p>
 <p>Stephen Ogenga</p>	<p>Director General</p>	<ul style="list-style-type: none"> <li>• M. Eng. Sc. (Computer Engineering) B. Eng. Tech. (Electrical/Electronic) Member IEEE</li> <li>• Member (Inst. Of Eng. Australia)</li> </ul>	<p>Overall stewardship of the Authority's Activities including Finance and Administration</p>
 <p>Joseph Kinuthia</p>	<p>Project Coordinator</p>	<ul style="list-style-type: none"> <li>• Bachelor of Science</li> <li>• CPA(K)</li> </ul>	<p>General management of all project inputs, outputs and related activities under Component 1 of the KYEOP</p>

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 William Mwanza	Manager Industrial Training	<ul style="list-style-type: none"> <li>• Bachelor of Philosophy Mechanical Engineering</li> <li>• Technical University of Kenya</li> </ul>	Assist in Overall stewardship of the Authority's Activities including Finance and Administration
 Teresa Lagat	Manager Internal Audit	<ul style="list-style-type: none"> <li>• MBA from University of Nairobi</li> <li>• CFE, CPA (K)</li> </ul>	Manage all the internal audits of the Project
 Julius Ndenge	Manager Accounts	<ul style="list-style-type: none"> <li>• MBA from Kenyatta University</li> <li>• Bachelor of Commerce (Finance)</li> <li>• CPA (K)</li> </ul>	Manage all the financial and accounting activities of the Authority
 Everlyne Siriya	Project Accountant	<ul style="list-style-type: none"> <li>• Bachelor of Business Management from Moi University.</li> <li>• CPA(K)</li> </ul>	Manage all the financial and accounting activities of the KYEOP-NITA component.
 Beartice Omala	Project Procurement Officer	<ul style="list-style-type: none"> <li>• Bachelor of Commerce from JKUAT, Post Graduate Diploma in Purchasing and Supplies Management from UON, CIPS Level 4</li> </ul>	Manage all the procurement processes of the KYEOP- NITA component

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**Project information and overall performance(continued)**

**1.7 Funding summary**

The Project is for a duration of 6 years from 2016 to 2022 with an approved budget of US\$ 28,793,340 (SDR 25,277,000 as per the revised Financing Agreement) equivalent to KShs 3,138,474,060 as highlighted in the table below:

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date (30/06/2022)		Undrawn balance to date (30/06/2022)	
	Donor currency (A)	KShs (A')	Donor currency (B)	KShs (B')	Donor currency (A)-(B)	KShs (A')-(B')
<b>(i) Credit</b>	USD	KSHS	USD	KSHS	USD	KSHS
International Development Association	28,793,340	3,138,474,060	24,797,351	2,794,676,930	2,938,437	343,797,130
<b>Total</b>	<b>28,793,340</b>	<b>3,138,474,060</b>	<b>24,797,351</b>	<b>2,794,676,930</b>	<b>2,938,437</b>	<b>343,797,130</b>

Project information and overall performance(continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2022)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2022)	Unutilised balance to date (30 <sup>th</sup> June 2022)	
	Donor currency	Kshs		Donor currency	Kshs
(i) Credit	(A)	(A')	(B')	(A)-(B)	(A')-(B')
International Development Association	24,797,351	2,794,676,930	2,700,308,338	837,625	94,368,592
<b>Total</b>	<b>24,797,351</b>	<b>2,794,676,930</b>	<b>2,700,308,338</b>	<b>837,625</b>	<b>94,368,592</b>

1.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date,

YEAR	BUDGET(Kshs.)	ACTUAL EXPENDITURES(Kshs.)
2016/2017	100,000,000	
2017/2018	217,980,963	36,019,037
2018/2019	928,187,007	133,310,259
2019/2020	1,376,746,062	518,719,342
2020/2021	1,033,473,937	1,140,669,670
2021/2022	575,808,289	580,680,647
<b>Cumulative</b>	<b>4,232,196,258</b>	<b>290,909,383</b>
		<b>2,700,308,338</b>

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**Project information and overall performance(continued)**  
 ii) Physical progress based on outputs, outcomes and impacts since project commencement

	<b>ACTIVITY</b>	<b>ACTUAL OUTPUT ACHIEVED</b>	<b>EXPECTED OUTPUT (END OF PROJECT)</b>	<b>OUTCOME</b>	<b>IMPACT</b>
1.	Contracting of Master Craftsmen (MC)	4,604	There was no specific number of expected output	Effective Job Specific Training Skills	The youths have acquired employable Job Specific skills.
2.	Upskilling of Master Craftsmen	1,061	1,000	Improved the quality of the training offered by master craftsmen and the recognition of this training in the marketplace	
3.	Contracting of Formal Training Providers (FTP)	84	There was no specific number of expected output	Effective Job Specific Training Skills	
4.	Review and development of Occupational Competency Standards (including testing instruments)	50	50	Standardized Training and Assessment Guidelines and Promote greater efficiency in the training market for traditional apprenticeships.	Standardized assessment throughout the country in the specific

					trades
5.	Coordinating Job Specific Skills Training (JSST)	62,641	70,000	Additional youths acquired employable Skill	Improved performance and delivery at work place.
6.	Assessment and Certification of youths	29,605	35,000	Increased number of youths with employable Skills	Additional youths are assessed and certified

iii) Comment on value-for-money achievements,

The project focuses on addressing the issue of skills for the vulnerable youths between the age of 18 and 29 years at the same time trying to manage the skills gaps in the industry. The acquisition of skills is expected to help youths to get employment or be self-employed and contribute to economic development. This will ensure that the unutilized labour force is directed to the economic development of the country.

The development of Occupational Competence standards forms the basis of assessment and certification. Through the standards that have been developed it is now possible to carry out competency assessment in trades that had been tested

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before in Kenya. This has provided an appropriate platform to focus on informal sector which for a long time has been ignored. Therefore, the project has positive impact to the Country.

iv) Absorption rate for each year since the commencement of the project,

<b>YEAR</b>	<b>BUDGET(Kshs.)</b>	<b>ACTUAL EXPENDITURES(Kshs.)</b>
2016/2017	100,000,000	36,019,037
2017/2018	217,980,963	133,310,259
2018/2019	928,187,007	518,719,342
2019/2020	1,376,746,062	1,140,669,670
2020/2021	1,033,473,937	580,680,647
2021/2022	575,808,289	290,909,383
<b>Cumulative</b>	<b>4,232,196,258</b>	<b>2,700,308,338</b>

v) List the implementation challenges and recommended way forward.

**a) Payment delays**

There were significant delays in the payment of youth stipends and trainer services under JSST especially during Cycle-2. The delays in cycle-2 were occasioned by a number of factors including;

- i) Receipt of inaccurate bank details for youth from State Department of Youth at the point of transition to Job Specific Skills Training.
- ii) Delayed attendance rostering via SMS by Master Craftsmen due to technical challenges experienced by most of them in carrying out this exercise.
- iii) Delayed submission of milestone specific reports by Formal Training Providers and Master Craftsmen leading to inadequate data to support payments.
- iv) The introduction of a new requirement where youth were required to have attended 80% training for them to qualify for stipend payment.

- v) There were changes in National Industrial Training Authority Management and Project Implementing Unit occasioning transitions which affected the momentum of execution of project activities.
- b) **Inadequate project staff**

There is no need of extra staff at this stage of the project, but it is important to ensure that the Annual Work Plans is approved before the beginning of the year.

- c) **Delayed, conditional and or partial approval of Annual Work Plans**

Approval of Work Plans is a precondition for implementation of project activities. The Bank has either delay approval, conditionally approved and/or partially approved Annual Work Plans thus hampering timely implementation of project activities. Training and monitoring activities to confirm accuracy of received data which is a precondition to payments have been largely affected by the delays.

#### **1.9 Summary of Project Compliance:**

- No significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants were reported in the financial year.

**2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

**Introduction**

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

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

- a) To train 55000 youths on Job Specific Training within 5 five years
- b) Assess and certify 35000 youths.
- c) To upskill 1000 craftsmen within five years
- d) To develop 20 new trade standards and testing instruments and revise 30 standards for traditional apprenticeships

**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-bund (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

**Below we provide the progress on attaining the stated objectives in FY 21/22**

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
NITA –Kenya Youth Employment and Opportunities Project(KYEOP)	To assess and certify 27437 youths	Increased number of youths with employable Skills	Number of youths assessed and certified	A total 11347 were assessed and certified.

