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**REPORT**

**OF**


**THE AUDITOR-GENERAL**

**ON**

**THE PRESIDENT'S AWARD - KENYA**

**FOR THE YEAR ENDED**

**30 JUNE, 2022**

 THE NATIONAL ASSEMBLY PAPERS TAID	
DATE:	26 APR 2023
	DAY: Wednesday
TABLED BY:	Hon. Naomi Wago Deputy Majority Whip
CLERK-AT-THE-TABLE:	Finlay Muniuki



**THE PRESIDENT'S AWARD - KENYA**

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

86 MAR 2023

Patron - His Excellency the President of the Republic of Kenya

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INTERNATIONAL AWARD**

in Kenya



# **THE PRESIDENT'S AWARD - KENYA ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2022**

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

**The President's Award-Kenya  
Annual Report and Financial Statements  
For the year ended June 30, 2022**

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## **1. KEY ENTITY INFORMATION AND MANAGEMENT**

### **(a) Background information**

The President's Award - Kenya (PA-K) was launched in Kenya in 1966 by the Founding Father of the Nation, the late Mzee Jomo Kenyatta, being the Patron. The President's Award-Kenya is a member of the Duke of Edinburgh's International Award for young people with the aim of building young people's character to enable them become responsible citizens in their communities, country and society in general. The President's Award-Kenya is licenced to operate in Kenya by the Duke of Edinburgh's International Award.

The programme has been able to nurture young people who have become leaders, thinkers and innovators and are making a significant contribution to national development. PA-K became a State Corporation in 2017 through an Act of Parliament. It's commencement as a state corporation was on 16 August 2017. The entity is domiciled in Kenya with its Headquarters situated at 15 Elgon Road, Upper hill, Nairobi.

### **(b) Principal Activities**

PA-K is a self-development and character building programme available to all young people countrywide between the ages of 14 and 24 equipping them with positive life skills to make a difference for themselves, their communities, country and the world. The program draws participation from learning institutions, mainly secondary schools, universities and tertiary institutions, faith based and community based organizations as well correctional institutions. The President's Award-Kenya is a Semi-Autonomous Government Agency through the President's Award Act No.30 of 2017.

#### **Vision**

To be the leading youth brand in Kenya and the International Award Programme of choice.

#### **Mission**

To develop and drive quality programmes that equip young people with leadership qualities and life-long skills to inculcate core national values for responsible citizenship.

**PA-K's strategic objectives are:**

- i. To facilitate the delivery of a quality youth programme inculcating core national values
- ii. To facilitate young people to contribute to national development priorities
- iii. To develop, operationalize and sustain a digital platform
- iv. To undertake research and development (R & D) on youth development trends
- v. To establish a sustainable resource base
- vi. To enhance the profile and visibility of PA-K
- vii. To strengthen PA-K's Corporate Governance

**(c) Key Management**

The President's Award-Kenya day-to-day management is under the following key organs

- The Chief Executive Officer
- Management Team

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Chief Executive Officer	Nellie Munala
2.	Head of Finance	Grace Musyoka
3.	Head of Procurement	Evans Okite

**(e) Fiduciary Oversight Arrangements**

The Board of The President's Award-Kenya has constituted Finance, Audit and Technical committees in place that carry out oversight activities towards good corporate governance and as required by the Mwongozo Code of Governance for State Corporations.

### **Audit, Risk and Compliance Committee**

The functions of the Audit, Risk and Compliance Committee include:

- i. To review the Board's internal financial controls and risk management systems and advise on risk areas.
- ii. To monitor and review the effectiveness of the Board's internal audit function and make recommendations to the Board.
- iii. To review and monitor the internal auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- iv. To advise the Board on matters related to audit and Governance.
- v. To handle audit issues.
- vi. To ensure compliance with the legal and statutory requirements.

### **Finance and General Purpose Committee**

The functions of the Finance and General Purpose Committee include:

#### **Organizational Structure and Staffing Levels**

- a) Ensure the PA-K has in place Human Resources Strategic Objectives
- b) Ensure the implementation of the Human Resources Strategic Objectives
- c) Review and propose an optimal organizational structure
- d) Review staffing requirement and recommend optimal staffing levels

#### **Recruitment and Retention Policies**

- a) Ensure the PA-K has in place a recruitment and retention policy
- b) Ensure there is in place staff terms and conditions of service
- c) Undertake reviews of Terms and Conditions of Service for Staff and make recommendations to the Board for consideration and action
- d) Receive assurance from Management that the staff recruited are of the appropriate skills and that the PA-K supports appropriate policies and schemes for their attraction motivation and retention
- e) Review and make recommendations on staff remuneration
- f) Review and ensure that the PA-K has an effective succession plan
- g) Shortlist and interview candidates for advertised senior management positions
- h) Provide policy guidelines on staff welfare, training, industrial relations and work environment

### **Training and Development of Staff and Board members**

- a) Ensure that the PA-K has in place a skills development policy for staff
- b) Review the staff training and development program to ensure it is in line with the PA-K's Human Resources Strategic Objectives
- c) Work with Management to establish continuing programs for Board members which are appropriate and relevant to enable the Board members to maintain and enhance their skills and abilities and ensure their knowledge and understanding of the PA-K's business remains current.

### **Staff Discipline**

- a) Ensure that there is in place a staff Disciplinary policy
- b) Review and deal with disciplinary matters for senior staff
- c) Receive and consider disciplinary appeal cases from members of staff and make appropriate decisions

### **Finance and Procurement Functions**

- a) Reviewing and making recommendations to the Board on the financial strategy of the PA-K ensuring its adequacy and soundness in providing for current operations and long-term stability
- b) Reviewing, discussing and making recommendations to the Board on significant financial planning, management and reporting issues
- c) Review budgeting process, systems and cycle to support the PA-K's Strategy and activities in line with public sector requirements
- d) Advising the Board on sources of finance to ensure that there are sufficient financial resources to carry out the PA-K's activities and fulfil its objectives
- e) Advising the Board on income generation and seek appropriate advice from external sources
- a) Ensuring all expenditures of the PA-K are within the approved budgets
- b) Reviewing and making recommendations to the Board on financial issues arising from the annual financial statements of the PA-K
- c) Reviewing procurement and disposal plans and consolidated annual procurement plan and submitting them to the Board for approval
- d) Monitoring the management's strategy towards ensuring efficiency and integrity of the PA-K's procurement systems

### **Technical Committee**

The functions of the Audit, Risk and Compliance Committee include:

#### **Supervision Function**

- a) Providing policy guidance on technical aspects of the PA-K's functions
- b) Reviewing and advising the Board on technology budgets as well as major investments in new operational models and information technology platforms, investments, partnerships and alliances
- c) Making recommendations to the Board with respect to thematic projects and investments that require Board approval
- d) Periodically reporting to and consulting with the Audit, Risk and Compliance and Human Resouece, Finance and General Purpose Committees of the Board regarding ICT systems and processes that relate to or affect the PA-K's internal control systems.

#### **Research Function**

- a) Reviewing and monitoring operational strategy based on current social, economic, legal and political factors
- b) Preparing relevant memoranda for submission to the government to influence policy and budgetary pronouncements
- c) Reviewing issues affecting the acceptance of the PA-K's policy prescriptions by government and other stakeholders
- d) Reviewing and making recommendations on significant emerging issues, policy briefs and regulatory improvements
- e) Making delegation of PA-K and responsibilities of the Committee to the management as the Committee deems appropriate and periodically review such delegations.

### **Parliamentary Committee Activities**

The Board reports on financial matters to the Parliamentary Investments Committee (PIC) by virtue of being a State Corporation. Most parliamentary committees investigate specific matters of policy or government administration or performance. Other parliamentary committees are responsible for matters related to the internal administration of the parliament.

Committees are able to do things which it would not be possible to undertake in the large, formal environment of the parliament, such as finding out the facts of a case or issue, gathering evidence from expert groups or individuals, sifting evidence and drawing up reasoned conclusions. This kind of work

is more effectively carried out by small group members. An advantage of committees is that several of them can operate at one time enabling many more investigations to be conducted. Each committee has its own defined area of operation so that it is able to specialize and build up a body of expertise among its members.

