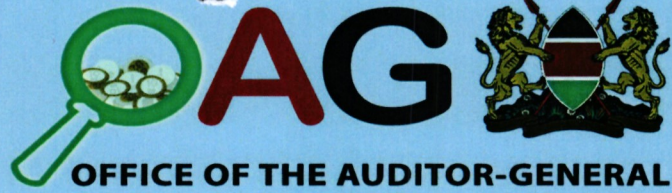


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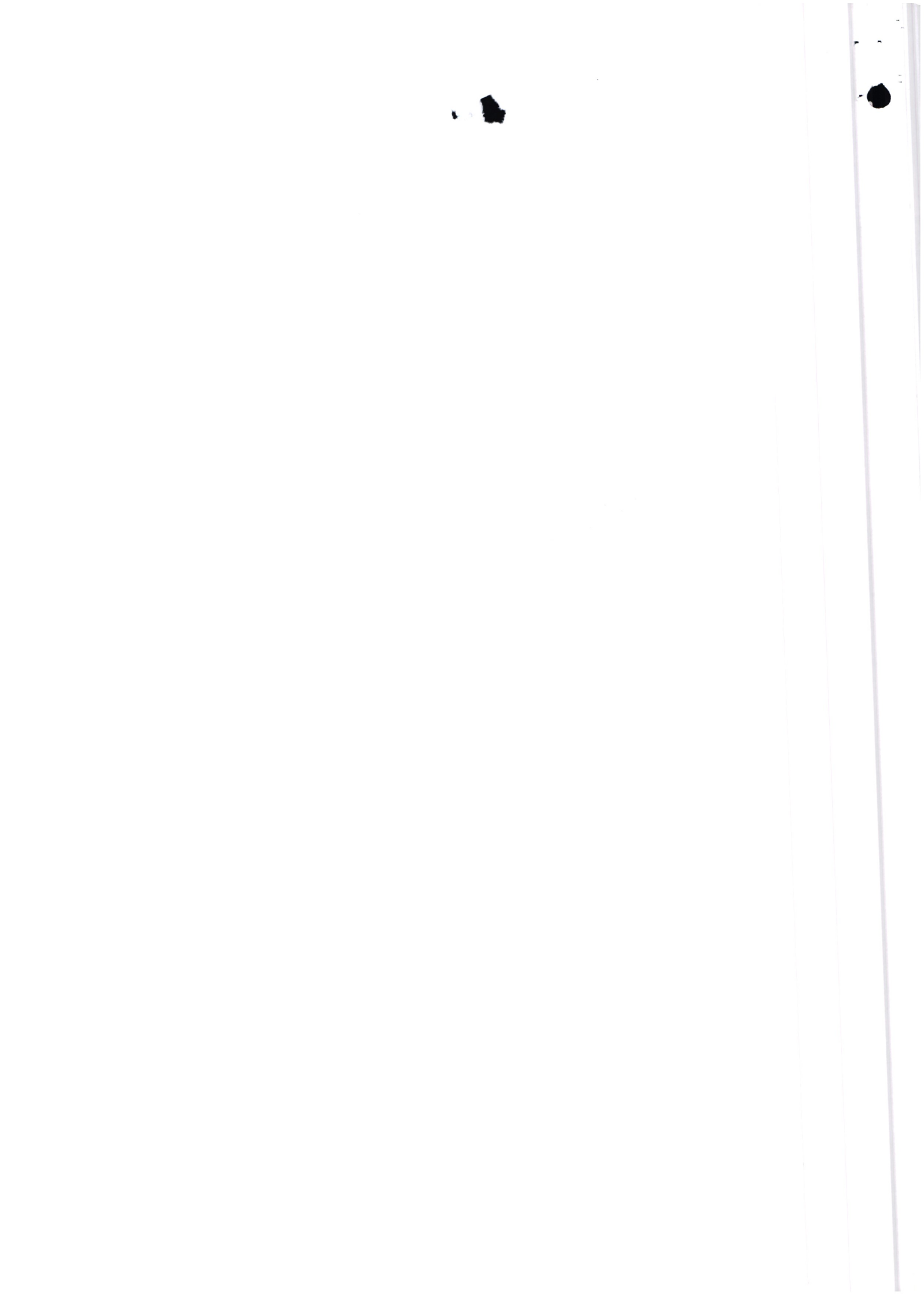
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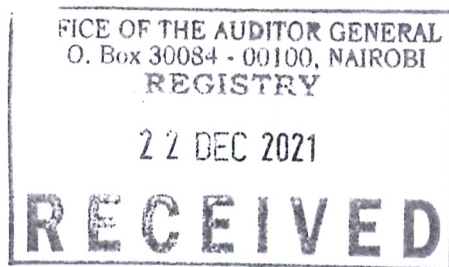
ON

**KENYA SOCIAL AND ECONOMIC INCLUSION
PROJECT CREDIT NO.6348-KE**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**STATE DEPARTMENT FOR SOCIAL
PROTECTION**





KENYA SOCIAL AND ECONOMIC INCLUSION PROJECT

**MINISTRY OF LABOUR AND SOCIAL PROTECTION
(STATE DEPARTMENT FOR SOCIAL PROTECTION)**

PROJECT NUMBER NO. P164654

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD ENDING
JUNE 30, 2021**

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

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I. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: Kenya Social and Economic Inclusion Project

Objective: The key objective of the project is to strengthen delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets for poor and vulnerable households.

Address: The project headquarters offices are in NSSF Building, Nairobi (city), and Nairobi County, Kenya. 0. Box 46205-00100 GPO, Nairobi.

Contacts: Telephone: (254) 722 319 186 **E-mail:** ovc@gmail.com OR ovc@yahoo.com

1.2 Project Information

Project Start Date:	The project start date is 27-Nov-2018
Project End Date:	The project end date is 31-Dec-2023
Project Manager:	The project manager is Mrs Cecilia Mbaka
Project Sponsor:	The project sponsor is World Bank

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Labour and Social Protection(State Department for Social Protection)
Project number	P164654
Strategic goals of the project	The strategic goals of the project are as follows: (i) - Strengthening Social Protection Delivery Systems (ii) - Increasing Access to Social and Economic Inclusion Interventions (iii)- Improving the Shock Responsiveness of Safety Net System
Achievement of strategic goals	The project management aims to achieve the goals through the following means: i. Provision of social inclusion (nutrition-sensitive safety net and

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For the financial year ended June 30, 2021

	<p>referrals to the NHIF) and economic inclusion (livelihoods enhancement support) services to the existing National Safety Net Programme beneficiaries, as well as other poor and vulnerable, to be identified through the use of an objective targeting system already being used in the country.</p> <p>ii. By expanding their coverage to additional households and the functionality of financing arrangements for timely response in the event of droughts.</p> <p>iii. Strengthening of Social Protection delivery systems by enhancing the scope and coverage of the Single Registry and support relevant program information systems, investments in the rollout of the improved payment system, and supporting greater integration and implementation of the Grievances & Case Management mechanism for all interventions supported by the proposed KSEIP.</p>
Other important background information of the project	Social Protection has long been an important part of the Government strategy to fight poverty and promote equitable growth and social inclusion, as well as respond to emergencies such as natural disasters. The Government is committed to move beyond cash transfers to an integrated Social Protection system to enhance social and economic inclusion of the poor and vulnerable. Therefore, the underlying objective of KSEIP is to strengthen the delivery systems.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Strengthening Social Protection Delivery Systems (ii) Increasing Access to Social and Economic Inclusion Interventions (iii) Improving the Shock Responsiveness of Safety Net System
Project duration	The project started on 27 th November 2018 and is expected to run until 31 st December 2023

