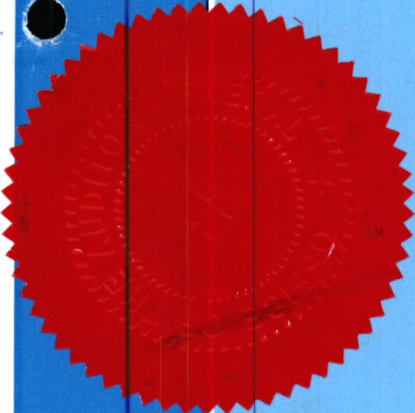



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*Enhancing Accountability*



 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
<b>DATE:</b> 23 FEB 2021	
<b>DAY:</b> Tuesday	
<b>TABLED BY:</b>	L. O. M.
<b>CLERK-AT THE-TABLE:</b>	Mainah Wangari

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LIBRARY

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KENYA YOUTH EMPLOYMENT OPPORTUNITY  
PROJECT (CR. NO.5812-KE)**

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

**STATE DEPARTMENT FOR LABOUR**



Project Name KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT

Implementing Entity STATE DEPARTMENT FOR LABOUR

PROJECT GRANT/CREDIT NUMBER 5812-KE


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REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020

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

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
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**Project Name KENYA YOUTH EMPLOYMENT AND OPPORTUNITIES PROJECT**

**Implementing Entity STATE DEPARTMENT FOR LABOUR**

**PROJECT GRANT/CREDIT NUMBER 58120-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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## 1. PROJECT INFORMATION AND OVERALL PERFORMANCE

### 1.1 Name and registered office

**Name:** The project's official name is Kenya Youth Employment and Opportunities Project

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

**Address:** The project headquarters offices are:

Ministry of Labour and Social Protection

State Department of Labour

Social Security House

P O Box 40326 -00100,

Block "B", 15th Floor

Nairobi, Kenya.

Email: [ps@labour.go.ke](mailto:ps@labour.go.ke)

Website: <http://www.labour.go.ke/>

The address of its registered office is in Nairobi County, Kenya

The project also has offices/branches as follows:

- The Project does not have other offices/branches

**Contacts:** The following are the project contacts

Telephone: 0202729800/EXT4410/4403

E-mail: [ps@labour.go.ke](mailto:ps@labour.go.ke)

Website: [www.go.ke](http://www.go.ke)

### 1.2 Project Information

Project Start Date:	The project start date is 20 – May -2016
Project End Date:	The project end date is 31 - Dec 2021
Project Manager:	The project manager is Mr James Maru
Project Sponsor:	The project sponsor is GoK through a credit from World Bank IDA

**1.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Labour
Project credit number	5812-KE
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) Enhancing employability through creating jobs and expanding existing ones thus increasing earnings for youth interested in self-employment or wage employment</li> <li>(ii) Enhancing employability of vulnerable youth by providing targeted youth with training and internships in private sector</li> <li>(iii) Enhance access to labour market</li> <li>(iv) Strengthening youth policy development and project management</li> </ul>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) Identification of Labour Market Information system users and specify their needs.</li> <li>(ii) Production of LMIS content.</li> <li>(iii) Dissemination of LMIS content and Awareness creation.</li> </ul>