**(f) Entity Headquarters**

P.O. Box 62185, 00200  
15 Elgon Road, Upper hill  
Nairobi, Kenya

**(g) Entity Contacts**

Telephone: (254) 722714122/ (254) 787419325/ (254)202714829/30  
E-mail: [info@presidentsaward.or.ke](mailto:info@presidentsaward.or.ke)

**(h) Entity Bankers**

Kenya Commercial Bank  
Kipande House Branch  
P.O. Box 30012  
NAIROBI, KENYA

**(i) Independent Auditors**




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

**(j) Principal Legal Adviser**

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


**2. BOARD OF TRUSTEES**

Ref	Directors	Details
1.	 <p data-bbox="260 701 691 741">Dr. Fr Wakimani Wamugunda D.</p>	<p data-bbox="850 416 1560 591">Dr. Fr Wakimani Wamugunda D was re-appointed as the President's Award – Kenya Non-Executive Board Chairperson on 18<sup>th</sup> March, 2022. He is the Dean of Students and a Lecturer of Sociology at the University of Nairobi.</p>
2.	 <p data-bbox="260 1216 703 1285">Prof. Eric Okoth Ogur, PhD, CEng MIMechE, MBS</p>	<p data-bbox="850 779 1560 1032">Prof. Eric Ogur was re-appointed as member of the President's Award – Kenya Board on 10th May, 2022 as an alternate to the Cabinet Secretary, Ministry of Education. He is the TVET Advisor to the Cabinet Secretary. He is also an Associate Professor of Mechanical and Mechatronic Engineering at the Technical University of Kenya.</p> <p data-bbox="850 1037 1560 1211">He holds PhD in Engineering and Masters in Manufacturing Systems Engineering from The University of Warwick, Coventry, England and BEng (Hons) Mechanical and Manufacturing Engineering from The University of Portsmouth, England.,</p> <p data-bbox="850 1216 1560 1285">He is a Non- Executive Board Member and a member of the Audit, Risk and Compliance Committee.</p> <p data-bbox="850 1290 1305 1323">Date of birth: 17th December 1971</p>
3.	 <p data-bbox="260 1821 644 1854">Susan Nkirote Omanga, MBS</p>	<p data-bbox="850 1332 1560 1585">Susan was re-appointed as member of the President's Award – Kenya Board on 10th May, 2022. She founded Exclamation Marketing Ltd in 1998, a fully-fledged marketing communications agency which serves local and international clients. Previously Susan was Head of Marketing, Standard Chartered Bank in East Africa and Marketing Manager, Barclays Bank of Kenya</p> <p data-bbox="850 1590 1560 1727">She holds a Bachelor of Science in Business Management and Marketing with minor in advertising from Rocky Mountain College, Billings, Montana, USA.</p> <p data-bbox="850 1731 1560 1839">Susan is a Non- Executive and Independent Board Member. She is the Chairperson of Audit, Risk and Compliance Committee.</p> <p data-bbox="850 1843 1294 1877">Date of birth: 13th February 1960</p>




<p>4.</p>	 <p>Sylvia Wairimu Mulinge, MBS</p>	<p>Sylvia was re-appointed as member of the President's Award – Kenya Board on 10<sup>th</sup> May, 2022. She is currently serving as a Chief Customer Officer at Safaricom Limited. She has developed a track record in the strategic thinking, new business development, commercial execution and people development in the Fast Moving Consumer Goods and Telecommunications sector. In June 2022, she was appointed as the CEO-designate at MTN Uganda, effective 1 October 2022.</p> <p>She holds a BSc – Food Science and Technology degree from the University of Nairobi.</p> <p>She is a Non-Executive and independent Board Member. Sylvia is the Chairperson of the Technical committee.</p> <p>Date of birth: 16th February 1977</p>
<p>5.</p>	 <p>Kennedy Martin Waituka Kihara, MGH</p>	<p>Kennedy was re-appointed as member of the President's Award – Kenya Board as an alternate to the Head of Public Service. He is the Principal Administrative Secretary in the Executive Office of the President. He is also the Assistant Secretary to the Cabinet.</p> <p>He holds a Masters of Business Administration degree from Maastricht School of Business and a Bachelors of Arts degree in Political Science from the University of Nairobi. After basic paramilitary training, he has undertaken specialist training in Israel, Austria, India and the United Kingdom.</p> <p>He is a Non- Executive Board member. He sits in the Audit, Risk and Compliance committee.</p>
<p>6.</p>	 <p>Godfrey Busolo, OGW</p>	<p>Godfrey was re-appointed as a member of the President's Award – Kenya Board on 10th May, 2022 as an alternate to the Principal Secretary National Treasury. He is a Senior Deputy Secretary at the National Treasury. He has previously held different positions in various Ministries.</p> <p>He holds a Masters of Arts (MA) – International Studies, Masters of Business Administration - Strategic Management from the University of Nairobi, Bachelor of Arts – Government, Diploma in Human Resource Management from Kenya Institute of Management, Diploma in Business Administration, - ABE, London.</p> <p>He is a Non- Executive Board member. He sits in the Audit, Risk and Compliance committee as well as the Finance and General Purpose committee.</p> <p>Date of birth: 1st August 1972</p>

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7.	 <p>Sachen Chandaria, MBS</p>	<p>Sachen was re-appointed as member of the President's Award – Kenya Board on 10th May, 2022. He is a well-rounded and influential businessman having been involved in running the family business traversing different countries like North America, Europe, Africa and the Middle East where he has gained both local and global wealth of experience. He is a graduate with Honours in Chemistry and Management from Imperial College in London. He is a Non- Executive and Independent Board member. He is the Chairperson of the Finance and General-Purpose committee and a member of the Technical committee. Date of birth: 18th April 1974</p>
8.	 <p>Edwin Otieno Joseph, MBS</p>	<p>Edwin was re-appointed as member of the President's Award – Kenya Board on 10th May, 2022. Current positions are Chairman, Elimu SACCO and Chairman, CIC General Insurance Company. He was previously the Executive Director for The President's Award-Kenya. He is a Non- Executive Member and Independent Board Member. He is a member of the Finance and General Purpose committee as well as the Technical committee. Date of birth: 5th September 1958</p>
9.	 <p>Veronica Chematia Birgen, MBS</p>	<p>Veronica was appointed as member of the President's Award – Kenya Board on 18th March, 2019 as an alternate to the CS Ministry of Public Service and Gender Affairs. She is the Technical Advisor to the CS – Ministry of Public Service, and Gender and Commissioner, Public Service Commission. She holds a Master's Degree in Science Organisational Development from U.S.I.U Africa. Bachelor of Arts (Hons) from University of Nairobi, Post Graduate Diploma in Human Resource Management at Institute of Human Resource Management (Kenya). She is a Non- Executive Board Member and a member of the Finance and General Purpose committee.</p>

10.	 <p>Nellie Munala, MBS</p>	<p>Nellie is the Chief Executive Officer at The President's Award-Kenya. Her experience includes 11 years of international development exposure, which includes, 4 years working in conflict and post conflict communities in Rwanda and the DR Congo with Voluntary Service Overseas and MONUC (UN Mission to Congo) in the child, youth and gender sectors and 7 years in Zambia with the Commonwealth Secretariat, Youth Affairs Division, in the youth development sector.</p> <p>She holds a Master of Arts degree in Development Studies from Erasmus University, International Institute of Social Studies, The Hague, The Netherlands; a Bachelor of Arts degree in Sociology from the University of Nairobi; graduate and postgraduate qualifications in journalism and Mass Communication from the Kenya Institute of Mass Communication (KIMC) as well as Strategic Leadership Development Programme (SLDP) from Kenya School of Government. She is Secretary to the Board</p>
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**3. MANAGEMENT TEAM**

No	Management	Details
1.	 <p>Nellie Munala, MBS Master of Arts, Development Studies Strategic Leadership Development Programme (SLDP) Postgraduate Certificate in Mass Communication Postgraduate Certificate in Journalism Bachelor of Arts, Sociology</p>	Chief Executive Officer
2.	 <p>Isaac Orangi Masters in Public Sector Management, Higher diploma in HRM, Higher diploma in HRM, Higher diploma in International relations</p>	Deputy Director HRM & D
3.	 <p>Christine Chacha Higher National Diploma in Entrepreneurship, Diploma in Technical Education</p>	Senior Programmes and Projects Coordination Officer

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4.	 <p>Jinnarius Wambugu, MBS</p> <p>Bachelor of Arts in Community Development, Diploma in Technical Education</p>	Senior Programmes and Projects Coordination Officer
5.	 <p>Harat Malenya</p> <p>Bachelor of Arts and Social Sciences Post Graduate Diploma in Education</p>	Principal Programmes and Projects Coordination Officer
6.	 <p>Wangari Kaburi</p> <p>Bachelor of Arts in Education, Diploma in Education</p>	Senior Programmes and Projects Coordination Officer
7.	 <p>Joram Otieno</p> <p>Bachelor of Arts and Social Sciences</p>	Principal Programmes and Projects Coordination Officer

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8.	 <p>Grace Musyoka</p> <p>Masters of Business Administration, Bachelor of Business Administration (Finance and Accounting), CPA (K)</p>	Principal Finance Officer
9.	 <p>Evans Odhiambo Okite</p> <p>Higher National Diploma in Purchasing and Supplies Management (FIS)</p>	Principal Supply Chain Management Officer
10.	 <p>Phelister Wanjau</p> <p>Diploma, Business Administration</p>	Principal Assistant Administrator

#### **4. CHAIRMAN'S STATEMENT**

**Dear Stakeholders,**

It is with great pleasure and gratitude that I present the President's Award – Kenya (PA-K) FY 2021/2022 Annual Report and Financial Statements.

His Royal Highness, The Earl of Wessex and Forfar, Prince Edward KG GCVO in his capacity as the chairman of the Duke of Edinburgh's International Award visited to appreciate the growth of the Award in Kenya. He held consultations with the Patron, His Excellency The President, Uhuru Kenyatta and key Award stakeholders.

The financial year ended, continued to experience the impact of the ongoing COVID-19 pandemic. The programme ensured business continuity through creative and innovative initiatives that enabled young people to contribute to community and national development priorities.