1.4 Bankers

The following are the bankers for the current year:

Central Bank of Kenya Limited - Account number: 1000425059

1.5 Auditors

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The project is audited by the Office of the Auditor General

1.6 Roles and Responsibilities

List of different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities	Contacts
Cecilia Mbaka	Secretary Social Development	Masters	Project Coordinator	0721839132
Jane Muyanga	Director Children Services	Masters	Lead-NICHE	0722653187
Winie Mwasiaji	Deputy Director Social Development	Masters	Lead-Economic Inclusion Programme	0722829900
CPA Moses Muga	Principal Accountant	Msc-Commerce	Project Accountant	0722809933

1.7 Funding summary

The Project is for duration of 5 years from 2019 to 2023 with an approved budget of Euro 152,800,000 and USD 13,000,000 equivalent to KShs 6,060,758,130 and Ksh 19,496,501,100 respectively as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30-06-2021)		Undrawn balance to date (30-06-2021)	
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan	Euro	KShs	Euro	KShs	Euro	KShs
IDA Credit	47,500,000	6,060,758,130	3,000,000	343,722,900	44,500,000	5,717,035,230
IDA Credit(DLI'S)	105,300,000	13,435,742,970	9,995,000	1,169,415,000	95,305,000	12,266,327,970
	152,800,000	19,496,501,100	12,995,000	1,513,137,900	139,805,000	17,983,363,200
(ii) Grant	USD	Ksh	USD	Ksh	USD	Ksh

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DFID-Grant	13,000,000	1,406,600,637	5,943,637	643,101,814	7,056,363	763,498,822
Total		20,903,101,737		2,156,239,714		18,746,862,022

1.8 Summary of Overall Project Performance:

The Budget performance against actual amounts for current year and for cumulative to-date is as follows.

Source of Funding	Budget		Actual Expenditure	Absorption Rate
IPF Credit	850,000,000	-	89,565,129	11%
IPF Grant	430,000,000	-	299,778,217	70%
GOK Counterpart Funds	479,270,000	-	337,242,970	72%
	1,759,270,000		726,586,316	

However, the Disbursement Link indicators DLIS so far achieved and disbursed to the National Treasury amounts Euro 9,995,000 equivalent to Ksh 1,169,415,000.while the accumulated Eligible Expenditure Programme to date amounts to Ksh 33,957,274,680.

IMPLEMENTATION CHALLENGES

- The one-year delay in signing** the technical agreement compounded by the COVID-19 pandemic meant that this sub-component was severely behind schedule, but since January this year it has been rapidly catching up.
- Delay in exchequer releases:** This has largely affected the implementation of GOK funded activities causing delays and crossover of activities meant for the previous financial year. This means that we have had to have less funds available to finance planned activities for the successive year as part of the allocation is applied to fund the previous year's activities.
- Limitations in flow of funds to the lower levels of implementation (Counties and Sub-counties) where we are not able to issue AIEs, against IPF funds:** The Financial Management Procedures Manual has not yet been updated. There are however ongoing discussions between SDSP, the World Bank and the National Treasury regarding proposed improvements to the Financial Management System. These limitations are highlighted in the bullet below.

4. **Inability to pay external stakeholders who participate /involved in KSEIP activities given procedures defined in the project FM Payments to non-government staff:** Several KSEIP activities involve payments to non-government staff such as the reimbursement of transport allowances, fees for enumerators or allowances for BWC members. At present this often requires SDSP staff to carry cash to implementation sites to facilitate payments resulting in an additional work burden and exposing the project to the risk of loss or misappropriation of funds. Furthermore, there are sometimes delays in counties sending back accountability returns affecting the completeness and timeliness of financial reporting.
5. **Lack of KSEIP Budget Lines and Budget Management system:** KSIEP is implemented by various units within the SDSP but the entire KSIEP budget is however lumped into one for the entire State Department making it difficult to monitor activities and spending at the individual unit's level.
6. **Project Reporting Requirements:** The project requires extensive reporting requirements to monitor the project progress and remain fully compliant with the financial reporting to the World Bank. IFMIS or VMS are currently not capable of run these reports with the details and formats that are required. The SDSP is currently considering using the data export capabilities of IFMIS, the data will be exported and a reporting application including a data analytical application with project reports using the original ledger data and adding additional data points to ensure 100% compatibility with the reporting requirements. Project dashboards will be developed to monitor project financial results and day-to-day progress and to support the development of project reports.

RECOMMENDATION.

1. IPF Loan and grant should be available for implementation of the programme to achieve the planned milestones.
2. Counterpart funding (GoK) should be availed to support NICHE operations

1.9 Summary of Project Compliance:

The project has complied with applicable laws and regulations, and essential external financing agreements/covenants,

II. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED 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 objective of the KSEIP is "to strengthen delivery systems for enhanced access to social and economic inclusion services and shock-responsive safety nets for poor and vulnerable households". The Project supports the GoK to build upon the achievements made under the National Safety Net Program (NSNP) through putting in place credible delivery systems for social protection (SP) services. More specifically, the Project supports results in three areas: (i) enhancing institutional capacity and further strengthening of SP delivery systems, particularly the coverage and functionality of the existing single registry as well as to continue improving the efficiency of the payment and grievance management system; (ii) investing in scale-up of existing nutrition-sensitive safety net and testing of customized economic inclusion models as a complement to the sensitive safety net and testing of customized economic inclusion models as a complement to the regular cash transfers to improve human capital and self-sufficiency of the poor and vulnerable households; and (iii) improving shock responsiveness of the safety net system expanding its coverage as well as strengthening financing arrangements for timely support to the affected households to improve their resilience and coping with recurrent climate-induced droughts.