*Kenya Youth Employment Opportunities Project  
Reports and Financial Statements  
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<p>Other important background information of the project</p>	<p>The Kenya Youth Employment opportunities Project (KYEOP) is a five-year <b>Safety net</b> project for <b>vulnerable</b> youth funded with a USD150million credit from the World Bank Group and whose development objective (PDO) is "to increase employment and earnings opportunities for targeted youths". The KYEOP is implemented through four government agencies under four components as follows:</p> <p>Component 1: <b>Training and Work Experience</b> – to be <b>jointly</b> implemented by the National Industrial Training Authority (NITA) and the Ministry of Public Service, Youth and Gender Affairs (MPYG) – USD75Million.</p> <ul style="list-style-type: none"> <li>○ This component aims to address the issue of skills mismatch by providing targeted youth with trainings and internships in the Private Sector. The objective is to enhance youth employability.</li> <li>○ The target is to reach over 70,000 youth</li> </ul> <p>Component 2: <b>Job Creation</b> – to be <b>jointly</b> implemented by the Micro and Small Enterprises Authority (MSEA) and the MPYG) – USD41.5 million.</p> <ul style="list-style-type: none"> <li>○ This component aims to address the issue of <b>lack of employment opportunities</b>. The objective is to <b>create jobs</b> and <b>expand</b> existing ones thus <b>increasing earnings</b> for youth interested in self-employment or wage employment.</li> <li>○ The target is to reach over 30,000 youth</li> </ul> <p>Component 3: Improving Labour Market Information – to be implemented by the Ministry of East African Community Affairs, Labour and Social protection (MEACLSP) – USD 13.5 million</p> <ul style="list-style-type: none"> <li>○ This component aims to address the issue of lack of labour market information (LMI). The objective is to enhance access to LMI and ensure availability of quality information in a timely manner.</li> </ul> <p>Component 4: Strengthening Youth Policy Development and Project Management – to be implemented by the MPYG – USD 20million.</p> <ul style="list-style-type: none"> <li>○ This component aims to enhance the MPYG ‘s capacity for youth policy formulation, development and monitoring and evaluation as well as support the establishment and operationalization of a project coordination unit.</li> </ul> <p>The MPYG is the overall coordinator, even though each implementing agency receives and accounts for funds for the KYEOP part under them separately; with the NITA and MSEA receiving/reporting through their respective line ministries i.e. Ministry of Industry, Trade and Cooperatives and the MEACLSP respectively.</p>
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*Kenya Youth Employment Opportunities Project  
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Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Unemployment amongst out-of-school youth (ii) Lack of quality and up-to-date labour market information (iii) Inadequate Institutional Capacity for Youth Policy Planning, Implementation and Monitoring and Evaluation
Project duration	The project started on 20th May 2016 with the Financing Agreement being signed on 4 <sup>th</sup> July 2016. The Project became effective on 15 <sup>th</sup> December 2016.

#### 1.4 Bankers

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

#### 1.5 Auditors

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084-00100  
Nairobi, Kenya

#### 1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Mr James Maru	KYEOP Coordinator	Bachelor of Arts - Education	Project manager
Mr Peter Angonga	Project Officer LMI content	Masters Degree in Human Resource Planning and Development	In charge of LMI content production
Ms Meldah Angir	Project Officer KNOCS revision	Master of Arts – Business Administration	In charge of KNOCS update and occupation classification standards

*Kenya Youth Employment Opportunities Project  
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**1.7 Funding summary**

The Project is for duration of 5 years from 2016 to 2021 with an approved budget of US\$ 13.5 (use donor currency) equivalent to KShs 1.35 Billion as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 June 2020)		Undrawn balance to date (30 - June- 2020)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
i) Loan	USD	KSH	USD	KSH	USD	KSH
World Bank	13.5Million	1.35Billion	3,457,498.32	352,168,557.10	10,042,502	997,831,432.25
<b>Total</b>	<b>13.5million</b>	<b>1.35Billion</b>	<b>3,457,498.32</b>	<b>352,168,557.10</b>	<b>10,042,502</b>	<b>997,831,432.25</b>

**1.8 Summary of Overall Project Performance:**

**1.1 INFORMAL SECTOR SKILLS AND OCCUPATIONS SURVEY**

ISSOS Basic printed and launched in July 2020

**1.2 REVIEW OF THE KENYA NATIONAL OCCUPATIONAL CLASSIFICATION STANDARD**

- i. Study of Occupations in the blue Economy undertaken in Jan/Feb 2020
- ii. Information on emerging occupations in the blue economy is currently being analyzed
- iii. Studies in the Health sector and ICT Sector were hampered by the Covid-19 situation. The activity majorly entails face to face interviews with respective respondents hence PIU will comply with the Covid guidelines. This activity is expected to resume in August.

**1.3 DOMESTICATION OF INTERNATIONAL STANDARD OF INDUSTRIAL CLASSIFICATIONS (ISIC)**

- i. Finance and insurance; real estate rental and leasing sectors completed – March 2020
- ii. Professional, scientific and technical; administrative and support services sectors completed – March 2020
- iii. Education; public administration; human health and social work sectors completed – April/May 2020

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- iv. Art, entertainment and recreation; other service activities; activities of extraterritorial activities sectors; and Activities of Households as employers completed –April/May 2020.

What is pending is compilation and editing of the domesticated sections of ISIC and finally the validation of the compiled document. This will be done through technical working sessions with KNBS involving less than 15 people. This should also be done in August.

#### **1.4 LABOUR MARKET INFORMATION SYSTEM**

- i. Development of indicators from STEP Survey and ISSOS data – shared on the Kenya Labour Market Information System (KLMIS)Website
- ii. Information on Impact of Covid-19 on the labour market shared on KLMIS

#### **1.5 MIS: UPDATES ON MIS DEVELOPMENT**

- i. No Objection given for Procurement of Software for data simulation – May 2020.
- ii. Purchase of server pending clearing upon justification for the space/capacity requested to the Bank.

