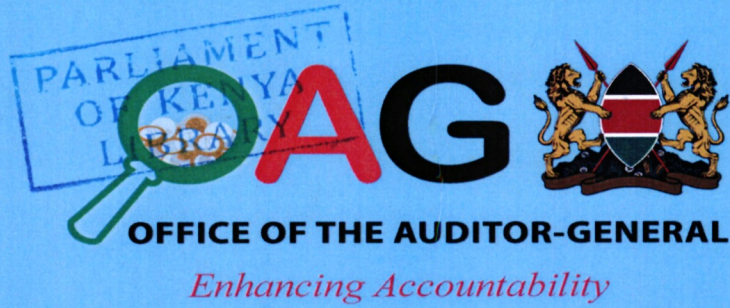


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR
YOUTH AFFAIRS**

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



STATE DEPARTMENT FOR YOUTH AFFAIRS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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1. Key Entity Information and Management

(a) Background information

The State Department for Youth Affairs was one of the State Departments under the Ministry of Public Service, Youth and Gender Affairs formed through the Executive Order No. 1 of 2018. The reorganization of the National Government through the Executive Order of 14th January 2020 revised in May 2020 placed the State Department for Youth in the Ministry of ICT, Innovation and Youth Affairs. At cabinet level, the *State Department for Youth Affairs* is represented by the Cabinet Secretary for Ministry of ICT, Innovation and Youth Affairs, who is responsible for the general policy and strategic direction of the *State Department for Youth Affairs*.

Vision

Empowered, productive and prosperous youth for National development

Mission

To provide leadership, coordination and enabling environment for youth development

Core Values

The ministry will undertake the following core values:

- Honesty and Integrity
- Accountability and Transparency
- Professionalism and Ethical practices
- Teamwork and Passion for results
- Equity and Equality
- Innovativeness and Creativity
- Efficiency and Effectiveness
- Mutual Respect, participatory Approach and Inclusiveness
- Patriotism
- *Citizen-Centric*

Strategic objectives

The broad strategic objectives of the State Department is to spearhead youth empowerment in all aspects of national development and specifically to:

- i. Promote skills development and job creation for the youth
- ii. Promote creativity and innovation for national development
- iii. Strengthen the role of youth in national peace building and conflict resolution
- iv. Build the capacity and resilience of youth against harmful practices and exploitation
- v. Promote access to information and youth friendly services
- vi. Promote health and wellbeing among the youth
- vii. Harmonize youth mainstreaming and enhance standards in youth practice

Mandate

To provide overall policy and strategic leadership on youth affairs and coordinate the implementation of national programmes targeting the youth.

Functions

- Youth Empowerment
- Mainstreaming Youth in National Development
- Harnessing and Development Youth Talents for National development
- Managing and Promoting Engagement with Youth for National Development
- Collaborating and Overseeing stakeholders engaged in Youth Promoting Activities

(b) Key Management

The *State Department* day-to-day management is under the following key organs:

- a. Directorate of Youth Social Development,
- b. Directorate of Research, Policy and Mainstreaming,
- c. Directorate of Talent and Innovation,
- d. Directorate of Entrepreneurship, Skills and Development,
- e. Administration.

(c) Fiduciary Management

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

No.	Designation	Name
1	Cabinet Secretary	Mr. Joe Mucheru, EGH
2	Cabinet Secretary	Hon. Ababu- Terrah Namwamba, EGH
3	Chief Administrative Secretary	Ms. Nadia Ahmed Abdalla
4	Principal Secretary	Mr. Charles T. Sunkuli,CBS
5	Principal Secretary	Mr. Ismael Maalim Madey
6	Secretary, Youth	Mr. Raymond O.Ouma
7	Secretary, Administration	Mr. Wycliffe Ogallo,CBS

At the time these financial statements were revised Hon. Ababu - Terrah Namwamba and Mr. Ismael Maalim Madey had joined the management while Mr. Joe Mucheru, Charles T. Sunkuli and Ms. Nadia Ahmed Abdalla had left due to change in government.

(d) Fiduciary Oversight Arrangements

- a) Parliamentary Committee Activities –the Ministry handled various issues at the National Assembly e.g. Labour Departmental Committees & Public Accounts Committee,

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

- b) Audit Committee Activities – The Ministerial Audit Committee encompasses issues relating to compliance with internal control, financial reporting and governance, risk management, fraud and ethics. The Committee reviews Internal Audit charter among other duties
- c) Budget Implementation Committee – The Committee key responsibility is to oversee budget implementation process.

(e) Entity Headquarters

P.O. Box 34303 - 00100
Kencom House, Moi Avenue
NAIROBI, KENYA
Telephone: (254) 22240068
Telex: 23125
Website: www.ict.go.ke

(f) Entity Bankers (all banks)

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA
2. Kenya Commercial Bank
Moi Avenue, Kencom House
P.O. Box 48400-00100
NAIROBI

(g) Independent Auditors

Auditor - General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
NAIROBI, KENYA

(h) Principal Legal Adviser

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

2. STATEMENT BY THE CABINET SECRETARY

I am delighted to present the State Department for Youth Affairs' Annual Report for the Fiscal Year 2021-2022. This report outlines our accomplishments and challenges, as well as how we overcame them. I hope that the lessons we learned will be useful in the future in providing efficient and effective service delivery.

During the fiscal year ending June 2022, the State Department for Youth Affairs was able to coordinate the implementation of Kenya's National Youth Development Policy (KYDP) 2019. This was achieved through programmes and activities focused on Youth Empowerment, Mainstreaming Youth in National Development, Supervising stakeholders involved in youth-promoting activities, Harnessing and developing youth talents and innovations, and Youth Entrepreneurship. The policy highlights the youth's key strengths and opportunities, such as productivity, creativity, and innovativeness; energy, drive, an affinity for networking; entrepreneurship, and the ability to use ICT skills. Our demographic dividend will be realized when such strengths are leveraged and optimized.

Kenya Youth Employment Opportunities Project (KYEOP) is a unique initiative within the State Department, with many interventions focusing primarily on youth training to strengthen youth capacity to engage in eco-entrepreneurship and green jobs. KYEOP is a five-year initiative funded by the International Development Association/World Bank at a cost of USD150 million (Kshs.15 billion).

The Youth Enterprise Development Fund is one of the government's strategies for addressing the challenge of youth unemployment through entrepreneurship. It provides affordable financial and business development services to youth who want to pursue a career in business, transforming them into job creators rather than job seekers. Over 2 million youth have benefited from the Fund, totalling Kshs. 14.1 billion. Beneficiaries have been able to expand their businesses, creating value and job opportunities for themselves and others.

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

Within the year, the Department held KIKAO dialogues, built and renovated Youth Empowerment Centres (YECs), which are Vision 2030 flagships, and provided safe co-creation and incubation spaces for digital skills learning, entrepreneurship, talent, and innovation.

The National Youth Council (NYC) and Kenya Airways pioneered the Excelebrate Skills Programme. Within the programme, young people solved problems and co-created business solutions. My ministry was at the forefront of ensuring young people are at the decision-making table when it comes to youth participation in governance through NYC.

The programmes and interventions detailed in this report account for State Department interventions that would have been impossible to deliver without the Principal Secretary's commitment and dedication during the fiscal year. I would like to thank members of the State Department's Youth Affairs, as well as development partners, both state and non-state actors, for their financial and material assistance during the fiscal year under review and challenge them to be even more dedicated in the coming year.

Hon. Ababu-Terrah Namwamba, EGH
CABINET SECRETARY
MINISTRY OF YOUTH AFFAIRS, SPORTS AND THE ARTS

3. STATEMENT BY THE PRINCIPAL SECRETARY / ACCOUNTING OFFICER

(i) Budget Performance against Actual Amounts

a. Analysis of Programme Expenditure (Amount in Ksh Million)

Economic Classification	Approved Budget (Kshs. M)	Actual Expenditure (Kshs. M)
	2021/2022	2021/2022
Programme 1: Youth Empowerment		
Sub-Programme 2. Youth Development Services	4,590.86	3,662.30
Sub-Programme 3. Youth Employment Scheme	474.10	474.10
Sub-Programme 4. Youth Coordination and Representation	98.00	98
Sub-Programme 5. General Administration, Planning and Support Services	232.41	212.70
TOTAL VOTE-1214	5,395.36	4,447.10

b. Analysis of Programme Expenditure by Economic Classification (Amount in Millions)

Economic Classification	APPROVED BUDGET	ACTUAL EXPENDITURE
	2021/22	2021/22
Programme 1: Youth Empowerment		
Current Expenditure	1,418.55	1,398.91
Compensation to Employees	650.83	646.51
Use of goods and Services	276.78	266.43
Current Transfers to Govt. Agencies	472.44	471.87
Other Recurrent	18.50	14.10
Capital Expenditure	3,976.81	3,048.19
Compensation to Employees	-	-
Use of goods and Services	-	-
Acquisition of Non-Financial Assets	514.93	278.73
Capital Transfers to Govt. Agencies	130.00	130
Other Development	3,331.88	2,639.46

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

In the financial year 2021/22 the State Department for Youth Affairs had a gross budget of **Kshs. 5,395.36million** which was made up of **Kshs. 1,418.55million** and **Kshs. 3,976.81million** for recurrent and development vote respectively.