Progress on attainment of Strategic development objectives

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

STATUS OF KSEIP DLIs

No	Disbursement Linked Indicator	Disbursement Linked Results	Progress in DLIs
1	Scope, coverage, and functionality of Single Registry enhanced	1a (i) - Design and implementation arrangements for enhancements in SR finalized - WB IDA - EUR 5.2m (US\$ 6m) – June 2019	Achieved
		1a (ii) - Roll out of enhanced SR covers at least 75% of targeted households in 2 non-HSNP counties WB IDA - EUR 4.3m (US\$ 5m) – June 2021	Achieved

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		1a (iii) - Roll out of enhanced SR covers at least 75% of targeted households in 17 non-HSNP counties - WB IDA - EUR 12.9m (US\$ 15m) – June 2022	Not yet due.
		1a (iv) - Roll out of enhanced SR covers at least 75% of targeted households in 32 non-HSNP counties - WB IDA - EUR 12.9m (USD 15m) – June 2023	Not yet due.
		1a (v) - Roll out of enhanced SR covers at least 75% of targeted households in 39 non-HSNP counties - WB IDA - EUR 3.5m (US\$ 4m) – December 2023	Not yet due.
		1b (i) - Re-registration exercise in the four original HSNP counties completed and beneficiary list updated accordingly - WB IDA - EUR 3.5m - (US\$ 4m) DFID – US\$ 0.5m – June 2020	Overdue
		1b (ii) - Registration of households in the four expansion HSNP counties complete WB IDA – EUR 4.3m (US\$ 5m) DFID – US\$ 0.5m – June 2021	Not yet due.
2	New Inua Jamii Payment Mechanism for three NSNP cash transfer programs is rolled out	2a - 60% of beneficiaries receiving payments through the new payment mechanism - WB IDA EUR 7.8m (US\$ 9m) – June 2020	Achieved.
		2b - 100% of beneficiaries receiving payments through the new payment mechanism - IDA EUR 4.3m (US\$ 5m) – June 2021	Partially achieved.
3	Integrated G&CM mechanism is strengthened and rolled out at decentralized level	3a - G&CM mechanism is functional at all levels for four NSNP programs in 47 counties - IDA EUR 8.65m (US\$ 10m) – June 2020	Overdue.
		3b - Enhanced G&CM mechanism functional in all KSEIP counties as per revised design and implementation arrangements - IDA EUR 8.65m (US\$ 10m) – June 2022	Not yet due.
4	Increased access to social inclusion interventions	4a (i) - 1,700 households receiving nutrition-sensitive cash transfer IDA EUR 1.2m (US\$ 1.4m) – June 2020	Achieved
		4a (ii) - 8,300 households receiving nutrition-sensitive cash transfer - IDA EUR 4.6m (US\$ 5.3m) – June 2021	Achieved
		4a (iii) - 13,800 households receiving nutrition-sensitive cash transfer - IDA EUR 3.8m (US\$ 4.4m) – June 2022	Not yet due.
		4a (iv) 19,400 households receiving nutrition-sensitive cash transfer - IDA EUR 3.9m (US\$ 4.5m) – June 2023	Not yet due.
		4a (v) 23,500 households receiving nutrition-sensitive cash transfer - IDA EUR 2.9m (US\$ 3.4m) – December 2023	Not yet due.
		4b (i) - Tools designed and formal agreement between the SDSP, MoH and NHIF in place to operationalize systematic enrolment of NSNP beneficiaries into the NHIF - IDA EUR 3.4m (US\$ 4m)	

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		– June 2020	
		4b (ii) - 40% of NSNP beneficiaries enrolled in the NHIF with enrolment information available in the SR - IDA EUR 4.3m (US\$ 5m) – June 2021	Not yet due.
		4b (iii) - 75% of NSNP beneficiaries enrolled in the NHIF with enrolment information available in the SR - IDA EUR 5.2m (US\$ 6m) – June 2022	Not yet due.
5	Increased coverage and GoK financing of HSNP	5a (i) - 10,000 new HSNP households enrolled and paid for through the GoK's budget in 2 expansion counties - IDA EUR 12m (US\$ 14m) – June 2022	Not yet due.
		5a (ii) - 22,000 new HSNP households enrolled and paid for through the GoK's budget in 4 expansion counties - IDA EUR 13m (US\$ 15m) – June 2023	Not yet due.
		5b - 100% of existing HSNP households in the original four counties financed by the GoK by July 2019 - IDA EUR 13m (US\$ 15m) - DFID US\$ 9.6m – July 2019	Achieved.
6	HSNP scalability and financing arrangements enhanced	6a (i) - Financing plan for HSNP scalability for FY19/20 adopted and financed - IDA EUR 0.865m (US\$ 1m) – June 2019	Achieved.
		6a (ii) Emergency payments made in FY18/19 for 100% of the total number of households triggered in 4 counties where HSNP is functional IDA EUR 3.5m (US\$ 4m) DFID US\$ 6.9m – June 2019	Achieved.
		6a (iii) Emergency payments made in FY19/20 for 100% of the total number of households triggered in 4 counties where HSNP is functional and financing plan for FY20/21 updated - IDA EUR 1.7m (US\$ 2m) - DFID US\$ 11.5m) – June 2020	Achieved.
		6a (iv) Emergency payments made in FY20/21 for 100% of the total number of households triggered in 4 counties where HSNP is functional and financing plan for FY21/22 updated - IDA EUR 1.7m (US\$ 2m) - DFID US\$ 11m – June 2021	Not yet due.
		6a (v) Emergency payments made in FY21/22 for 100% of the total number of households triggered in 6 counties where HSNP is functional and financing plan for FY22/23 updated - IDA EUR 7.8m (US\$ 9m) - DFID US\$ 2.3m) – June 2022	Not yet due.

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	6a (vi) Emergency payments made in FY22/23 for 100% of the total number of households triggered in 8 counties where HSNP is functional and financing plan for FY23/24 updated and financed - IDA EUR 5.2m (US\$ 6m) - DFID US\$ 5.9m – June 2023	Not yet due.
	6b (i) - HSNP scalability strategy reviewed, updated, and adopted - IDA EUR 0.865 m (US\$ 1m) – June 2020	Pending review of evidence.
	6b (ii) - Midterm review of HSNP scalability strategy completed and recommendations adopted - IDA EUR 0.87m (US\$ 1m) – June 2022	Not yet due.

III. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

1. Sustainability strategy and profile -

The GoK commitment to the proposed interventions and the alignment with its policy commitment for SP and the 'Big Four' is a prerequisite for sustainability beyond the life of the project. First, the GoK expanded the NSNP at a larger scale than originally expected (under the NSNP PforR operation), demonstrating its commitment. The proportion of NSNP cash transfers financed by the GoK has more than doubled in the past five years: almost 90 % of program beneficiaries are currently financed by the GoK (compared to 38% in FY13). It has further committed to take over 74% of the HSNP cash transfer costs by FY21, such that the GoK would finance about 96% (about KSh 25 billion) of the total NSNP cost. Second, the GoK continues to invest in SP delivery systems, including consolidation of the MIS, improved payment system, citizen's engagement and shock-responsiveness. Third, the proposed KSEIP is the culmination of nearly two years of in-depth consultations and consensus building within the GoK on the need for integrated SP services to strengthen resilience and enable self-sufficiency of poor and vulnerable households. A technical working group prepared a 'Comprehensive and Integrated SP Program,' which enjoyed high-level political backing of the Permanent Secretary, as well as the Cabinet Secretary for the MLSP

2. Environmental performance

The project has been screened for short and long-term climate change and disaster risks. The climate vulnerability of the project was identified, and climate adaptation measures considered in the project design. The proposed project would improve the shock-responsiveness of the safety net system in the ASAL areas, which are most affected by droughts occasioned by climate change. The enhanced SR would contribute to a system more responsive to shocks through better identification and categorization of beneficiaries. The expanded coverage of potential beneficiaries would also enable identification for other SP programs beyond the NSNP, including social and economic inclusion services, contributing to improved resilience of poor and vulnerable households. Institutional capacity for project implementation, coordination, and M&E, as well as enhancement of capacity and implementation of the BOS can all be considered to contribute to climate change adaptation. Particularly, Component 3 of proposed KSEIP would address some of the climate related challenges in the project areas to reduce the impact and vulnerability of drought and food insecurity in counties and communities. The project would monitor progress toward shock-responsiveness and resilience to counter climate change through the outcome indicator on risk financing strategy for HSNP scalability. An assessment of the project activities was undertaken by the World Bank's Climate Change Group, which estimated the total climate co-benefits in this project to amount to US\$ 59.75 million (or 24% of the IDA contribution). The assessment found that adaptation co-benefits can be assigned for: (i) enhancing the scope and coverage of the single registry, since it will enable timely identification of households affected by climate-related emergencies; (ii) expanding the nutrition-sensitive safety net, since food insecurity has been linked to droughts and (iii) improving the shock responsiveness of the safety net system, since it will enhance the resilience of beneficiaries to the droughts induced by climate change.

