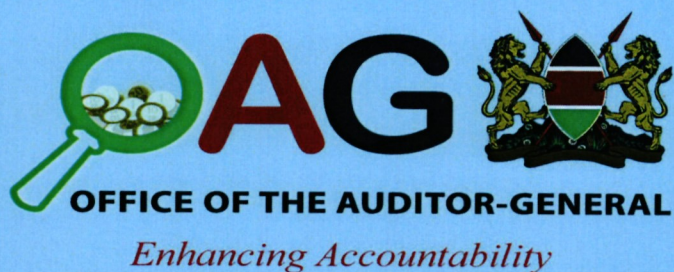
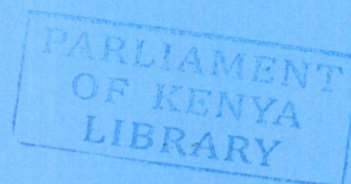


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 FEB 2022	
DAY: Thurs	
TABLED BY:	LOM
CLERK-AT THE-TABLE:	Leah Wanjiru



REPORT

OF

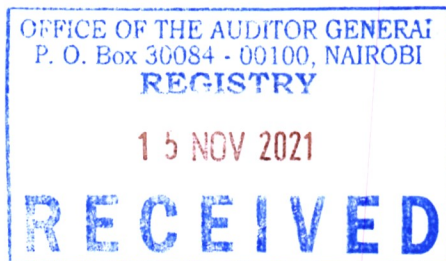
THE AUDITOR-GENERAL

ON

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

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

**MICRO AND SMALL ENTERPRISE
AUTHORITY**



PROJECT NAME:
KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT (KYEOP)

IMPLEMENTING ENTITY:
MICRO AND SMALL ENTERPRISES AUTHORITY (MSEA)

PROJECT CREDIT NUMBER: 5812 –KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

TABLE OF CONTENTS

PAGE

1. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECT PREDETERMINED OBJECTIVES.....	ix
3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	x
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES.....	xi
5. REPORT OF THE INDEPENDENT AUDITORS ON THE KYEOP PROJECT.....	xii
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021	1
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021	2
8. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2021	3
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	4
10. SIGNIFICANT ACCOUNTING POLICIES.....	5
11. NOTES TO THE FINANCIAL STATEMENTS.....	10
12. OTHER IMPORTANT DISCLOSURES.....	17
13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS	17
14. ANNEXES.....	18

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The Project official name is Kenya Youth Employment and Opportunities Project (KYEOP). The Micro and Small Enterprises Authority is implementing Component two (2) on job creation

Objective: The key objective of the project is to increase employment and earning opportunities for targeted youth.

Address: The project headquarters offices are in Nairobi County, Kenya
 Authority's Headquarters
 P.O. Box 48823-00100
 Nairobi, Kenya
 10th Floor Utalii House,
 Utalii Lane/ Uhuru Highway
 Nairobi, Kenya

Contacts: The Authority's contacts
 Office of the Chief Executive Officer
 Telephone: (254)020-3340006/0700-666000
 E-mail: msea@mseauthority.go.ke/ mseakenya@gmail.com
 Website: www.mseauthority.go.ke

1.2 Project Information

Project Start Date:	The project effective date 1 st September, 2016
Project End Date:	The project end date is 31 st December, 2021
Revised End Date	The project revised end date is 31 st December, 2022
Project Co-ordinator:	The Project Co-ordinator is Ms. Caroline Kioko
Project Sponsor:	The Project Sponsor is World Bank (IDA)

1.3 Project Overview

Line Ministry/State Department of the project	The Project is under the supervision of the Ministry of Industry, Trade and Cooperatives The Implementing Agency is the Micro and Small Enterprises Authority (MSEA)
Project number	5812- KE
Strategic goals of the project	The project aims at addressing key constraints and market failures that limit the demand for the employment and hamper youth productivity once in employment
Achievement of	The specific goals of component two (2) on job creation are:

strategic goals	(i) To provide seed funding for youth led start ups (ii) To increase access to Business Development Services (BDS) for young self-employed entrepreneurs (iii) To support innovative interventions to create jobs for targeted youths (iv) To expand economic opportunities to youth who are hard to serve
Other important background information of the project	The project is funded by the International Development Association (IDA) arm of World Bank. The Project total cost is 106.5 million SDR (US\$ 150 million) and is to be implemented over five (5) years Project categories The Overall project has eight categories as per the financing agreement: Category 1: Goods, Non Consulting services, Consultant Services, Training and Incremental Operating Costs; a) Part A.1 (a) A.2 (a) to implemented by MPYG total cost SDR 12,070,000 b) Part A.1 (b) A.2 (b) to implemented by MLEAA (NITA) total cost SDR 41,170,000 Category 2: Goods, Non Consulting services, Consultant Services, Training and Incremental Operating Costs under part B of the Project (Excluding business start-up grants and Business Plan Competition Awards and Innovation Awards); a) MITC (MSEA) (Part B.1 and B.2 (a) total cost SDR 9,370,000 b) MPYG (Part B.2 (a) and B.2 (b) total cost SDR 41,170,000 Category 3: Business start-up grants under part B.1 of the project to be implemented by MITC(MSEA) at a total cost of SDR 8,520,000 Category 4: Business Plan Competition Awards under Part B.2(a) of the project to be implemented by MPYG at a total cost of SDR 9,940,000 Category 5: Innovation Awards under part B.2(b) of the project to be implemented by MPYG at a total cost of SDR 852,000 Category 6: Goods, Non Consulting services, Consultant Services, Training and Incremental Operating Costs under part C of the Project to be implemented by MLEAA at a total cost of SDR 9,590,000 Category 7: Goods, Non Consulting services, Consultant Services, Training and Incremental Operating Costs under part D of the Project to be implemented by MPYG at a total cost of SDR 12,640,000 Category 8: Refund of preparation at a total cost of SDR 1,565,000

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Unemployment among the youth in the country (ii) Marginalisation of youth in some counties (iii) Lack of equity in Job opportunities for youth in the country
Project duration	The project started on 1st September, 2016 and is expected to run until 31 st December, 2022