The State Department was to expend the gross budget of **Kshs. 5,395.36million** under the following programme:

I. Programme 1: Youth Empowerment

The objective of this programme is to enhance empowerment and participation of youth and other vulnerable groups in all aspects of national development. This programme was allocated **Kshs 5, 395.36million representing** 100% of the budget. A total of **Kshs. 4,447.10 Million** was spent under the following sub programmes:

- a. Sub-programme SP 1.2: Youth Development Services
- b. Sub-programme SP 1.3: Youth Employment Scheme
- c. Sub-programme SP 1.4: Youth Coordination and Representation
- e. Sub-Programme SP 1.5: General Administration, Planning and Support Services

Key Performance Highlights

Below is an overview of the financial performance for the year ended 30th June 2022 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

Current Year Performance against Prior Year

Financial Performance	Year to 30th June 2022	Year to 30th June 2021	Change
	KShs	KShs	KShs
Total Receipts	5,220,923,013	3,140,772,010	2,080,151,003
Total Payments	4,447,103,359	3,173,531,365	1,273,571,994
Surplus/(Deficit) for the Year	773,819,654	(32,759,355)	806,579,009

Financial Performance Summary**Actual Performance against Budget for Year to 30th June 2022**

Financial Performance	Printed Estimates	Actual	Variance	%
	KShs	KShs	KShs	Utilisation Variance
Total Receipts	5,395,360,032	5,220,923,013	174,437,019	3%
Total Payments	5,395,360,032	4,447,103,359	948,256,673	18%
Surplus/Deficit for the Year	-	773,819,654	(773,819,654)	-

Actual receipts by the MDAs stood at 3% below budget while actual payments were 18% below budget.

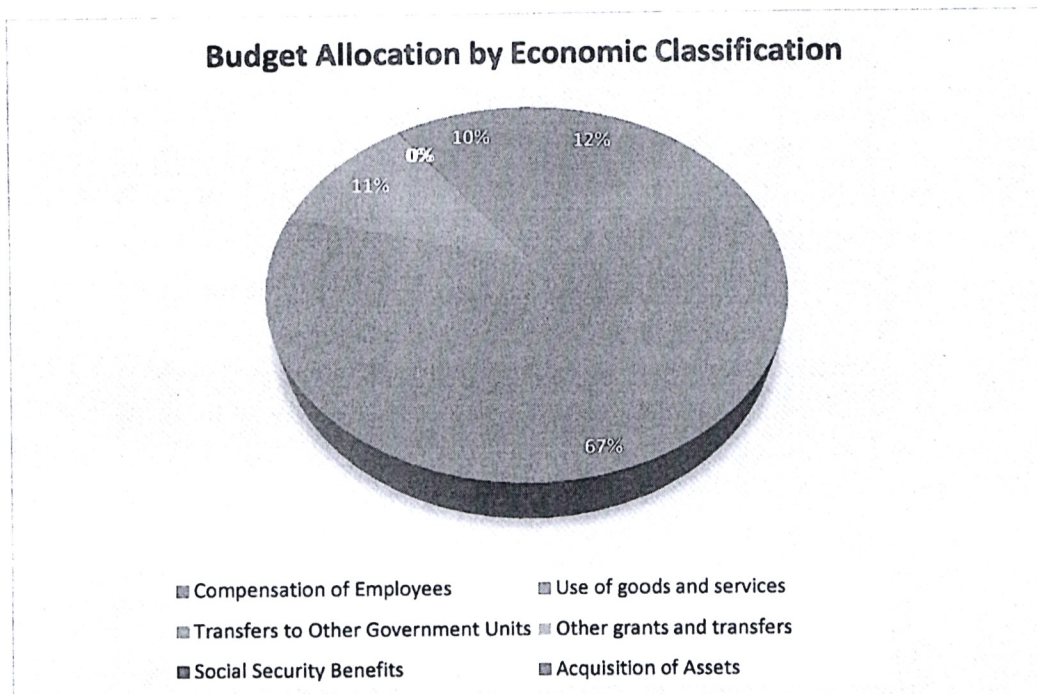
State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

Budget Utilisation (Payments)

The State Department spent **Kshs. 4,447.10 Million** against an approved budget of **Ksh. 5,395.36million** representing an absorption of 82.42%. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	Approved Budget Allocation	Actual Payments	Variance
Compensation of Employees	650.83	646.51	4.32
Use of goods and services	3,608.66	2,905.88	702.78
Transfers to Other Government Units	602.44	601.87	0.57
Other grants and transfers	-		
Social Security Benefits	4.67	2.58	2.09
Acquisition of Assets	528.76	290.26	238.5
Total Payments	5,395.36	4,447.10	948.26

It is noted that 12 % of the State Department’s budget was utilized on compensation of employees while 67% was utilized on goods and services. Acquisition of assets accounted for 9.8% of the total budget whereas grants and transfers accounted 11.2%. This is shown in the Pie Chart below.



Key Performance Highlights (Continued)

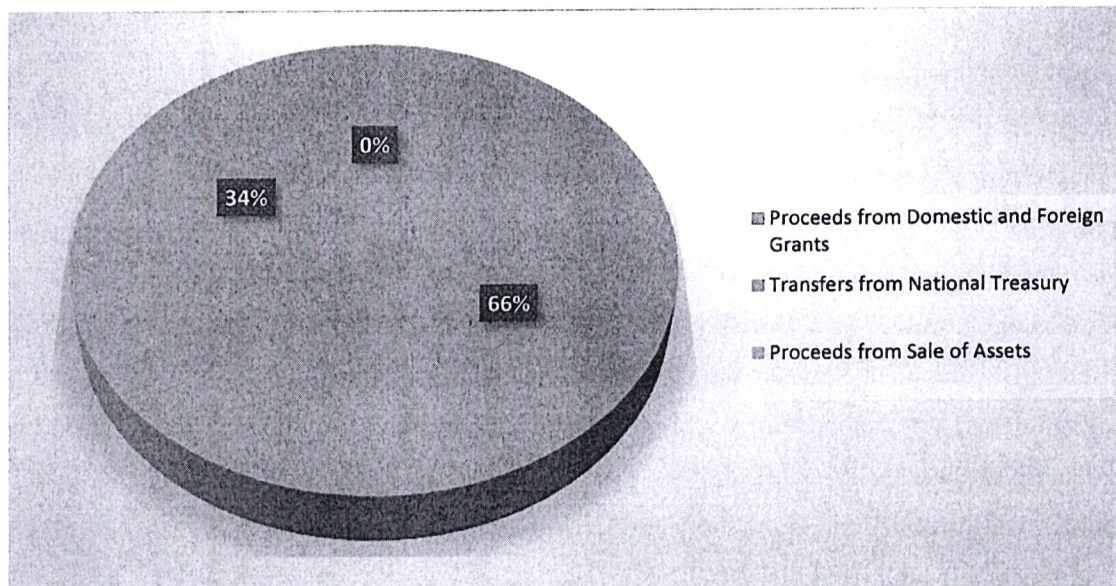
Receipts

The State Department’s receipts mainly comprise of exchequer releases from the National Treasury, proceeds from domestic and foreign grants and other receipts sources including proceeds from sale of assets.

The total receipts for FY 2021/2022 stood at Kshs 5,220.92 Million, representing 96.7% against the budget of Kshs 5,395.36 Million.

Total Receipts Breakdown

	Approved Budget Allocation	Actual Payments	Variance
Receipts	KShs	KShs	KShs
Proceeds from Domestic and Foreign Grants	3,584,988,124	2,655,694,867	929,293,257
Transfers from National Treasury	1,810,371,908	1,791,408,492	18,963,416
Proceeds from Sale of Assets	-	-	-
Other Receipts	-	-	-
Total Receipts	5,395,360,032	4,447,103,359	948,256,673



State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

The mandate of the State Department for Youth affairs includes Management of Youth Policy; Youth Empowerment; harnessing and developing youth talents for national development; mainstreaming youth in national development; managing and promoting engagement with youth for national development; and collaborating and overseeing stakeholders engaged in Youth promoting activities.