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	To Develop and Review 23 Occupational Competency Standards (OCS) and testing instruments	Standardised training and assessment.	The no of Occupational Competency Standards (OCS) and testing instruments developed or reviewed	Additional 23 OCS reviewed/developed
	To improve the quality of training under Job Specific training through Sensitization of 858 Master Craftsmen on development of Training Plans	Improved quality of training	No of Master Craftsmen sensitized	All Master Craftsmen sensitized
	To Capacity build 7 NITA KYEOP project staff	Improved service delivery	No of staff trained	Four NITA KYEOP Officers were upskilled

### **3. ENVIROMENTAL AND SUSTAINABILITY REPORTING**

The project is not directly involved in corporate social activities; However, the Authority is actively involved in supporting the society as elaborated below.

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

Kenya's global competitiveness depends on its ability to create a human resource base that is constantly subjected to skills upgrading, NITA is awake to this fact and continues to provide strategic leadership in the development and advancement of the industrial skills ecosystem to ensure systemic, deliberate and innovative policy formulation and mobilization of resources to intensively and effectively drive the skills development agenda in the industry.

Since establishment, what milestones has NITA achieved in its quest to improve the industrial training sector locally;

**a) Homecare Management Programme:** - Since the inception of the NITA coordinated HCM programme in December 2020, a total of 11 Cohorts have been trained. Cohort-1 undertook training from 7<sup>th</sup> to 27<sup>th</sup> December 2020 while Cohort-11 undertook training from 17<sup>th</sup> January to 6<sup>th</sup> February 2022.

A total of 79,003 girls have been successfully trained and assessed during the 11 Cohorts where Cohort-1 had 1291 trainees while cohort-11 had 9,672 trainees. The Cohort that recorded the highest no. of trainees was Cohort-5 which had 10,450 trainees. Similarly, there has been a steady increase in the number of registered participating training institutions with Cohort-1 having 17 participating institutions while Cohort-11 had 104 institutions. It is expected that with the stabilization of the economic environment and the reduced surge on Covid-19 infections in the country, the number of trainees is likely to increase drastically in the year 2022 as compared to 2021.

**b) Train at least 10,000 Youth and Women in Textiles and Apparels within the EPZ and other industries:-** Cumulatively, the Authority trained 10,700 youth and women (Q1-3,405 and Q2-7,295). This was due to enrollment of persons for Trade Test assessment, Cycle 6 KYEOP project and Generation Project in the following Textile trades;- Dressmaker, Tailor, Machine Knitter and Sewing Machine operators and upholstery.

**c)** The Authority enhanced skills of 1,133 workers possessed by in housing and construction against a quarter target of 2,750. Cumulatively, the Authority enhanced skills of 1,691 (Q1-558 and Q2-1,133) workers. This was as a result of slow resumption of

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training programs in this sector after re-opening of the economy shut by COVID pandemic.

- d) Training of workers for Industry:-** The Authority approved training of 13,505 workers in industry as a result of increased employer training following the resumption of economic activities after re-opening of the economy following COVID-19 pandemic restrictions.
- e) Training of workers both in the Formal and informal sectors through the industrial training centres; -** The Authority trained 1,783 workers both in the formal and informal sectors through the industrial training centres. Cumulatively, the Authority trained 3,050 (Q1-1,267 and Q2-1,783) workers.
- f) Indentured Learnership Programme:-** The Authority trained 36 apprentices through its' Indentured Learnership Program.
- g) Industrial Attachment Programme:-** The Authority Collaborated with employers to declare attachment places for **5,590** students.
- h) Assessment and Certification:**
- The Authority assessed, 52,946 persons due to sensitization of trainees and centre managers on resumption of assessment after change of term dates, consequently change of test dates following the interruption occasioned by covid-19 pandemic.
  - The Authority has developed through assessment & certification test papers for various trades.
  - The Authority has also developed through assessment & certification test papers for all trades and identified 1,000 assessors from the database.
- i) NITA's support to the Government to achieve Affordable Housing and Big 4 Agenda in order to create jobs:-** NITA has developed National Occupational Standards (NOS) and Training Curricula in 17 areas building trade areas at different KNQA levels. This was done in close collaboration with the Industry thereby ensuring that the Competences to be acquired by workers and artisans going through these curriculums meet the demands of the Industry.
- j) Recognition and experiential Learning (RPL):-** A key outcome from NITA's accreditation process will be the ability of NITA to award national qualifications through Recognition of Prior Learning {RPL}. NITA has collaborated with KNQA in the development of the RPL Policy and Implementation Guidelines. To ensure the formalization of the skills gained informally or through experience; NITA is currently working with various partners to operationalize the RPL framework. This will enable the formalizing of skills acquired outside the formal training system, more so the informal

sector. The RPL Framework also includes the Vertical Projection for NITA Level 4 to Level 8.

### **k) Opening Up The 416 Trade Area Qualifications**

#### **Accreditation and Certification**

NITA as a Qualification Awarding Institution (QAI) is responsible for implementation of the skills sub-section as contained in the KNQF. Upon gazettment of the KNQF regulations, NITA immediately embarked on the process of reviewing the industrial training framework to align it to the KNQF. Consequently, NITA reviewed the Industrial Training (Trade Testing) Rules and the National Industrial Training Schemes for training of apprentices, indentured learners, skill upgraders and attachees. NITA's Reviewed Industrial Training Schemes were gazetted in October 2020 while the Cabinet Secretary, Ministry of Labour and Social Protection gazetted the reviewed Industrial Training (Trade Testing) Rules in June 2021.

**The broad occupational areas covered by the 416 qualifications include Computer Trades, Textiles and Apparel, Building, Automotive, Agriculture, Hospitality, Leather Technology, Security, Mechanical, Electrical Trades, Health, Energy and Hair Dressing and Beauty.**

Whereas NITA has been awarding qualifications in the past, the formal commencement of NITA awarding national qualifications as defined in the KNQF will now allow holders of Government Trade Test (I) Certificates to formally progress all the way to professional Master-Craftsperson Levels.

In addition, apprentices and skills-upgraders can now commence their certification at National Skills Certificate (NSC-I) to NSC-VII. The afore-mentioned national qualifications are well outlined and placed on KNQF level 2 to 8. The graduates from the skills sub-section can equally progress horizontally to other sub-sections in the KNQF including higher education and vocational and technical sub-sections.

The recognition and registration of NITA qualifications on the KNQF will lead to an uptake of the qualifications with a projected over 100,000 candidates per annum through Trade Test, close to 100,000 trainees through Skills Up-Grading and Apprenticeship and close to 100,000 workers to be assessed per annum through RPL.

#### **l) Emphasis on competency (Practice/Theory ratio: 90/10; 85/15; ... 50/50),**

- NITA programmes place more weight on practical training both during in-Centre and in-plant training
- Apprenticeship programmes which are dual in nature have a requirement for more in plant training than institutional training with majority of them having a ratio of 1: 2 for in Centre and in plant training respectively.

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- Indentured Learnership programmes, which are on the job training on emerging technologies that are not offered in training institutions, are 100% in-plant training.
- The ratio of practical to theory is for artisan and craft programmes is between 90:10 and 80:20 for Apprenticeship, Skills-Upgrading and Trade Test. Even for the higher programmes at KNQF levels 6-8, the ratio is between 40-60, 50:50, 0:100 respectively.

**Challenges**

The Kenyan formal sector skills development environment is faced with numerous challenges including fractious implementation of skills enhancement initiatives by both public and private players. The Introduction of Competence Based Education and Training has resulted in an overdrive for control and dominance, among key stakeholders (MoE, -BECF, MEACLSP, MoH, MoALF, NITA, TVET and CUE). Industrial Training Levy Fund is the only public skills development fund available to employees engaged in the formal sector industry, workers in the informal sector, out of employment workers and the special groups enjoy no benefits from the fund.

In Kenya numerous challenges confront the training carried out in the informal sector. The training providers who carry out training in this sector are mainly Master Craftsmen who offer practical training with no business or theoretical packages. In addition, there is basically no rationale for the identification of the MCs who possess no skills in training or pedagogical skills.

The training content /curriculum is non-existence in the informal sector, in addition delivery of content is as and when the MC decides, meaning that the trainee in such a setup is at the mercy of the trainer and doesn't have any back ground of what shall be delivered. There is completely lack of standards in the informal training

One of the biggest challenges of skill development in our country is that 84% of the workforce is in informal sector. Consequently, it is difficult to map existing skills in the informal sector and gauge the skilling requirement in the sector. On the other hand, the rate of job growth in informal sector is estimated to be twice that in formal sector.