#### **1.6 STAFF CAPACITY BUILDING**

Three Officers trained on Statistical Analysis, SPSS and STATA, in the months of January and February, 2020. The officers are currently engaged in the analysis of data and will soon be producing indicators for dissemination through KLMIS.

#### **1.7 CHALLENGES**

During the period under review, a major challenge that has impacted on the activities of SDL is the Covid-19 situation. Most of the planned activities are consultative in nature and due to the guidelines for social distancing and closure of institutions these activities could not take place.

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

The project since inception has been adhering to the existing applicable laws and regulations as well as external financing agreements and conventions as stipulated by the government of Kenya and World Bank.

## 2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

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

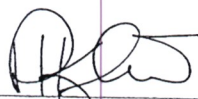
The *Principal Secretary* for the Ministry of State Department for Labour and the *Project Coordinator* for *Kenya Youth Employment and Opportunities project* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

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

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

### Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of State Department for Labour and the *Project Coordinator* for *Kenya Youth Employment and Opportunities project* on 06 November 2020 and signed by them.



Principal Secretary  
Name: Peter K. Tum, OGW



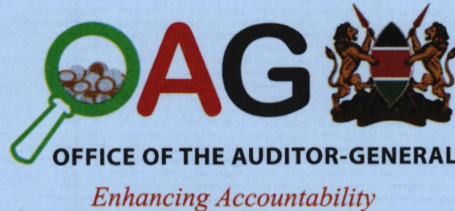
Project Coordinator  
Name: James Maru



Project Accountant:  
Name: Winnyrose Moraa  
ICPAK Member Number: 11431

# 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 OPPORTUNITY PROJECT (CR. NO.5812-KE) FOR THE YEAR ENDED 30 JUNE, 2020 - STATE DEPARTMENT FOR LABOUR**

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

#### **Opinion**

I have audited the accompanying financial statements of Kenya Youth Employment and Opportunities Project set out on pages 1 to 15, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya 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 Kenya Youth Employment and Opportunities Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Credit Agreement No.5812-KE between the Republic of Kenya and International Development Association dated 04 July, 2016 and the Public Finance Management Act, 2012.

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

#### **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 Opportunity Project, Credit No.5812-KE 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**

### **1. Budget Control and Performance**

#### **1.1 Budget Under-Funding and Under-Absorption**

The statement of comparative budget and actual amounts reflects budgeted revenue of Kshs.200,000,000 against actual receipts of Kshs.75,220,111 resulting in under-funding of Kshs.124,779,889 which the Management attributes to delays in approval for informal sector skills and occupations survey by the World Bank. Similarly, the statement reflects a budgeted expenditure of Kshs.200,000,000 against an actual expenditure of Kshs.92,982,988 resulting to an under expenditure of Kshs.107,017,012, an indication that the goals and objectives of the Project were not achieved as planned.

#### **1.2 Low Absorption Rate**

Examination of the Project's Financing Agreement revealed that the project's total approved commitment is Kshs.1.35 billion and it has a commencement and completion date of 20 May, 2016 and 31 December, 2021 respectively. Further, the funding summary in respect of the Project revealed that only an amount of Kshs.352,168,557 or 26% had been absorbed by the project as at 30 June, 2020 leaving an unspent balance of Kshs.997,831,432 while the project was left with barely one year to the completion date. With this low absorption rate, the Project's objectives may not be realized.

## **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 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 effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit that:

- (i) I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- (ii) In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- (iii) The Project's financial statements are in agreement with the accounting records and returns.

### Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue sustain 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 Project or cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of

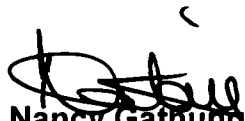
effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Project's policies and procedures may deteriorate.

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

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

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

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

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

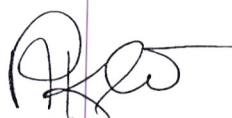
**28 December, 2020**

*Kenya Youth Employment Opportunities Project  
Reports and Financial Statements  
For the financial year ended June 30, 2020*

**4. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
<b>RECEIPTS</b>						
Loan from external development partners	1	75,220,110.75	-	105,551,195.00	-	352,168,557.10
<b>TOTAL RECEIPTS</b>		<b>75,220,110.75</b>	<b>-</b>	<b>105,551,195.00</b>	<b>-</b>	<b>352,168,557.10</b>
<b>PAYMENTS</b>						
Purchase of goods and services	2	81,720,425.15	-	170,906,617.00	-	322,658,491.20
Acquisition of non-financial assets	3	11,262,563.20	-	5,324,300.00	-	25,075,913.00
<b>TOTAL PAYMENTS</b>		<b>92,982,988.35</b>	<b>-</b>	<b>176,230,917.00</b>	<b>-</b>	<b>347,734,404.20</b>
<b>DEFICIT</b>		<b>(17,762,877.60)</b>	<b>-</b>	<b>(70,679,722.00)</b>	<b>-</b>	<b>4,434,152.95</b>