Key Achievements in the FY 2021/22

In the FY 2021/22, the State Department attained the following key achievements among others:

- i. Disbursed Grants youth amounting to KShs.1.293billion in the “Chora na Biz” Business Plan Competition under KYEOP;
- ii. Trained 5,953 youth, 5,818 youth, and 5,641 youth on Life Skills, Core Business Skills and Job Specific Skills respectively;
- iii. Sensitised 63,400 youth on Access to Government Procurement Opportunities;
- iv. Engaged 10,102 youth and 25,000 youth in Food and nutrition security and tree planting under planting our future programme respectively;
- v. Disbursed loans amounting to Kshs.403.6million to 31,587 youth beneficiaries under the Youth Enterprise Development Fund;
- vi. Trained 97,880 youth in Entrepreneurship skills;
- vii. Engaged 22,000 youth in leadership and Governance;
- viii. Trained **Seven thousand (7,000) youth** in life skills, job specific skills and Core Business Skills;
- ix. Held **twenty four (24) youth** forums to sensitize youth on Affirmative Funds, AGPO and government Empowerment initiatives;
- x. Provided **one hundred and four thousand and fourteen (104,014) youth entrepreneurs** with Business Development Services through entrepreneurship trainings; mentorship and coaching programmes; market support for youth products; and provision of trading spaces and business incubation services;
- xi. Trained **two hundred and eight thousand six hundred and twenty four (208,624) youth** on entrepreneurship and life skills;
- xii. Facilitated **one thousand and sixty (1,060) youth** to access and travel abroad for jobs.
- xiii. Disbursed **Ksh.1.424 Billion** worth of loans to youth enterprises for business start-ups and expansion;

- xiv. **One hundred and seventeen thousand eight hundred and eighty (117,880) youth entrepreneurs** in various economic sectors benefited from loans to start or expand their businesses;
- xv. Engaged **three thousand (3,000) Youth** in the Youth industrial Programme;
- xvi. Engaged **two thousand (2000) Youth** in Experiential Skills Programme;
- xvii. Engaged **twenty two thousand (22,000) youth** in leadership and governance initiatives;
- xviii. Engaged **Eight thousand (8,000) youth** in Intergenerational Dialogue Forum programme and peace forums;
- xix. Engaged **four thousand (4,000 youth)** in civic participation, lobbying for Youth Inclusive legislations and promoting the KYDP 2019;
- xx. Engaged **five thousand five hundred (5,500) youth** in environmental conservation initiatives (tree planting, clean-ups);
- xxi. Engaged **three thousand (3000) youth** leaders in inter-communal youth exchange programme and peace forums;
- xxii. Enrolled **five thousand three hundred and twenty three (5,323) Youth** into the President's Award programme;
- xxiii. Trained **one thousand nine hundred and seventy seven (1,977) Youth** Award leaders under the President's Award programme;
- xxiv. Awarded **nine hundred and seven (907) Youth** with Gold Level Certificate;
- xxv. Constructed **One (1) Youth** Empowerment Center to completion (**Lafey Constituency**);
- xxvi. Construction of **Three (3) new Yecs** ongoing (**Mwea, Dagoretti North and Chepalungu Constituencies**);
- xxvii. **Seventeen (17) YECs** were renovated;
- xxviii. **Twenty five (25) YECs** were installed with CCTV to enhance their security and with Local Area Network (LAN) to enhance their connectivity to internet services;
- xxix. **Six thousand and three (6,003) youth** sensitized on Sexual Reproductive Health (**SRH**);
- xxx. **One Hundred and thirty four (134) trainers** under County Management trained to offer Youth friendly Services.

STATEMENT BY THE PRINCIPAL SECRETAR/ACCOUNTING OFFICER (CONTINUED)

Achievements (Continued)

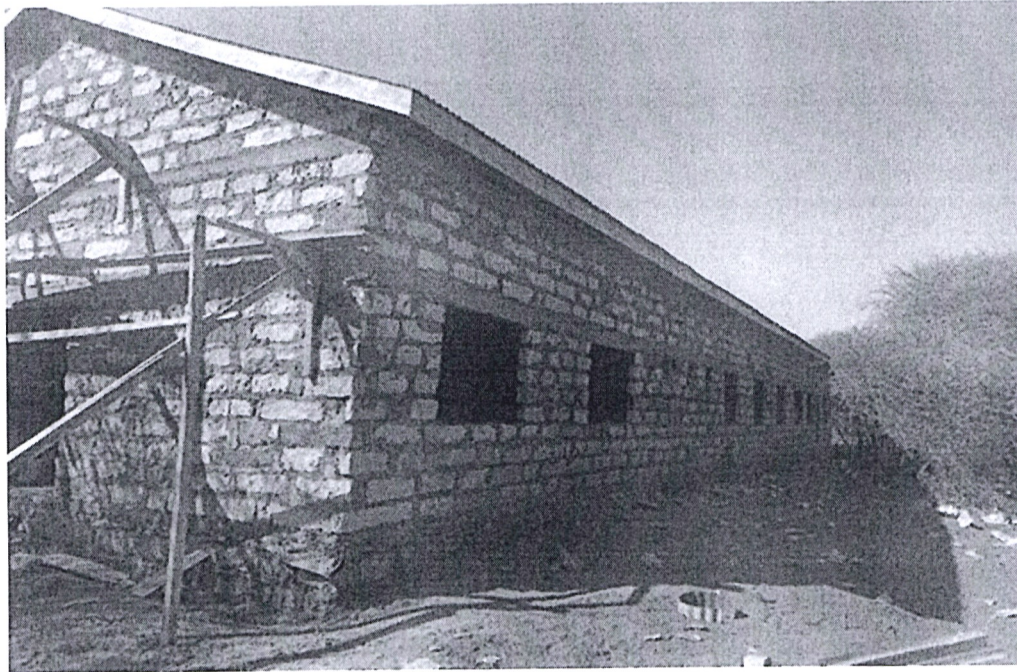


Photo 1: Construction Works at the Lafey Youth Empowerment Centre (YEC) in February, 2022



Photo 2: Emurua Dikirr Youth Empowerment Centre (YEC) after undergoing renovations



Photo 3: Photo 4: Principal Secretary, Mr. Charles T. Sunkuli, CBS and Chief Administrative Secretary Nadia Ahmed Abdalla flanked by other leaders during Kenya Ni Mimi Campaign in Kilgoris, Narok County

***State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022***



CS Hon. Joe Mucheru presenting a cheque to Youth Entrepreneurs



Photo 5 : Principal Secretary, Mr. Charles T. Sunkuli, CBS accompanied by other corporate and government leaders during the Nairobi Innovation Week

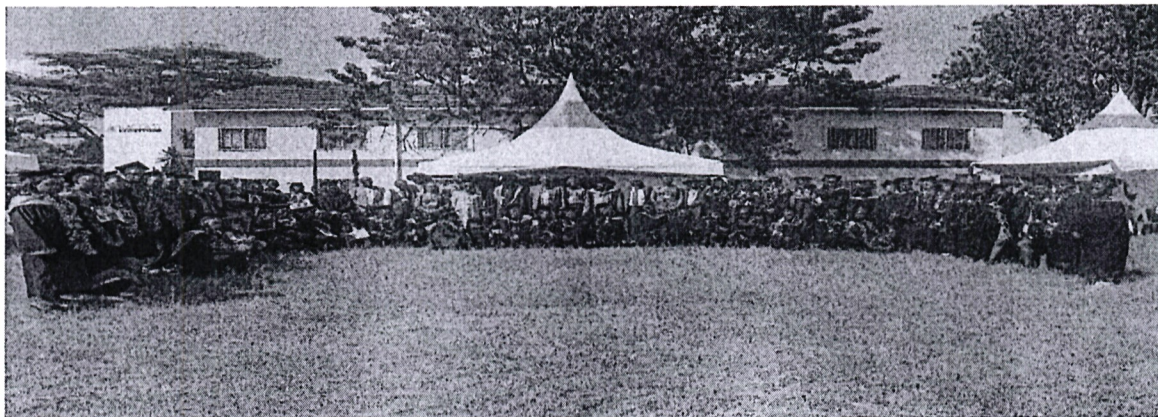


Photo 6: Graduation ceremony held at KAG East University for youth who successfully underwent training on skills development organised by KYEOP