1.4 Bankers

Kenya Commercial Bank
P.O Box 30012 - 00100
Kipande House
Nairobi, Kenya

1.5 Auditors

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

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Henry Rithaa	Director General/ Chief Executive Officer	MBA (Strategic Management), Bachelor's Degree in Finance	Overall program leadership and direction.
Caroline Kioko	Project Coordinator	Master's Degree in Entrepreneurship, Bachelor's degree in Environmental Studies and Community Development	Oversee the coordination of all project activities and outputs of Component II
John Masha	Project Manager	Master of Business Administration, Bachelor of Commerce, Postgraduate Diploma in Systems Management.	Support the MSEA PIU project coordinator with the day-to-day management of all project activities and outputs and Establish systems to ensure effective and efficient delivery of all operational outputs for Component II targets
Christine Kirui	Grants Coordinator	Bsc. in International Business Administration(Finance and Entrepreneurship)	Support coordination of grants beneficiary selection activities and disbursement.
Festus Musyoki	Program Finance & Accounting	MBA (Finance), Bcom (Finance), CPA(K)	Oversee all aspect of program financing and financial reporting.
Raphael Koome	Business Plan Competition (BPC) and Monitoring and Evaluation Coordinator)	Master of Business Administration, Bachelor of Arts in Economics and Communications	Design and develop measures of monitoring the performance of Component 2 activities in meeting their objectives. Update the program key performance indicators (inputs, outputs, outcomes) for monitoring the project, their target values and specify the timing and format of reporting
Magdalene Mbithi	BDS Officer	B.A in Sociology	Coordinating business development services of the project
Silas Kiome	Program Procurement and Supply Chain	Msc. In Procurement & Contract Management (Ongoing), Bcom (Procurement & Supplies Management)	Coordinate procurement and supply chain activities of the project

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

1.7 Funding summary

The Project is for initial duration of five years from 2016 to 2021 with an approved budget of US\$ 25.2 M for component two (2) equivalents to Kshs 2.58 Billion as highlighted in the table below. The project ending timeline was revised to December 31, 2022 through project restructuring dated August 9, 2021 with additional reallocation of financing proceeds amounting to \$ 15.9 (equivalent Kshs 1.5 billion).

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date - (30 th June, 2021)		Undrawn balance to date - (30 th June, 2021)	
	Donor currency(\$)	KShs	Donor currency(\$)	KShs	Donor currency(\$)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant	-	-	-	-	-	-
(ii) Loan						
IDA	25,197,183	2,587,750,694	17,450,538	1,838,445,602	7,746,645	749,305,092
(iii) Counterpart Funds	-	-	-	-	-	-
Total	25,197,183	2,587,750,694	17,450,538	1,838,445,602	7,746,645	749,305,092

As per the financing agreement SDR 17,890,000(USD 25,197,183) was allocated to KYEOP under MSEA.

The undrawn balance of Kshs 749,305,092 as at 30th June 2021 represents the amounts not requested out of the entire allocated project budget of Kshs 2,587,750,694. The balance is placed with Central Bank of Kenya and will be requested and drawn in the next financial year 2021/2022.

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 06 2021)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
Grant	-	-	-	-	-
Loan					
IDA	17,450,538	1,838,445,602	1,500,217,432	10,322,873	1,087,533,262
Counterpart funds					
Total	17,450,538	1,838,445,602	1,500,217,432	10,322,873	1,087,533,262

1.8 Summary of Overall Project Performance:

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

The Authority was allocated a budget of Kshs 1,007,000,000 during the 2020/21 financial year, having a total actual expenditure of Kshs 668,688,108. The total receipts during the financial year amounted to Kshs 980,279,847. Cumulatively, the project has received Kshs 1,838,445,602 against an actual expenditure of Kshs 1,500,217,432.

ii) Physical progress based on outputs, outcomes and impacts since project commencement.

The project commenced in September 2016 and was negatively impacted by the political environment in the country such that little activities were undertaken until beginning of April 2018 when the project issued grants to 1,000 youths in selected five counties. As at the end of the reporting period, the project had cumulatively disbursed Kshs 762 million to beneficiaries in form of grants.

iii) Comment on value-for-money achievements,

In line with best practices, a strong Monitoring and Evaluation (M&E) system and framework to gather relevant data is in place. M&E is critical to the successful implementation of the various components by providing timely insights and lessons for efficient roll out of various activities. MSEA monitors every activity from intake, randomization & selection, mobilization, the grants orientation and disbursement. After each disbursement of the first tranche MSEA conducts follow up to assess the progress made by the youth in starting businesses and implementing their orientation plans. The M&E efforts ensures that value for money is realised.

iv) Indicate the absorption rate for each year since the commencement of the project.

During the 2016/17 financial year, out of the allocated budget of Kshs 70 million, the Authority received only Kshs 11,491,000 leaving unreceived balance of Kshs 58,509,000. The actual

expenditure for the 2016/17 financial year amounted to Kshs 5,825,416 giving an absorption rate of about 8%. In the 2017/18 financial year, total expenditure was Kshs 65,077,283 against a budget of Kshs 140,000,000. This translates to absorption rate of 58.9%. During FY 2018/2019, the total budget as per the revised estimates was Kshs 304,000,000. Against this budget, the expenditure for the period amounted to Kshs 278,538,403 translating to an absorption of 92%. During the financial year 2019/2020, the total budget was Kshs 644,340,209. Against this budget, the expenditure for the period amounted to Kshs 460,610,959 translating to an absorption of 70%. During the financial year under review (FY 2020/2021), the total budget as per the revised estimates was Kshs 1,007,000,000. Against this budget, the expenditure for the period amounted to Kshs 668,688,108 translating to an absorption of 66%.

v) List the implementation challenges and recommended way forward.

The major challenge witnessed so far is the low absorption rate for the funds allocated under the project. This was majorly witnessed during the beginning of the project around September 2016 when the political environment was so unfavorable for the project implementation. The procurement process has also been a bit slow due to the required World Bank and government public procurement and disposal guidelines and procedures to be adhered to. The COVID-19 situation in Kenya that led to the halting of many government activities, including KYEOP outlined activities for FY2020/2021 contributed greatly to the low absorption of funds.

However, most of the procurements and activities have been put on a back to back in the Work plan for the 2021/22 financial year so as to fast track them to recover the lost timelines. Still during the implementation of the work plan, the Government issued a moratorium to MSEA on procurement due to the planned merger of MSEA with the other funds to form Biashara Bank. This negatively affected the project until when the merger was uplifted.

1.9 Summary of Project Compliance:

The project has adhered to the procedures as per the World Bank Financial Management requirements, Government of Kenya Financial Regulations, Fiduciary framework and accountability.

i) Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants

There were no cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

ii) Include consequences suffered on account of non-compliance or likely to be suffered

There were no consequences suffered on account of non-compliance or likely to be suffered.

iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.