3. Community Engagements

KSEIP design incorporates Kenya-specific gender considerations. First, the project builds on the NSNP cash transfer programs which have demonstrated positive impact on gender outcomes. Program targeting of both the CT-OVC and HSNP recognizes the vulnerability of female-headed households: most recipients are women, although they are not explicitly targeted as the main beneficiaries. This has been reported to enable women to increase control of household budgets and participation in income-generating activities. Analysis of the HSNP has indicated spill over effects on more balanced household decision-making. Evaluations have found that the cash transfer programs reduced the likelihood of young women becoming pregnant and improved mental health outcomes, such as lower rates of depression, greater belief in self-agency and self-efficacy, and more positive views of the future. Second, the KSEIP would support positive gender outcomes through interventions specifically targeted to women. NICHE would support PLW and mothers to make better dietary decisions for their children and enhance existing impacts on household decision making through the provision of a top-up transfer. The KSEIP M&E framework includes gender-disaggregated indicators on proposed project beneficiaries. Project surveys would collect data on gender dimensions of program implementation and outcomes. Lastly, the SR would be leveraged to collect and monitor gender specific data.

KSEIP would use the citizen's engagement mechanism already in place for the NSNP, namely the G&CM mechanism. This mechanism has been established at the national level with adequate staff and established procedures for receiving, recording, and acting on complaints along with a feedback mechanism to close the loop. It includes service charters to guide program engagement with beneficiaries, as well as MIS modules for tracking complaints and hotlines for receiving them. Community-level structures, such as the Constituency Social Assistance Committees and Beneficiary Welfare Committees (BWCs), have been established to raise awareness of the rights and entitlements of the beneficiaries, as well as to complement program officers and serve as an additional conduit for engaging with the beneficiaries and stakeholders. Work is ongoing to further strengthen this system by fully automating and decentralizing the G&CM mechanism as well as by rolling out a recently endorsed BOS to increase beneficiary awareness of their rights and entitlements as well as the procedures for G&CM. The proposed project would further enhance the G&CM mechanism and beneficiary outreach to ensure that a consolidated and coherent citizen's engagement system is established to address complaints and grievances and facilitate community feedback on proposed KSEIP activities in a structured manner.

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STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES.

The Principal Secretary for State Department for Social Protection and the Project Coordinator for Kenya Social and Economic Inclusion Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

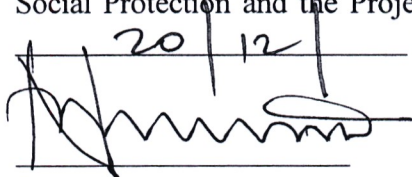
The Principal Secretary for State Department for Social Protection and the Project Coordinator Kenya Social and Economic Inclusion Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

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

The Principal Secretary for State Department for Social Protection and the Project Coordinator for Kenya Social and Economic Inclusion Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

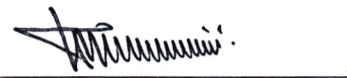
The Project financial statements were approved by the Principal Secretary for State Department for Social Protection and the Project Coordinator for Kenya Social and Economic Inclusion Project on 20/12/2021 and signed by them.



Principal Secretary
Nelson Marwa Sospeter, CBS



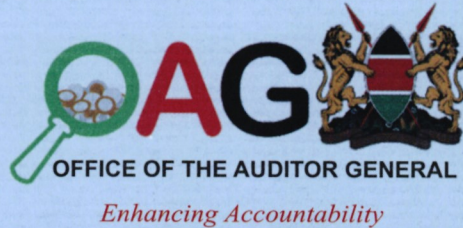
Project Coordinator
Cecilia Mbaka



Project Accountant:
Moses O. Muga
ICPAK Member No. 14266

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA SOCIAL AND ECONOMIC INCLUSION PROJECT CREDIT NO.6348-KE FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR SOCIAL PROTECTION

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 Social and Economic Inclusion Project State Department for Social Protection (SDSP) Credit No. 6348-KE set out on pages 1 to 20, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and

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

In my opinion, 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 Social and Economic Inclusion Credit No. 6348-KE as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the financing agreement dated 31 January, 2019 between the Republic of Kenya and International Development Association, and the Public Finance Management Act, 2012.

In addition, the special account statements present fairly the special account transactions and the closing balances have been reconciled with the books of account.

Basis for Qualified Opinion

1. Inaccuracies of the Financial Statements

The statement of receipts and payments reflects a comparative grant from external development partner - World Bank-DFID of Kshs.335,569,200 while the audited report for the year ended 30 June, 2020 reflected Kshs.Nil grant from the World Bank-DFID.

Consequently, the financial statements are not prepared and presented as per the requirement of PSASB reporting template and therefore, the accuracy of the financial statements could not be confirmed for the year ended 30 June, 2021.

2. Unmatched Contract Deliverables with Payment

The statement of receipts and payments reflects grant from external development partners of Kshs.299,778,217 as at 30 June, 2021 paid to UNICEF for provision of technical assistance for implementing the Nutritional Improvements through Cash and Health Education (Niche). The payment of Kshs.299,778,217 was made during the month of June, 2021 while the meeting held on 15 June, 2021 approved payment of a third tranche to UNICEF upon submission of the third invoice. However, the following anomalies were observed:

- i. The County work plans and annual report submitted to the implementation committee were not submitted for audit review.
- ii. Further, documents to support achievement of year 1 activities (deliverables) for payment of Kshs.299,778,718 as stipulated in the contract with UNICEF were also not provided. In addition, an inception report with detailed annual work plan for year 1, and indicative budget of target Counties as per scope of work to support payment of 2nd tranche were also not provided for audit review.

Consequently, the accuracy and propriety of the amount transferred to UNICEF amounting to Kshs.299,778,718 could not be confirmed for the year ended 30 June, 2021.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Social and Economic Inclusion Project-State Department for Social Protection 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.