The transition to being a State Corporation through the enactment of the President's Award Act No.30 of 2017, is a milestone achievement as it has given PA-K more access to government support. As it journeys in the process of putting structures in place, the organization has two major challenges: Human and financial resources constraints to support the effective delivery of the programme. The Board has put in place strategies to ensure that the organization is sustainable and that the programme is delivered in an efficient manner.

During the period, the Board of Trustees were re-appointed to serve for a further three (3) year term. The re-appointment provided an opportunity for the Board to effectively progress its oversight role of achieving the organization goals.

The President's Award-Kenya as mandated by the Act, is committed to impart positive life skills and ethical values to the young people for a better society. It continues to equip the young people with skills to navigate challenges and exploit their full potentials, enabling them to be ready for the World.

I would like to acknowledge the following for creating spaces for young people to better themselves:

- i. The Government of Kenya for its goodwill and continued support
- ii. My colleagues the Board of Trustees for their effective strategic leadership and oversight role
- iii. The staff of the President's Award-Kenya for implementing its goals and objectives
- iv. Corporate and individual supporters of the Award

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- v. Heads of institutions, Award leaders, Award participants and volunteers
- vi. The International Award Foundation for its guidance and support over the years
- vii. All the stakeholders and champions of youth development at all levels

I would like to assure you that as an organisation we have continued to deliver on the mandate to promote national values and integrity in our community.



**DR. (FR.) WAKIMANI WAMUGUNDA D.  
CHAIRMAN, BOARD OF TRUSTEES**

## **5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

### **The President's Award – Kenya: 2021/2022**

The President's Award – Kenya continued to deliver its mandate during the year in the new normal era occasioned by the pandemic. During this period, the International Award Foundation complimented the Governments protocols in response to the prevailing circumstances by playing a key role in providing guidance on programme sustainability.

The President's Award-Kenya strategic directions are guided by the following instruments the President's Award Act, No.30 of 2017, Kenya's Vision 2030, the Kenya Youth Development Policy 2019, the Constitution of Kenya 2010, the Duke of Edinburgh's Award Foundation Strategic Plan 2014-2027 and the President's Award – Kenya Validation of 2020. The strategic directions include: Growth in staffing and participation levels, digitalization of the Award delivery and contribution to National Development priorities.

Some of the key highlights include:

#### **1. Reach – Participation**

- i. The re-opening of the learning institutions provided an opportunity to re-engage in face to face interactions with institutions and key stakeholders in the delivery of the Award. The prolonged closure of the learning institutions; public and private secondary schools, universities and tertiary colleges, which are the highest catchment for the Award programme witnessed reduction in enrolment of young people in the Award programme. This was addressed by devising non-traditional strategies by embarking on recruitment from the estates, churches and encouraging Award leaders from Correctional Institutions and Community based organisations to recruit more young people. A new development in the correctional institutions, the Prisons witnessed the first recruitment of Prison Officers within the participation age bracket. In the previous years, only inmates were enrolling as participants. The re-engagements with institutions helped to realize a total of 5,323 new participants being enrolled.
- ii. 907 young people qualified for their Gold Award certificates.  
Notable was the integration of person's with special needs in the programme. The programme was delivered in schools for the visually and hearing impaired and persons with other physical disabilities. Out of the 907 young people who were awarded Gold certificates, 25 were young people living with physical disabilities.

- iii. PA-K secured a donation of Kshs 10,000,000 (Ten million) worth of data from Safaricom PLC towards facilitation of online trainings for key Award stakeholders to enable programme delivery.

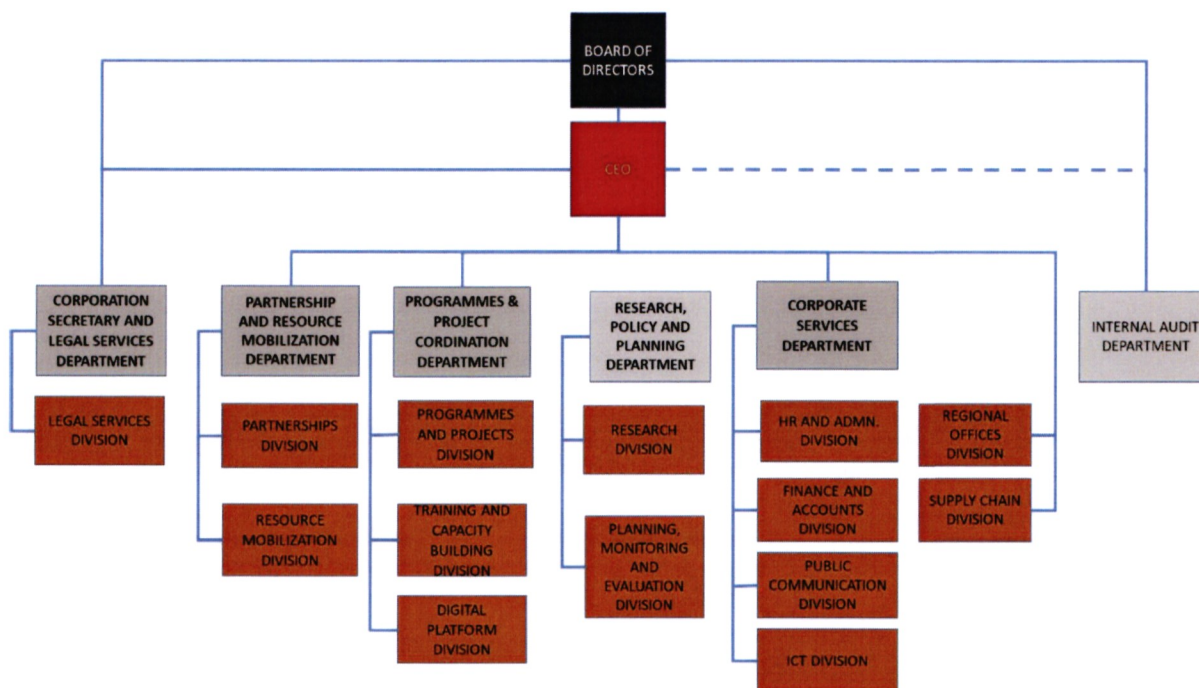
## **2. Relevance**

- i. PA-K focuses on;
  - Contributing to the ideals of the Constitution of Kenya 2010; Chapter 2, Article 10: Principals of Governance and National Values and Chapter 6 :Leadership and Integrity
  - Promoting young people's contribution to community, national and global development priority goals.
- ii. The new entrant participants undertook voluntary community service activities across the country. Examples of the projects they participated in included environmental conservation, construction of classrooms, home care services to orphans and the elderly, advocacy on children and young people's rights including person's with disability, medical camps and sign language training.
- iii. 100 PA-K Alumni benefited from Business Management scholarships from the European Business University through PA-K facilitation.
- iv. The Award impact areas are in synergy with education sector and youth development goals.

## **3. Structure**

- i. PA-K staffing structure comprised of 13 staff members, 4 staff were deployed from the Ministry of Education, The National Treasury, State Department for Youth Affairs as well as Ministry of Agriculture, Livestock, Fisheries and Irrigation.
- ii. PA-K comprises of 5 staff members under Programmes department and 8 staff members under Administration. The Chief Executive officer oversees all the departments.
- iii. The approved optimal staff establishment is eighty four (84) staff members.
- iv. The Ministry of Education, State Department for Youth Affairs and Office of the President supported the delivery of the Programme.

*The President’s Award – Kenya organization structure*



#### 4. Sustainability

The Government of Kenya contributed Kshs. 50,000,000 (Fifty million) in the year under review. Government provides annual subvention to support both recurrent and development expenditure

#### 5. Visibility

Award participants (young people’s) contribution to achieving the national development priorities were reflected in the community service interventions that they undertook in regard to environmental conservation at their respective institutions as well as the neighboring communities.

Award participants engaged in disseminating to their respective communities Government protocols on limiting the spread of the COVID-19 pandemic. The dissemination of information was mainly done using e-platforms available to communities.

The Programme activities were highlighted in both national print and electronic media. The Award activities were featured in articles, electronic coverage as well as publications.

**6. Contribution to national development priorities**

The President's Award-Kenya contributed to national development priorities through activities initiated by the young people. PA-K is in partnership with Kenya Forest Research Institute (KEFRI) and Kenya Forest Service (KFS) to support the governments initiative on National tree planting campaign. PA-K Award participants planted 10,000 trees at Award Centres and designated water towers. Greening the nation supports in mitigating climate change and influences agricultural activities hence enabling the country to be food secure. Award participants from the various Kenya Medical Training Colleges were part of the response teams in their communities during the COVID-19 pandemic outbreak by providing basic health care.

**Challenges**

The entity identified the following key areas needing attention;

**i. Human Resources**

The current President's Award – Kenya staff compliment is inadequate to achieve its stated mandate. Key functions required to deliver on the PA-K mandate have not been filled. The implementation of the operational instruments will mitigate this challenge.

**ii. Financial Resources**

The current annual Government subvention to the President's Award – Kenya is insufficient to meet the budgetary requirements to effectively deliver the programmes and projects in line with the organization strategy. The President's Award – Kenya received Government subvention amounting Ksh. 50 million which is 25% of its budgetary requirement.