There were no adverse effects of actual or potential consequences of non-compliance.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT PREDETERMINED OBJECTIVES

Introduction

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

The key development objective of the project's 2016-2021 plan is to increase employment and earnings opportunities for targeted youths.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Kenya Youth Employment and Opportunities Project	To increase employment and earning opportunities for targeted youths	Increased employment and earning opportunities for targeted youths	Number of grants issued and business development services conducted	In FY 2020/21 we issued grants and conducted business development services to 17,839 youth

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The project did not directly engage in corporate social responsibility activities in line with the approved annual work plan during the period under review.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

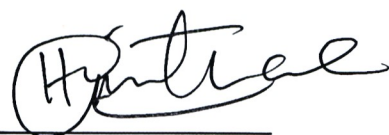
The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project accept responsibility for the Program's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting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

The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project are of the opinion that the Program's financial statements give a true and fair view of the state of Program's transactions during the financial year/period ended June 30, 2021, and of the Program's financial position as at that date. The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program financial statements as well as the adequacy of the systems of internal financial control.

The *Accounting Officer* and the *Program Co-ordinator* of KYEOP Project confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Program financial statements

The Program financial statements were approved by Board on 17th September 2021 and signed on its behalf by;



Henry M. Rithaa
Accounting Officer



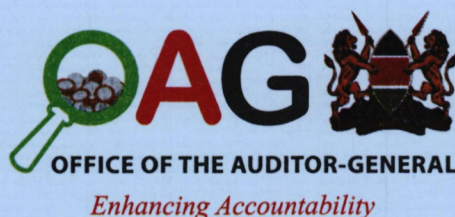
Caroline Kioko
Program Co-ordinator



CPA Festus Musyoki
Head of Finance
ICPAK No. 9775

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT (IDA CREDIT NO. 5812-KE) FOR THE YEAR ENDED 30 JUNE, 2021 – MICRO AND SMALL ENTERPRISE AUTHORITY

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Youth Employment and Opportunities Project (IDA Credit No. 5812-KE) set out on pages 1 to 20, which comprise

Report of the Auditor-General on Kenya Youth Employment and Opportunities Project (IDA Credit No. 5812-KE) for the year ended 30 June, 2021 – Micro and Small Enterprises Authority

the statement of financial assets as at 30 June, 2021, and statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Youth Employment and Opportunities Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Credit No. 5812-KE of 4 July, 2016 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly the special account transactions and the closing balance has been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Youth Employment and Opportunities Project 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.

Emphasis of Matter

Amount Withdrawn but Unclaimed

The statement of special (designated) account reconciliation for the project reflects USD 5,181,590 (Kshs.532,149,361) at the then exchange rate of 1 USD at Kshs.102.7 as withdrawn but unclaimed as at 30 June, 2021. This represents cumulative funds transferred to the local Project bank account but whose expenditure returns have not been submitted to The National Treasury by the close of the financial year.

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 are no other key audit matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final expenditure budget of Kshs.1,007,000,000 against actual expenditure of Kshs.668,688,108 resulting to under expenditure of Kshs.338,311,892 representing 34% of the budget.

In view of the above, the Project Management has not implemented all the planned and approved programmes, resulting to delay in provision of services to the citizens.

Other Information

The Management is responsible for the other information, which comprises Project information and overall performance, statement of performance against project's predetermined objectives, corporate social responsibility statement/sustainability reporting and statement of project management responsibilities. The other information does not include the financial statements and my auditor's report thereon.

My opinion on the Project financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

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 which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Controls Over Fuel Expenditure

The statement of receipts and payments for the year ended 30 June, 2021 reflects Kshs.245,096,020 with respect to purchase of goods and services as indicated at Note 6 to the financial statements which includes Kshs.1,466,350 for refined fuels and lubricants. The project vehicles were fueled using cash and fuel cards and the project engaged Vivo Oil for loading of fuel cards. However, it was observed that although the project has seven (7) vehicles, there were other twelve (12) vehicles which were also fueled and serviced using project funds. Further, it was observed that Management had not set fuel cards limits

for each vehicle and in several cases the cards and vehicle numbers were not indicated hence enabling any vehicle to be fueled using any fuel card.

The above anomalies are contrary to Section 79(2) of Public Finance Management Act (PFM) Act, 2012 which states that, without prejudice to provisions under subsection (1), a public officer employed in a national government state organ or public entity shall (b) ensure that the resources within the officer's area of responsibility are used in a way which, (i) is lawful and authorized; and (ii) is effective, efficient, economical and transparent.

No explanation was provided by Management for not putting in place effective internal controls for fuel management.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

and to issue an auditor's report which 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 which govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease sustaining 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 November, 2021

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021

		FY 2020/2021			FY 2019/2020			
Notes		Receipts and Payment controlled by the entity		Payment s made by third parties	Receipts and Payment controlled by the entity		Payments made by third parties	Cumulative to date Kshs
		Kshs	Kshs	Kshs	Kshs	Kshs	Total	
RECEIPTS								
Transfer from Government entities Proceeds from domestic and foreign grants	1	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-
Loan from external development partners Miscellaneous receipts	3	980,279,847	-	980,279,847	442,346,058	-	442,346,058	1,838,445,602
	4	-	-	-	-	-	-	-
TOTAL RECEIPTS		980,279,847	-	980,279,847	442,346,058	-	442,346,058	1,838,445,602
PAYMENTS								
Compensation of employees Purchase of goods and services	5	25,952,700	-	25,952,700	15,456,008	-	15,456,008	53,315,988
	6	245,096,020	-	245,096,020	231,271,876	-	231,271,876	600,075,553
Social security benefits Grants to beneficiaries	7	-	-	-	-	-	-	-
	8	371,220,000	-	371,220,000	177,280,000	-	177,280,000	762,012,965
Acquisition of non-financial assets Transfers to other government entities	9	26,419,388	-	26,419,388	36,603,075	-	36,603,075	84,812,926
	10	-	-	-	-	-	-	-
Other grants and transfers and payments	11	-	-	-	-	-	-	-
	TOTAL PAYMENTS		668,688,108	-	668,688,108	460,610,959	-	460,610,959
SURPLUS/DEFICIT FOR THE YEAR		311,591,739	-	311,591,739	(18,264,901)	-	(18,264,901)	338,228,170

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


Henry M. Rithaa
 Accounting Officer


Caroline Kioko
 Program Co-ordinator

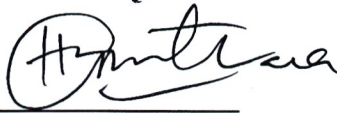

CPA Festus Musyoki
 Head of Finance
 ICPAK No. 9775

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

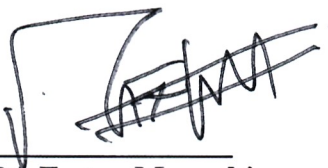
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Notes	FY 2020/2021 Kshs	FY 2019/2020 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12.A	338,083,106	20,836,412
Cash Balances	12.B	-	-
Cash Equivalents (short-term deposits)	12.C	-	-
Accounts Receivable	13	145,065	5,800,020
Total Cash and Cash Equivalents		338,228,171	26,636,432
TOTAL FINANCIAL ASSETS		338,228,171	26,636,432
FINANCIAL LIABILITIES			
Payables - Deposits and Retentions	14	-	-
NET ASSETS		338,228,171	26,636,432
REPRESENTED BY:			
Fund balance b/fwd	15	26,636,432	44,901,333
Prior year adjustments	16	-	-
Surplus/Deficit for the year		311,591,739	(18,264,901)
NET FINANCIAL POSITION		338,228,171	26,636,432