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



Principal Secretary  
Name: Peter K. Tum, OGW



Project Coordinator  
Name: James Maru



Project Accountant  
Name: WinnYROSE MORA  
ICPAK Member Number: 11431

*Kenya Youth Employment Opportunities Project  
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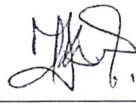
5. STATEMENT OF FINANCIAL ASSETS

	Note	2019-2020	2018-2019
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	4	4,434,163.35	22,197,041.00
<b>TOTAL FINANCIAL ASSETS</b>		<b>4,434,163.35</b>	<b>22,197,041.00</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	6	22,197,040.95	92,876,763.00
Surplus/(Deficit) for the year		(17,762,877.60)	(70,679,722.00)
<b>NET FINANCIAL POSITION</b>		<b>4,434,163.35</b>	<b>22,197,040.95</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 06 November 2020 and signed by:



Principal Secretary  
Name: Peter K. Tum, OGW



Project Coordinator  
Name: James Maru



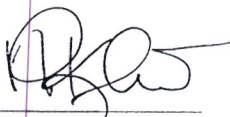
Project Accountant  
Name: Winnyrose Moraa  
ICPAK Member Number: 11431

*Kenya Youth Employment Opportunities Project  
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**6. STATEMENT OF CASH FLOWS**

		2019-2020	2018-2019
	Note	KShs	KShs
<b>Payments for operating activities</b>			
Purchase of goods and services	2	81,720,425.15	170,906,617.00
<b>Net cash flow from operating activities</b>		<b>(81,720,425.15)</b>	<b>(170,906,617.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	3	11,262,563.20	5,324,300.00
<b>Net cash flows from Investing Activities</b>		<b>(11,262,563.20)</b>	<b>(5,324,300.00)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Loan from external development partners	1	75,220,110.75	105,551,195.00
<b>Net cash flow from financing activities</b>		<b>75,220,110.75</b>	<b>105,551,195.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(17,762,877.60)</b>	<b>(70,679,722.00)</b>
Cash and cash equivalent at <b>BEGINNING</b> of the year		22,197,040.95	92,876,763.00
Cash and cash equivalent at <b>END</b> of the year		4,434,163.35	22,197,040.95

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 06 November 2020 and signed by:



Principal Secretary  
Name: Peter K. Tum, OGW



Project Coordinator  
Name: James Maru



Project Accountant  
Name: Winnyrose Moraa  
ICPAK Member Number: 11431

*Kenya Youth Employment Opportunities Project  
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**7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Proceeds from borrowings	300,000,000.00	100,000,000.00	200,000,000.00	75,220,110.75	124,779,889.25	38%
<b>Total Receipts</b>	<b>300,000,000.00</b>	<b>100,000,000.00</b>	<b>200,000,000.00</b>	<b>75,220,110.75</b>	<b>124,779,889.25</b>	<b>38%</b>
<b>Payments</b>						
Purchase of goods and services	253,750,000.00	100,000,000.00	153,750,000.00	81,720,425.15	72,029,574.85	53%
Acquisition of non-financial assets	46,250,000.00	-	46,250,000.00	11,262,563.20	34,987,436.80	24%
<b>Total Payments</b>	<b>300,000,000</b>	<b>100,000,000.00</b>	<b>200,000,000.00</b>	<b>92,982,988.35</b>	<b>107,017,011.65</b>	<b>46%</b>

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



Principal Secretary  
Name: Peter K. Tum, OGW



Project Coordinator  
Name: James Maru



Project Accountant  
Name: Winnyrose Moraa  
ICPAK Member Number: 11431

*Kenya Youth Employment Opportunities Project  
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For the financial year ended June 30, 2020*

**8. NOTES TO THE FINANCIAL STATEMENTS**

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

**8.1. Basis of Preparation**

**8.1.1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with 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.

**8.1.2. Reporting entity**

The financial statements are for the Project Kenya Youth Employment Opportunities under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

**8.1.3. Reporting currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project.

**8.2. Significant Accounting Policies**

**a) Recognition of receipts**

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

**• Transfers from the Exchequer**

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

**• External Assistance**

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

## SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Donations and grants

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

### Proceeds from borrowing

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

### Undrawn external assistance

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

- **Other receipts**

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

## **b) Recognition of payments**

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

- **Compensation of employees**

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

- **Use of goods and services**

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

- **Interest on borrowing**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

- **Acquisition of fixed assets**

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

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

### **c) In-kind donations**

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

### **d) Cash and cash equivalents**

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

#### **Restriction on cash**

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

## **SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **e) 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.

### **f) 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.

### **g) 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.

### **h) Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

During the year Kshs 0 billion being loan disbursements were received in form of direct payments from third parties.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) 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.