**iii. Visibility**

The awareness of the Programme in the community and especially beyond the capital city is limited. This has an implication on the enrolment rates of young people in the Award programme as well as engagement of adults and potential supporters. The entity continues to explore opportunities to influence social policy and practice in youth as well as national development. PA-K continues to strengthen its networking and partnerships agenda to enhance its visibility.



.....  
**NELLIE MUNALA, MBS  
CHIEF EXECUTIVE OFFICER**

**6.STATEMENT OF PAK’S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022**

The Award Programme delivery mirrors the national development framework in order to significantly reach out to the youth segment both in and out of school. Thus the following Award impact areas are in line with the National Youth Development Policy as well as the Education sector goals of promoting non-formal education;

Key Impact areas are as follows;

- i. Improved employability and earning potential
- ii. Improved physical health and fitness
- iii. Improved mental health and emotional wellbeing
- iv. Increased engagement with charitable and community causes
- v. Increased social cohesion
- vi. Improved environmental impact
- vii. Reduced offending

The President’s Award – Kenya identified Strategic Pillars are;

- i. Reach
- ii. Relevance
- iii. Structure
- iv. Visibility
- v. Sustainability

The following matrix summarizes progress and achievements made towards the Strategic Pillars.

<b>Strategic Pillar</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar 1: Reach	Enroll 6,000 new participants from diverse backgrounds across the country	No. of new participants enrolled	Award presentations and sensitization sessions to prospective Institutions  Induction of Award Leaders and students Award leaders	5,323 new participants enrolled

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			<p>Recruitments drive in using non-traditional approaches:</p> <p>(i)Running Award in residential estates</p> <p>(ii)Award in faith based organizations</p> <p>(iii)Young Officers working in Prisons</p>	
Pillar 2 Relevance	To facilitate young people's contribution to community and national development priorities	Types of young people's contributions to community and national development priorities	<p>Engagements in community and national service</p> <p>Community Service and Gold Residential projects focused on providing solutions to community challenges</p> <p>Engagements of parents, guardians and relatives to support while participants carry on with activities when at home.</p>	<p>Environmental conservation at institution level. 10,000 seedlings</p> <p>907 Gold level participants engaged in Gold Residential community projects ranging from construction of classrooms, renovations, and disseminating information on COVID-19 pandemic protocols and agribusiness</p>
Pillar 3 Structure	To operationalize institutional operational manuals	Institutional operational manuals	<p>Operationalizing of draft documents on;</p> <p>PA-K Human Resource Policies and Procedures manual</p> <p>PA-K careers progression guidelines</p> <p>PA-K Salary &amp; Allowances</p>	<p>PA-K Human Resource Policies and procedural manual implemented</p> <p>PA-K career progression guidelines implemented</p> <p>PA-K Salary &amp; Allowances Structure implemented</p>

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			PA-K organisational structure and staffing	PA-K organisational Structure and Staffing implemented
	To comply with International Award Licence standards	Implement Licence requirements	Implement improvement plans	Licence implementation
Pillar 4 Visibility	To increase the profile and visibility of PA-K	Develop PA-K publications	Develop PA-K publications	1 publication developed
Pillar 5 Sustainability	To expand PA-K resource base	Develop Partnerships	Develop partnership	Partnerships developed with Safaricom PLC, WHO, UNICEF, KEFRI and KFS

## **7. CORPORATE GOVERNANCE STATEMENT**

The Board of Trustees of the President's Award-Kenya believes that high standards of corporate governance will foster a culture that values integrity and ethical behaviour which are essential for sustainable long-term performance and creating shareholder value. The Board has established a corporate governance framework, the key features of which are set out in this corporate governance statement.

The Board of Trustees is responsible for the governance framework which operates under Board approved policies and practices. The governance framework and associated practices are reviewed by the Board and its committees to ensure it complies with current regulations.

### **Role and Responsibilities of Trustees and Management**

The President's Award Act, 2017 provides that the affairs of the organisation are to be managed under the direction of the Board. The Board of Trustees are responsible for the overall strategy, governance and performance of the President's Award-Kenya and delegates responsibility for the day-to-day management of the President's Award-Kenya to the CEO. The Chief Executive Officer in turn delegates authority to the appropriate senior managers for specific activities and transactions, including implementation of the corporate strategy and operating within the risk appetite set by the Board. This authority is governed by a formal delegation of authority that is approved by the Board and is reviewed as required.

### **Attendance to Board meetings by Board of Trustees**

Members are expected to attend all Board meetings except with the permission of the Chairman. Failure to attend three consecutive Board meetings without chairman's permission may lead to removal from office.

No of meetings held during the FY 2021/22 are as follows:

<b>Meetings held</b>	<b>No of meetings</b>
Full Board meetings	6
Board Committee meetings	13

### **The President's Award – Kenya Operation Instruments**

The President's Award – Kenya obtained approval of its operational instruments by the State Corporation Advisory Committee (SCAC) in August 2020 which categorized PA-K as a service state corporation PC 3C funded from the Exchequer. Further in December 2020 the President's Award - Kenya human resource

instruments were approved by State Corporation Advisory Committee. The President's Award – Kenya Board of Trustees adopted the operation instruments for implementation in February 2021.

### **Trustee's Skills and Experience**

The Board's objective is to have an appropriate mix of skills, expertise and experience on the President's Award-Kenya Board and Board committees. The Board as currently constituted draws a membership from wide sections of the society. Accordingly, the Board is also represented by representatives from all major stakeholders making the Board highly qualified to attend to all matters regarding the Organization.

### **Succession plan**

The succession plan at the Board level involves notifying the Appointing Authority when the term of the Board is coming to an end. At the management level the President's Award-Kenya succession planning process, is to ensure that employees develop their knowledge, skills, and abilities, and prepare them for advancement or promotion into more challenging roles.

### **Appointment and removal of Trustees**

Board members are appointed by the Cabinet Secretary in charge of Education. Vacation of office of Board members is provided for in provisions of the President's Award Act, 2017 as well as Mwongozo, the code of Governance for State Corporation, 2015.

### **Conflict of Interest**

The Board maintains a conflict of interest register where Board members are required to register and declare any conflict of interest in the course of Board business. A Member is not allowed to participate in decision making on matters where there he /she has conflict of interest.

The Board of Trustees were re-appointed for a further three (3) year term vide Kenya Gazette Notice Vol. CXXIV No. 85 dated 10<sup>th</sup> May 2022, Gazette Notice No. 5376 and re-appointment of the Board Chairman for a further three (3) year term vide Kenya Gazette Notice Vol. CXXIV No. 61 dated 8<sup>th</sup> April 2022, Gazette Notice No.3824.

The following are the President's Award – Kenya approved Board Committees;

- i) Technical Committee
  - a) Sylvia Mulinge – Chair person
  - b) Edwin Otieno
  - c) Sachen Chandaria
  
- ii) Finance and General Purpose Committee
  - a) Sachen Chandaria- Chair person
  - b) Godfrey Busolo
  - c) Edwin Otieno
  
- iii) Audit, Risk and Compliance Committee
  - a) Susan Omanga- Chair person
  - b) Kennedy Kihara
  - c) Prof. Eric Ogur

The gazetted Boards' operations are guided by the President's Award Act, 2017, the State Corporation's Act as well as Mwongozo in its undertakings.

#### **Board Training**

- i. Three (3) Trustees attended the Board Induction organized by the State Corporation Advisory Committee (SCAC) in conjunction with Kenya School of Government (KSG). The induction provided an opportunity for the Board members to familiarize/deepen their understanding of the workings of State Corporations and Government procedures.
  
- ii. The Audit and Risk Management Committee were trained in the year by the National Treasury.

#### **Board Self Evaluation FY2020/2021**

The State Corporation Advisory Committee (SCAC) facilitated the President's Award – Kenya Board of Trustees Self Evaluation for the period FY2020/2021. The Self Board Evaluation is a requirement for all State Corporations to undertake annually. The process identifies gaps in Governance processes thus enabling State Corporations to focus on improving on identified areas of improvement.

## **8. MANAGEMENT DISCUSSION AND ANALYSIS**

- i. The President's Award-Kenya (PA-K) was granted a 3-year operational license that expires in May 2023 by the Duke of Edinburgh's International Award Foundation. The License mandates PA-K to deliver the Award programme in Kenya.
- ii. The programme diversified the categories of young people participating in the programme to include:
  - The Award at the Work place – The Kenya Prisons Service officers undertaking the Award as part of character development.