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved by the Board on 17th September 2021 and signed by:


Henry Rithaa
Accounting Officer


Caroline Kioko
Program Co-ordinator

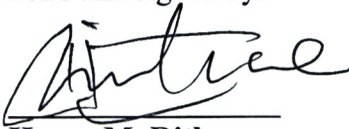

CPA Festus Musyoki
Head of Finance
ICPAK No. 9775

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

8. STATEMENT OF CASHFLOW FOR THE PERIOD ENDED 30TH JUNE 2021

	Notes	FY 2020/2021 Kshs	FY 2019/2020 Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	-	-
Miscellaneous receipts	4	-	-
Payments from operating expenses			
Compensation of employees	5	(25,952,700)	(15,456,008)
Purchase of goods and services	6	(245,096,020)	(231,271,876)
Social security benefits	7	-	-
Grants to beneficiaries	8	(371,220,000)	(177,280,000)
Transfers to other government entities	10	-	-
Other grants and transfers and payments	11	-	-
Adjustments during the year			
Prior Year Adjustments	16	-	-
Decrease/ (Increase) in Accounts Receivable	17	-	-
Increase/ (Decrease) in Accounts Payable	18	-	-
Net cash flow from operating activities		(642,268,720)	(424,007,884)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-Financial Assets	9	(26,419,388)	(36,603,075)
Net cash flows from Investing Activities		(26,419,388)	(36,603,075)
CASHFLOW FROM BORROWING ACTIVITIES			
Loan from external development partners	3	980,279,847	442,346,058
Net cash flow from financing activities		980,279,847	442,346,058
NET INCREASE IN CASH AND CASH EQUIVALENT		311,591,739	(18,264,901)
Cash and cash equivalent at BEGINNING of the year		26,636,432	44,901,333
Cash and cash equivalent at END of the year		338,228,171	26,636,432

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The project financial statements were approved by the Board on 17th September 2021 and signed by:


Henry M. Rithaa
Accounting Officer


Caroline Kioko
Program Co-ordinator


CPA Festus Musyoki
Head of Finance
ICPAK No. 9775

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/ Payments Item	Original Budget a	Adjustments B	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government of entities	-	-	-	-	-	0%
Proceeds from domestic and foreign grants	-	-	-	-	-	0%
Loan from external development partners	715,000,000	292,000,000	1,007,000,000	980,279,847	26,720,153	97%
Miscellaneous receipts	-	-	-	-	-	0%
Total Receipts	715,000,000	292,000,000	1,007,000,000	980,279,847	26,720,153	97%
Payments						
Compensation of employees	35,000,000	-	35,000,000	25,952,700	9,047,300	74%
Purchase of goods and services	251,982,500	20,000,000	271,982,500	245,096,020	26,886,480	90%
Social security benefits	-	-	-	-	-	0%
Grants to beneficiaries	394,680,000	272,000,000	666,680,000	371,220,000	295,460,000	56%
Acquisition of non-financial assets	33,337,500	-	33,337,500	26,419,388	6,918,112	79%
Transfers to other government entities	-	-	-	-	-	0%
Other grants and transfers and payments	-	-	-	-	-	0%
Total Payments	715,000,000	292,000,000	1,007,000,000	668,688,108	338,311,892	66%

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


Henry M. Rithaa
 Accounting Officer


Caroline Kioko
 Program Co-ordinator


CPA Festus Musyoki
 Head of Finance
 ICPAK No. 9775

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the Kenya Youth Employment and Opportunities Project under the Micro and Small Enterprise Authority. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

b) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

f) In-kind donations

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

g) 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.

h) Accounts receivable

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

i) Contingent Liabilities

There were no contingent liabilities during the year under review.

j) Contingent Assets

There were no contingent assets during the year under review.

k) Pending bills

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

l) Budget

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

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

m) Third party payments

There were no third party transactions during the year under review.

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There was a non-adjusting event after the end of reporting period where the Project end date was revised to December 31, 2022 through project restructuring dated August 9, 2021 with additional reallocation of financing proceeds amounting to \$ 15.9 (equivalent Kshs 1.5 billion). Other than that, there was no other events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

q) Errors

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

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

11. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFER FROM GOVERNMENT ENTITIES

During the period under review the project did not receive any transfer from government entities.

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the period under review the project did not receive any domestic and foreign grants.

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury and Planning as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans Received in cash	Loans received as direct payment	Total amount in KShs	Total amount in KShs
			KShs	KShs	2020/21	2019/20
Loans Received from Bilateral Donors (Foreign Governments)						
World Bank	10-09-20		109,366,954		109,366,954	442,346,058
World Bank	07-10-20		106,883,907		106,883,907	
World Bank	25-02-21		235,611,422		235,611,422	
World Bank	11-05-21		177,795,028		177,795,028	
World Bank	25-05-21		319,290,000		319,290,000	
World Bank	11-06-21		31,332,536		31,332,536	
Total			980,279,847		980,279,847	442,346,058

4. MISCELLANEOUS RECEIPTS

There were no miscellaneous receipts during the year under review.