Emphasis of Matter

1. Budgetary Control and Performance

Statement of comparative budget and actual amounts reflects budgeted and actual expenditure of Kshs.16,278,599,018 and Kshs.14,584,952,396 resulting in under expenditure of Kshs.1,693,646,622 representing 90% absorption as detailed in table below:

Payments	Final Budget (Kshs.)	Actual on Comparable Basis (Absorption) (Kshs.)	Budget Utilization Difference (Kshs.)	Absorption (%)
Compensation of Employees	36,447,400	6,497,400	29,950,000	18
Purchase of Goods and Services	1,247,783,582	676,366,724	571,416,858	54
Acquisition of Non-Financial Assets	267,150,000	17,365,592	249,784,408	7
Other Grants and Transfers	14,727,218,036	13,884,722,680	842,495,356	94
Total	16,278,599,018	14,584,952,396	1,693,646,622	90

Management has attributed the under absorption to Covid-19 pandemic, slow procurement process due to Covid-19 and data collection done on two Counties instead of three as initially planned. This is an indication that goals and objectives of the project may not have been achieved as disbursement linked indicators were not realized for the year ended 30 June, 2021.

2. Project Implementation Status

Schedule 2E(1)(a) of financing agreement dated 31 January, 2019 requires that, without limitation on the provisions of Section II to Schedule 2 of the agreement, the recipient shall prior to each payment under the Project:(a) carry out in accordance with the verification protocol, an assessment to determine the extent to which the disbursement linked results ("DLRs") in respect of which payment is requested has been achieved; and

(b) furnish an assessment to the Association for review. The table below outlines disbursement linked indicators not achieved in 2020/2021.

No.	Disbursement Linked Indicator (DLI)	Disbursement Linked Results (DLR)	Progress in DLI's
1	Scope, coverage, and functionality of single Registry Enhanced	(1b) (i)-re-registration exercise in the four original counties completed and beneficiary list updated accordingly- WB IDA- EUR 3.5 M- (US \$ 4m) DFID-US \$ 0.5 M-June 2020	Overdue
2	New Inua Jamii payment mechanism for three NSNP cash transfer programs is rolled out	(2b)- 100% of beneficiaries receiving payments through the new payment mechanism -IDA EUR 4.3m (US \$ 9m) -June 2021	Partially achieved
3	Integrated G & CM mechanism is strengthened and rolled out at decentralized level	(3a)- G &CM Mechanism is functional at all levels for four National Safety Net Programme (NSNP) programs in 47 counties -IDA EUR 8.65 m (US \$ 10M)-June 2020	Overdue
4	Increased access to social inclusion interventions	(4b)(i) tools designed and formal agreement between the SDSP, MOH and NHIF in place to operationalize systematic enrolment of NSNP beneficiaries into the NHIF- IDA EUR 3.4m (US \$ 4m)-June 2020	Overdue

Management has attributed the delay to the slow project start. This is an indication that goals and objectives of the project may not be achieved as the disbursement linked indicators are not being realized.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Expenditure on Training

Note 5 to the financial statement reflects domestic travel amount of Kshs.43,298,520 which also includes an amount of Kshs.1,232,000 paid to officers for the purpose of conducting National Training on Nutritional Improvement through Cash and Health Education operations, management information system (MIS) modules and manuals to County teams. However, documents attached revealed that officers from the Counties did not attend the training and no justification was given why the trainers proceeded to stay on for five (5) days. Consequently, the project objectives were not met while the public did not get value for money. The propriety of expenditure amounting to Kshs.1,232,000 could therefore, not be confirmed for the year ended 30 June, 2021.

Basis for Conclusion

1. Slow Project Implementation

Review of documents for 2020/2021 revealed that activities in the annual work plan commenced in October, 2020 and payments for various activities were made from 2 December, 2020. Scrutiny of the work plan revealed that some of the activities were not undertaken in 2020/2021. Management attributed the slow start of the project due to delay in regularization of the Kenya Social and Economic Inclusion Project budget. This affected project budget allocation and implementation as the project lost 9 months for project implementation. There was also delay in exchequer releases for project implementation and closure and scale down of activities from March, 2020 as a result of the COVID-19 confinement measures. This indicates that the project objectives may not be achieved before its closure. Value for money may also not have been attained for the year ended 30 June, 2021.

2. Payment of Contract without Provision of Bank Guarantee

The ten percent (10%) of the contract price was paid without a bank guarantee from the consultant against Clause 41.2 and 41.2.1 of the special conditions of the contract. Management explained that the advance payment was required to be paid within 30 days after the receipt of an advance bank guarantee but it was paid on 27 May, 2021, six (6) months after signing the contract, in contravention to provisions of the contract.

3. Training Without Approved Training Plan

Kenya Social and Economic Inclusion Project – State Department for Social Protection incurred a training expense of Kshs.29, 948,100 as shown at Note 5 to financial statements in 2020/2021 without an approved training plan. Management developed a training programme for Kenya Social and Economic Inclusion Project in lieu of training plan which was not given a “No Objection” by the World Bank due to lack of a training needs assessment. This may result in delay in Project Implementation and disbursement of funds by World Bank due to ineligible expenditures and training on areas not beneficial to delivery of project objectives. Consequently, Management was in breach of the Agreement.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Internal Audit Reports and Ineffective Internal Controls

Management of Kenya Social and Economic Inclusion Project in 2020/2021 failed to maintain and provide a copy of the internal audit reports, risk registers, and evidence that the report was submitted to the World Bank as per laid down terms of reference for verification as per section 132 and 133 of Kenya Social and Economic Inclusion Financial Management Policies & Procedure Manual (FMPPM) Policy Guidelines, Governance & Reporting. This implies that the Management failed to put in place internal controls to help in detection and prevention of errors that could possibly lead to loss of funds.

2. Audit Committee and Audit Charter

Audit Ministerial Committee was appointed vide letter Ref: ML&SP/SP/8/37/Vol.1. However, it was established that the Committee did not meet to review and approve; annual financial statements/annual audit reports, programs and projects, annual budget (organization's including projects), reviews the reports of the internal auditor for taking necessary action among others as per section 23 of Kenya Social and Economic Inclusion Financial Management Policies & Procedure Manual (FMPPM) Policy Guidelines, Governance & Reporting. This increased the risk of error and fraud occurring.

3. Lack of Monthly Bank Reconciliations

Kenya Social and Economic Inclusion Project did not maintain monthly bank reconciliations for 2020/2021 as required by law and the Kenya Social and Economic Inclusion Project and the financial management policies and procedures manual. Only bank reconciliation for June, 2021 was done. Consequently, the risk of misuse of project's resources was high.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards requires that I plan and perform the audit to obtain assurance about whether the 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 Credit No. 6348 KE between Government of Kenya and International Development Association, dated 31 January, 2019, I report based on my audit, that;

- i. I have obtained all the information and explanations which to the best of my knowledge and believe 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 financial statements of the project are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the International Public Sector Accounting Standards (Cash Basis) of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to 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

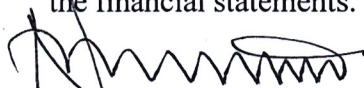
23 December, 2021

**Kenya Social and Economic Inclusion Project
Reports and Financial Statements
For the financial year ended June 30, 2021**


1. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDING 30 JUNE 2021

	Note	2020/2021			2019/2020		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Total Receipts and Payments	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs	KShs
RECEIPTS							
Loan from external development partners(World Bank)	3	-	-	-	343,722,900	-	343,722,900
Grant from external development partners(World Bank-DFID)	2		299,778,217	299,778,217	-	335,569,200	635,347,417
Government of Kenya	1	14,195,579,650		14,195,579,650	-		14,195,579,650
TOTAL RECEIPTS		14,195,579,650	299,778,217	14,495,357,867	343,722,900	335,569,200	15,174,649,967
PAYMENTS							-
Compensation of employees	4	6,497,400	-	6,497,400	-	-	6,497,400
Purchase of goods and services	5&6	376,588,507	299,778,217	676,366,724	18,291,087	335,569,200	1,030,227,011
Acquisition of non-financial assets	7	17,365,592	-	17,365,592	-	-	17,365,592
Other grants and transfers payments(EEP)	8	13,884,722,680	-	13,884,722,680	-	-	13,884,722,680
TOTAL PAYMENTS		14,285,174,179	299,778,217	14,584,952,396	18,291,087	335,569,200	14,938,812,683
SURPLUS/(DEFICIT)		89,594,529	-	89,594,529	325,431,813	-	235,837,284


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



Principal Secretary
Nelson Marwa Sospeter, CBS



Project Coordinator
Cecilia Mbaka

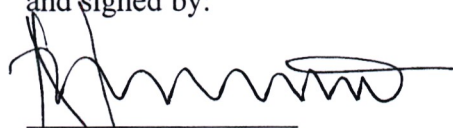


Project Accountant:
Moses O. Muga
ICPAK Member No. 14266

2. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2021

	Note	2020/2021	2019/2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9	235,837,284	325,431,813
Cash Balances		-	-
Cash Equivalents (short-term deposits)		235,837,284	325,431,813
Total Cash and Cash Equivalents		235,837,284	325,431,813
Accounts receivables – Imprest and Advances		-	-
TOTAL FINANCIAL ASSETS		235,837,284	325,431,813
REPRESENTED BY			
Fund balance b/fwd.	10	325,431,813	-
Prior year adjustments		-	-
Surplus/(Deficit) for the year		-89,594,529	325,431,813
NET FINANCIAL POSITION		235,837,284	325,431,813

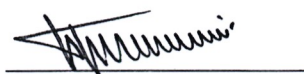
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 20/12/2021 and signed by:



Principal Secretary
 Nelson Marwa Sospeter, CBS



Project Coordinator
 Cecilia Mbaka



Project Accountant:
 Moses O. Muga
 ICPAK Member No. 14266

3. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDING 30 JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
Receipts from operating activities			
Transfer from Government entities	1	14,195,579,650	-
Loan from external development partners(World Bank)	3	-	343,722,900
Grant from external development partners(World Bank-DFID)	2	299,778,217	-
		14,495,357,867	343,722,900
Payments from operating activities			
Compensation of employees	4	6,497,400	-
Purchase of goods and services	5&6	676,366,724	18,291,087
Social security benefits		-	-
Transfers to other government entities		-	-
Other grants and transfers	8	13,884,722,680	-
Adjustments during the year			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		-	-
Increase/(Decrease) in Accounts Payable: (deposits and retention)		-	-
Prior Year Adjustments		-	-
Net cash flow from operating activities		72,228,937	325,431,813
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	17,365,592	-
Net cash flows from Investing Activities		-	-

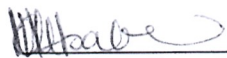
**Kenya Social and Economic Inclusion Project
Reports and Financial Statements
For the financial year ended June 30, 2021**

		17,365,592	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		89,594,529	325,431,813
Cash and cash equivalent at BEGINNING of the year	10	325,431,813	-
Cash and cash equivalent at END of the year		235,837,284	325,431,813

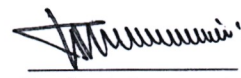
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/12 2021 and signed by:



Principal Secretary
Nelson Marwa Sospeter, CBS



Project Coordinator
Cecilia Mbaka

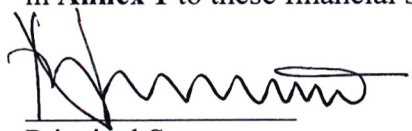


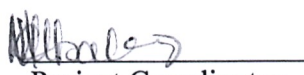
Project Accountant:
Moses O. Muga
ICPAK Member No. 14266

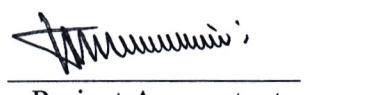
4. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

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 %
Receipts						
Loan from external development partners(World Bank)	1,389,500,000	-539,500,000	850,000,000	-	850,000,000.00	0%
Grant from external development partners(World Bank-DFID)	430,000,000	0	430,000,000	299,778,217	130,221,783.00	70%
Government of Kenya	14,727,218,036	0	14,727,218,036	14,195,579,650	531,638,386.27	96%
Total Receipts	16,546,718,036	-539,500,000	16,007,218,036	14,495,357,867	1,511,860,169	
Payments						
Compensation of employees	20,500,000	15,947,400	36,447,400	6,497,400	29,950,000.00	18%
Purchase of goods and services	1,597,270,000.00	-	1,247,783,582	676,366,724	571,416,858.10	54%
Acquisition of non-financial assets	247,750,000	19,400,000	267,150,000	17,365,592	249,784,408.00	7%
Other grants and transfers	14,727,218,036	0	14,727,218,036	13,884,722,680	842,495,356.27	94%
Total Payments	16,592,738,036	-314,139,018	16,278,599,018	14,584,952,396	1,693,646,622	

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


Principal Secretary
Nelson Marwa Sospeter, CBS


Project Coordinator
Cecilia Mbaka


Project Accountant:
Moses O. Muga
ICPAK Member No. 14266

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Basis of Preparation

5.1.1 Statement of compliance and basis of preparation

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

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

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

5.1.2 Reporting entity

The financial statements are for the Kenya Social and Economic Inclusion Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

5.1.3 Reporting currency

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

5.2 Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

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

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

- **Acquisition of fixed assets**

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

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.

c) In-kind donations

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

e) Accounts receivable

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

f) Contingent Liabilities

A contingent liability is:

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

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

g) 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.

h) Pending bills

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

i) Budget

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

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

j) 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 no loan disbursements were received in form of direct payments from third parties.

k) 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 recognized in the statements of receipts and payments.

Comparative figures

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

l) 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, 2020.

m) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

<i>Counterpart funding through Ministry</i>			TOTAL(FY 2020/21)	FY 2019/20	Cumulative to Date
Cash Transfer-NICHE			26,386,000		26,386,000
Cash Transfer-OVC			7,050,044,000		7,050,044,000
Cash Transfer-Older Persons			5,992,704,680		5,992,704,680
Cash Transfer-PWSD			815,588,000		815,588,000
Exchequers Receipts-Operations			310,856,970		310,856,970
Total			14,195,579,650		14,195,579,650

Note: counterpart funding is the government's share of contribution towards the implementation of the project as mandated by the Project Agreement.