***PA-K CEO Nellie Munala (middle), Prison's Commissioner General Brigadier (rtd) John Warioba (far right) and PA-K staff (far left) after a consultative meeting to support prison officers undertake The Award.***

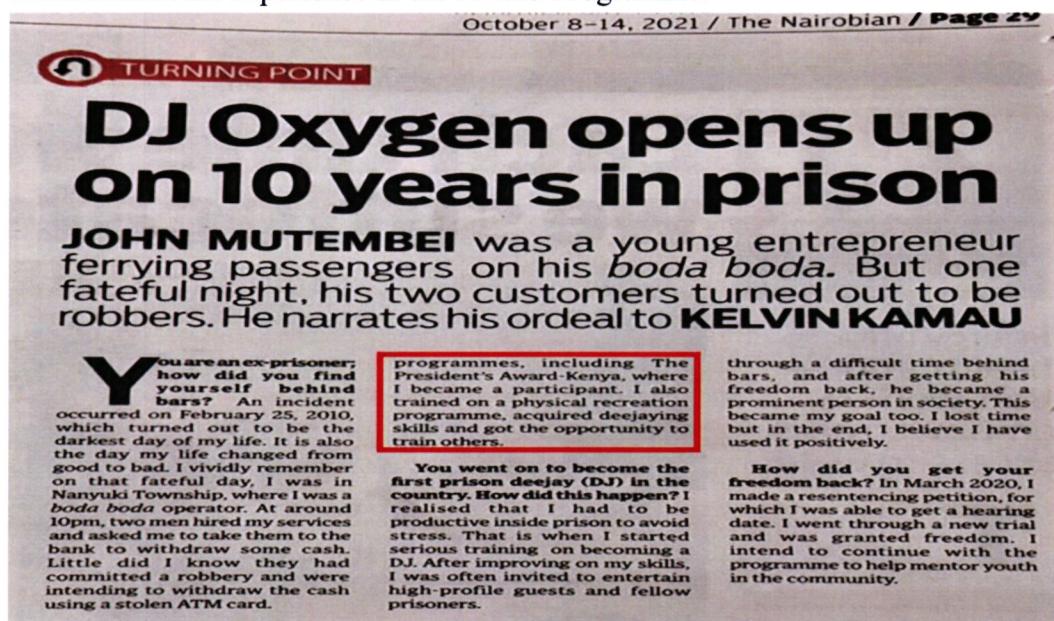
- Introduction of the Award Programme in Primary Schools – The programme is in Kajiado County at Nkama and Illasit primary schools.
  -
- iii. Thirty- eight (38) Adventurous Journeys were undertaken across the Country. The three hundred (1,500) participants were at Bronze, Silver and Gold levels
  - iv. Ten (10) PA-K Alumni and participants mentored through the Duke of Edinburgh's World Fellowship programme under African Initiative Group-AIG.

- v. 200 Award leaders were inducted and 255 presentations made in Award Centres to build capacity of adult helpers to supervise the Award delivery across the Country.



KMTC Tana River student leaders during an Award Presentation

- vi. Impact of the Award  
John Mutembei, a former inmate of Nyeri Maximum Security Prison featured in the National newspaper. John, a Gold level Award participant was released on good conduct and attributes his release to the transformational experience in the Award Programme.



- vii. Staff Recruitment  
The transfer of service from the Teacher's Service Commission to President's Award-Kenya for four programme staff members was effected.

viii. International Council Meetings and Workshops

The International Council of the Duke of Edinburgh's International Award organized a series of Regional Conferences and workshops to help with sharing of best practice and a greater understanding of the Award's operations globally. The meetings that were held virtually in the month of October and November 2021 were attended by International trustees, Board chairpersons, Trustees and PA-K staff.

ix. The workshop themes were on NAO levy contributions, Emerging Leaders and International Gold Event, Sustainability as well as Mental Health.

x. Partnership Meetings

PA-K Board members and management staff interacted and explored possible partnerships with key stakeholders. The meetings held in November 2021 explored possibilities of PA-K partnering in supporting young people in the areas of youth employability, climate change actions, mental health and COVID-19 response.

xi. Staff Training

The President's Award-Kenya being a state agency observes the stipulated regulations as it discharges its mandate. As part of strengthening its operations, staff inductions as well as capacity developments are critical undertakings for the progress of the organization. In the year staff undertook various trainings for capacity development.

xii. Royal Visit

In recognition of the exceptional work our stakeholders do in support of young people, 6 Award Leaders and 5 heads of institutions received certificates of recognition from HRH Prince Edward; Chairman of the International Award Foundation.



***Ms. Esther Mureke-Kuria, an Award leader at Nyeri High School, Nyeri county***

- Ms. Esther Mureke was recognised as one of a select group of people worldwide for their outstanding support to young people through The President's Award-Kenya. To mark the centenary of HRH The Prince Philip, The Duke of Edinburgh, the Award he founded celebrated some of its most inspiring volunteers.

- Youth Mentorship programme- At Dedan Kimathi University of Technology, Prince Edward engaged 100 university Gold Award participants in group discussions in the following themes: Entrepreneurship, Climate Change, Personal Branding and ICT & Technology. Vice Chancellors from 10 public and private universities discussed the role of Non - Formal Education and Learning at the Universities in preparing young people to become Economic Change Agents.



***Consultation meeting between HRH, The Prince Edward and Vice Chancellors***

- The Compass Project- 150 Award participants were presented with Bronze and Silver Certificates. The participants were mentored by captains of industry led by HRH, The Prince Edward.





xiii. Award Leaders Trainings

➤ Online Record Book Training(ORB)

Participation on the online platform has increased with lots of traffic of participant's activity logins and new Award centre registrations of both the Centre and Participants. Daily online monitoring of the programme activities and approvals of completed sections and levels are undertaken.

➤ Award Leaders Training

In the period 1,777 Award leaders and 175 volunteers were trained to build capacity of adult helpers to supervise the Award delivery across the Country



*Ongoing training session for Award Leaders in Nyanza region*

xiv. Gold Award Presentation Ceremony 2022

The Gold Award Presentation (GAP) ceremony, 2022 was held at State House Nairobi on 13/05/2022. This was the first ceremony to be held after the Covid 19 pandemic. Nine hundred and seven (907) awardees were conferred with Gold level certificates having excelled in leadership and service, having spent an estimated one hundred thousand (100,000) hours of service collectively in communities not their own across the country. The Gold Awardees were from 62 Award Centres/ Institutions across the country.



*The Head of State engages with awardees in a dance during the Gold Award Presentation Ceremony*



*The Head of State presenting certificates to Awardees during the Gold Award Presentation Ceremony*

- xv. Commonwealth Youth Forum, 2022  
The 12<sup>th</sup> Commonwealth Youth Forum (CYF) was held from 19<sup>th</sup> to 21<sup>st</sup> June 2022 in Kigali Rwanda. The President's Award – Kenya was represented by Elizabeth Nzisa, a Gold Award Holder. The meeting provided an opportunity for the world's largest youth organisations to form an agreement with the Commonwealth members to directly enhance leadership and life skills of millions of young people by 2030.

## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Below is an outline of the organisation's policies and activities that promote sustainability.

### **(i) Sustainability Strategy and Profile**

PAK has put in place various measures to ensure that the organisation is able sustain itself in the medium and long term period. Some of the initiatives put in place are;

- Establishment of an affective governance and internal control system
- Establishment of a Partnership department to spearhead fund raising activities
- Enhanced management of revenues and expenditure through development of finance policies
- Increased numbers of participants and award centres

### **ii. Environmental Performance**

Partnership with Kenya Forest Research Institute (KEFRI) to contribute to national tree planting campaign.

- PAK has entered into partnership with KEFRI enabling Several Award Centres and Campsites to receive tree seedlings from PA-K to plant in their compounds/regions to contribute to the national tree planting campaign. The trees planted include Bamboos planted in river valleys where water is readily available. During the financial year under review, 10,000 trees were planted by Award participants.
- E- communication: The Organization has also adopted a paperless working environment and all possible information is shared in electronic form.

### **iii. Employee Welfare**

PAK is implementing the following Human Resource Policy instruments;

- HR Policies and procedures manual
- Career guidelines
- Organization structure

These policies together with existing National policies are guiding the hiring process to ensure during hiring the gender ratio is taken into account. Relevant stakeholders were involved in the development of the policies.

iv. Market Place Practices

Responsible Supply chain and supplier relations

PAK treats its own suppliers responsibly by honouring contracts and respecting payment practices. PAK did not have any outstanding bills (payables) at the closure of financial year

v. Corporate Social Responsibility / Community Engagements

PAK participated in the following CSR activities;

- Participants took part in various Covid 19 awareness creation and mitigation activities
- Participants took part in Blood donations
- Participants took part Distributions of sanitary pads in their communities
- Equipping of school libraries
- Donated computers
- Construction and rehabilitation of schools.

## **10. REPORT OF THE BOARD OF TRUSTEES**

The Board of Trustees submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the PAK's affairs.

### **i) Principal activities**

The principal activities of the entity are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

### **ii) Results**

The results of the entity for the year ended June 30, 2022, are set out on pages 38-43

### **iii) Directors**

The members of the Board of Trustees who served during the year are shown on page 6-10.

### **iv) Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

PAK is not a regulatory body and is not subject to that requirement.

### **v) Auditors**

The Auditor General is responsible for the statutory audit of PAK in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
Nellie Munala, MBS

**CHIEF EXECUTIVE OFFICER**

Date...28.09.2022.....

## **11. STATEMENT OF TRUSTEES RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Trustees to prepare financial statements in respect of the President's Award-Kenya, which give a true and fair view of the state of affairs of the President's Award-Kenya at the end of the financial year and the operating results of the President's Award-Kenya for that year. The Trustees are also required to ensure that the President's Award-Kenya keeps proper accounting records which disclose with reasonable accuracy the financial position of the Organization. The Trustees are also responsible for safeguarding the assets of the President's Award-Kenya.