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*State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022*

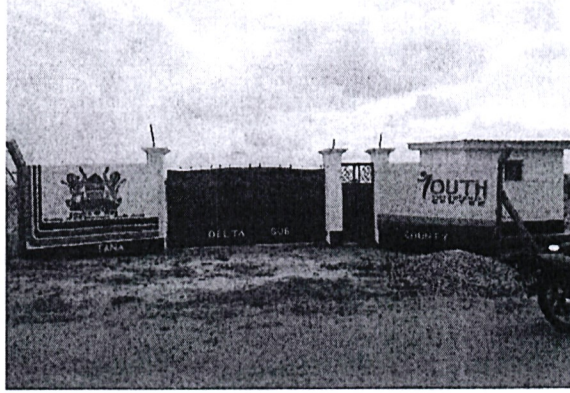
Youth financed by YEDF under Universal Health Care



Asset financing under YEDF



Minjila Youth Empowerment Centre (YEC) in Tana River County (Refurbishment and LAN)



Muchatha Youth Empowerment Centre (Installation of LAN and CCTV)



*State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022*

Voi Youth Empowerment Centre (YEC) in Taita Taveta County (Refurbishment)



STATEMENT BY THE PRINCIPAL SECRETAR/ACCOUNTING OFFICER (CONTINUED)

Emerging Issues

- i. Youth radicalization, gambling, cyberbullying, drug and substance abuse leading to increased prevalence of crime among the youth thus hampering the youth from engaging in productive and developmental programmes across the country;
- ii. Increased mental health challenges among the youth leading to cases of suicide, homicides and domestic violence;
- iii. Covid 19 pandemic has disproportionally affected the youth population economically and socially.
- iv. Limited access to Sexual Reproductive Health to the youth especially in informal settlements.

Risk Management Strategies

The State Department continues to engage likeminded partners in liaison with the National Treasury that may be willing to finance some of the Youth Programmes to bridge the gap of inadequate funding from the exchequer.

The State Department is in the process of coming up with framework that would adopt a Sacco-model like to encourage youths to mobilize savings set up business and expand the existing business as a way of mitigating high unemployment among the youths.

Implementation challenges

- i. Most of the Youth Empowerment Centres across the country are not fully operationalized due to inadequate funding.
- ii. Lengthy and cumbersome procurement process
- iii. Youth radicalization, gambling, cyberbullying, female genital mutilation, early marriage drug and substance abuse leading to increased prevalence of crime among the youth thus hampering the youth from engaging in productive and developmental programmes across the country,

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

- iv. Limited access to ICT infrastructure constrains youths from exploiting relevant government programs, careers, business and education opportunities available especially in rural areas.
- v. Inadequate disaggregated data such as youth index to inform programming on youth empowerment.
- vi. Emergence of Covid-19 Pandemic has had negative impact on youth businesses thereby affecting loan repayments and subsequently the revolving fund kitty;
- vii. High level of unemployment, disguised employment, underemployment and lack of employable skills among the youth.
- viii. Inadequate office space, staff, ICT items, furniture, internet connectivity hampers effective service delivery especially among field offices.
- ix. Shortage of motor vehicles, due to large number of grounded vehicles and huge maintenance cost for the aged fleet.

Recommendations and way forward.

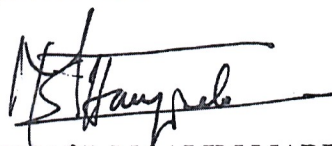
1. Enhanced funding

In order to strengthen our operations, enhance service delivery and reach out to more youth across the country, the sub sector seeks additional funding to;

- i operationalize the 47 non-operational YECs and construct new YECs in the remaining constituencies.
- ii enhance skills and career growth of staff in the state department
- iii cater for operations, maintenance and implementation of the State Department's programmes and activities.
- iv cater for YEDF and PA-K's new organizational structures i.e. Construction/leasing of adequate office space, recruitment of additional staff and other related costs.
- v identify, support and nurture talented and innovative youth for their socio-economic empowerment.

2. Enhance partnerships and resource mobilization activities

- i. Aggressively seek partnerships with state and non-state actors and players to finance the existing resource gaps.
- ii. Government to mobilise more resources from donors/financiers to cater for the expansion of KYEOP to cover the remaining 30 counties.
- iii. Provide adequate and timely funding for programmes and projects in the Sub-sector;
- iv. Establish grants to support talented and innovative youth to enhance the incubation of their ideas.
- v. Strengthen mainstreaming and reporting of youth related activities in other Ministries, Departments and Agencies to the State Department for Youth Affairs
- vi. Embrace linkages between planning and budgeting to ensure consistency and achievement of the set goals.
- vii. Automation of all business processes to improve service delivery and programme performance.



Mr. ISMAIL MAALIM MADEY

PRINCIPAL SECRETARY / ACCOUNTING OFFICER

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

**4. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR
 FY2021/22**

Introduction

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

The key development objectives of the State Department plan are to:

- i. Promote skills development and job creation for the youth
- ii. Promote creativity and innovation for national development
- iii. Strengthen the role of youth in national peace building and conflict resolution
- iv. Build the capacity and resilience of youth against harmful practices and exploitation
- v. Promote access to information and youth friendly services
- vi. Promote health and wellbeing among the youth
- vii. Harmonize youth mainstreaming and enhance standards in youth practice

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:

MDA Program	Strategic Objective	Outcome	Indicator	Performance	Comments
Youth Development Services	To promote skills development and job creation for the youth.	Youth trained in core business skills	No. Of youth trained in core business skills	11,989	Achieved
	To promote creativity and innovation for national development	Youth participation in creativity and innovation strengthened	No. Of youth innovations exhibited	50	Achieved
	To strengthen the role of youth in national peace building and	Youth mentored in national peace building and conflict resolution	No. Of youth involved in peace exchange	5,380	Achieved

*State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022*

	conflict resolution		and conflict resolution		
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MDA Program	Strategic Objective	Outcome	Indicator	Performance	Comments
	To promote health and wellbeing among the youth.	Youth health and well being improved	No. Of youth trained in health behavior.	39,600	Achieved
	To support and coordinate the implementation of the National Youth Policy	National Youth Policy implemented	National Youth Policy implemented	100	Achieved
		Youth employment opportunities created	No. of youths given grants to start cottage industries	8,000	Achieved
	To enhance focus on lending to youth enterprises	Financial services provided to youth enterprises	Amount disbursed to youth enterprises in various business sectors in Kshs(Millions)	370	Achieved
	To diversify Business Development Services	Business Development services provided to youth	No. Of youths provided and facilitated to access affordable business trading spaces.	1,340	Achieved

MDA Program	Objective	Outcome	Indicator	Performance	Comments
Youth Empowerment	To enhance empowerment and participation of youth in all aspects of national development	Enhanced empowerment and participation of youth in all aspects of national development	No. Of youths empowered	236,250	Achieved

5. Environmental and Sustainability Reporting

The State Department for Youth Affairs (SDYA) is mandated to drive the Youth Agenda through the Executive Order No. 1 of 2020 issued on 14th January, 2020 by His Excellency the President and revised in May, 2020, on the Organization of the Government of the Republic of Kenya.

The mandate of the State Department includes; - Management of Youth Policy; Youth Empowerment; Harnessing and developing Youth Talents for National Development; Mainstreaming Youth in National Development; Managing and promoting engagement with Youth for National Development; and collaborating and overseeing Stakeholders engaged in Youth promoting activities.

Below is a brief highlight of the sustainability activities conducted in the year:

a) Sustainability Strategy and Profile

The SDYA developed the Kenya Youth Developed Policy (KYDP) which is under implementation. The policy guides programs, projects and initiatives under implementation by the State Department. The following are the prioritized strategies, programs and projects; -

- The Kenya Youth Employment and Opportunities Project (KYEOP), with an objective of providing employability skills to the youth;
- Vijana Vuka na Afya (VIVA), offering reproductive and sexual health services to the youth;
- Youth Empowerment Centres (YECs), offering one stop shop for youth friendly services;
- Youth Enterprise Development Fund (YEDF) providing business financial support to the youth;
- Development of Youth Mainstreaming Strategy to guide youth mainstreaming in all sectors of National Development- draft in place;
- Establishment of Kenya Youth Development Index to inform on status of youth based on specific domains and indicators- process on going;
- Development of the National Youth Development Act- draft bill in place and work in progress;
- Establishment of Youth Sector Working Groups in all the 47 Counties; and
- SDYA has partnered with UNICEF and rolled out Yunitok, a free messaging service that enables youth access, share information and participate in decision making.