**j) 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.

**k) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

**l) 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 Opportunities Project  
Reports and Financial Statements  
For the financial year ended June 30, 2020*

**NOTES TO THE FINANCIAL STATEMENTS**

**1.0 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

During the 12 months to 30<sup>th</sup> June 2020 we received funding from development partners in form of loans negotiated by the National Treasury donors 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	
					KShs	KShs
					FY19/20	FY18/19
<b>Loans Received from Bilateral Donors (Foreign Governments)</b>						
World Bank (IDA)	17.09.2019		75,220,110.75		75,220,110.75	105,551,195.00
<b>Total</b>			<b>75,220,110.75</b>		<b>75,220,110.75</b>	<b>105,551,195.00</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2.0 PURCHASE OF GOODS AND SERVICES**

	2019-2020			2018-2019	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Communication, supplies and services	-	-	-	2,000,000.00	2,000,000.00
Domestic travel and subsistence	40,738,240.45	-	40,738,240.45	129,265,784.00	211,997,716.05
Foreign travel and subsistence	6,686,324.10	-	6,686,324.10	3,755,005.00	19,348,564.10
Printing, advertising and – information supplies & services	876,000.00	-	876,000.00	2,527,350.00	3,446,350.00
Training payments	7,421,764.00	-	7,421,764.00	3,626,239.00	20,769,958.00
Hospitality supplies and services	5,822,691.90	-	5,822,691.90	11,804,589.00	23,964,552.90
Office and General Supplies and Services	6,578,404.70	-	6,578,404.70	5,951,830.00	14,034,419.70
Fuel Oil and Lubricants	-	-	-	4,761,520.00	5,784,620.00
Contracted professional services	13,597,000	-	13,597,000	6,180,936.00	20,278,936.00
Routine maintenance – vehicles and other transport equipment	-	-	-	260,364.00	260,364.00
Routine maintenance – other assets	-	-	-	773,000.00	773,000.00
<b>Total</b>	<b>81,720,425.15</b>	<b>-</b>	<b>81,720,425.15</b>	<b>170,906,617.00</b>	<b>322,658,480.75</b>

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For the financial year ended June 30, 2020*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3.0 ACQUISITION OF NON-FINANCIAL ASSETS**

	2019/2020			2018/2019	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of Motor vehicles	5,310,000.00		5,310,000.00		5,310,000.00
Purchase of office furniture and fittings	3,270,058.00		3,270,058.00		3,270,058.00
Purchase of ICT Networking and communication equipment	2,682,55.20		2,682,505.20	5,324,300.00	16,495,855.20
<b>Total</b>	<b><u>11,262,563.20</u></b>	<b>=</b>	<b><u>11,262,563.20</u></b>	<b><u>5,324,300.00</u></b>	<b><u>25,075,913.20</u></b>

**4.0 CASH AND CASH EQUIVALENTS CARRIED FORWARD**

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 5A)	4,434,163.35	22,197,041.00
<b>Total</b>	<b><u>4,434,163.35</u></b>	<b><u>22,197,041.00</u></b>

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

**5.0. A Bank Accounts**

**Project Bank Accounts**

	2019/20	2018/19
	KShs	KShs
<b>Local Currency Accounts</b>		
Central Bank of Kenya [A/c No:1000320467]	4,434,163.35	22,197,041.00
<b>Total bank account balances</b>	<b><u>4,434,163.35</u></b>	<b><u>22,197,041.00</u></b>

*Kenya Youth Employment Opportunities Project  
Reports and Financial Statements  
For the financial year ended June 30, 2020*

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2020 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**

	2019/20	2018/19
	USD	USD
<b>(i) A/C Name [A/c No:1000308656]</b>		
Opening balance	2,179,862.38	344,471.00
Total amount deposited in the account	9,284,509.25	9,594,272.00
Total amount withdrawn by KYEOP Labour (as per Statement of Receipts & Payments)	(476,585.92)	(1,041,645.00)
Total amount withdrawn KYEOP NITA	(9,594,047.88)	(6,717,235.00)
Total amount at National Treasury	-	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b>1,393,737.83</b>	<b>2,179,862.00</b>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix iv* support these closing balances.