The Trustees are responsible for the preparation and presentation of the President's Award-Kenya financial statements, which give a true and fair view of the state of affairs of the President's Award-Kenya for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

- (i) Maintaining adequate financial management arrangements 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 President's Award-Kenya
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the President's Award-Kenya
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the President's Award-Kenya financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Trustees are of the opinion that the President's Award-Kenya financial statements give a true and fair view of the state the Organization's transactions during the financial year ended June 30, 2022, and of the President's Award-Kenya financial position as at that date.

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The Trustees further confirm the completeness of the accounting records maintained for the President's Award-Kenya, which have been relied upon in the preparation of the President's Award-Kenya financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the President's Award-Kenya will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

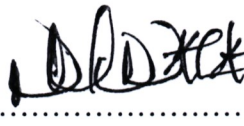
The President's Award-Kenya financial statements were approved by the Board on 28.09 2022 and signed on its behalf by:



**Signature**

Dr. (Fr.) Wakimani Wamugunda D.

**CHAIRMAN, BOARD OF TRUSTEES**



**Signature**

Nellie Munala

**CHIEF EXECUTIVE OFFICER**

**12. REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS  
THE PRESIDENT'S AWARD-KENYA**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON THE PRESIDENT'S AWARD - KENYA FOR THE YEAR ENDED 30 JUNE, 2022**

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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 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 the 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 under Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of The President's Award - Kenya set out on pages 40 to 73, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of The President's Award - Kenya 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 (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Unregistered Property in Loitoktok**

The statement of financial position and disclosure Note 17 to the financial statements reflects a balance of Kshs.22,929,290 under property, plant and equipment. However, the balance excludes an unregistered parcel of land located in Loitoktok. Management explained that there was progress made to have the parcel of land registered and a Presidential Decree was issued on 13 May, 2022 for the transfer of title to be effected to the Agency. Management also indicated that the property will be recognized as an asset once the transfer of title is complete. However, the continued lack of ownership documents may lead to loss of property to informal settlers.

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

### **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and Board of Trustees**

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

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

The Board of Trustees is responsible for overseeing the Agency's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency'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 Agency 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 Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

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

**Nairobi**

**05 April, 2023**

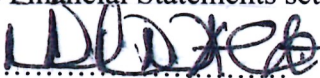
The President's Award-Kenya  
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13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

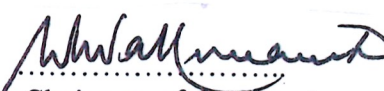
	Notes	30 <sup>th</sup> June 2022	30 <sup>th</sup> June 2021
		Kshs	Kshs
		Shs	Shs
<b>Revenue from non-exchange transactions</b>			
Transfers from other Government entities	5	50,000,000	47,000,000
Licenses	6	615,000	175,000
Public contributions and donations	7	4,325,540	929,140
<b>Sub Total</b>		<b>54,940,540</b>	<b>48,104,140</b>
<b>Revenue from exchange transactions</b>			
Sale of goods	8	2,663,470	551,100
Finance income	9	11,208,908	7,186,142
Other Income	10	10,000	-
<b>Sub Total</b>		<b>13,882,378</b>	<b>7,737,242</b>
<b>Total revenue</b>		<b>68,822,918</b>	<b>55,841,382</b>
<b>Expenses</b>			
Use of goods and services	11	29,273,098	23,176,820
Employee costs	12	24,612,461	23,159,646
Board expenses	13	4,689,600	3,209,560
Repairs and maintenance	14	1,709,982	1,676,167
Grant and subsidies	15	2,742,202	-
Contracted services	16	1,044,680	1,130,880
Depreciation and amortization expense	17	4,433,831	2,774,887
<b>Total expenses</b>		<b>68,505,854</b>	<b>55,127,960</b>
<b>Other gains (losses)</b>			
Revaluation loss	18	-	154,340
<b>Total expenses</b>		<b>68,505,854</b>	<b>55,282,300</b>
<b>Surplus for the period</b>		<b>317,064</b>	<b>559,082</b>

The notes set out on pages 47 to 72 form an integral part of these Financial Statements

The Financial Statements set out on pages 40 to 46 were signed on behalf of the Board of Trustees by:

  
Accounting Officer/ CEO  
Nellie Munala

  
Head of Finance  
Grace Musyoka  
ICPAK Member No: 24686  
Date 28/09/2022

  
Chairman of the Board  
Dr. (Fr.) Dominic Wamugunda  
Date 28/09/22

Date 28-09-2022

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**14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Notes	30 <sup>th</sup> Jun 2022	Prior year
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	20	189,393,800	188,244,020
Inventories	21	9,869,421	1,421,963
Accrued Interest on call deposit		-	1,527,671
Withholding tax receivable		-	934,989
<b>Total Current Assets</b>		<b>199,263,221</b>	<b>192,128,643</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	17	22,929,290	26,143,400
<b>Total Non- Current Assets</b>		<b>22,929,290</b>	<b>26,143,400</b>
<b>Total Assets</b>		<b>222,192,511</b>	<b>218,272,043</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Provision for audit fees	19	700,000	700,000
Deferred grants income		8,323,500	-
Retirement benefit obligation	22	2,187,042	3,011,451
Tax payable	23	2,845,476	-
<b>Total Current Liabilities</b>		<b>14,056,018</b>	<b>3,711,451</b>
<b>Total Liabilities</b>		<b>14,056,018</b>	<b>3,711,451</b>
<b>Fund Balances</b>			
Surplus /deficit Reserves		196,865,475	202,239,362
Capital fund		6,175,551	7,225,763
Revaluation Surplus		5,095,467	5,095,467
<b>Total Fund Balances</b>		<b>208,136,493</b>	<b>214,560,592</b>
<b>Total Funds and Liabilities</b>		<b>222,192,511</b>	<b>218,272,043</b>

Capital fund - these are assets donated to The President's Award - Kenya realised in the income statement over their useful life.

The Financial Statements set out on pages 40 to 46 were signed on behalf of the Board of Trustees by:



Accounting Officer

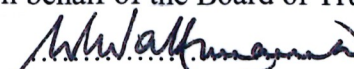
Nellie Munala



Head of Finance

Grace Musyoka

ICPAK Member No:24686



Chairman of the Board

Dr. (Fr.) Dominic Wamugunda

Date. 28.09.2022

Date. 28/09/2022

Date. 28/09/22

**15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022**

	<b>Note</b>	<b>Surplus/ Deficit</b>	<b>Capital</b>	<b>Revaluation</b>	<b>Total</b>
	<b>s</b>	<b>Reserve</b>	<b>Fund</b>	<b>Surplus</b>	
<b>As at July 1, 2021</b>		<b>202,239,362</b>	<b>7,225,763</b>	<b>-</b>	<b>209,465,125</b>
Surplus for the year		317,064		-	317,064
Transfer to income		-	(1,050,212)	-	(1,050,212)
Revaluation surplus				5,095,467	5,095,467
Tax expense adjustment		(5,690,952)			(5,690,952)
<b>As at June 30, 2022</b>		<b>196,865,474</b>	<b>6,175,551</b>	<b>5,095,467</b>	<b>208,136,492</b>

**16.STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		50,000,000	47,000,000
Levies, fines, and penalties		-	-
Public contributions and donations		1,598,828	-
Property taxes revenue		-	-
Licenses and permits		615,000	175,000
Rendering of services		-	-
Sale of goods		2,663,470	551,100
Rental revenue from facilities and equipment		-	-
Finance income		11,208,909	3,460,725
Other income		10,000	-
<b>Total receipts</b>		<b>66,096,207</b>	<b>51,186,825</b>
<b>Payments</b>			
Use of goods and services		24,271,251	15,936,636
Employee costs		24,612,461	21,536,736
Board Expenses		4,689,600	3,209,560
Repairs and maintenance		1,709,982	1,676,167
Contracted services		1,044,680	1,130,880
Administrative costs		7,398,732	7,542,145
<b>Total payments</b>		<b>63,726,706</b>	<b>51,032,124</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>2,369,501</b>	<b>154,701</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		(1,219,721)	(13,091,871)
Proceeds from sale of PPE		-	-
Purchase of investments		-	-
Sale of investments		-	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(1,219,721)</b>	<b>(13,091,871)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
<b>Net cash flows from financing Activities</b>		<b>-</b>	<b>-</b>

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<b>Net increase/(decrease) in cash &amp; Cash Equivalents</b>		<b>1,149,780</b>	<b>(12,937,170)</b>
Cash and cash equivalents at 1 July	20	188,244,020	201,181,190
<b>Cash and cash equivalents at 30 June</b>	<b>20</b>	<b>189,393,800</b>	<b>188,244,020</b>



Accounting Officer/ CEO

Nellie Munala

Date... 28.09.2022



Head of Finance

Grace Musyoka

ICPAK Member No:24686

Date... 28.09.2022



Chairman of the Board

Dr. (Fr.) Dominic Wamugunda

Date... 28/09/22

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**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AS PER**