5. COMPENSATION OF EMPLOYEES

	FY 2020/21			FY 2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
Category	KShs	KShs	KShs	KShs	KShs
Basic Salary	19,176,846		19,176,846	12,284,695	43,368,821
Airtime Allowance	354,000		354,000	2,845,389	3,199,389

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Leave Allowance	88,000		88,000	30,000	118,000
Transfer Allowance	151,470		151,470	207,800	359,270
National Social Security Fund	56,000		56,000	64,380	120,380
Gratuity Payment	2,576,564		2,576,564	23,744	2,600,308
Staff Medical Cover	3,549,820		3,549,820		3,549,820
TOTAL	25,952,700		25,952,700	15,456,008	53,315,988

6. PURCHASE OF GOODS AND SERVICES

	2020/21		2019/20		
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs	Total Payments Kshs	Cumulative to- date Kshs
Communication Supplies & Services	22,932,807	-	22,932,807	3,762,743	34,298,009
Domestic Travel, Subsistence	42,574,031	-	42,574,031	30,238,212	133,615,680
Foreign Travel, Subsistence	-	-	-	137,445	8,019,599
Printing, Advertising & information	4,110,097	-	4,110,097	8,634,253	17,458,053
Rent and Rates- Non-Residential	1,350,000	-	1,350,000	1,932,000	3,720,927
Training Expenses-Staff	253,000	-	253,000	850,954	11,763,295
Hospitality Supplies and Services	8,696,185	-	8,696,185	8,789,799	32,308,214
Office General Supplies and Services	4,655,054	-	4,655,054	3,282,585	19,867,407
Routine Maintenance of Vehicles	5,063,802	-	5,063,802	1,497,703	6,596,505
Refined Fuels and Lubricants	1,466,350	-	1,466,350	2,250,572	3,716,922
Supplies & Accessories	3,659,250	-	3,659,250		3,659,250
Bank Charges	2,642,775	-	2,642,775	278,928	2,921,703
Consultancy Service	147,692,669	-	147,692,669	169,616,682	322,129,989
Sub-Total	245,096,020	-	245,096,020	231,271,876	600,075,553

7. SOCIAL SECURITY BENEFITS

There were no Social Security Benefits during the period under review.

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

8. GRANTS TO BENEFICIARIES

	2020/21		2019/20		
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	Kshs	Kshs	Kshs	Kshs	Kshs
Grants to Beneficiaries	371,220,000	-	371,220,000	177,280,000	762,012,965
Sub-Total	371,220,000	-	371,220,000	177,280,000	762,012,965

9. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21		2019/20		
	Payments made by the Entity in Cash	Payments made by third parties	Total Paymen ts	Total Payments	Cumulativ e to- date
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of ICT Equipment & Software	8,896,702	-	-	16,004,175	36,170,877
Purchase of other office Equipment	-	-	-	-	10,520,463
Purchase of Motor vehicles	17,522,686	-	-	20,598,900	38,121,586
Sub-Total	26,419,388	-	-	36,603,075	84,812,926

10. TRANSFERS TO OTHER GOVERNMENT ENTITIES

There were no transfers to other government entities during the year.

11. OTHER GRANTS AND TRANSFERS AND PAYMENTS

There were no grant transfers and payments during the year.

CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	Kshs	Kshs
Bank accounts (Note 12. A)	338,083,106	20,836,412
Cash in hand	-	-
Cash equivalents	-	-
Total	338,083,106	20,836,412

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

12. A. Bank Accounts

	2020/21	2019/20
	Kshs	Kshs
Foreign Currency Accounts	-	-
Local Currency Accounts		
Kenya Commercial Bank (A/c No. 1201006155)	338,083,106	20,836,412
Total local currency balances	338,083,106	20,836,412
Total bank account balances	338,083,106	20,836,412

The project operates only one bank account with no cash-in-hand operations.

12. B Cash In Hand

The project does not have cash-in-hand operations.

12. C Cash equivalents (short-term deposits)

The project does not have short-term deposits.

12. D Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	2020/21		2019/20	
	Kshs.	Usd	Kshs.	Usd
i) Credit No. IDA LOAN No. CREDIT No.58120-KE DA BB Bank Account No.: 1000308664 Held with CENTRAL BANK OF KENYA				
Opening Balance	109,366,954.40	1,013,501.57	136,661,441.75	1,328,619.52
Total Amount deposited in the account	870,912,892.40	8,073,641.91	415,051,570.65	3,969,080.11
Total amount withdrawn (as per statement of receipts & Payments)	980,279,846.80	9,087,143.48	442,346,058.00	4,284,198.06
Closing balance (as per SDA bank reconciliation attached)	-	-	109,366,954.40	1,013,501.57
ii) Credit No. IDA LOAN No. CREDIT No.58120-KE DA BB Bank Account No.: 1000308664 Held with CENTRAL BANK OF KENYA				

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Opening Balance(as per the SDA reconciliation)	109,366,954.40	1,013,501.57	136,661,441.75	1,328,619.52
Total Amount deposited in the account	870,912,892.40	8,073,641.91	415,051,570.65	3,969,080.11
Total amount withdrawn (as per statement of receipts & Payments)	980,279,846.80	9,087,143.48	442,346,058.00	4,284,198.06
Closing balance (as per SDA bank reconciliation attached)	-	-	109,366,954.40	1,013,501.57

13. A ACCOUNTS RECEIVABLES

	2020/21	2019/20
Description	KShs	KShs
Government imprests	145,065	5,800,020
Total	145,065	5,800,020

13. B BREAKDOWN OF IMPRESTS AND ADVANCES

The total outstanding imprest and advances amount to Kshs. 145,065 as per the schedule below.

Name of Officer	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2020/2021	Balance 2019/20
Allan Kobiya	1,009,670	01-04-19	1,009,670	-	1,009,670
Ann Kuria	22,400	30-06-20	22,400	-	22,400
Athony Oiruria	276,600	2/28/2020	276,600	-	276,600
Bosco Muriithi	59,620	12-04-18	59,620	-	59,620
Brian Wamukota	20,000	06-03-20	20,000	-	20,000
Caroline Mbaire	201,600	19-02-19	201,600	-	201,600
Catherine Githinji	50,400	01-04-19	50,400		50,400
Cecilia Kioko	12,000	18-06-19	12,000		12,000
Cepha Nyaundi	50,400	01-04-19	50,400		50,400
Charles Kithuku	57,120	01-04-19	57,120		57,120
Christine Mungai	73,500	06-03-20	73,500	-	73,500
Duncan Gitau	12,000	18-06-19	12,000		12,000
Ebony Masha	17,920	12-05-20	17,920	-	17,920
Alijah Akumu	78,420	30-07-18	78,420	-	78,420
Emily Kamondo	37,800	05-10-18	37,800	-	37,800