Further, SDYA has developed a draft risk management policy under Kenya Youth Employment and Opportunities Project (KYEOP). This Risk Management Policy confirms the SDYA's commitment, when identifying, assessing and managing risks which may prevent the achievement of strategic goals and objectives. Risk management is regarded as an integral part of good management practice and the provision of safe workplace environments based on international best practices.

The State Department has integrated risk management into its culture, decision-making processes, programs, practices, business planning and performance reporting activities and established a safe work environment for its staff.

b) Environmental Performance /Climate Change/ Mitigation of Natural Disasters

Guided by the Kenya Youth Development Policy, SDYA has engaged youth in environmental management through planting fruit and medicinal trees for improved livelihood and increased forest cover. This is also guided by other local and international environmental management policies.

To realize a healthy and productive youth population, Youth have been empowered to invest in agribusiness activities. SDYA has put in place mechanisms that support youth engagement in the development, protection, conservation of natural resources and environment while engaging in eco-entrepreneurship and green jobs and built capacity of the youth in green processes, technology and waste management.

The Covid-19 pandemic adversely affected youth led businesses especially in agriculture and other environmental conservation ventures. However, the government and relevant stakeholders developed mitigation measures to cushion youth owned businesses from effects of the pandemic.

The entity have environmental Core Values impeded on the Service Delivery Charter, developing and adopting respect for the environment as a core value in the Service Charter. Also installation of energy saving devices and having all printers, fridges and water dispensers automatically switched to safe mode when not in use.

c) Employee welfare

The principles of affirmative action, gender and persons living with disability and national values applies. The State Department observes gender mainstreaming, balance on appointment, promotion and ensures that minimum of a third (^{1/3}) are of either gender).

d) Operational practices

i. Responsible Supply chain and supplier relations

The State Department carries out procurement as per the Public Procurement and Assets Disposal Act 2015 and its regulation of 2020 by ensuring that goods, works and services are procured through competitive bidding among suppliers. Further the Department ensures that suppliers are paid on time and in case there are not paid during the financial year they are given first priority and treated as first charge in the next year's budget.

e) Community Engagements-

The State Department engaged youth in various forums in community social investments for example KIKAO and YUNITOK which were funded by partners.

6. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

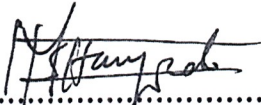
The Accounting Officer in charge of the *State Department for Youth Affairs* is responsible for the preparation and presentation of the State Department's financial statements, which give a true and fair view of the state of affairs of the State Department for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the State Department; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the *State Department for Youth Affairs* accepts responsibility for the State Department'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 (IPSAS). The Accounting Officer is of the opinion that the *State Department's* financial statements give a true and fair view of the state of State Department's transactions during the financial year ended June 30, 2022, and of the State Department's financial position as at that date. The Accounting Officer in charge of the *State Department for Youth Affairs* further confirms the completeness of the accounting records maintained for the *State Department*, which have been relied upon in the preparation of the State Department's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the *State Department for Youth Affairs* confirms that the State Department has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State Department's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the State Department's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

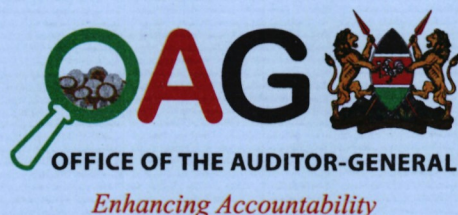
The *State Department's* financial statements were approved and signed by the Accounting Officer on 21/12/2022.


.....
Name: Mr. Ismael Maalim Madey
Principal Secretary


.....
Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726.....

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR YOUTH AFFAIRS FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of State Department for Youth Affairs set out on pages 1 to 26, which comprise of the statement of assets and liabilities

as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts and summary statement of appropriation: recurrent and development 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 State Department for Youth Affairs as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Youth Affairs 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. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis of Kshs.5,395,360,032 and Kshs.5,220,923,013 respectively resulting in a budget under-funding of Kshs.174,437,019 or 3% of the budget. Similarly, the State Department spent Kshs.4,447,103,358 against an approved budget of Kshs.5,395,360,032 resulting to an under-expenditure of Kshs.948,256,674 or 18% of the budget.

In the circumstances, the budget under-funding and under-absorption affected the planned activities and may have impacted negatively on service delivery to the public.

2. Late Exchequer Releases

The statement of receipts and payments reflects transfers from the National Treasury totalling Kshs.5,102,220,321. However, exchequer issues totalling Kshs.894,659,831 comprising Kshs.104,741,121 and Kshs.789,918,831 in respect to recurrent and

development expenditure respectively were received by the State Department during the months of June and July, 2022 as follows:

Date	Vote	Amount (Kshs.)
15 June, 2022	Recurrent	34,220,386
24 June, 2022	Recurrent	52,694,005
30 June, 2022	Recurrent	16,403,915
06 July, 2022	Recurrent	1,422,814
16 June, 2022	Development	65,662,075
23 June, 2022	Development	4,538,780
30 June, 2022	Development	22,971,087
01 July, 2022	Development	600,266,120
06 July, 2022	Development	96,480,770
Total		894,659,952

In the circumstances, the late exchequer releases may have hindered timely implementation of the planned programmes and activities of the State Department.

3. Pending Bills

Note 16.2 to the financial statements reflects pending accounts payables amounting to Kshs.66,186,271 as at 30 June, 2022 which were not settled in the year under review, but were carried forward to 2022/2023 financial year. Failure to settle bills in the year for which they relate adversely affect the implementation of the subsequent year's budgeted programs as the pending bills form a first charge to that year's budget provision.

4. Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Procurement of Motor Vehicle Service and Repairs

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.2,905,884,137. The expenditure of Kshs.29,515,863 in respect of routine maintenance - vehicles and other transport equipment includes an amount of Kshs.1,524,616 paid to a garage for repair of two (2) motor vehicles. Examination of records provided for audit indicates that the two vehicles were repaired on 25 July, 2019 and 30 August, 2019. However, request for quotations were made on 21 October, 2021 with a deadline of 26 October, 2021 and Local Purchase Orders issued on 13 April, 2021 approximately two years after the two vehicles were repaired. In addition, an amount of Kshs.4,011,308 was spent on repair and service of other eleven (11) motor vehicles. However, original work tickets showing movement of the vehicles to and from the garages were not provided for audit review.

In the circumstances, it was not possible to confirm whether the State Department obtained value for money for the expenditure totalling Kshs.5,535,924 in respect to repair of motor vehicles.

2. Failure to Provide Motor Vehicle Work Tickets

As disclosed in Note 4 to the financial statements, the State Department incurred an expenditure of Kshs.14,084,611 on fuel, oil and lubricants. However, work tickets for sixteen (16) motor vehicles were not provided for audit verification. This is contrary to section 166(4)(b) of the Public Procurement and Asset Disposal Regulations, 2020 which stipulates that an Accounting Officer should ensure that the movement and condition of assets can be tracked.

Further, review of fuel statements provided for audit revealed payments amounting to Kshs.1,430,694 through three (3) general fuel cards Nos.1122008267 - Kshs.1,272,678, 1122021169 - Kshs.28,564 and 1122023475 - Kshs.129,452. However, the registration numbers of vehicles that drew the fuel was not indicated in the statement.

In the circumstances, value for money and authenticity of the expenditure could not be confirmed.

3. Irregular Procurement of Goods and Services

Note 4 to the financial statements reflects an expenditure of Kshs.2,905,884,137 on use of goods and services. The expenditure includes payments totalling Kshs.13,771,865 incurred on procurement of various goods and services from suppliers. However, the suppliers were not registered with the State Department as prequalified suppliers for the year under review. Further, the updated list of suppliers provided was not classified into categories of goods, works or services according to the State Department's procurement needs contrary to Section 106(2)(a) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the propriety and value for money on expenditure of Kshs.13,771,865 for the year ended 30 June, 2022 could not be confirmed.

4. Management of Imprest

The statement of assets and liabilities reflects accounts receivables - outstanding imprests and accounts clearance balance of Kshs.1,709,116 and as disclosed in Note 9 to the financial statements. However, several officers were issued with multiple imprests before surrendering previous imprest contrary to section 93(4) of the Public Finance Management (National Government) Regulations, 2015 which prohibits issue of new imprests to officers with outstanding imprest. No explanation was provided by Management for the anomaly.

In the circumstances, Management was in breach of the law.