		Original Annual Budget	Adjustments.	Final Annual Budget	Actual Cumulative to date	% of Utilization	
	Note				Period ended June 2022		
<b>Revenue from non-exchange transactions</b>							
Transfers from Government	5	50,000,000	-	50,000,000	50,000,000	100	
Licenses	6	1,750,000	-	1,750,000	615,000	35	(a)
Public Contributions and Donations	7	11,273,600	0	11,273,600	3,275,328	29	(b)
<b>Sub Total</b>		<b>63,023,600</b>	<b>-</b>	<b>63,023,600</b>	<b>53,890,328</b>		
<b>Revenue from exchange transactions</b>							
Sale of Goods	8	8,750,000	-	8,750,000	2,663,470	30	(a)
Finance Income	9	7,000,000	-	7,000,000	11,208,908	160	
Other Income	10	3,000,000	-	3,000,000	10,000		
<b>Sub Total</b>		<b>18,750,000</b>	<b>-</b>	<b>18,750,000</b>	<b>13,882,378</b>		
<b>Total revenue</b>		<b>81,773,600</b>	<b>-</b>	<b>81,773,600</b>	<b>67,772,706</b>		
<b>Expenses</b>							
Use of goods and services	11	30,907,604	287,122	31,194,726	28,923,098	93	
Employee costs	12	32,167,716	-3,206,750	28,960,966	21,786,418	76	(c)
Board expenses	13	4,680,000	521,440	5,201,440	4,689,600	91	(d)
Repairs and maintenance	14	1,700,000	1,645,960	3,345,960	1,709,982	52	(e)
Grants and subsidies	15	11,273,600	752,228	12,025,828	2,742,202	23	(f)
Contracted services	16	1,044,680	-	1,044,680	1,044,680	100	
<b>Total expenses</b>		<b>81,773,600</b>		<b>81,773,600</b>	<b>60,895,980</b>		
<b>Surplus for the year</b>			<b>-</b>		<b>6,876,726</b>		

**I. RECONCILIATION BETWEEN THE SURPLUS AS PER THE BUDGET AND AS PER STATEMENT OF FINANCIAL PERFORMANCE**

DESCRIPTION	SURPLUS (KShs)
Surplus under the statement of budgeted and actual amounts	6,876,726
Surplus under the statement of financial statements	317,064
<b>Difference</b>	<b>6,559,662</b>

**Explained by:**

Deferred income	(1,050,212)
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Provision for gratuity and pension	2,826,043
Depreciation expense in the financial statement	4,433,831
Provision for Audit Fees	350,000
<b>Total</b>	<b>6,559,662</b>

**Explanation on Low utilisation**

- a) Licenses and sales of Record Books – Slow resumption of co-curricular activities in learning institutions affected the delivery of Award programme.
- b) Low uptake of Safaricom cards due to tight calendar for the volunteers mostly teachers caused by de-prioritization of co-curricular activities.
- c) Employee costs- Employee costs included recruitment costs which had not been concluded by year end.
- d) Board Expenses- There was delay in re-appointment of the Board.
- e) Repairs and maintenance-Expenses incurred as needs arose.
- f) Grant expenses-Expenses spread through the project period.

## **18. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

The President's Award - Kenya is established by and derives its authority and accountability from The President's Award Act, No. 30 of 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activities are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of items of property, plant and equipment at fair value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying PAKs accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of PAK.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the President's Award Act, 2017, Mwongozo and International Public Sector Accounting Standards (IPSAS)

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

### **3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.*

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.  Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.  Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).  Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.*

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the entity;</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> </ol>

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Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

*iii. Early adoption of standards*

The entity did not early – adopt any new or amended standards in year 2021/2022.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

**Rendering of services**

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Summary of Significant Accounting Policies (Continued)**

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**ii) Revenue from exchange transactions**

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

**The original budget for the financial year 2021-2022 was approved by PAK's Board on 29<sup>th</sup> September 2021.**

The budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget

**Summary of Significant Accounting Policies (Continued)**

and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

The organization's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

**e) Taxes**

**Current income tax**

The President's Award - Kenya is a non – commercial state corporation that receives substantial revenue from non – exchange transactions (especially from the National Government in form of transfers and grants).

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to

**Summary of Significant Accounting Policies (Continued)**

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**Summary of Significant Accounting Policies (Continued)**

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

***Sales tax***

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included  
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

**Summary of Significant Accounting Policies (Continued)**

**e) Property, plant and equipment**

All property, plant and equipment are stated at revalued figures less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

**h) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**i) Financial instruments**

**a) Financial assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Held-to-maturity.**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

**Impairment of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

**Summary of Significant Accounting Policies (Continued)**

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition., All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

**Summary of Significant Accounting Policies (Continued)**

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**l) Contingent liabilities**

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.

**m) 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.

**n) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. The following are the reserves maintained at PAK;

- i. Profit loss reserves/Retained Earnings-To record cumulative profits or losses made by PAK
- ii. Capital fund-To record continuous and progressive transfer of donated vehicles to the income statement
- iii. Revaluation surplus-To record gains out of revaluations. To offset against any future revaluation losses

**o) Changes in accounting policies and estimates**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

During financial year 20/21 PAK moved from historical cost method of valuing assets to revaluation model as guided by IPAS 17 (PPE).

The impact of the policies is as follows;

- i. Revaluation gains realised were recorded in an equity account called Revaluation Surplus
- ii. The losses were recorded in an expense account called Revaluation losses
- iii. Accumulated depreciation was written off
- iv. Value of assets were adjusted according to the assigned values as a result of the revaluation exercise
- v. PAK Intends to be carrying out regular revaluations as required by IPSAS 17
- vi. The reducing balance method will be employed as was the case during historical cost model

**p) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**q) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**r) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**Summary of Significant Accounting Policies (Continued)**

**s) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the CEO and senior managers.

**t) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u) 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.

**v) Comparative figures**

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

### **Summary of Significant Accounting Policies (Continued)**

#### **w) Subsequent events**

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

#### **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

#### **Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 15 and 16.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

The following are the provisions maintained by President's Award-Kenya;

- i. Provision for Audit fees- Provides for estimated audit fee to the Auditor General which we have not been invoiced
- ii. Provision for gratuity-Provides for gratuity obligations for two officers on contract and who are entitled to gratuity
- iii. Provision for pension-Provides for pension payments for officers who have been recruited on permanent and pensionable basis.

**5. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES (MDA's)**

Name of PA-K sending the grant	Amount recognized to Statement of Financial Performance	Amount deferred under deferred income	Amount recognised in capital fund	Total grant income during the year 2021/2022	2020/2021
	KShs	KShs	KShs	KShs	KShs
Ministry of Education	30,000,000	-	-	30,000,000	27,000,000
Ministry of Public Service, Youth and Gender Affairs	20,000,000	-	-	20,000,000	20,000,000
<b>Total</b>	<b>50,000,000</b>	<b>-</b>	<b>-</b>	<b>50,000,000</b>	<b>47,000,000</b>

**6. LICENCES**

Description	2021/2022	2020/2021
	KShs	KShs
Licence fees from Award Centres	615,000	175,000
<b>Total licence income</b>	<b>615,000</b>	<b>175,000</b>

**7. PUBLIC CONTRIBUTIONS AND DONATIONS**

Description	2021/2022	2020/2021
	KShs	KShs
Deferred income	1,050,212	929,140
Grant income	1,598,828	-
Donations in kind-Safaricom cards	1,676,500	-
<b>Total public contributions and donations</b>	<b>4,325,540</b>	<b>929,140</b>

**NB**

- i) Deferred income refers to the depreciation amount on donated motor vehicles transferred to income
- ii) Grant income refers to grant received from International Award Foundation for the Covid 19 recovery project
- iii) Donations in kind refers to safaricom cards donation from Safaricom PLC for the programme activities amounting Ksh.10,000,000 however due to Accounting Standards what has been recognised in the Statement of Financial Performance is what was issued in the year.

**8. SALE OF GOODS**

Description	2021/2022	2020/2021
	KShs	KShs
Manual record books	64,000	8,000
Online record books	2,597,370	526,900

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Badges	2,100	15,300
Bucket hats	-	900
<b>Total sale of goods</b>	<b>2,663,470</b>	<b>551,100</b>

**9. FINANCE INCOME**

<b>Description</b>	<b>2021/2022</b>	<b>2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Interest income from call deposits	11,208,908	5,658,471
Accrued Interest	-	1,527,671
<b>Total finance income</b>	<b>11,208,908</b>	<b>7,186,142</b>

**NB**

Interest for the period includes interest amounting Kshs.694,083 for the PA-K Foundation.