**Other challenges are;**

- Limited linkages, partnerships and collaboration with Interested parties;

- Inability to fully match skills development in the Industrial Training Centres.
- Duplication of roles by various Government entities overseeing TVET and Industrial Training in Kenya
- Obsolete technology, facilities and equipment.
- Limited inter-agency coordination;
- Poor linkages with industry and the labour market;
- Insufficient capacity in key agencies; piecemeal regulation and quality assurance;
- Limited planning of delivery and infrastructure development, particularly at the County levels.
- Inadequate reach to potential levy contributors countrywide for inspection, registration and the levy collection

## **2. Environmental performance**

The Authority is in the process of developing Environmental policy to act as a guide to environmental performance. However, the Authority has outsourced garbage collection agents to facilitate its waste disposal mechanism. Waste disposal is strictly done on a daily basis across the entire Authority which has greatly helped the organization to reduce the challenges of environmental impact.

## **3. Employee welfare**

The Authority has a detailed Human Resource Manual Policy which acts as principal guidelines on hiring processes in the Authority. Gender ratio and stakeholder engagements are taken into consideration. The Human Resource manual provides for frequent training, appraisal and reward system of staff to enhance their skills at all levels. The Authority has a well-established Health and Safety committee that is in the process of Developing Safety and Compliance Policy.

## **4. Market place practices-**

### **a) Responsible Supply chain and supplier relations-**

The National Industrial Training Authority ensures that;

1. Suppliers list is continuously updated and it's from the list that suppliers and service providers are drawn from time to time as need arises. This ensures equitable distribution of tenders/ quotations.

2. The contracts are monitored and evaluated to achieve value for money in supply and delivery of goods, services and works
3. That suppliers and contractors are paid in time after certification of the goods, services and works delivered.
4. The Suppliers concerns are addressed from time to time as they arise. Training and sensitization for the specialized groups are also undertaken on annual basis. All these enhance supplier relationship.

**b) Responsible ethical practices**

**c) Regulatory impact assessment**

The Authority encouraged public participation in the Development of Qualification Packs (QPs), National Occupational Standards, Industrial Training Curricula and Assessment Guidelines, 2022. In exercise of the powers conferred by Section 22(1) of the Industrial Training Act Cap 237, the Director General, published a NOTICE OF INTENTION in the mainstream press (Daily Nation and the Standard Newspapers) to invite stakeholder's views on the development of guidelines of 26 new trades to standardize Industrial Training, assessment of persons engaged in industry and operationalize the Industrial Training Schemes, Trade Testing Rules and Recognition of Prior Learning Standards and Guidelines for the Industrial Training Framework.

**5. Community Engagements**

Corporate Social Responsibility (CSR) is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line- Approach"), while at the same time addressing the expectations of its shareholders and stakeholders.

**CORPORATE SOCIAL INVESTMENT: NITA FEMALE ENGINEERING PROGRAMME**

Corporate Social Investment is a form of Corporate Social Responsibility, which is a company's over-arching approach or strategy for improving the social, environmental and economic well-being of their community or society at large. Through corporate social responsibility, a corporation may have multiple different tactics for achieving this strategy, including by making corporate social investments. Corporate Social Investment occurs

when businesses use money or resources for projects that improve the world around them, without a direct financial benefit to the company and may take the form of money, gifts in kind, employee time or other resources.

For the National Industrial Training Authority, the Corporate Social Investment is in form of sponsorship of 25 Kenyan female students from needy backgrounds annually to pursue engineering courses at craft, certificate and diploma levels in an effort to reduce gender disparity in technical/engineering disciplines as a part of its Corporate Social Investment. Through this affirmative action, this programme which is currently in its 15<sup>th</sup> year of administration has benefitted over three hundred (300) Kenyan students across the country to date.

The Female Engineering Training Programme was conceived out of a report on an overseas study tour to fifteen (15) countries with best levy practices in 2005. The objective of the programme was to address the observed gender imbalance in the engineering profession by supporting deserving and needy females to undertake engineering training.

Selected candidates are placed in NITA Centres, other National Polytechnics and technical training institutions. The students have undertaken various courses in electrical engineering (electronics, telecoms and computer), mechanical engineering (plant option and production), land survey, quantity survey, civil engineering, agricultural, and chemical engineering.

Criteria for selection of trainees is based on academic qualifications, and neediness of applicants from Arid and Semi- arid Land [ASAL] areas. Targeted ASAL areas are: Mandera, Turkana, Lamu, Wajir, West Pokot, Kwale, Ijara, Tana River, Garissa, Isiolo, Marsabit, Samburu, Elgeyo - Marakwet, Suba, Kajiado, Kilifi, Taita Taveta, Teso, Mt. Elgon, Kitui, Mwingi, Tharaka, Mbeere, Transmara, Makueni, Kuria and Marigat.

Most females from these marginalised areas fail to take Physics in high schools therefore leaving the subject to be male dominated, a factor which has contributed to a lower number of applicants from these regions.

Through the Female Engineering Sponsorship Committee which oversees the day-to-day running of the Programme, the Authority is working to develop intensive outreach programs in these areas to sensitize the locals on the importance of taking technical courses.

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**4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The *Director General* for the Authority (NITA) and the *Project Director* for *Kenya Youth Employment and Opportunities Project (NITA-KYEOP)* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Project. (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.


The *Director General* for the Authority and the *Project Director* for *NITA-KYEOP* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Director General* for the Authority and the *Project Director* for *NITA-KYEOP* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The *Director General* for the Authority and the *Project Director* for *NITA-KYEOP* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

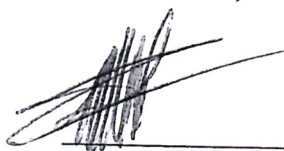
The *Director General* for the Authority and the *Project Director* for *NITA-KYEOP* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used 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 *Director General* for the Authority and the *Project Director* for *NITA-KYEOP* on 31<sup>st</sup> October, 2022 and signed by them.



Director General  
Stephen Ogenga



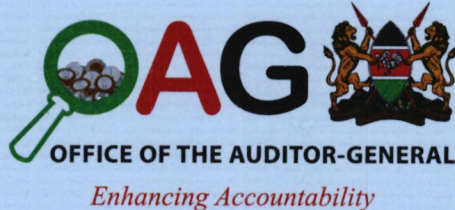
Project Director  
Joseph Kinuthia



Project Accountant:  
Everlyne Siriya  
ICPAK Member NO:26770

# REPUBLIC OF KENYA

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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT - IDA CREDIT NO. 5812-KE FOR THE YEAR ENDED 30 JUNE, 2022 - NATIONAL INDUSTRIAL TRAINING AUTHORITY**

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### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal 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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kenya Youth Employment and Opportunities Project set out on pages 1 to 37, which comprise the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of

cash flows, and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and notes to the financial statements 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Youth Employment and Opportunities Project as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No. 5812-KE dated 19 October, 2016 between International Development Association and the Government of the Republic of Kenya.

### **Basis for Qualified Opinion**

#### **Incomplete Fixed Assets Register**

The summary of fixed assets register at Annex 4 and Note 5 to the financial statements reflects the cumulative total acquisition of non-financial assets balance of Kshs.148,159,167. However, the audit review of the assets revealed the assets register was incomplete since important information such as serial numbers and conditions of the assets were not indicated and assets worth Kshs.9,254,343 were not tagged.

In the circumstances, the accuracy, completeness and ownership of cumulative non-financial assets of Kshs.148,159,167 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final revenue budget and actual revenue on comparable basis of Kshs.575,808,289 and Kshs.382,328,585 respectively, resulting to an underfunding of Kshs.193,479,704 (or 34%) of the approved budget. Similarly, the Project expended Kshs.290,912,383 against an approved budget

of Kshs.575,808,289 resulting to an under-expenditure of Kshs.284,895,906 (or 49%) of the budget.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Lack of Effective Internal Audit Function**

The Project has not established an effective internal audit function. This is contrary to Section 155 of the Public Finance Management Act, 2012 which provided for the establishment of an effective internal audit function. As such, the Project did not benefit from the assurance and advisory services from the internal audit function.

In the circumstances, effectiveness of internal controls and governance could not be confirmed.

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 Financing Agreement between the International Development Association and the Government of the Republic of Kenya, 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 agree 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 control, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the Project monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 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 Project's policies and procedures may deteriorate.