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received as direct payment*	Total amount in KShs	
				2020/21	2019/20
		USD	KShs	KShs	KShs
DFID	30/06/2021	2,780,874	299,778,217	299,778,217	335,569,200
Total		2,780,874	299,778,217	299,778,217	335,569,200

Note: The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project.*

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Total amount in KShs	
			KShs	2020/21	2019/20
		EURO	KShs	KShs	KShs
IDA Credit(World Bank)				0	343,722,900
Total	0	0	0	0	343,722,900

4. COMPENSATION OF EMPLOYEES

	FY 201920				FY 201920
	IDA Credit	DFID Grant	GOK	TOTAL(FY 202021)	Amount
Basic Salaries - Civil Service				-	-
Basic Wages - Temporary -Other			6,497,400	6,497,400	-
Leave Allowance				-	-
Total	-	-	6,497,400	6,497,400	-

5. PURCHASE OF GOODS AND SERVICES

	FY 202021			FY 201920	
	IDA Credit	DFID Grant	GOK	TOTAL(FY 202021)	Amount
Utilities, Supplies and Services				-	
Communication, Supplies and Services	540,000		6,036,260	6,576,260	
Domestic Travel and Subsistence, and Other Transportation Costs	43,298,520		133,771,211	177,069,731	15,999,970
Foreign Travel and Subsistence, and other transportation costs			1,648,424	1,648,424	1,775,517
Printing , Advertising and Information Supplies and Services			24,922,700	24,922,700	
Courier & Postal Services				-	
Rentals of Produced Assets				-	
Training Expenses			29,948,100	29,948,100	135,600
Hospitality Supplies and Services	2,888,721		46,240,290	49,129,011	360,000
Specialized Materials and Supplies				-	
Office and General Supplies and Services			9,231,413	9,231,413	
Fuel Oil and Lubricants			-	-	20,000
Other Operating Expenses	42,867,288		4,580,350	47,447,638	
Routine Maintenance - Vehicles			2,064,020	2,064,020	
Routine Maintenance - Other Assets			28,551,210	28,551,210	
	89,594,529	-	286,993,978	376,588,507	18,291,087

6. PURCHASE OF GOODS AND SERVICES(DIRECT PAYMENTS)

	FY 202021				FY 201920
	IDA Credit	DFID Grant	GOK	TOTAL(FY 202021)	Amount
Other Operating Expenses		299,778,217		299,778,217	
	-	299,778,217	-	299,778,217	

7. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 202021				FY 201920
	IDA Credit	DFID Grant	GOK	TOTAL(FY 202021)	Amount
Construction of Building				-	
Refurbishment of Buildings				-	
Purchase of MV				-	
Purchase of Household Furniture and Institutional Equipment			942,400	942,400	
Purchase of Office Furniture and General Equipment			14,439,012	14,439,012	
Purchase of Specialized Plant, Equipment and Machinery				-	
Purchase of ICT Equipment's			1,984,180	1,984,180	
Total	-	-	17,365,592	17,365,592	

8. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2020/21				FY 2019/20
	IDA Credit	DFID Grant	GOK	TOTAL(FY 2020/21)	Amount
Cash Transfer-NICHE			26,386,000	26,386,000	
Cash Transfer-OVC			7,050,044,000	7,050,044,000	
Cash Transfer-Older Persons			5,992,704,680	5,992,704,680	
Cash Transfer-PWSD			815,588,000	815,588,000	
	-	-	13,884,722,680	13,884,722,680	

9. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note.4.1)	235,837,284	325,431,813
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Total	235,837,284	325,431,813

The project has one project accounts spread within the project implementation area and one currency designated accounts managed by the National Treasury as listed below:

Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	EURO	EURO
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000411295]	159,649.88	0
Total Foreign Currency balances	159,649.88	<u>0</u>
<u>Local Currency Accounts</u>	Kshs	Kshs
Central Bank of Kenya [A/c No 1000425059]	235,837,284	325,431,813
Total local currency balances	235,837,284	325,431,813
Total bank account balances	235,837,284	325,431,813

10. FUND BALANCE BROUGHT FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	325,431,813	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	325,431,813	0

11. CHANGES IN RECEIVABLE

	2020/21	2019/20
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imp rest issued during the year (B)	0	0
Imp rest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Explanation
	a	b	c=a+b	d	e=c-d	d/c %	
Receipts							
Loan from external development partners(World Bank)	1,389,500,000	539,500,000 ⁻	850,000,000	-	850,000,000	0 %	The Project account has been a float during the year
Grant from external development partners(World Bank-DFID)	430,000,000	0	430,000,000	299,778,217	130,221,783	70 %	Implementation rate lower by Covid 19 Pandemic
Government of Kenya	14,727,218,036	0	14,727,218,036	14,195,579,650	531,638,386	96 %	
Total Receipts	16,546,718,036	539,500,000⁻	16,007,218,036	14,495,357,867	1,511,860,169		
Payments							
Compensation of employees	20,500,000	15,947,400	36,447,400	6,497,400	29,950,000	18 %	Data collection done on only two counties as opposed to 3 counties initially planned
Purchase of goods and services	1,597,270,000	349,486,418 ⁻	1,247,783,582	676,366,724	571,416,858	54 %	slowed procurement process due to Covid

Kenya Social and Economic Inclusion Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Acquisition of non-financial assets	247,750,000	19,400,000	267,150,000	17,365,592	249,784,408	7 %	slowed procurement process due to Covid
Other grants and transfers	14,727,218,036	0	14,727,218,036	13,884,722,680	842,495,356	94 %	
Total Payments	16,592,738,036	314,139,018	16,278,599,018	14,584,952,396	1,693,646,622		

APPENDICES

- i. Bank Reconciliations
- ii. Cash Count Certificate

PRIOR YEAR AUDIT RECOMMENDATIONS

There were no prior year audit issues since the project had UNQUALIFIED opinion report.

TAM.E.STMT.OF.ACCT.EPRM

Page

results 1 - 1 of 1

Run Date: Run Time:
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2020 To 30/06/2021

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER :

ACCOUNT TITLE : KENYA SOCIAL ECONOMIC INCL.-DAA SDSP

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT
-----	------	--------------	---------	-------	--------

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	21/12/2020	FT20356FN9TF	FUNDING	0.00	159,649.88	159649.88

CLOSING BALANCE : 159649.88

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM More Options Find
Clear Selection

Account	equals	<input type="checkbox"/>	1000411295
Statement From	equals	<input type="checkbox"/>	20200701
Statement To	equals	<input type="checkbox"/>	20210630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA

KE SOCIAL ECON INCLU PRO
REPUBLIC OF KENYA

F.O. 51

Date : 01/07/2021

Report of the Board of Survey on the Cash and Bank Balances of state dept
for social protection as at the close of Business on 30/6/2021. The Board, consisting
of - (Names and official titles) assembled at the office of the
Muga Ngai Grace
Cashier at 4:30 pm (time) on
the and the following cash was produced:-

Notes .. .. .	..Sh.	<u>NIL</u>
Silver .. .. .	..Sh.	<u>NIL</u>
Copper .. .. .	..Sh.	<u>NIL</u>
Cheques (as per details on reverse) ..	..Sh.	<u>NIL</u>

It was observed that cheques amounting to Sh. NIL cts.

Had been on hand for more than 14 days prior to the date of the survey.

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

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

Cash on hand .. .. .	..Sh.	<u>NIL</u>
Bank Balance .. .. .	..Sh.	<u>235,837,254.10</u>

The Bank Certificate of Balance showed a sum of Shs. 235,246,689.10
Two Thirty Nine Million, two forty six Thousand, six hundred eighty nine
and ten cent (Sh. cts.)
Standing to the credit of the account on 30/6/2021

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

[Signature] 01/07/2021
.....
Chairman

[Signature]
.....
Secretary

Date 1/7/2021

[Signature] 1/7/2021
.....
Members of the Board.