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Everlyn Chemutai	8,400	06-03-20	8,400	-	8,400
Fanuel Mango	100,360	12-05-20	100,360	-	100,360
Festus Koech	24,500	01-04-19	24,500	-	24,500
Florence Vonosa	33,600	10-08-17	33,600	-	33,600
Francis Mbatia	20,120	12-05-20	20,120	-	20,120
Fredrick Kaduka	185,800	08-11-19	185,800	-	185,800
Grace Akinyi	50,400	27-02-18	50,400	-	50,400
Hilda Njiru	118,400	08-11-19	118,400	-	118,400
James Mulinge	13,300	09-06-20	13,300	-	13,300
James Wahome	61,500	25-10-17	61,500	-	61,500
Jane Kinyanjui	25,200	18-04-19	25,200	-	25,200
Janet Kamotho	33,600	01-12-17	33,600	-	33,600
Jimmy Odhiambo	42,000	06-03-20	42,000	-	42,000
Joshua Mwangi	26,700	25-10-17	26,700	-	26,700
Joyce Mnyazi	6,940	12-05-20	6,940	-	6,940
Justus Kiprono	424,260	17-02-20	424,260		424,260
Kenneth Ruttoh	61,400	18-06-19	61,400	-	61,400
Lilian Kibui	84,000	27-02-18	84,000	-	84,000
Lina Maitho	42,000	06-03-20	42,000	-	42,000
Lisray Maina	8,900	06-03-20	8,900	-	8,900
Martin Gacheru	50,400	01-04-19	50,400	-	50,400
Martin Njue	254,040	19-10-18	254,040	-	254,040
Maureen Ngendo	91,500	18-05-20	91,500	-	91,500
Mercy Katela	63,000	27-02-18	63,000	-	63,000
Michelle Calvins	3,200	06-03-20	3,200	-	3,200
Mjera Mbetsa	39,540	30-07-18	39,540	-	39,540
Moses Kosgei	1,303,700	17-04-19	1,253,200	50,500	1,303,700
Moses Njoroge	8,960	12-05-20	8,960	-	8,960
Nahashon Macharia	42,600	10-08-17	42,600	-	42,600
Paul Ngila	42,000	23-12-19	42,000	-	42,000
Persil Telewa	8,960	06-03-20	8,960	-	8,960
Peter Kivuva	92,400	10-09-18	92,400	-	92,400
Peter Muli	8,960	06-03-20	8,960	-	8,960
Polycap Otedo	55,900	12-05-20	55,900	-	55,900
Rebecca Kerubo	4,900	28-02-20	4,900	-	4,900
Risper Wanjiku	4,000	28-02-20	4,000	-	4,000
Rita Mwachofi	42,000	19-10-18	42,000	-	42,000
Samson Ngambo	19,920	12-05-20	19,920	-	19,920
Simon Nzwili	48,720	01-04-19	48,720	-	48,720

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Teressiah Kinyua	50,400	01-04-19	50,400	-	50,400
Timothy Kajang	14,000	25-03-18	14,000	-	14,000
Victor Musamale	73,200	05-01-18	73,200	-	73,200
Vincent Muli	5,040	12-05-20	5,040	-	5,040
William Machoka	121,850	15-04-19	121,850	-	121,850
Julius Kariuki		08-06-21		19,600	
Koech Kiprotich		24-05-21		24,500	
Agnes Thiongo		17-06-21		25,200	
Kunga Stephen		07-07-20		25,265	
Total	5,800,020		5,749,520	145,065	5,800,020

14. PAYABLES – DEPOSITS AND RETENTIONS

The pending accounts payable are disclosed in Annex 2 of this report.

15. FUND BALANCE BROUGHT FORWARD

	2019/20 KShs	2018/19 KShs
Bank Accounts	20,836,412	40,340,209
Cash in hand	-	-
Cash equivalents	-	-
Outstanding imprest and advances	5,800,020	4,561,124
Total	26,636,432	44,901,333

16. PRIOR YEAR ADJUSTMENT

There was no prior year adjustment during the year.

17. CHANGES IN RECEIVABLE

Description	2020-2021 Kshs.	2019-2020 Kshs.
Opening Receivables as at 1st July 2020	5,800,020	-
Closing account receivables as at 30th June 2021	145,065	5,800,020
Changes in Receivables	5,654,955	(5,800,020)

18. CHANGES IN ACCOUNTS PAYABLE

There were no changes in accounts payable during the year.

12. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

Description	Balance b/f FY 2019/20 KShs	Additions for the period KShs	Paid during the year KShs	Balance c/f FY 2020/21 KShs
Supply of goods	-	-	-	-
Supply of services	219,249,013	15,201,486	123,848,115	110,602,384
Total	219,249,013	15,201,486	123,848,115	110,602,384

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

There were no unresolved audit issues as per the Office of the Auditor General external audit report 2019/2020 financial year.

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

14. ANNEXES

ANNEX I – VARIANCE EXPLANATION ON COMPARATIVE BUDGET AND ACTUAL AMOUNTS

The variance of 34% on payment for expenditure was largely influenced by the COVID-19 pandemic which slowed down the project's planned activities for 2020/21 financial year. Also, part of the domestic and foreign grants were disbursed during quarter 4 of the 2020/2021 financial year. This greatly affected the project's absorption rate as compared to approved budget with substantial amount of disbursement to beneficiaries scheduled for quarter one of the next financial year.

TABLE ON ITEMISED VARIANCE ANALYSIS

	Final Budget $c=a+b$	Actual on Comparable Basis D	Budget Utilization Difference $e=c-d$	% of Utilization $f=d/c$ %	Comments on Variance (below 90% and over 100%)
Receipts					
Transfer from Government entities	-	-	-	0%	No variance
Proceeds from domestic and foreign grants	1,007,000,000	980,279,847	26,720,153	97%	The project request for funds based on expenditure which had been affected by COVID-19 pandemic. The variance of 3% is as a result of withdrawal application number 19 to the State Department of Trade amounting to Kshs 26 million (US\$ 246,947.84) which had not been processed as at 30 th June 2021 as per the Accounting Officer request dated 4 th June 2021.
Proceeds from borrowings	-	-	-	0%	No variance
Miscellaneous receipts	-	-	-	0%	No variance
Total Receipts	1,007,000,000	980,279,847	26,720,153	97%	
Payments					

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Compensation of employees	35,000,000	25,952,700	9,047,300	74%	Some employees left the project service during the period under review and were yet to be replaced as at 30.06.2021.
Purchase of goods and services	271,982,500	245,096,020	26,886,480	90%	The budget line was not absorbed 100% due to project activities related to grants disbursement to beneficiaries which were ongoing as at 30.06.2021 and rolled over to subsequent period.
Grants to beneficiaries	666,680,000	371,220,000	295,460,000	56%	The domestic and foreign grants were disbursed during quarter 4 of the 2020/2021 financial year thus substantial amount of disbursement to beneficiaries scheduled for quarter one of the next financial year. The activities preceding disbursement were disrupted by COVID-19 containment measures posed by the Ministry of Health during the period under review.
Acquisition of non-financial assets	33,337,500	26,419,388	6,918,112	79%	The variance was largely attributable to payment for Enterprise Resource Planning System development which was still on-going as at the end of reporting period.
Total Payments	1,007,000,000	668,688,108	338,311,892	66%	

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 2 - ANALYSIS OF PENDING BILLS