5. Refurbishment of Youth Empowerment Centres

The statement of receipts and payments reflects acquisition of assets balance of Kshs.290,257,712 and as disclosed in Note 7 to the financial statements. Included in the balance is Kshs.25,687,067 incurred on refurbishment of youth empowerment centres. Physical verification of the facilities carried out in the month of September, 2022 revealed the following anomalies:

5.1 Poor Workmanship

Physical verification carried out revealed visible deep cracks on the walls and floors, loose electrical installations, leaking ceiling and broken window latches at Mulot Youth Empowerment Centre, while Rachuonyo YEC had evidence of leakages from the roof an indication of poor workmanship of centres.

5.2 Irregular Renting of Kithimani Youth Empowerment Centre

Physical verification at Kithimani Centre revealed that three (3) rooms earmarked for Youth Centre Manager's office, computer lab and hall were all rented out to Independent Electoral and Boundaries Commission (IEBC) and an individual. The lease agreement provided show that the agreement was signed by a Sub-County Youth Officer and IEBC Returning Officer which was not approved by the State Department. No explanation was provided or authority given to the Officer to enter into contract with the tenants on behalf of the State Department.

5.3 Delayed Installation of LAN and CCTV in Youth Empowerment Centres

Note 7 to the financial statements reflects an amount of Kshs.109,926,285 in respect to purchase of specialized plants and equipment and machinery. The expenditure relates to installation of Local Area Network (LAN) and Closed-Circuit Television in twenty-five (25) Youth Empowerment Centres (YECs). However, physical verification carried out in the month of September, 2022 in seventeen (17) out of twenty-five (25) YECs revealed the following:

- i. CCTV and LAN in four (4) Youth Empowerment Centres could not be confirmed to be working due to lack of electricity connection.
- ii. Although LAN was installed in seventeen (17) centres, only two (2) were operational. The remaining fifteen (15) could not be confirmed as computers had not been installed at the centres.

In the circumstances, value for money may not have been obtained from the expenditure of Kshs.109,926,285 incurred on installation of LAN and CCTV in Youth Empowerment Centres.

6. Incomplete Fixed Assets Register

Annex 2 to the financial statements reflects Kshs.228,514,544 in respect to addition to fixed assets. Review of the fixed assets register provided for audit revealed that information such as date of acquisition, cost of purchase, serial numbers of electronic equipment and values of all assets were not indicated in the register. Further, physical verification revealed that the assets were not tagged for ease of identification and tracking.

In the Circumstances, it could not be confirmed that preventative mechanisms were in place to eliminate theft, security threats, losses, wastage and misuse of assets as required by Section 139(1) and (2) of the Public Finance Management (National Government) Regulations, 2015.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

Review of the State Department's internal controls revealed that the Department did not have an approved risk management policy. Further, the Management has not identified and documented risks and controls to respond to the risk identified contrary to

Section 165 of the Public Finance Management (National Government) Regulations, 2015. The regulation stipulates that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and system of risk management and internal control that builds robust business operations.

In the absence of risk management policy, it is not possible to determine the effectiveness of controls implemented by the State Department to mitigate the potential risks.

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

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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the State Department's ability to sustain services, disclosing, as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the State Department 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 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 State Department's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department'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 State Department 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 State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

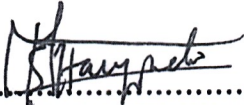
Nairobi

13 January, 2023


8. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021- 2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from National Treasury	1	5,102,220,321	3,140,772,010
Other Revenues	2	118,702,692	-
TOTAL REVENUES		5,220,923,013	3,140,772,010
PAYMENTS			
Compensation of Employees	3	646,507,264	635,591,108
Use of goods and services	4	2,905,884,137	2,012,999,158
Transfers to Other Government Units	5	601,872,980	458,492,653
Social Security Benefits	6	2,581,265	-
Acquisition of Assets	7	290,257,712	66,448,446
TOTAL PAYMENTS		4,447,103,358	3,173,531,365
SURPLUS/DEFICIT		773,819,655	(32,759,355)

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 21/12/2022 and signed by:



 Name: Mr. Ismael Maalim Madey
 Principal Secretary



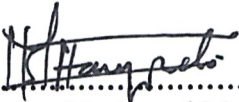
 Name: Florence W. Kirumba
 Head of Accounting Unit
 ICPAK M/No. 4726.....


State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

9. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2022

Description	Note	2021- 2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8A	797,224,376	3,011,097
Cash Balances	8B	892,988	532,546
Total Cash And Cash Equivalents		798,117,364	3,543,643
Accounts Receivables - Outstanding Imprest and Clearence Accounts	9	1,709,116	1,242,895
TOTAL FINANCIAL ASSETS		799,826,480	4,786,538
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	10	21,601,134	25,420
NET FINANCIAL ASSETS		778,225,346	4,761,118
REPRESENTED BY			
Fund balance b/fwd	11	4,761,118	42,659,665
Prior year adjustments	12	(355,427)	(5,139,192)
Surplus/Defict for the year		773,819,655	(32,759,355)
NET FINANCIAL POSSITION		778,225,346	4,761,118

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 21/12/2022 2022 and signed by:

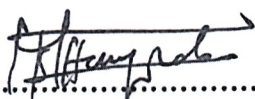
.....

Name: Mr. Ismael Maalim Madey
Principal Secretary


.....

Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726.....

10. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Note	2021- 2022	2020-2021
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	5,102,220,321	3,140,772,010
Other Revenues	2	118,702,692	-
		5,220,923,013	3,140,772,010
Payments for operating expenses			
Compensation of Employees	3	646,507,264	635,591,108
Use of goods and services	4	2,905,884,137	2,012,999,158
Transfers to Other Government Units	5	601,872,980	458,492,653
Social Security Benefits	6	2,581,265	-
		4,156,845,646	3,107,082,919
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	13	(466,221)	1,999,475
Increase/(Decrease) in Accounts Payable: (deposits and retention)	14	21,575,714	(481,168)
Prior year Adjustment	12	(355,427)	(5,139,192)
		1,084,831,433	30,068,206
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7	(290,257,712)	(66,448,446)
Net cash flows from Investing Activities		(290,257,712)	(66,448,446)
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		794,573,721	(36,380,240)
Cash and cash equivalent at BEGINNING of the year		3,543,643	39,923,883
Cash and cash equivalent at END of the year		798,117,364	3,543,643

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 21/12 2022 and signed by:

.....

Name: Mr. Ismael Maalim Madey
Principal Secretary

.....

Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726.....

11. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FY2021/22

Revenue/Expense Item	Original Budget		Adjustments		Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d				
RECEIPTS								
Exchequer releases	4,348,509,789	851,165,007	5,199,674,796	5,102,220,321	97,454,475	98%		
Other Receipts	301,971,076	(106,285,840)	195,685,236	118,702,692	76,982,544	61%		
Total Receipts	4,650,480,865	744,879,167	5,395,360,032	5,220,923,013	174,437,019	97%		
Payments								
Compensation of Employees	652,730,000	(1,900,000)	650,830,000	646,507,264	4,322,736	99%		
Use of goods and services	2,993,827,560	614,828,400	3,608,655,960	2,905,884,137	702,771,823	81%		
Transfers to Other Government Units	582,443,000	20,000,000	602,443,000	601,872,980	570,020	100%		
Social Security Benefits	4,574,411	100,000	4,674,411	2,581,265	2,093,146	55%		
Acquisition of Assets	416,905,894	111,850,767	528,756,661	290,257,712	238,498,949	55%		
Grand Total	4,650,480,865	744,879,167	5,395,360,032	4,447,103,358	948,256,674	82%		
Surplus/Deficit	0	0	0	773,819,655	(773,819,655)			

(a) Variance Analysis

- i. **Other Receipts:-** Delay in finalization of service contracts between Health facilities, County Governments and State Department for Youth Affairs.
 - ii. **Use of goods Assets** – Lengthy procedures in preparing and uploading procurement plans thus taking time for the entity to utilize the budgeted funds in time before closure of the procurement of goods and services within the financial year.
 - iii. **Acquisition of Assets** – Lengthy procedures in preparing and uploading procurement plans thus taking time for the entity to utilize the budgeted funds in time before closure of the procurement of goods and services within the financial year.
- b. Reallocation within the year-**
- i. The changes between the original and final budget are as a result of increase/decrease of the budget during supplementary budget process

Annual Report and Financial Statements for the year ended 30th June 2022

The entity financial statements were approved on 21/12/2022 and signed by:



.....
Name: Mr. Ismail Maalim Madey
Principal Secretary



.....
Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726.....