**7.0 FUND BALANCE BROUGHT FORWARD**

	2019/20	2018/19
	KShs	KShs
Bank accounts	22,197,040.95	92,876,763.00
<b>Total</b>	<b><u>22,197,040.95</u></b>	<b><u>92,876,763.00</u></b>

*Kenya Youth Employment Opportunities Project*  
*Reports and Financial Statements*  
*For the financial year ended June 30, 2020*  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.0 OTHER IMPORTANT DISCLOSURES**

**8.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f FY 2019/2020
Description	Kshs	Kshs	Kshs	Kshs
Supply of goods	119,900.00	-	119,900.00	-
Supply of services	7,772,850.00	-	7,772,850.00	-
<b>Total</b>	<b><u>7,892,750.00</u></b>	<b><u>NIL</u></b>	<b><u>7,892,750.00</u></b>	<b><u>NIL</u></b>

*Kenya Youth Employment Opportunities Project  
Reports and Financial Statements  
For the financial year ended June 30, 2020*

**9. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue and designation	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	The project had no audit issues				

**Guidance Notes:**

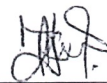
- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed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



Principal Secretary

6 November 2020

Date



Project Coordinator

6 November 2020

Date

*Reports and Financial Statements*

*For the financial year ended June 30, 2020*

**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Proceeds from borrowings	200,000,000.00	75,220,110.75	124,779,889.25	38%	i
<b>Total Receipts</b>	<b>200,000,000.00</b>	<b>75,220,110.75</b>	<b>124,779,889.25</b>	<b>38%</b>	
<b>Payments</b>					
Purchase of goods and services	153,750,000.00	81,720,425.15	72,029,574.85	53%	ii
Acquisition of non-financial assets	46,250,000.00	11,262,563.20	34,987,436.80	24%	iii
<b>Total payments</b>	<b>200,000,000.00</b>	<b>92,982,988.35</b>	<b>107,017,011.65</b>	<b>46%</b>	

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

- (i) The project had cash amounting to kshs. 22,197,040.95 in the bank account brought forward which was used to fund part of the projects activities in the financial year. Also the project uses Statement of expenditure (SOE) as a method of reimbursement and therefore underutilisation in the various activities led to lower reimbursements.
- (ii) Due to the Covid-19 Pandemic that caused a Lock down from early March 2020 and the stay-at-home and observing of social distancing directives as well as the closure of institutions, the activities planned for the component were adversely affected as most of these activities are consultative and require meetings, meeting venues, which could not be achieved during the period under review. A major activity that was planned for the duration during which the pandemic was being experienced was the Pilot National Manpower survey which could not be undertaken.
- (iii) Purchase of motor vehicles: the State Department was only able to purchase one (1) vehicle due to the non-responsiveness of the bids for the second one.

*Reports and Financial Statements*  
*For the financial year ended June 30, 2020*  
**ANNEX 2A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracte d	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
	a	b	c	d=a-c		
Supply of goods						None
Sub-Total						
Supply of services						None
Sub-Total						
Grand Total						None

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

**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Opening Cost (KShs) 2019/20 (a)	*Purchases/Additions in the Year (KShs) 2019/20 (b)	** Disposals in the Year (KShs) 2019/20 (c)	Transfers in/(out) Kshs 2019/20 (d)	Closing Cost (KShs) 2020 (e)= (a)+(b)-(c)+(-)d
ICT Equipment, Software and Other ICT Assets	13,813,350.00	2,682,505.20	-	-	16,495,855.20
Purchase of Motor vehicles	-	5,310,000.00	-	-	5,310,000.00
Purchase of office furniture and fittings	-	3,270,058.00	-	-	3,270,058.00
<b>Total</b>	<b>13,813,350.00</b>	<b>11,262,563.20</b>	<b>-</b>	<b>-</b>	<b>25,075,913.20</b>

Notes

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

*Kenya Youth Employment Opportunities Project  
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For the financial year ended June 30, 2020*

**APPENDICES**

- i. Certificate of balance.
- ii. Bank Reconciliations.
- iii. Board of Survey Report.
- iv. Special Deposit Account(s) reconciliation statement(s).