**10. OTHER INCOME**

<b>Description</b>	<b>2021/2022</b>	<b>2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Hire of PA-K Grounds	10,000	-
<b>Total other income</b>	<b>10,000</b>	<b>-</b>

**11. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2021/2022</b>	<b>2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Adventurous Journey Expenses	80,656	801,373
Award Presentations	2,911,273	1,524,160
Development of Routes	-	3,225,370
Digital Platform Expenses	533,894	111,924
National Residential pro. Costs	-	255,400
New and Innovative Programmes	-	1,458,100
Partnerships & Fund Raising Cost	50,400	512,195
Quarterly Reporting expenses	1,198,780	242,200
Staff Training & Cont. Prof. Devt	2,230,771	3,009,792
Strategic Plan	3,533,060	1,063,470
Volunteer Medical Cover	-	1,757,915
Zoom Application Expenses	179,721	82,135
Award day preparation costs	493,190	287,570
Volunteer meals and transport	473,190	158,100
Induction of coordinators	2,800	159,860
Monitoring and evaluation	1,296,506	922,683
Printing of certificates and forms	234,796	231,102
Badges and Handbooks	-	133,287

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Content and publications	200,000	-
Duke of Edinburgh's fees	604,913	-
HRH Visit Expenses	4,178,210	-
Training of Award Leaders	3,322,206	-
Printing and stationery	305,772	62,195
Courier and Postage	430,926	117,527
Hospitality expenses	541,060	596,874
Electricity	36,000	22,278
Fuel and oil	407,000	705,580
Water	114,740	64,565
Internet	1,224,792	1,237,578
Email Hosting	40,600	65,110
Telephone	802,000	399,195
Prequalification and evaluation of tenders expenses	209,300	722,900
Annual budget expenses	1,495,281	699,531
Office expenses	607,937	372,101
Bank charges	268,733	167,710
Covid 19 expenses	566,000	168,054
Revaluation of Assets	-	295,000
Cleaning and fumigation	33,020	616,049
Advertisement	315,570	516,252
Household Appliances	-	61,685
Provision for audit fees	350,000	350,000
<b>Total use of goods and services</b>	<b>29,273,097</b>	<b>23,176,820</b>

**12. EMPLOYEE COSTS**

<b>Description</b>	<b>2021/2022</b>	<b>2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Salaries and Wages	16,455,691	15,960,565
Staff travel	282,851	808,618
Staff subsistence allowance	346,750	465,600
Staff establishment	2,985,500	462,300
Casual Labour	423,750	103,150
Staff medical cover	1,291,876	2,894,071

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Pension Payment	1,001,709	1,151,532
Gratuity provision for the year	1,824,334	1,313,810
<b>Total employee costs</b>	<b>24,612,461</b>	<b>23,159,646</b>

**13. BOARD EXPENSES**

Description	2021/2022	2020/2021
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Board Sitting Allowances	3,184,350	1,817,650
Board travel and Accommodation	24,350	323,910
Board medical cover	200,000	-
Board Induction and Training	258,440	
Other allowances	62,460	108,000
<b>Total Board expenses</b>	<b>4,689,600</b>	<b>3,209,560</b>

**14. REPAIRS AND MAINTENANCE**

Description	2021/2022	2020/2021
	KShs	KShs
Building	1,017,980	503,910
Equipment and machinery	-	107,962
Vehicles	579,868	986,295
Computers and printers	112,134	78,000
<b>Total repairs and maintenance</b>	<b>1,709,982</b>	<b>1,676,167</b>

**15. GRANT AND SUBSIDIES**

Description	2021/2022	2020/2021
	KShs	KShs
Covid 19 Recovery fund project expenses	1,065,702	-
Donations in kind expenses-Safaricom cards	1,676,500	
<b>Total grant and subsidies</b>	<b>2,742,202</b>	<b>-</b>

**16. CONTRACTED SERVICES**

Description	2021/2022	2020/2021
	KShs	KShs
Contracted security services	1,044,680	1,130,880
<b>Total contracted services</b>	<b>1,044,680</b>	<b>1,130,880</b>

**17. PROPERTY, PLANT AND EQUIPMENT**

	Land and Buildings	Furniture, fittings, office equipment	Motor vehicles	Computers	Total
Cost	KShs	KShs	KShs	KShs	KShs
As at July 1, 2020 after revaluation	2,879,511	4,454,855	16,707,125	4,772,341	28,813,832
Additions	774,829	1,884,000	9,594,000	2,203,654	14,456,483
As at 30 <sup>th</sup> June 2021	3,654,340	6,338,855	26,301,125	6,975,995	43,270,315
As at July 1, 2021 after revaluation	3,500,000	4,099,900	14,300,000	4,243,500	26,143,400
Additions	-	45,721	-	1,174,000	-
As at 30 <sup>th</sup> June 2022	3,500,000	4,145,621	14,300,000	5,417,500	27,363,121
<b>Depreciation and Impairment</b>					
At July 2020	-	3,073,244	12,990,559	3,229,352	19,293,155
Depreciation	-	270,825	1,728,640	775,422	2,774,887
As at 30 <sup>th</sup> June 2021 before revaluation	-	3,344,069	14,719,199	4,004,774	22,068,042
Depreciation after revaluation	-	-	-	-	-
Depreciation	175,000	513,917	2,383,812	1,273,052	4,433,831
As at 30 <sup>th</sup> June 2022	175,000	513,917	2,383,812	1,273,052	4,433,831
<b>Net Book Values</b>					
As at 30 <sup>th</sup> June 2021	3,500,000	4,099,900	14,300,000	4,243,500	26,143,400
As at 30 <sup>th</sup> Jun 2022	3,325,000	3,631,704	11,916,188	4,056,398	22,929,290

**NB:** PA-K property values will be recognised as an asset in due course once the transfer of title has been completed. A presidential Decree was issued on 13<sup>th</sup> May 2022 for the transfer of title to be effected to PA-K. Further A vesting order was issued in 2017 in regard to Outward Bound Loitoktok property.

**18. REVALUATION LOSS**

Description	2021/2022	2020/2021
	KShs	KShs
Revaluation loss during the period	-	154,340
<b>Total revaluation loss</b>	<b>-</b>	<b>154,340</b>

**19. AUDIT FEES**

Description	2021/2022	2020/2021
	KShs	KShs
Opening balance	350,000	350,000
Provision during the year	350,000	350,000

Closing balance	700,000	700,000
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## 20. CASH AND CASH EQUIVALENTS

Description	2021/2022	2020/2021
	KShs	KShs
Current account	2,676,177	18,244,020
Call deposit	186,717,623	170,000,000
Cash in Hand	-	-
<b>Total cash and cash equivalents</b>	<b>189,393,800</b>	<b>188,244,020</b>

## DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Description		2021/2022	2020/2021
	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial Bank	1104068737	2,676,177	18,244,020
<b>Sub- total</b>		<b>2,676,177</b>	<b>18,244,020</b>
<b>b) Call Deposit</b>			
Kenya Commercial Bank	1104068737	186,717,623	170,000,000
<b>Sub- total</b>		<b>186,717,623</b>	<b>170,000,000</b>
<b>Grand total</b>		<b>189,393,800</b>	<b>188,244,020</b>

NB: This includes Kshs. 12,317,793 for the President's Award-Kenya Foundation.

## 21. INVENTORIES

Description	2021/2022	2020/2021
	KShs	KShs
Stationery Items and Consumables	709,635	705,837
Sanitizers	18,175	45,126
Certificates	818,111	671,000
Safaricom cards	8,323,500	-
<b>Grand total</b>	<b>9,869,421</b>	<b>1,421,963</b>

## 22. RETIREMENT BENEFIT OBLIGATION

Description	2021/2022	2020/2021
	KShs	KShs
Provision for gratuity	1,973,142	2,702,351
Provision for pension	213,900	309,100
<b>Closing balance</b>	<b>2,187,042</b>	<b>3,011,451</b>

## 23. TAX PAYABLE

Description	2021/2022	2020/2021
	KShs	KShs
Opening balance	934,989	-
Paid during the year	1,910,487	934,889
<b>Closing balance</b>	<b>2,845,476</b>	<b>934,889</b>

**24. EVENTS AFTER THE REPORTING PERIOD**

There were no material adjusting and non - adjusting events after the reporting period.

**25. ULTIMATE AND HOLDING ENTITY**

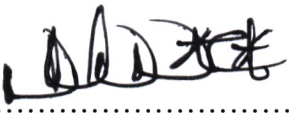
The entity is a State Corporation/ or a Semi - Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

During the audit of PA-K annual report and financial statements for the year ended June 30, 2021, the report was unmodified and the report indicated that there were no issues to report on.

APPENDIX II: INTER-ENTITY TRANSFERS

	<b>ENTITY NAME:</b>	<b>The President's Award – Kenya</b>		
	<b>Breakdown of Transfers from other Governments</b>			
	<b>FY 2021/22</b>			
a.	Recurrent Grants			
		<b><u>Bank Statement Date</u></b>	<b><u>Amount (KShs)</u></b>	<b>Indicate the FY to which the amount relate</b>
	State Department for Basic Education	05/08/2021	7,500,000	2021/2022
		27/10/2021	7,500,000	2021/2022
		04/02/2022	7,500,000	2021/2022
		27/04/2022	7,500,000	2021/2022
		<b>Total</b>	<b>30,000,000</b>	
	State Department for Youth Affairs	09/08/2021	5,000,000	2021/2022
		21/10/2021	5,000,000	2021/2022
		31/01/2022	5,000,000	2021/2022
		28/04/2022	5,000,000	2021/2022
		<b>Total</b>	<b>20,000,000</b>	
		<b>Grand Total</b>	<b>50,000,000</b>	

Sign.   
Nellie Munala, MBS  
**CHIEF EXECUTIVE OFFICER**