11 (a) Summary Statement of Appropriation: Recurrent for FY2021/22

Receipt/Expense 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 %
Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=d-c	% of Utilization Difference to Final Budget f=d/c %
RECEIPTS						
Exchequer releases	1,439,989,789	- 21,437,371.00	1,418,552,418	1,415,855,475	2,696,943	100%
Other Receipts		-	-	-	-	
Total Receipts	1,439,989,789	(21,437,371)	1,418,552,418	1,415,855,475	2,696,943	100%
PAYMENTS						
Compensation of Employees	652,730,000	(1,900,000)	650,830,000	646,507,264	4,322,736	99%
Use of goods and services	312,097,264	(35,321,027)	276,776,237	266,427,084	10,349,153	96%
Transfers to Other Government Units	452,443,000	20,000,000	472,443,000	471,872,980	570,020	100%
Social Security Benefits	4,574,411	100,000	4,674,411	2,581,265	2,093,146	55%
Acquisition of Assets	18,145,114	(4,316,344)	13,828,770	11,524,800	2,303,970	83%
Grand Total	1,439,989,789	(21,437,371)	1,418,552,418	1,398,913,393	19,639,025	99%
Surplus/Deficit	0	0	0	16,942,082	(16,942,082)	

Notes

a. Variance Analysis

- i. Acquisition of Assets – Lengthy procedures in preparing and uploading procurement plans thus taking time for the entity to utilize the budgeted funds in time before closure of the procurement of goods and services within the financial year.
- b) Reallocations within the year:
 - i. The changes between the original and final budget are as a result of increase/decrease of the budget during supplementary budget process.

Annual Report and Financial Statements for the year ended 30th June 2022

The entity financial statements were approved on _____

21/12/2022 and signed by:



.....
Name: Mr. Ismael Maalim Madey
Principal Secretary



.....
Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726.....

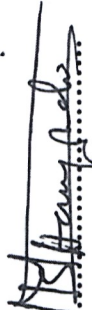
11 (b) SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR FY2021/22

Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Exchequer releases	2,908,520,000	872,602,378	3,781,122,378	3,686,364,846	94,757,532	97%
Other Receipts	301,971,076	(106,285,840)	195,685,236	118,702,692	76,982,544	61%
Total Receipts	3,210,491,076	766,316,538	3,976,807,614	3,805,067,538	171,740,076	96%
Payments						
Use of goods and services	2,681,730,296	650,149,427	3,331,879,723	2,639,457,053	692,422,670	79%
Transfers to Other Government Units	130,000,000	-	130,000,000	130,000,000	-	100%
Acquisition of Assets	398,760,780	116,167,111	514,927,891	278,732,912	236,194,979	54%
Grand Total	3,210,491,076	766,316,538	3,976,807,614	3,048,189,965	928,617,649	77%
Surplus/Deficit	0	0	0	756,877,573	(756,877,573)	

a) *Variance Analysis*

- (i) *Use of goods Assets – Lengthy procedures in preparing and uploading procurement plans thus taking time for the entity to utilize the budgeted funds in time before closure of the procurement of goods and services within the financial year.*
- (ii) *Acquisition of Assets – Lengthy procedures in preparing and uploading procurement plans thus taking time for the entity to utilize the budgeted funds in time before closure of the procurement of goods and services within the financial year.*
- b) *Reallocations within the year: The changes between the original and final budget are as a result of increase/decrease of the budget during supplementary budget process.*

The entity financial statements were approved on 21/12/2022 and signed by:

.....


Name: Mr. Ismael Maalim Madey
Principal Secretary

.....


Name: Florence W. Kirumba
Head of Accounting Unit
ICPAK M/No. 4726

11 (c) BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR FY2021/22

Programme/Sub-programme	Original Budget Kshs	Adjustments Kshs	Final Budget Kshs	Actual Payment Kshs	Budget utilization difference Kshs
Gender & Youth Empowerment					
Sub-programme 2: Youth Development Services	3,945,325,269	645,536,068	4,590,861,337	3,662,305,650	928,555,687
Sub-programme 3: Youth Employment Scheme	407,426,049	66,663,251	474,089,300	474,089,300	-
Sub-programme 4: Youth Coordination and Representation	98,000,000	-	98,000,000	98,000,000	-
Sub-programme 5: General Adm. Planning and Support Services	199,729,547	32,679,848	232,409,395	212,708,409	19,700,986
TOTAL	4,650,480,865	744,879,167	5,395,360,032	4,447,103,359	948,256,673

12. NOTES TO THE FINANCIAL STATEMENT

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (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.

2. Reporting Entity

The financial statements are for the State Department for Youths. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- i. KEYOP*
- ii. UNFPA*
- iii. VIVA*

3. Reporting Currency

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

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the State Department for Youths for all the years presented.

a) Recognition of Receipts

The *State Department* recognises all receipts from the various sources when the event occurs, and the related cash has been received by the *State Department*.

(i) Transfers from the Exchequer

Transfers from the exchequer are 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 *State Department*.

(ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans 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/loan 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. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

(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 recognised in the financial statements the time associated cash is received.

Significant Accounting Policies (Continued)

b) Recognition of payments

The State Department recognises all payments when the event occurs, and the related cash has been paid out by the *State Department*.

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 paid for. Such expenses, if not paid during the period where goods/services are consumed, 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 are paid for. (*customise to your organisation*)

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

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

A fixed asset register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an Annex 2 to the financial statements.*

Significant Accounting Policies (Continued)

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity 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 *State Department* 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.

vii) Third Party Payments

Included in the receipts and payments, are payments made on its behalf 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 in the statement of receipts and payments as proceeds from foreign borrowings.

c) 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.

A bank account register is maintained and a summary provided for purposes of consolidation. *This summary is disclosed as an annexure xx to the financial statements.*

Significant Accounting Policies (Continued)

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.

Significant Accounting Policies (Continued)

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. *As at 30th June 2022, this amounted to Kshs847,762 compared to Kshs25,420 in prior period as indicated on note 10. There were no other restrictions on cash during the year.*

d) Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are 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 Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

e) Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies.

Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in *June 2021 for the period 1st July 2021 to 30th June 2022* as required by Law and there were two number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government 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.

h) Comparative Figures

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

i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended *30th June 2022*.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed *under note 12* explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

l) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department for Youths does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. During the financial year there were no contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Exchequer releases

Description	2021-2022	2020-2021
	Kshs	Kshs
Total Exchequer Releases for quarter 1	1,463,909,920	292,409,885
Total Exchequer Releases for quarter 2	1,183,668,895	1,200,710,162
Total Exchequer Releases for quarter 3	869,053,274	758,709,603
Total Exchequer Releases for quarter 4	1,585,588,232	888,942,360
TOTAL	5,102,220,321	3,140,772,010

2 Proceeds from Foreign Borrowings

Description	2021-2022	2020-2021
	Kshs	Kshs
Grants from foreign Governments	118,702,692	-
TOTAL	118,702,692	-

Note: The Grant is from Federal Republic of Germany through KFW. The purpose is to support youth empowerment in the areas of health and social –economic wellbeing.

3 Compensation to Employees

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Basic salaries of permanent employees	455,042,053	443,163,542
Personal allowances paid as part of salary	191,465,211	192,427,566
TOTAL	646,507,264	635,591,108

State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Use of Goods and Services

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	7,737,768	10,129,617
Communication, supplies and services	17,664,149	12,391,078
Domestic travel and subsistence	73,202,657	57,440,759
Foreign travel and subsistence	5,233,576	9,034,791
Printing, advertising and information supplies & services	20,099,503	20,846,992
Rentals of produced assets	98,148,686	83,959,818
Training expenses	1,057,236,404	596,172,882
Hospitality supplies and services	1,062,711,650	390,310,908
Insurance costs	2,705,190	29,193,522
Specialised materials and services	12,109,424	7,790,290
Office and general supplies and services	34,596,529	28,369,588
Other operating expenses	449,575,121	732,699,000
Routine maintenance – vehicles and other transport Eqp	21,263,006	14,478,657
Routine maintenance – other assets	29,515,863	9,748,842
Fuel Oil and Lubricants	14,084,611	10,432,414
TOTAL	2,905,884,137	2,012,999,158

5 Grants and Transfers to other Government Entities

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to National Government entities		
	Kshs	Kshs
Transfers to National Government entities		
Current Grants	471,872,980	428,492,653
Capital Grants	130,000,000	30,000,000
TOTAL	601,872,980	458,492,653