STATE DEPT FOR LABOUR  
Nairobi



STATE DEPT FOR LABOUR  
Nairobi

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

July 16, 2020

## CERTIFICATE OF BALANCES

Customer: 131180

Account Name: STATE DEPT. FOR LABOUR

Balance Date: June 30, 2020

ACCOUNT No.	ACCOUNT TITLE	AMOUNT
1000303166	REC-STATE DEPT FOR LABOUR	59,254,616.40
1000303174	DEV-STATE DEPT FOR LABOUR	3,056,289.70
1000303198	DEP-STATE DEPT FOR LABOUR	43,780,813.40
1000303204	CBK165-STATE DEPT FOR LABOUR	0.00
1000320467	KENYA YOUTH EMP OPP PROJ ACCOUNT A	20,860,153.90

L. K. RWERIA  
AUTHORISED SIGNATORY  
BANKING SERVICES

P. S. LENKUME  
AUTHORISED SIGNATORY  
BANKING SERVICES

REPUBLIC OF KENYA

F.O. 30

STATE DEPARTMENT FOR LABOUR

KENYA YOUTH EMPLOYMENT & OPPORTUNITIES PROJECT

PROJECT 1184-BANK RECONCILIATION REPORT AS AT 30TH JUNE 2020

		KSH.	CTS	KSH.	CTS
					20,860,453.90
<b>BANK BALANCE AS PER BANK STATEMENT</b>					
<b>Less 1&amp;2</b>					
	1 Payment in cashbook not in bank.		16,426,290.55		
	2 Receipts in bank not in Cashbook		-		
	<i>Sub-total</i>		16,426,290.55		16,426,290.55
<b>Add: 3 &amp; 4</b>					
	3 Payment in Bank not in Cashbook		-		
	4 Receipts in Cashbook not in bank		-		
	<i>Sub-total</i>		-		
<b>BANK BALANCE AS PER CASHBOOK</b>					
					4,434,163.35

"I certify that I have verified the Bank Balance in the cash book with the bank statement and that the above reconciliation is correct".

Signature Abigina

Designation Acct I

Date 06/07/2020

		PROJECT 1184		
		STATE DEPARTMENT FOR LABOUR		
		KENYA YOUTH EMPLOYMENT & OPPORTUNITIES PROJECT		
		PAYMENT IN CASIBOOK NOT IN BANK		
		AS AT 30TH JUNE 2020		
A/E	VOUCHER NO	PARTICULARS	AMOUNT	REMARKS
30-Jun-20	STD003071	SHAROSHEN ENT.	170,689.65	
30-Jun-20	STD003066	SOLA GRATIA	284,482.75	
30-Jun-20	STD003067	CLEON VENTURES	463,137.95	
30-Jun-20	STD003070	DUCETA TECH	492,155.15	
30-Jun-20	STD003068	SAMANTO ENT.	580,060.35	
30-Jun-20	STD003065	TILADOME LTD	648,146.55	
30-Jun-20	STD003069	SADEMAR INVESTMENT	1,505,442.95	
30-Jun-20	STD002985	FRANCIS WANYEKI	18,240.00	
30-Jun-20	STD002849	PAGO AIRWAYS	194,815.00	
30-Jun-20	STD002850	PAGO AIRWAYS	296,375.00	
30-Jun-20	STD003131	TRIPPLE TEO TECH	96,534.50	
30-Jun-20	"	"	5,265.50	
30-Jun-20	STD003129	MFI DOC. LTD	115,215.50	
30-Jun-20	"	"	6,284.50	
30-Jun-20	STD003130	WELSTAR INVST. LTD	333,413.80	
30-Jun-20	"	"	18,186.20	
30-Jun-20	STD003123	SELADEL SUPPLIES	515,606.05	
30-Jun-20	"	"	28,123.95	
30-Jun-20	STD003128	FULTON LTD	830,689.65	
30-Jun-20	"	"	45,310.35	
30-Jun-20	STD003122	TOM MBOYA COLLEGE	637,241.40	
30-Jun-20	"	"	34,758.60	
30-Jun-20	STD003124	ANCLAUD INVESTMENT	681,952.60	
30-Jun-20	"	"	37,197.40	
30-Jun-20	STD003126	RAYMER ENTERPRISES	730,267.25	
30-Jun-20	"	"	39,832.75	
30-Jun-20	STD003127	NOLUNT CON. LTD	773,129.30	
30-Jun-20	"	"	42,170.70	
30-Jun-20	STD003125	MFI DOC. LTD	1,414,415.30	
30-Jun-20	"	"	77,149.90	
30-Jun-20	STD003142	TOYOTA KENYA	5,035,344.85	
30-Jun-20	"	"	274,655.15	
TOTAL UNCLEARED EFFECTS			16,426,290.55	
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK				
AS AT 30TH JUNE 2020				
A/E	CREDIT NO.	PARTICULARS	AMOUNT	REMARKS
TOTAL UNCLEARED EFFECTS			0.00	

PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK

AS AT 30TH JUNE 2020

DATE	CHEQUE NO.	PARTICULARS	AMOUNT	REMARKS
			0.00	
		TOTAL UNCLEARED EFFECTS	0.00	

RECEIPTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT

AS AT 30TH JUNE 2020

DATE	RECEIPT NO.	PARTICULARS	AMOUNT	REMARKS
			-	
		TOTAL UNCLEARED EFFECTS	-	

REPUBLIC OF KENYA

KYEOP

Date

Report of the Board of survey on the Cash and Bank Balances of---KYEOP-----

..... as at the close of Business on 30<sup>TH</sup> JUNE 2020.....