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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 December, 2022

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

	Note	2021/2022		2020/2021		Total	Cumulative to-date
		Receipts and payments controlled by the entity KShs	Payments made by third parties KShs	Receipts and payment controlled by the entity KShs	Payments made by third parties KShs		
<b>RECEIPTS</b>							
Proceeds from domestic and foreign credits	1	205,587,026	0	669,040,126	0	669,040,126	2,794,676,931
<b>TOTAL RECEIPTS</b>		<b>205,587,026</b>	<b>0</b>	<b>669,040,126</b>	<b>0</b>	<b>669,040,126</b>	<b>2,794,676,931</b>
<b>PAYMENTS</b>							
Compensation of employees	2	21,954,204	0	29,414,921	0	29,414,921	126,780,817
Purchase of goods and services	3	265,105,379	0	551,265,726	0	551,265,726	2,425,368,354
Social security benefits	4	0	0	0	0	0	0
Acquisition of non-financial assets	5	3,849,800	0	0	0	0	0
<b>TOTAL PAYMENTS</b>		<b>290,909,383</b>	<b>0</b>	<b>580,680,647</b>	<b>0</b>	<b>580,680,647</b>	<b>148,159,167</b>
<b>SURPLUS/DEFICIT</b>		<b>(85,322,357)</b>	<b>0</b>	<b>88,359,479</b>	<b>0</b>	<b>88,359,479</b>	<b>2,700,308,338</b>
							<b>94,368,593</b>

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



Director General  
Stephen Ogenga



Project Director  
Joseph Kinuthia



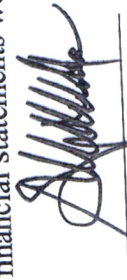
Project Accountant  
Everlyne Siriya  
ICPAK Member No.26770


**NITA-KYEOP Project**  
**Annual Reports and Financial Statements**  
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**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022**

STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022		2021/22	2020/21
	Note	KShs	KShs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents	6	91,419,202	176,741,559
Cash Balances	7	91,419,202	176,741,559
<b>Total Cash and Cash Equivalents</b>	8	0	472,532
Accounts Receivables (outstanding imprest)		91,419,202	177,214,091
<b>TOTAL FINANCIAL ASSETS</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd		176,741,559	88,854,612
Surplus/Deficit for the year		(85,322,357)	88,359,479
<b>NET FINANCIAL POSITION</b>		<b>91,419,202</b>	<b>177,214,091</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 31<sup>st</sup> October, 2022 and signed by:

  
 Director General  
 Date

  
 Project Director  
 Date 31/10/2022


  
 Project Accountant  
 Date 31/10/2022  
 ICPAK Member No: 26770

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2022

	2021/2022	Restated 2020/2021
	KShs	KShs
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
Receipts for operating activities		
Proceeds from domestic and foreign credits		
<b>Payments for operating activities</b>		
Compensation of employees	205,587,026	669,040,126
Purchase of goods and services	21,954,204	29,414,921
Increase in accounts receivable(outstanding imprest)	265,108,379	551,265,726
<b>Net cash flow from operating activities</b>	0	472,532
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Assets	(81,475,557)	87,886,947
<b>Net cash flows from Investing Activities</b>	3,846,800	0
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	0	0
<b>Cash and cash equivalent at BEGINNING of the year</b>	(85,322,357)	87,886,947
<b>Cash and cash equivalent at END of the year</b>	176,741,559	88,854,612
	91,419,202	176,741,559

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 31<sup>st</sup> October, 2022 and signed by:

  
Director General  
Date 31/10/2022

  
Project Accountant  
Date 31/10/2022  
ICPAK Member No. 26770

**NITA-KYEOP Project**  
**Annual Reports and Financial Statements**  
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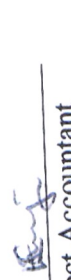
**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Proceeds from domestic and foreign credits	2,052,741,559	-1,476,933,270	575,808,289.00	382,328,585	193,479,704	66%
<b>Total Receipts</b>	<b>2,052,741,559</b>	<b>-1,476,933,270</b>	<b>575,808,289</b>	<b>382,328,585</b>	<b>193,479,704</b>	<b>66%</b>
<b>Payments</b>						
Compensation of employees	56,640,000.00	-30,674,400	25,965,600.00	21,954,204	4,011,396	85%
Purchase of goods and services	1,992,251,759.00	-1,446,258,870	545,992,889.00	265,108,379	280,884,510	49%
Social Security Benefits	0	0	0	0	0	0
Acquisition of non-financial assets	3,849,800.00	0	3,849,800.00	3,846,800.00	0	100%
<b>Total Payments</b>	<b>2,052,741,559</b>	<b>-1,476,933,270</b>	<b>575,808,289</b>	<b>290,909,383</b>	<b>284,895,906</b>	<b>51%</b>

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

  
 Director General  
 Date

  
 Project Director  
 Date

  
 Project Accountant  
 Date 21/10/2022  
 ICPAK Member No.26770

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

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

### **10.2 Reporting entity**

The financial statements are for the Project Kenya Youth Employment and Opportunities Project (NITA) under National Government of Kenya. The financial statements encompass the reporting entity 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 all values are rounded to the nearest Kenya Shilling.

### **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 entity.

**ii) External Assistance**

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

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) 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.

**vi) 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.

**10.5 Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

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

**10.6 In-kind donations**

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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.

**10.7 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.

**10.8 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.

**10.9 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 AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**10.10 Contingent Liabilities**

A contingent liability is:

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

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

**10.11 Contingent Assets**

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

**10.12 Pending bills**

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

**10.13 Budget**

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

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

**10.14 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 billion being loan disbursements were received in form of direct payments from third parties.

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**10.15 Exchange rate differences**

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

**10.16 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.

**10.17 Subsequent events**

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

**10.18 Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note xx of these financial statements

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**11 NOTES TO THE FINANCIAL STATEMENTS**

**1. PROCEEDS FROM DOMESTIC AND FOREIGN CREDITS**

During the 12 months to 30 June 2022, we received credits from the donor through our Parent Ministry:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						FY 2021/22	FY 2020/21
						KShs	KShs
<b>Credits Received from Multilateral Donors (International Organizations)</b>							
International Development Association						205,587,026	669,040,126
<b>Total</b>						<b>205,587,026</b>	<b>669,040,126</b>

\*. The Proceeds received for the financial year amounted to **Kshs 205,587,026** on 12/10/2021

**2. COMPENSATION OF EMPLOYEES**

	FY 2021/22			FY 2020/21	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees(contractual employees and consultants)	21,954,204	0	21,954,204	29,414,921	126,780,817
<b>Total</b>	<b>21,954,204</b>	<b>0</b>	<b>21,954,204</b>	<b>29,414,921</b>	<b>126,780,817</b>



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**4. SOCIAL SECURITY BENEFITS**

	2021/22		2020/21	Cumulative to-date KShs
	Payments made by the Entity in Cash KShs	Payments made by third parties KShs	Total Payments KShs	
Government pension and retirement benefits	0	0	0	0
Social security benefits in cash and in kind	0	0	0	0
Employer social benefits in cash and in kind	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*[There were no provision on social security benefits]*

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5. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2021/22		FY 2020/21	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties		
	KShs	KShs	Total Payments	KShs
Purchase of vehicles & other transport equipment	0	0	0	0
Purchase of specialised plant, equipment and machinery	0	0	0	77,620,000
Purchase of office furniture & general equipment	3,849,800	0	0	23,220,001
<b>Total</b>	<b>3,849,800</b>	<b>0</b>	<b>3,849,800</b>	<b>47,319,166.45</b>
			<b>3,849,800</b>	<b>148,159,167.45</b>

(There were acquisition of Non-financial assets during the financial year under review)

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**Notes to the financial statements (continued)**

**6. CASH AND CASH EQUIVALENTS C/FWD**

**Cash Balances**

	2021/22	2020/21
	KShs	KShs
Cash Balance	91,419,902	176,741,559
<b>Total</b>	<b><u>91,419,902</u></b>	<b><u>176,741,559</u></b>

The project had a Cash Book balance of Kshs 91,419,902 as reflected in the end of year bank reconciliation report.

During the year, a total amount of Kshs. 3,619,773 was held in the suspense account at co-operative bank Account no.01243163753900. The funds relate stipends to the beneficiary youths whose accounts were inactive/invalid and hence their payments could not go through thus leading to the cumulative figure. The bank has given the names of beneficiary youths affected and the reconciliation is at its final stage.

Equity Suspense Account no.0243000100774- NIL balance.

**7. CASH AND CASH EQUIVALENTS B/FWD**

	2021/22	Restated 2020/21
	KShs	KShs
Cash Account	91,419,902	176,741,559
<b>Total</b>	<b><u>91,419,902</u></b>	<b><u>176,741,559</u></b>

The project runs on IPSAS cash basis of accounting as reflected in its cash book balances for the two financial years.