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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

July 14, 2021

CERTIFICATE OF BALANCES

Customer : 131181 STATE DEPARTMENT OF SOCIAL PROTECTION
Balance
Date: 30-Jun-21

Account No	Account Name	Currency	Balance
1000303212	REC-STATE DEPT -SOCIAL PROTECTION	KES	53,518,473.60
1000303228	DEV-STATE DEPT -SOCIAL PROTECTION	KES	46,851,515.35
1000303239	DEP-STATE DEPT -SOCIAL PROTECTION	KES	272,069,714.90
1000303247	CBK165-STATE DEPT -SOCIAL PROTEC	KES	0.00
1000398598	STREET FAMILIES REHABILITATION TR	KES	119,181,061.80
1000425059	KE SOCIAL ECON INCLU PRO NO 6348 KE	KES	239,246,689.10
1000488395	THE KENYA SOCIAL ECON INCL (KSEIP)	KES	0.00

Handwritten signature of Lawrence Rweria in blue ink.

LAWRENCE RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Handwritten signature of Joyce Nasieku in blue ink.

JOYCE NASIEKU (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

F.O. 30

REPUBLIC OF KENYA

BANK RECONCILIATION

From Date : 01-JUL-2020 To : 30-JUN-21 KSEIP – STATE DEPT – SOCIAL PROTECTION

Bank : Central Bank of Kenya, Branch : Haile Selassie, Account Number : 1000303212

Less..

Balance as per bank certificate	239,246,689.10
1. Payment in Cash book not yet recorded in Bank Statement (Unpresented Cheques)	3,438,805.00
2. Receipts in Bank Statement not yet recorded in Cash Book	NIL
3. Payments in Bank Statement not yet recorded in Cash Book	NIL
4. Receipts in Cash Book not yet Recorded in Bank Statement	29,400.00
Bank Balance as per Cash Book	235,837,284.10

Reconcilled by: SALOME NJERI Signature: Date: 30/06/2021

Reviewed by: Mrses Muga Signature: Date: 30/06/2021

Approved by: Beance Igadun Signature: Date: 30/06/2021

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

1	30-Jun-21	KENNEDY KENNA ORKHOBESLE	24,800.00
2	30-Jun-21	MOSES NJENGA WAIHURA	29,400.00
3	30-Jun-21	Michael Kabacia Waweru	42,000.00
4	30-Jun-21	HENRY PARKOLWA MUSTAFA	58,500.00
5	30-Jun-21	BRIAN OTIENO OMONDI	24,000.00
6	30-Jun-21	HERENI LINET DHUONG'O	29,400.00
7	30-Jun-21	MARK MALO ODONGO	29,400.00
8	30-Jun-21	JANEROSE WANZIRA MAROA	29,400.00
9	30-Jun-21	DACKON OTIENO OWINO	29,400.00
10	30-Jun-21	ROSE WAIRIMU KAINGATI	29,400.00
11	30-Jun-21	JOSEPH WAMBUGU MATHENGE	29,400.00
12	30-Jun-21	ZAINA WAITHIRA MOHAMED	29,400.00
13	30-Jun-21	GRACE WAMBUI KIRAGU	29,400.00
14	30-Jun-21	MOSES NDUNGU KIMANI	29,400.00
15	30-Jun-21	DANIEL IRUNGU MUTHONI	29,400.00
16	30-Jun-21	MARK KYALO NZIOKA	29,400.00
17	30-Jun-21	PRESSY KINYA RUBI	29,400.00
18	30-Jun-21	WILLY FIONA MWASIAJI	42,000.00
19	30-Jun-21	RICHARD OBIGA OCHIENG	50,400.00
20	30-Jun-21	TEBLA NAMASA SITATI	50,400.00
21	30-Jun-21	ROSEMARY NYAICHOA MWITA	50,400.00
22	30-Jun-21	RAPHAEL NDAWA NZIOKI	50,400.00
23	30-Jun-21	PRISCILLAH MUENI MWANZIA	50,400.00
24	30-Jun-21	GENSON MWANGI KANYINYI	50,400.00
25	30-Jun-21	MOSES ONYANGO MUGA	50,400.00
26	30-Jun-21	OMWONO JOSHUA NICHOLAS	51,600.00
27	30-Jun-21	RUTH WANGUI GICHUKI	51,600.00
28	30-Jun-21	PETER DAYAN	52,400.00
29	30-Jun-21	OBUYA JOEL OSINDO	52,400.00
30	30-Jun-21	JAPHETH MTOTO RIGHA	53,400.00
31	30-Jun-21	MICHAEL MBUTHI MBUGUA	53,400.00
32	30-Jun-21	FAITH DAMA NDZAI	54,400.00
33	30-Jun-21	SYLVIA OMOLLO OYUGI	54,400.00
34	30-Jun-21	DANIEL GALGALLO DIDO	56,400.00
35	30-Jun-21	WYCLIFFEE SIMWA BUSAKA	63,000.00
36	30-Jun-21	WILLY FIONA MWASIAJI	63,000.00
37	30-Jun-21	SUSAN MUENI MUNGUTI	63,000.00
38	30-Jun-21	SUSAN MUENI MUNGUTI	63,000.00
39	30-Jun-21	JOSIAH MWANGI MUNYUA	63,000.00
40	30-Jun-21	ROSABELL WANJIKU GITHINJI	63,000.00
41	30-Jun-21	WILLIS ONYANGO OLWALO	63,000.00
42	30-Jun-21	JUDY TUDA ODUOR	63,000.00
43	30-Jun-21	KENNEDY OKEYO OJWANG	63,000.00
44	30-Jun-21	FRANKLIN MAKHULU AGWAYO	63,000.00
45	30-Jun-21	FLORA KAGENDO MBAE	63,000.00
46	30-Jun-21	ESTHER WAMBUI MAINA	64,200.00
47	30-Jun-21	DANIEL MUMO MULONZI	65,000.00
48	30-Jun-21	BERNARD KARIUKI WAMWATI	66,000.00
49	30-Jun-21	DENIS RADING MUDHUNE	67,000.00
50	30-Jun-21	VINCENT MUSEE NDINDA	69,000.00
51	30-Jun-21	KENNEDY KENNA ORKHOBESLE	75,200.00
52	30-Jun-21	JOSEPHINE MUTHONI MURIUKI	75,600.00
53	30-Jun-21	JOHN KINUTHIA GACHIGI	75,600.00
54	30-Jun-21	CECILIA MBEERE MWAURA	75,600.00
55	30-Jun-21	NZISA JANE MUYANGA	75,600.00
56	30-Jun-21	AIR FARES TRAVEL AGENCY LTD	601,305.00
57	30-Jun-21	WILFRED MOENGA ONSOMU	29,400.00
			3,438,805.00

RECEIPTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT

1 30-Jun-21

Returned RTGS Payment
EQUITY BANK LIMITED
BNF MOSES NJENGA WAIHURA

29,400.00

29,400.00