The Board, consisting of (Names and Official titles)-----

- ...JOYCE MWALE-CHAIRPERSON.....
- ...PHILIP DIDI-MEMBER.....
- .....NANCY MAINGI-SRCRETARY.....

Assembled at the office of.....KYEOP BOARD ROOM.....

At ...11:00 AM..... (time) on the...6/7/2020.....

And the following cash was produced:

Notes .....	Sh. ....-NIL-----
Silver .....	Sh. ....-NIL-----
Copper .....	Sh. ....-NIL-----
Cheque (as per details on reverse) .....	Sh. ....-NIL-----
	Sh. ....-NIL-----

It was observed that cheques amounting to sh. .... -NIL----- Cts ..... had been on hand for more than 14 days prior to the date of the survey.

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

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

Cash on hand	Sh. ....-NIL-----
Bank balance	Sh. ...4,434,163.35.....
	Sh. ...4,434,163.35.....

The bank certificate of Balance showed a sum of sh. ...20,860,453.90..... cts. .... cts .....

Standing to the credit of the account on .....30/6/2020:.....

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

JOYCE MWALE

Chairman

...PHILIP DIDI

Member of the Board

.....NANCY MAINGI

Secretary of the Board

Date: ...6/7/2020.....

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

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

Bank Account No.: 1000308656 Held with CENTRAL BANK OF KENYA


	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		23,699,434.78
	<b>Less:</b>		
2	Total amount documented		16,699,434.78
3	<b>Outstanding amount to be documented</b>		<b>7,000,000.00</b>
	<b>Represented by:</b>		
4	Ending Special account Balance as as 30 June 2020		1,393,737.83
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		5,606,262.17
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	<b>Total advance to Special Account Year ended 30 June 2020</b>		<b>7,000,000.00</b>

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 5 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

## SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2020
Account No.	1000308656
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	Y.E.O.P-MIN OF LABOUR CR 5812-KE A
Credit Agreement	
Currency	USD

### Part A - Account Activity

Beginning balance of 1st July, 2019  
as per C.B.K. Ledger Account 2,179,862.38

#### Add:

Total Amount deposited by World Bank 9,284,509.25

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible  
expenditure

#### Deduct:

Total amount withdrawn 10,070,633.80

Total service charges if not included above in  
amount withdrawn

Ending balance on 30th June, 2020 1,393,737.83

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.

Results 1 - 13 of 13

Run Date: 29/07/2020  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60000-0200  
 NAIROBI

Run Time: 14:45:53

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000308656

ACCOUNT TITLE : Y.E.O.P-MIN OF LABOUR CR 5812-KE A  
 30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT	DEBIT	CREDIT BALANCE
OPENING BAL :							2,179,862.38
NO.	Value Date	Reference.No	Details	Debit	Credit		Balance
1	21/08/2019	FT19233NH2K7	PA122523	-687,911.69	0.00		1491950.69
2	28/03/2019	FT19240JNTLZ	Y.E.O.P-MI FUND	0.00	1,300,804.37		2792755.06
3	29/08/2019	FT192410NX3B	Y.E.O.P-MI FUND	0.00	743,716.00		3536471.06
4	02/09/2019	FT19245XPY6F	PA 122550	-726,904.82	0.00		2809566.24
5	12/09/2019	FT1925513B49	PA123101	-2,044,580.37	0.00		764985.87
6	18/09/2019	FT19261SV7Q6	FUNDING	0.00	1,474,028.97		2239014.84
7	02/10/2019	FT19275Z63V2	PA123116	-1,474,058.97	0.00		764985.87
8	21/11/2019	FT19325KH8N6	FUNDING	0.00	2,310,822.38		3075777.95
9	03/12/2019	FT1933749YWJ	PA 123369	-2,310,852.08	0.00		764925.87
10	12/02/2020	FT20043T9BRN	FUNDING	0.00	2,061,407.38		2826333.25
11	13/02/2020	FT200447P3DS	PA123406	-764,925.87	0.00		2061407.38
12	18/02/2020	FT20049V66EZ	PA124406	-2,061,400.00	0.00		7.38
13	07/05/2020	FT20128Q10HB	FUNDING	0.00	1,393,730.45		1393737.83

END OF ACCOUNT STATEMENT

CLOSING BALANCE : 1393737.83

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

Account

Statement From

Statement To

TAM.E.STMT.OF.ACCT.EPRM