**8. BREAKDOWN OF IMPRESTS AND ADVANCES**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2022</i>	<i>Balance 2021</i>
0	0	0	0	0	0

*There was no outstanding imprest for the year under review*

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**12. OTHER IMPORTANT DISCLOSURES**  
**1. PENDING ACCOUNTS PAYABLE**

	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Supply of goods	4,675,665	240,000
Supply of services	1,008,959	1,162,475
<b>Total</b>	<b>5,684,624</b>	<b>1,402,475</b>

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**13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor for the Financial Year 2020/2021, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
KYEOP/NI TA/2020/2021/5	<p><b>(i) Inaccuracies in the financial statements</b></p> <p><b>a. Cash flow statement.</b></p> <p>The statements of financial assets reflected cash and cash equivalents of Kshs. 176,741,559 as at 30 June, 2021 which differed with the year-end cash and cash equivalents of Kshs. 177,214,091 in the statement of cash flow.</p>	<p>As per The National Treasury Annual Project Reporting Template Revised 30/6/2021, Significant Accounting Policies 10.4 (g): Cash and cash equivalents, provides that <i>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. For the purposes of these</i></p>	<p>Project Accountant Everlyne Siriya</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>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.</p> <p>The cash and cash equivalent of KShs. 176,741,559 as at 30<sup>th</sup> June 2021 and the statement of financial assets differed with the year-end cash and cash equivalent of KShs. 177,214,091 in the statement of cash flow.</p> <p>The difference was due to the imprest issued to Mr. Festus Kitui of</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>KShs. 472,532 which was accounted for as an outstanding (accounts receivable) as at 30<sup>th</sup> June 2021. The activity started in the month of June 2021 and ended in the month of July 2021.</p> <p>Therefore, the Cash and Cash Equivalent of Kshs. 177,214,091 as presented in the Cash flow statement is accurate.</p>			
KYEOP/NITA/2020/2021/5	<p><b>b. Cash and cash equivalents.</b></p> <p>The statement of financial assets reflected a cash and cash equivalent balance of Kshs. 176,741,559 which did not include Kshs. 3,619,473 held in suspense at Co-operative Bank</p>	<p>The main NITA KYEOP account in the project is Kenya Commercial Bank. The other two accounts which are Cooperative and Equity bank are suspense accounts which were opened as per the service level agreement to facilitate payment of stipends to the</p>	<p>Project Director Joseph Kinuthia Project Accountant Everlyne Siriya</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of Kenya. Further, audit revealed that another suspense account with Nil balance was held at Equity Bank which was not disclosed in the financial statements. There were also no bank reconciliation statements and returns for the 2 suspense accounts.	beneficiary youth.  The funds relate stipends to the beneficiary youths whose accounts were inactive/invalid and hence their payments could not go through thus leading to the cumulative figure. The bank has given the names of beneficiary youths affected and the reconciliation is at its final stage.			
KYEOP/NITA/2020/2021/5	<b>(ii) Renewal contracts for contractual staff.</b>  Included in the compensation of employees' balance of Kshs. 29,414,921 is Kshs. 2,400,000 being unsupported monthly salary payments made to 10 contracted	Included in the compensation of employee's amount of KShs. 29,414,921 was KShs. 2,400,000 being monthly salary payments made to 10 drivers for the months of January 2021 to June 2021 supported with the signed contracts of each for the said of six-month period. The	Project Director  Joseph Kinuthia  Deputy project coordinator  Douglas Momanyi	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	drivers for the month of January 2021 to 30 June 2021. Examination of records found in their personal files revealed that they had all requested for contract renewal through letters which were approved on 14 December 2020 but no signed contracts were in place to support the renewal.	management responded to the issue by submitting to the auditors the signed Contracts for 10 contracted drivers for the period January 2021-June 2021 at the time of responding to the Management letter.			
KYEOP/NI TA/2020/2021/5	<b>(iii) Unsupported fuel expenditure.</b>  Note 3 to the financial statements reflected fuel cost of Kshs. 2,958,982 which also included Kshs. 1,254,538.	The Project vehicles are stationed across the KYEOP implementing Counties. By the time of audit, some of the work tickets indicated which were to support fuel expenditure were in the County Offices. The work-tickets were availed from the	Project Director  Joseph Kinuthia  Deputy project coordinator  Douglas	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, documents such as work tickets, cashbooks and fuel statements were not provided for audit verification. Further, the project's fuel statement revealed that National Industrial Training Authority (NITA) refunded amount totaling Kshs. 1,306,818 being amount of fuel incurred by the Authority. However, supporting documents for the actual total amount incurred by the Authority were not provided. In the circumstance, the actual fuel consumed by NITA</p>	<p>Counties and submitted to the Auditors for their review at the time of responding to the Management letter.</p> <p>In regards to refund of fuel by NITA, the Authority requests for use of KYEOP Vehicles to support Trade Test activities in the implementing Counties. NITA budgets for its activities prior to commencement and the fuel to be consumed for all the vehicles including that of KYEOP vehicles is factored in the budget. The amount to be spent for fuel is then paid to NITA-KYEOP Account held at the National Oil Corporation of Kenya.</p>	Momanyi		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	had not been provided for audit verification and the propriety of the fuel costs of Kshs. 1,254,538 for the year ended 30 June 2021 could not be confirmed.				
KYEOP/NI TA/2020/20 21/5	<b>(iv) Fixed assets-</b> analysis of the summary of fixed assets register on Annex 3 to the financial statement and the physical fixed assets register kept by the Project revealed significant difference of Kshs. 9,323,039 relating to office furniture and general equipment; and similar difference of Kshs. 18,646,078. Consequently, the accuracy of the summary of fixed	The Office Furniture and General Equipment amounting to Kshs. 9,323,039 was wrongly posted under Vehicle and other Transport Equipment thus understating the Office Furniture and General Equipment and overstating Vehicle and other Transport Equipment. The error was corrected in the Financial Statements	Project Accountant  Everlyne Siriya	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	assets register at Annex 3 could not be confirmed for the year ended 30 June, 2021.				
KYEOP/NITA/2020/2021/5	Without further qualifying the audit report, the Auditor, noted under the emphasis of matter section concern on budgetary control and performance. It was emphasized that the statement of comparison of budget and actual amounts as at 30 June, 2021 reflected a total payments final budget of Kshs. 1,033,473,397 against actual expenditure amount of Kshs. 580,680,647 giving a budget utilization of 56%. The project underspent its budget by a total of	The under expenditure experienced under Purchase of goods and services, was majorly brought about by provision of a higher allocation on the training cost vote to cater for youth stipends, fees for training providers and there were limited training activities due to COVID-19 pandemic whereby some milestones were spilled to the following financial year	Project Director  Joseph Kinuthia  Project Accountant  Everlyne Siriya	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs. 452,793,290 (44%). This could have a negative impact on the implementation of planned activities and service delivery to shareholders.				
KYEOP/NI TA/2020/2021/5	<p><b>B. Report on lawfulness and effectiveness in use of public resources</b></p> <p>The Auditor noted the following exemptions: -</p> <p><b>(i) Compensation of employees.</b> Included in the compensation of employee's balance Kshs. 29,414,921 is Kshs. 12,292,635 relating to statutory deductions whose documentary evidence such as payment and</p>	<p>In regards to submission of employee's statutory deductions, NITA and National Industrial Training Authority (NITA) share the same employer NSSF number, NHIF number and KRA PIN and therefore, NITA KYEOP transfer's the amount to NITA for onward remittance to the statutory bodies. All statutory deductions were remitted to the relevant entities by National Industrial Training Authority</p>	<p>Project Director Joseph Kinuthia Project Accountant Everlyne Siriya</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	acknowledgement slips were not provided for audit review and therefore it was not clear whether they had been remitted to relevant entities required by Section 94(1) of the Tax Procedure Act, 201, Section 27(1) of the NSSF Act, 2013 and Section 18(2) of the NHIF Cap. 255 -3- January 28, 2022.	(NITA) inclusive of other staffs in the Authority whose documentary evidence such as payment and acknowledgement slips were submitted to the Auditors for their review at the time of responding to the Management letter.			
KYEOP/NITA/2020/2021/5	<b>(ii) Imprest management.</b> Examination of imprest records totaling to Kshs. 4,814,837 revealed that officers serving on the Project were issued with more than one imprest contrary to section 93(4)(b) of the Public Management Regulation, 2015.	In regards to issuing of imprest, the Management noted and shall ensure adherence to the set-out imprest regulations. All the imprests mentioned were accounted for in full as per the surrender documents that were attached to the		Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Consequently, the management was in breach of the law.	surrender vouchers.			
KYEOP/NITA/2020/2021/5	<p><b><u>(iii)Activities without prior clearance from World Bank</u></b>-The audit revealed that the budget of Kshs. 600,000 was approved by the World Bank for development of new occupational standards while the actual expenditure is recorded as Kshs. 3,755,900. In addition, another expenditure totaling Kshs. 1,034,600 was incurred in a workshop to prepare NITA's new role in KYEOP. However, a no objection certificate from the World Bank was not provided for audit</p>	<p>Approval for Development and Updating of existing occupational competency standards (OCS) was granted by the World Bank in the Annual Work Plan (AWP) and Budget for the period July 2020-June 2021.</p> <p>The World Bank approved Kshs. 600,000.00 for development of new occupation competence standards (OCS) and Kshs. 5,250,000.00 for updating of existing competence standards. Since the nature of two</p>		Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	review.	<p>activities were related and carried out by the same experts, the actual expenditure of Kshs. 3,755,900 for development of new occupation competence standards (OCS) and updating the existing occupation competence standards (OCS) was justified.</p> <p>In regards to expenditure of Kshs. 1,034,600, the project utilized part of the approved funds for Quality Assurance which had been approved in the AWP. Following restructuring of KYEOP and NITA having been allocated key mandate of QA, it was important that a QA Frame work be developed. This was developed and shared with the WB and NITA</p>			