NO	SUPPLIER OF GOODS OR SERVICES	ORIGINAL AMOUNT	DATE CONTRACTED	AMOUNT PAID TO DATE	OUTSTANDING BALANCE 2020/21	OUTSTANDING BALANCE 2019/20	COMMENTS
		A	B	C	d=a-c		
1	Kenya Institute Of Surveying And Mapping	48,000	02-06-21	-	48,000	-	Paid in the next financial year
2	Mabanga Agricultural Training Centre	16,000	02-06-21	-	16,000	-	Paid in the next financial year
3	Longrock Tours And Travel Ltd	32,045	17-05-21	-	32,045	-	Paid in the next financial year
4	Kakamega Multi-Purpose Development Training Institute	81,600	02-06-21	-	81,600	-	Paid in the next financial year
5	Longrock Tours And Travel Ltd	139,292	10-06-21	-	139,292	-	Paid in the next financial year
6	Longrock Tours And Travel Ltd	33,165	07-06-21	-	33,165	-	Paid in the next financial year
7	Uhuru Gardens Primary School	100,000	03-06-21	-	100,000	-	Paid in the next financial year
8	Kenya Utalii College	60,000	09-06-21	-	60,000	-	Paid in the next financial year

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

9	Kenya Coast National Polytechnic	44,000	09-06-21	-	44,000	-	Paid in the next financial year
10	Kenyatta University	46,400	31-05-21	-	46,400	-	Paid in the next financial year
11	Machakos Teachers College	32,000	10-06-21	-	32,000	-	Paid in the next financial year
12	A.C.K Mumias Guest House	28,000	10-06-21	-	28,000	-	Paid in the next financial year
13	Migori Teachers College	11,600	10-06-21	-	11,600	-	Paid in the next financial year
14	Friends Boys High School Namwela	32,000	10-06-21	-	32,000	-	Paid in the next financial year
15	Kenya Forestry Research Institute	100,000	10-06-21	-	100,000	-	Paid in the next financial year
16	Uhuru Girls High School	80,000	10-06-21	-	80,000	-	Paid in the next financial year
17	Kenya School Of Revenue Administration	36,000	09-06-21	-	36,000	-	Paid in the next financial year
18	Zetech University	84,210	10-06-21	-	84,210	-	Paid in the next financial year

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

19	Kisii University	100,000	31-05-21	-	100,000	-	Paid in the next financial year
20	Kisumu Hotel	80,000	09-06-21	-	80,000	-	Paid in the next financial year
21	Nakuru Vocational Training Centre	32,000	31-05-21	-	32,000	-	Paid in the next financial year
22	Ziwani Vocational Training Centre	55,680	10-06-21	-	55,680	-	Paid in the next financial year
23	Kinango Youth Polytechnic	51,040	31-05-21	-	51,040	-	Paid in the next financial year
24	Kiambu Institute Of Science And Technology	80,000	31-05-21	-	80,000	-	Paid in the next financial year
25	Tourism Finance Corporation - Jan - March, 2021 Parking	675,000	31-03-21	-	675,000	-	Paid in the next financial year
26	Tourism Finance Corporation - April - June, 2021 Parking	675,000	30-06-21	-	675,000	-	Paid in the next financial year
27	Mandera Vocational Training Centre	80,000	09-06-21	-	80,000	-	Paid in the next financial year
28	Friends Church- Lumakanda	28,000	09-06-21	-	28,000	-	Paid in the next financial year

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

29	Longrock Tours And Travel Ltd	128,000	10-06-21	-	128,000	-	Paid in the next financial year
30	Lynadek Ventures	525,380	31-05-21	-	525,380	-	Paid in the next financial year
31	Safaricom Limited	184,516	09-06-21	-	184,516	-	Paid in the next financial year
32	UNES Consultancies	3,502,258	17-05-21	-	3,502,258	-	Paid in the next financial year
33	Kitui Multipurpose	10,000	09-06-21	-	10,000	-	Paid in the next financial year
34	Kitui County Government	10,000	09-06-21	-	10,000	-	Paid in the next financial year
35	Kenya Education Management Institute	46,400	17-05-21	-	46,400	-	Paid in the next financial year
36	Mwabanyundo Youth Polytechnic	46,400	17-05-21	-	46,400	-	Paid in the next financial year
37	Matuu Baptist Church	28,000	17-05-21	-	28,000	-	Paid in the next financial year
38	Kilifi Primary School	44,800	17-05-21	-	44,800	-	Paid in the next financial year

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

39	St.Pauls Kibabii Ttc	15,000	17-05-21	-	15,000	-	Paid in the next financial year
40	Gonnel Enterprises	1,133,000	09-06-21	-	1,133,000	-	Paid in the next financial year
41	Aayden Consulting Ltd	298,000,000	26-08-19	198,252,400	99,747,600	193,763,400	Paid as per contract
42	KPMG	42,343,061	16-07-19	42,343,061	-	14,953,869	Fully Paid
43	Surestep Limited	6,666,700	01-07-20	4,346,702	2,319,998	-	Paid as per contract
44	State Department Of Broadcasting And Telecommunication	406,944	28-10-19	406,944	-	406,944	Fully Paid
45	Amaton Topshine And Stationery Supplies	675,000	18-06-20	675,000	-	675,000	Fully Paid
46	Aranspring General Suppliers	1,080,000	15-05-20	1,080,000	-	1,080,000	Fully Paid
47	Crown Motors Group Ltd	8,369,800	29-05-20	8,369,800	-	8,369,800	Fully Paid
	TOTAL	366,076,291		255,473,907	110,602,384	219,249,013	

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset Class	Opening Cost (Kshs) 2020/21 a	Donations in form assets (Kshs) 2020/21 b	Purchases/ Additions in the Year (Kshs) 2020/21 c	Disposals in the Year (Kshs) 2020/21 d	Transfers in/ (Out) Kshs 2020/21 d	Closing Cost (Kshs) 2020/21 e=a+b+c- d+(-)d
ICT Equipment	27,274,175	-	8,896,702	-	-	36,170,877
Other Office Equipment	10,520,463	-	-	-	-	10,520,463
Motor Vehicle	20,598,900	-	17,522,686	-	-	38,121,586
Total	58,393,538	-	26,419,388	-	-	84,812,926

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

APPENDICES

i. Bank Reconciliation Statement As At 30th June 2021

MICRO AND SMALL ENTERPRISES AUTHORITY
KYEOP PROJECT ACCOUNT BANK RECONCILIATION
KENYA COMMERCIAL BANK - KIPANDE BRANCH
ACC. NO.1201006155
AS AT 30TH JUNE, 2021