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

**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

  
\_\_\_\_\_  
Project Director

\_\_\_\_\_  
Date

31/10/2022  
\_\_\_\_\_  
Date

**NITA-KYEOP Project**  
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**14. ANNEXES**  
**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
<b>Receipts</b>					
Proceeds from domestic and foreign credits	575,808,289	382,328,585	193,479,704	66%	100% receipt absorption, could not be achieved as a result of some payment milestones to trainers like employment bonus to cycle 2 & 3 which are still pending.
<b>Total Receipts</b>	575,808,289	382,328,585	193,479,704	66%	
<b>Payments</b>					
Compensation of employees	25,965,600	21,954,204	4,011,396	85%	100% could not be attained as a number of consultants exited the project before the financial year end & also there are officers who exited the project and were anticipated to clear in the financial year under review which they haven't.
Purchase of goods and services	545,992,889	265,105,379	280,884,510	49%	Lager percentage of the budget was allocated on training payments where by 100% absorption could not be attained since some of the items which were not cleared in the annual work plan

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Acquisition of non-financial assets	3,849,800	3,849,800	3,849,800	-	100 %				
<b>Total payments</b>	<b>575,808,289</b>	<b>290,909,383</b>	<b>284,895,906</b>		<b>51 %</b>				

*Explain all variance below 90% and above 100%*

**NITA-KYEOP Project**  
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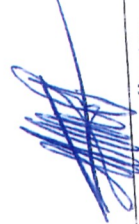
**ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS**

<b>PROJECT NAME:</b>		<b>KENYAYOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT(NITA)</b>		
<b>Break down of Transfers from the State Department of Labour</b>				
<b>a. Others</b>	<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>Indicate the FY to which the amounts relate</b>	
	19/04/2017	100,000,000.00	2016/2017	
	04/07/2017	3,516,303.00	2017/2018	
	16/03/2018	54,371,450.00	2017/2018	
	11/04/2018	8,315,580.00	2017/2018	
	16/05/2018	9,915,475.45	2017/2018	
	31/05/2018	81,397,494.55	2017/2018	
	20/09/2018	60,316,020.00	2018/2019	
	26/09/2018	77,548,277.00	2018/2019	
	23/10/2018	38,935,404.30	2018/2019	
	11/12/2018	74,196,270.00	2018/2019	
	23/01/2019	242,496,940.00	2018/2019	
	11/03/2019	87,720,120.00	2018/2019	
	27/05/2019	124,074,610.00	2018/2019	

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	24/09/2019	211,961,646.95	2019/2020
	18/09/2019	70,758,596.20	2019/2020
	23/10/2019	152,948,358.70	2019/2020
	16/12/2019	236,885,446.70	2019/2020
	28/02/2020	76,943,893.25	2019/2020
	28/02/2020	207,747,892.00	2019/2020
	04/09/2020	150,927,779.70	2020/2021
	08/01/2021	294,403,645.95	2020/2021
	14/04/2021	34,710,333.00	2020/2021
	30/04/2021	188,998,367.25	2020/2021
	12/10/2021	205,587,026	2021/2022
	<b>TOTAL</b>	<b>2,794,676,930.00</b>	

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



Project Coordinator

National Industrial Training Authority



Head of Accounting Unit  
 State Department for Labour

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**ANNEX 3-SUMMARY OF PENDING ACCOUNTS PAYABLE**

NO.	Description	FY 2021/2022
		<b>Kshs</b>
	<b>Supply of goods</b>	
1	Leaky ventures-Supply & delivery of tyres	
2	Stritech Merchants-Supply & delivery of tyres	1,464,000
3	National Oil corporation of Kenya-Supply & delivery of fuel	910,000
4	Eliste Agencies	999,315
5	Techtrend Ideas	958,050
	<b>Sub-total</b>	<b>344300</b>
	<b>Supply of services</b>	<b>4,675,665</b>
1	Uzuri Institute-Formal training provider	
2	Small business school of management-Formal training provider	68,425
3	Cornerstone Training Institute-Formal Training provider	47,500
4	The standard group-KYEOP advertisement	534,375
5	Nation media-KYEOP-advertisement	68,765
6	Starstyle Enterprise-Supply & delivery of antivirus	77,894
7	Gap tech Solutions LTD-Annual subscription of car tracking services	96,000
	<b>Sub-total</b>	<b>116,000</b>
	<b>Grand Total</b>	<b>1,008,959</b>
		<b>5,684,624</b>

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Opening Cost (KShs) 2020/2021	*Purchases/Additions in the Year (KShs) 2021/2022	**Disposals in the Year (KShs) 2021/2022	Closing Cost (KShs) 2021/2022  (d)= (a)+ (b)- (c)
	(a)	(b)	(c)	(c)
Office furniture & general equipment	43,469,366.45	3,849,800.00	0	47,319,166.45
Software	23,220,001	0	0	23,220,001
Vehicles & other transport equipment	77,620,000	0	0	77,620,000
<b>Total</b>	<b>144,309,367.45</b>	<b>3,849,800.00</b>	<b>0</b>	<b>148,159,167.45</b>

Notes:

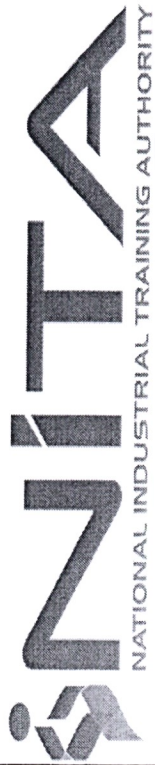
*(There was acquisition of Non-Financial Assets and no disposals were made during the year under review).*

***NITA-KYEOP Project  
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**APPENDICES**

- i. Bank Balance Certificate
- ii. Bank Reconciliations



**NITA - KYEOP ACCOUNT NO. 1206078642**

**JUNE 2022 BANK RECONCILIATION**

BALANCE AS PER THE BANK STATEMENT			120,758,662.07
ADD:			
PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK(DIRECT DEBITS)	0.00		
RECEIPTS IN CASHBOOK	0.00	120,758,662.07	
LESS:			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT(UNPRESENTED CHEQUES)	29,298,460.00		
RECEIPTS IN BANK STATEMENT NOT IN THE CASHBOOK(DIRECT CREDITS)	41,000.00	29,339,460.00	
BALANCE AS PER RECONCILIATION			91,419,202.07
BALANCE AS PER CASHBOOK			91,419,202.07

DEFICIT/SURPLUS

Prepared by: EVERLYNE SIRIYA ..... Date: 9/07/2022  
**PROJECT ACCOUNTANT NITA KYEOP**

Certified by: JULIUS NDENGE ..... Date: 9/07/2022  
**MANAGER ACCOUNTS NITA**

Approved by: JOSEPH KINUTHIA ..... Date: 9/12/2022  
**PROJECT COORDINATOR NITA KYEOP**



ACCOUNT STATEMENT

Customer:   
Account: 1206078642 NATIONAL IND TRAINING AUT-KYEOP  
Product Name: Public Sector  
Statement Period: 01 JUN 2022 - 31 JUN 2022  
Balance at Period Start 121,838,697.07 KES Balance at Period End: 120,758,662.07 KES

TXN DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
01 JUN 2022	BALANCE B/FWD	01 JUN 2022			121,838,697.07
06 JUN 2022	Ag Dpst FT22157MHJQB MATETE REFUND 99999 9 T00095	06 JUN 2022		3,000.00	121,841,697.07
06 JUN 2022	Ag Dpst FT22157TTMR7 SIRIYA EVERLYNE KCB BANK LT	06 JUN 2022		3,000.00	121,844,697.07
22 JUN 2022	Contra Entry FT22173LZ1 R0 CONTRA ENTRY CP C QUICK	22 JUN 2022	-455,125.00		121,389,572.07
22 JUN 2022	Transfer Charge FT22173 R48MN AC-PL55249 SZK 8TAX	22 JUN 2022	-35.00		121,389,537.07
22 JUN 2022	Transfer FT22173R48MN 1206078642 Service Charge	22 JUN 2022	-175.00		121,389,362.07
22 JUN 2022	Inward SWIFT Pa FT2217 3XRSVZ PO 20169,PO B OX 201	22 JUN 2022		41,700.00	121,431,062.07
24 JUN 2022	Contra Entry FT22175DJ NDM CONTRA ENTRY C PC QUICK	24 JUN 2022	-161,500.00		121,269,562.07
24 JUN 2022	Transfer Charge FT22175 6MXS4 AC-PL55249 SZK 8TAX	24 JUN 2022	-5.00		121,269,557.07
24 JUN 2022	Transfer FT221756MXS4 1206078642 Service Charge	24 JUN 2022	-25.00		121,269,532.07
24 JUN 2022	Contra Entry FT22175VY G40 CONTRA ENTRY C PC QUICK	24 JUN 2022	-91,500.00		121,178,032.07
24 JUN 2022	Transfer Charge FT22175 BJ5S6 AC-PL55249 SZK 8TAX	24 JUN 2022	-10.00		121,178,022.07
24 JUN 2022	Transfer FT22175BJ5S6 1206078642 Service Charge	24 JUN 2022	-50.00		121,177,972.07
25 JUN 2022	Contra Entry FT2217672 STV CONTRA ENTRY C PC QUICK	25 JUN 2022	-452,900.00		120,725,072.07
25 JUN 2022	Transfer Charge FT22176 FK1CH AC-PL55249 SZK 8TAX	25 JUN 2022	-60.00		120,725,012.07
25 JUN 2022	Transfer FT22176FK1CH 1206078642 Service Charge	25 JUN 2022	-300.00		120,724,712.07
29 JUN 2022	Ag Dpst FT22180S3D9S DEP KINUTHIA SURRENDER 9999	29 JUN 2022		3,000.00	120,727,712.07
29 JUN 2022	Ag Dpst FT221803JPCV MATETE REFUND DEPOS 999999 S	29 JUN 2022		3,000.00	120,730,712.07
29 JUN 2022	Ag Dpst FT2218002JNS DOUGLAS MOMANYI 99999 T000	29 JUN 2022		3,000.00	120,733,712.07
29 JUN 2022	Ag Dpst FT22180SK4C0 DOUGLAS MOMANYI 99999 T000	29 JUN 2022		2,350.00	120,736,062.07
29 JUN 2022	Ag Dpst FT22180LCVYC LIVINGSTONE LIDONDE 999999	29 JUN 2022		19,600.00	120,755,662.07
30 JUN 2022	Ag Dpst FT22181YW52S CHRISPINE CHRISPINE 999999	30 JUN 2022		3,000.00	120,758,662.07
			=====	=====	=====
	BALANCE AT PERIOD END:		-1,161,685.00	81,650.00	120,758,662.07

DATE	TRANSACTION DETAILS	MONEY OUT	MONEY IN	RUNNING BALANCE
01-06-22	BALANCE B/FWD	-	-	121,838,697.07
06-22	Ag Dpst FT22157MHJQB MATETE REFUND 999999 T00095	-	3,000.00	121,841,697.07
06-06-22	Ag Dpst FT22157TMR7 SIRIYA EVERLYNE KCB BANK LT	-	3,000.00	121,844,697.07
22-06-22	Contra Entry FT22173LZ1R0 CONTRA ENTRY CPC QUICK	(455,125.00)	-	121,389,572.07
22-06-22	Transfer Charge FT22173R48MN AC-PL55249 SZK8TAX	(35.00)	-	121,389,537.07
22-06-22	Transfer FT22173R48MN 1206078642 Service Charge	(175.00)	-	121,389,362.07
22-06-22	Inward SWIFT Pa FT22173XRSVZ PO 20169,PO BOX 201	-	41,700.00	121,431,062.07
24-06-22	Contra Entry FT22175DJNDM CONTRA ENTRY CPC QUICK	(161,500.00)	-	121,269,562.07
24-06-22	Transfer Charge FT221756MXS4 AC-PL55249 SZK8TAX	(5.00)	-	121,269,557.07
24-06-22	Transfer FT221756MXS4 1206078642 Service Charge	(25.00)	-	121,269,532.07
24-06-22	Contra Entry FT22175VYG40 CONTRA ENTRY CPC QUICK	(91,500.00)	-	121,178,032.07
24-06-22	Transfer Charge FT22175BJ5S6 AC-PL55249 SZK8TAX	(10.00)	-	121,178,022.07
24-06-22	Transfer FT22175BJ5S6 1206078642 Service Charge	(50.00)	-	121,177,972.07
25-06-22	Contra Entry FT2217672STV CONTRA ENTRY CPC QUICK	(452,900.00)	-	120,725,072.07
25-06-22	Transfer Charge FT22176FK1CH AC-PL55249 SZK8TAX	(60.00)	-	120,725,012.07
25-06-22	Transfer FT22176FK1CH 1206078642 Service Charge	(300.00)	-	120,724,712.07
29-06-22	Ag Dpst FT22180S3D9S DEP KINUTHIA SURRENDER 9999	-	3,000.00	120,727,712.07
29-06-22	Ag Dpst FT221803JPCV MATETE REFUND DEPO 999999 S	-	3,000.00	120,730,712
29-06-22	Ag Dpst FT2218002JNS DOUGLAS MOMANYI 999999 T000	-	3,000.00	120,733,712.07
29-06-22	Ag Dpst FT22180SK4C0 DOUGLAS MOMANYI 999999 T000	-	2,350.00	120,736,062.07
29-06-22	Ag Dpst FT22180LCVYC LIVINGSTONE LIDONDE 999999	-	19,600.00	120,755,662.07
30-06-22	Ag Dpst FT22181YW52S CHRISPINE CHRISPINE 999999	-	3,000.00	120,758,662.07
	<b>TOTAL</b>	<b>(1,161,685.00)</b>	<b>81,650.00</b>	

DIRECT DEBITS			
TE	TRANSACTION DETAILS	MONEY OUT	RECONCILED
05-02-22	Contra Entry AT-DPC CONTRA ENTRY CPC QUICK PAY W	100,900.00	-
22-06-22	Contra Entry FT22173LZ1R0 CONTRA ENTRY CPC QUICK	455,125.00	-
22-06-22	Transfer Charge FT22173R48MN AC-PL55249 SZK8TAX	35.00	-
22-06-22	Transfer FT22173R48MN 1206078642 Service Charge	175.00	-
24-06-22	Contra Entry FT22175DJNDM CONTRA ENTRY CPC QUICK	161,500.00	-
24-06-22	Transfer Charge FT221756MXS4 AC-PL55249 SZK8TAX	5.00	-
24-06-22	Transfer FT221756MXS4 1206078642 Service Charge	25.00	-
24-06-22	Contra Entry FT22175VYG40 CONTRA ENTRY CPC QUICK	91,500.00	-
24-06-22	Transfer Charge FT22175BJ5S6 AC-PL55249 SZK8TAX	10.00	-
24-06-22	Transfer FT22175BJ5S6 1206078642 Service Charge	50.00	-
25-06-22	Contra Entry FT2217672STV CONTRA ENTRY CPC QUICK	452,900.00	-
25-06-22	Transfer Charge FT22176FK1CH AC-PL55249 SZK8TAX	60.00	-
25-06-22	Transfer FT22176FK1CH 1206078642 Service Charge	300.00	-
	<b>TOTAL</b>	<b>1,262,585.00</b>	<b>-</b>

DIRECT CREDITS			
TE	TRANSACTION DETAILS	MONEY IN	RECONCILED
18-12-21	Salary Payment AT-DPC 0499958-A P A INSURANCE LT	41,000.00	41,000.00
06-06-22	Ag Dpst FT22157MHJQB MATETE REFUND 999999 T00095	3,000.00	-
06-06-22	Ag Dpst FT22157TTMR7 SIRIYA EVERLYNE KCB BANK LT	3,000.00	-
22-06-22	Inward SWIFT Pa FT22173XRSVZ PO 20169,PO BOX 201	41,700.00	-
29-06-22	Ag Dpst FT22180S3D9S DEP KINUTHIA SURRENDER 9999	3,000.00	-
29-06-22	Ag Dpst FT221803JPCV MATETE REFUND DEPO 999999 S	3,000.00	-
29-06-22	Ag Dpst FT2218002JNS DOUGLAS MOMANYI 999999 T000	3,000.00	-
29-06-22	Ag Dpst FT22180SK4C0 DOUGLAS MOMANYI 999999 T000	2,350.00	-
29-06-22	Ag Dpst FT22180LCVYC LIVINGSTONE LIDONDE 999999	19,600.00	-
30-06-22	Ag Dpst FT22181YW52S CHRISPINE CHRISPINE 999999	3,000.00	-
	<b>TOTAL</b>	<b>122,650.00</b>	<b>41,000.00</b>