Summary

1	Balance As Per Bank Statement			344,078,597.75
	Less:			
2	Payments in Cashbook not in Bank statement	5,995,492.00		5,995,492.00
3	Receipts in Bank Statement not in cashbook	-		
4	(1-2-3)			338,083,105.75
	Add:			
5	Payments in Bank statement not in Cash book	-		
6	Receipts in Cashbook not in Bank statement	-		
7	(4+5+6)			338,083,105.75
8	Balance as per Cashbook balance			338,083,105.75
				-

Prepared By Francis Okeito  Date 5/7/2021

Checked By Festus Mwangi  Date 5/7/2021

Approved By Simon O. Nyamathi  Date 5/7/2021

ii. Board of Survey Reports

MICRO AND SMALL ENTERPRISES AUTHORITY
KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT

CASH CERTIFICATE AS AT 30TH JUNE 2021

OFFICE: HQ DATE: 01/07/2021

NOTES:

Kshs. 1000x.....
Kshs. 500x.....
Kshs. 200x.....
Kshs. 100x.....
Kshs. 50x.....
Kshs. 20x.....
Kshs. 5x.....

Kshs.
Kshs.
Kshs.
Kshs.
Kshs.
Kshs.
Kshs.

COINS

Kshs. 40x.....
Kshs. 20x.....
Kshs. 10x.....
Kshs. 5x.....
Kshs. 1x.....

Kshs.
Kshs.
Kshs.
Kshs.
Kshs.

GRAND TOTAL:

Kshs.

BALANCE AS PER THE CASHBOOK:

Kshs. NIL

SURPLUS / DEFICIT:

Kshs. NIL

Kshs. NIL

We, the under signed certify that we carried out the cash count on (Date) 01/07/2021
At (time) 8 AM and that the balance shown on this certificate is correct.

ACCOUNTANT

1. Name: Francis O. Ochieng Designation: Accountant Signature: [Signature]

BOARD OF SURVEY

2. Name: Simon O. Njoroge Designation: DICS Signature: [Signature]
3. Name: Festus M. Njoroge Designation: Head of Finance Signature: [Signature]
4. Name: ERIC THEODORE Designation: CSR ACCOUNTANT Signature: [Signature]

NOTE: THE PROJECT DOES NOT OPERATE CASH PAYMENT SYSTEM IN ITS OFFICES. ALL RECEIPT AND PAYMENTS ARE DONE THROUGH THE PROJECT DESIGNATED BANK ACCOUNT AS CONFIRMED THROUGH BANK RECONCILIATION.

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

MICRO AND SMALL ENTERPRISES AUTHORITY
KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT

BANK CERTIFICATE AS AT 30TH JUNE 2021

OFFICE: 112..... DATE: 11/7/2021.....

BALANCE AS PER THE CASHBOOK: Kshs. 338,083,105.75

BALANCE AS PER THE BANK ACCOUNT: Kshs. 344,078,597.75

We, the under signed certify that we carried out the bank and cashbook verification on (Date) 11/7/2021.. At (time) 9.00 A.M and that the balance shown on this certificate is correct.

ACCOUNTANT

1. Name Francis O. Ombui Designation Asst. Clerk Signature [Signature]

BOARD OF SURVEY

2. Name Simon O. Nyong'o Designation Rep. Capital Bank Signature [Signature]

3. Name Felix M. Njoroge Designation Head of Finance Signature [Signature]

4. Name ELIE THAKU Designation (NO ACCOUNTANT) Signature [Signature]

NOTE: THE PROJECT DOES NOT OPERATE CASH PAYMENT SYSTEM IN ITS OFFICES. ALL RECEIPT AND PAYMENTS ARE DONE THROUGH THE PROJECT DESIGNATED BANK ACCOUNT AS CONFIRMED THROUGH BANK RECONCILIATION.

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

iii. Special Deposit Account Reconciliation Statement As At 30th June 2021

KENYA YOUTH EMPOWERMENT & OPPORTUNITIES PROJECT (SDOII)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021

Credit No.: IDA LOAN No. CREDIT NO.58120-KE (DA-BB)

Bank Account No.: 1000308664 Held with CENTRAL BANK OF KENYA

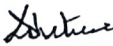
	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		17,450,538.54
	Less:		
2	Total amount documented		12,268,947.88
3	Outstanding amount to be documented		5,181,590.66
	Represented by:		
4	Ending Special account Balance as at 30 June 2021		-
5	Amounts claimed but not credited as at 30 June 2021		-
6	Amounts withdrawn and not claimed		5,181,590.66
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2021		5,181,590.66

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

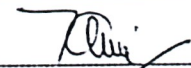
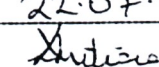
The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs


 AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 30.07.2021

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

Si

SPECIAL ACCOUNT STATEMENT	
For period ending Account No. Depository Bank Address Related Loan Credit Agreement Currency	30th JUNE, 2021 ✓ 1000308664 CENTRAL BANK OF KENYA CENTRAL BANK OF KENYA Y.E.O.P-MIN OF INDUSTRY 5212-KE B ✓ USD
<u>Part A - Account Activity</u>	
Beginning balance of 1st July, 2020 ✓ as per C.B.K. Ledger Account	1,013,501.57 ✓
Add:	
Total Amount deposited by World Bank	2,073,641.91 ✓
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	9,087,143.48 ✓
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2021 ✓	0.00 ✓
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 22.07.2021
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 30.07.2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

iv. Special Deposit Account Reconciliation Statement As At 30th June 2020

18

KENYA YOUTH EMPOWERMENT & OPPORTUNITIES PROJECT (SDOII)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020

Credit No.: IDA LOAN No. CREDIT NO.58120-KE DA BB

Bank Account No.: 1000308664 Held with CENTRAL BANK OF KENYA

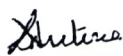
	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		9,376,866.63
	Less:		
2	Total amount documented		7,195,275.97
3	Outstanding amount to be documented		2,181,590.66
	Represented by:		
4	Ending Special account Balance as at 30 June 2020		1,013,501.57
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		1,168,089.09
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		2,181,590.66

Discrepancy between total appearing on line 3 and 9

Notes:

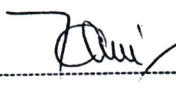
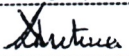
- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 18.08.2020

Kenya Youth Employment and Opportunities Project (KYEOP)
Reports and Financial Statements
For the financial year ended June 30, 2021

SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2020
Account No.	1000308664
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	Y.E.O.P-MIN OF INDUSTRY 5812-KE B
Credit Agreement	
Currency	USD
Part A - Account Activity	
Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	1,328,619.52
Add:	
Total Amount deposited by World Bank	3,969,080.11
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	4,284,198.06
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2020	1,013,501.57
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 07-08-2020
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 18-08-2020

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.