		JUNE 2022 CASH BOOK							
DATE	PAYEE	DESCRIPTION	CHEQUE NO/PV NO.	PAYMENTS	RECONCILED	RECEIPT	RECONCILED		
06/06/2022	DG-NITA	Un-utilised Imprest - Basil Matete	2598	-	-	3,000.00	-		
06/06/2022	DG-NITA	Un-utilised Imprest - Everlyne Shrya	2599	-	-	3,000.00	-		
21/06/2022	DG-NITA	Consultancy fee for May 2022	2612	455,125.00	-	-	-		
21/06/2022	Commissioner of Domestic Taxes	5% WHT Consultants fee May 2022	2613	29,046.00	29,046.00	-	-		
22/06/2022	Michael Mutisya	Final Payment for Consultancy fee for April 2022	2614	161,500.00	-	-	-		
22/06/2022	Commissioner of Domestic Taxes	5% WHT Final Payment for Consultant fee April 2022	2615	8,500.00	8,500.00	-	-		
22/06/2022	NITA Officers	Quality Assurance Visits	911-912	91,500.00	-	-	-		
29/06/2022	NITA Officers	Quality Assurance Visits	913-924	452,900.00	-	-	-		
30/06/2022	NITA	Assessment fee for Cycle 7B Youths July/August 2022 series	2618	19,500,000.00	19,500,000.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2626	66,057.00	66,057.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2627	1,159.00	1,159.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2628	61,067.00	61,067.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2629	1,071.00	1,071.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2630	58,988.00	58,988.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2631	1,035.00	1,035.00	-	-		
30/06/2022	D.G -NITA	Contracted staff salaries June 2022	2639	280,132.00	280,132.00	-	-		
30/06/2022	NITA	transfer of funds for contracted staff statutory deductions-jun 2022	2640	47,187.00	47,187.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2641	79,171.00	79,171.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2642	1,389.00	1,389.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2643	89,596.00	89,596.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2644	1,572.00	1,572.00	-	-		
30/06/2022	CMC Motors Group Ltd	Servicing of KYEOP vehicles	2645	56,559.00	56,559.00	-	-		
30/06/2022	Commissioner of VAT	2% WHT on CMC motors	2646	993.00	993.00	-	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Joseph Kinuthia	2632	-	-	3,000.00	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Basil Matete	2633	-	-	3,000.00	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Douglas Momanyi	2634	-	-	2,350.00	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Livingstone Lidonde	2635	-	-	19,600.00	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Douglas Momanyi	2636	-	-	3,000.00	-		
30/06/2022	D.G -NITA	Un-utilised Imprest - Chrispine Matseshe	2638	-	-	3,000.00	-		
30/06/2022	D.G -NITA	Refund from Premier Safaris Ltd for funds erroneously paid	2637	-	-	41,700.00	-		
30/06/2022	DG-NITA	Bank charges June 2022	2664	660.00	-	-	-		
30/06/2022	DG-NITA	Consultancy fee for June 2022	2665	877,800.00	877,800.00	-	-		
30/06/2022	Commissioner of Domestic Taxes	5% WHT Consultants fee June 2022	2666	46,200.00	46,200.00	-	-		
30/06/2022	DG-NITA	Material fees for cycle 7B assessment centres July 2022 series-TT	2667	7,267,550.00	7,267,550.00	-	-		
30/06/2022	DG-NITA	Material fees for cycle 7B assessment centres July 2022 series-Proficiency	2668	728,190.00	728,190.00	-	-		
30/06/2022	DG-NITA	Refund	2669	25,500.00	25,500.00	-	-		
30/06/2022	DG-NITA	Cashbook adjustment	2670	41,700.00	-	-	-		
23/05/2022	Commissioner of VAT	2% WHT on Machakos University	2553	2,017.00	2,017.00	-	-		
23/05/2022	Commissioner of Domestic Taxes	5% WHT Consultants fee April 2022	2561	46,200.00	46,200.00	-	-		
23/05/2022	Commissioner of Domestic Taxes	5% WHT - FTP payment Cycle 4 Del 4	2563	8,264.00	8,264.00	-	-		
23/05/2022	Commissioner of VAT	2% WHT on CMC motors	2566	1,431.00	1,431.00	-	-		
23/05/2022	Commissioner of VAT	2% WHT on CMC motors	2568	697.00	697.00	-	-		

23/05/2022	Commissioner of VAT	2% WHT on CMC motors	2570	809.00	809.00	-	-
23/05/2022	Commissioner of VAT	2% WHT on CMC motors	2572	648.00	648.00	-	-
30/05/2022	Commissioner of VAT	2% WHT on CMC motors	2586	682.00	682.00	-	-
30/05/2022	Commissioner of VAT	2% WHT - KISM	2590	8,950.00	8,950.00	-	-
04/02/2022	Premier Safaris	Provision of air tickets	2430	59,200.00	-	-	-
<b>TOTAL</b>				<b>30,561,045.00</b>	<b>29,298,460.00</b>	<b>81,650.00</b>	<b>-</b>

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Industrial Area Branch  
Enterprise Road  
P.O. Box 18031 - 00500,  
Nairobi, Kenya.  
Tel: +254 20 6557033, 6650124  
Email: industrialarea@kcbgroup.com

Tuesday, 05<sup>th</sup> July 2022

**Stephen Ogenga**  
Director General  
National Industrial Training Authority,  
P O Box 74494-00200 NAIROBI  
Nairobi,  
KENYA

Dear Mr Ogenga,

**CERTIFICATE OF BALANCE AS AT 30<sup>th</sup> JUNE 2022**

Reference is made to your letter dated 01<sup>st</sup> July 2022.

Attached please find your certificate.

Account Name	Account Number	Balance as at 30 <sup>th</sup> June 2022
National Industrial Training Authority	1206078642	Kshs. 120,758,662.07 CR

We take this opportunity to thank your for banking with us.

Yours sincerely,

For and on behalf of:  
For: KCB BANK KENYA LTD.  
Manager Service Quality & Compliance  
**KANTITO NAISANKAU**  
INDUSTRIAL AREA BR. NAIROBI  
BRANCH MANAGER

/Encl

Kencom House,  
Moi Avenue,  
P.O. Box 48400 - 00100,  
Nairobi, Kenya.  
Tel: +254 20 3270000,  
2852000, 252886/9  
Mobile: +254 711012000/  
734 108200

1218 CA 41 BRANCHES  
CERTIFICATE OF BALANCE

KCB Bank Limited  
(Incorporated in Kenya)

CERT2218691677

KCB INDUSTRIAL AREA

05 JUL 2022

.....  
Certified that the balance at the CREDIT Of NATIONAL  
IND TRAINING AUT-KYEOP

A/C 1206078642.....

at the close of business on 30 JUN 2022 Was KES

.....  
ONE HUNDRED AND TWENTY MILLION SEVEN HUNDRED AND FIFTY EIGHT  
THOUSAND SIX HUNDRED AND SIXTY TWO CENTS SEVEN

.....  
KES 120,758,662.07

Examined by

Signed in my presence  
FOR: KCB BANK KENYA LTD.  
*[Signature]*  
Corporate Service Manager  
INDUSTRIAL AREA

For and on behalf of:  
For: KCB BANK KENYA LTD.  
*[Signature]*  
Manager Service Quality & Compliance  
INDUSTRIAL AREA BR. NAIROBI

Manager Service Quality & Compliance Branch Manager

Kencom House,  
Moi Avenue,  
P.O. Box 48400 - 00100,  
Nairobi, Kenya.  
Tel: +254 20 3270000,  
2852000, 252886/9  
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KES 120,758,662.07

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Examined by

Signed in my presence  
For KCB BANK KENYA LTD.  
*[Signature]*  
Corporate Service Manager  
Manager Service Quality & Compliance

For and on behalf of:  
For: KCB BANK KENYA LTD.  
*[Signature]*  
Manager Service Quality & Compliance  
INDUSTRIAL AREA BR. NAIROBI