5 b: Transfers to self – reporting entities in the year

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	2021-2022
	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs			
National Youth Enterprise Development	344,089,300	130,000,000	474,089,300
President Award Scheme	20,000,000		20,000,000
National Youth Council	98,000,000		98,000,000
Int.Conference for great lake Region	9,783,680		9,783,680
TOTAL	471,872,980	130,000,000	601,872,980

*State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Social Security Benefits

	2021-2022	2020-2021
	Kshs	Kshs
	Kshs	Kshs
Government pension and retirement benefits	2,581,265	-
TOTAL	2,581,265	-

7 Acquisition of Assets

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Non Financial Assets		
Construction of Buildings	57,757,529	10,418,630
Refurbishment of Buildings	25,687,067	5,437,914
Purchase of Vehicles and Other Transport Equipment	6,380,000	25,520,000
Purchase of Office Furniture and General Equipment	29,127,748	7,635,563
Purchase of Specialised Plant, Equipment and Machinery	109,926,285	1,924,097
Research, Feasibility Studies, Project Preparation, Design & Supervision	61,379,083	15,512,242
Sub Total	290,257,712	66,448,446
Financial Assets		
Sub Total	-	-
TOTAL	290,257,712	66,448,446

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Cash and Bank Accounts

8A: Bank Accounts

Name of Bank, Account No. & currency	Exc rate (if in foreign currency)	2021 - 2022	2020- 2021
		Kshs	Kshs
Central Bank of Kenya, 1000395575, KShs	1	6,127,228	13,147
Central Bank of Kenya, 1000395664, KShs	1	832,905	248,983
Central Bank of Kenya, 1000395729, KShs	1	847,762	500
Central Bank of Kenya, 1000397788, KShs	1	767,637,452	958,767
Central Bank of Kenya, 100043212 - UNFPA	1	1,025,657	1,789,700
Kenya Commercial Bank-A/C 1210643855	1	20,753,372	
Total		797,224,376	3,011,097

8B: Cash on hand

Description	2021-2022	2020-2021
	Kshs	Kshs
	2021 - 2022	2020 - 2021
	Kshs	Kshs
Cash in Hand – Held in domestic currency	892,988	532,546
TOTAL	892,988	532,546

*State Department for Youth Affairs
Annual Report and Financial Statements for the year ended 30th June 2022*

Detailed Cash is as follows:

Description	2021-2022		2020-2021	
		Kshs		Kshs
Headquarters- Cashoffice		892,988		532,546
Location 1-Kencom hse				
TOTAL		892,988		532,546

9: Imprests and Advances

Description	2021 - 2022		2020 - 2021	
		Kshs		Kshs
Government Imprests		-		78,000
Salary advances		39,882		137,039
District suspense/unspent A.I.Es		1,669,234		1,027,856
TOTAL		1,709,116		1,242,895

10 Third party deposits and retention

Description	2021-2022		2020-2021	
		Kshs		Kshs
Deposits		847,762		25,420
Deposit-Keyop(KCB) Disbursement Account		20,753,372		
TOTAL		21,601,134		25,420

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 . Fund Balance Brought Forward

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank accounts	797,224,376	39,578,111
Cash in hand	892,988	345,772
Receivables	1,709,116	3,242,370
Payables - Deposits	(21,601,134)	(506,588)
TOTAL	778,225,346	42,659,665

12 Prior Year Adjustments

	Balance b/f FY 2020/2021 as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Rec Bank account Balances	13,147.00	-	-
Dev Bank account Balances	248,983.00	-	-
District Suspense	1,027,856.00	15,297.00	1,012,559
Receivables	78,000.00	-	-
TOTAL	1,367,986.00	355,427.00	1,012,559

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 (Increase)/ Decrease in Advances and Imprests

Description	2021-2022	2020-2021
	Kshs	Kshs
Outstanding Imprest /unspent A.I.Es as at 1 st July 2021 (A)	1,242,895	3,242,370
Imprest/A.I.E S issued during the year (B)	154,944,512	327,697,579
Imprest/A.I.Es surrendered during the Year ©	- 154,478,291	- 329,697,054
Imprest/A.I.Es outstanding during the Year	1,709,116	1,242,895

14 Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2021 (A)	25,420	506,588
Deposit and Retentions held during the year (B)	23,276,906	500
Deposit and Retentions paid during the Year (C)	- 1,701,192	- 481,668
Net changes in account payable D= A+B-C	21,601,134	25,420

15 Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department for Youth Affairs

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) **Development Projects**
 - a) Kenya Youth Employment and Opportunities Program (KEYOP)
 - b) Vijana Vuka Na Afya (VIVA) Youth Programme
 - c) Youth Empowerment Programme (UNFPA);
- iii) **State Corporations and Semi-Autonomous Government Agencies.**
 - a) Youth Enterprise Development Fund
 - b) National Youth Council

16 Other Important Disclosures

16.1 Related Party Transactions

Description	2021-2022	2020-2021
	Kshs	Kshs
	Kshs	Kshs
Key Management Compensation	24,750,516	18,047,292
Transfers to Development Projects	3,424,872,693	1,778,621,106
Transfers to other State Corporations and Semi-Autonomous Government Agencies	601,872,980	458,492,653

16.2 Pending Accounts Payables (See Annex 1)

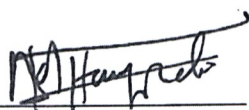
	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of Buildings	-	19,624,060	-	19,624,060
Supply of Goods	17,711,619	5,335,977	17,711,619	5,335,977
Supply of Services	4,025,623	41,226,234	4,025,623	41,226,234
Total	21,737,242	66,186,271	21,737,242	66,186,271

State Department for Youth Affairs
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16.3 Progress on follow up of Prior Years Auditor-General's recommendations

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Other Matter				
2.0	Pending Bills	Resolved	Resolved	Resolved
3.0	Unresolved Prior Years Matters			
Basis for Conclusion				
1.0	Other Operating Expenses	In progress	Not resolved	By 21 st December 2022
1.1	Delay in Inspection of Very Important Person (VIP) Robin Chairs	In progress	Not resolved	By 21 st December 2022
1.2	Air Ticket to Spain for a Trainee Footballer	In progress	Not resolved	By 21 st December 2022
2.0	Irregular Procurement of Motor Vehicle Service and Repairs	In progress	Not resolved	By 21 st December 2022
3.0	Failure to Provide Motor Vehicle Work Tickets	In progress	Not resolved	By 21 st December 2022
4.0	Management of Imprest	In progress	Not resolved	By 21 st December 2022
5.0	Construction of Empowerment Centres in Emurua Dikir and Nyatike	In progress	Not resolved	By 21 st December 2022
6.0.	Unsupported Acquisition of Assets/Summary of Fixed Assets Register	In progress	Not resolved	By 21 st December 2022



Principal Secretary



Deputy Accountant General

13. Annexes

Annex 1 - Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
	A	B	c	d=a-c		
Supply of goods						
1. Mansio Investment	484,700	19/04/2021	-		484,700	
2. Charismatic Enterprises	206,400	22/10/2020	-		206,400	
3. Computers Ltd	229,979	30/04/2021	-		229,979	
4. Whylie General Supplies	327,600	29/04/2021	-		327,600	
5. Nality Supplies General Merchants	802,500	18/04/2021	-		802,500	
6. Favourique Enterprises	355,500	10/02/2021	-		355,500	
7. Petmart Services	475,900	26/02/2021	-		475,900	
8. Mosden Company Ltd	150,000	18/04/2021	-		150,000	
9. Computerways Ltd	147,204	11/12/2020			147,204	
10. Lumaka General Ltd	100,000	27/11/2020			100,000	
11. Elevetus Technologies	139,900	04/12/2020			139,900	
12. Linkmat Investments	978,450	27/11/2020	-		978,450	
13. Palmwoods Company Ltd	426,000	11/02/2021	-		426,000	
14. Beny Investment Limited	365,000	18/04/2021	-		365,000	
15. De-Mwati Enterprises	326,400	29/04/2021	-		326,400	
16. Symponics Electronics	390,580	29/04/2021	-		390,580	
17. Ricoh Net Africa Technology	404,000	21/04/2021	-		404,000	
18. Kimfami Office Solutions	396,120	29/04/2021	-		396,120	
19. JerichHand Crafts	150,000	21/04/2021	-		150,000	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
20. Eurocom Systems Ltd	33,800	11/12/2020	-		33,800	
21. Mosden Co. Ltd	222,550	18/04/2021	-		222,550	
22. Favouroque Enterprises	158,000	17/02/2021	-		158,000	
23. Kalotavonwe Merchants	343,000	17/02/2021	-		343,000	
24. Computerways Ltd	266,800	30/04/2021	-		266,800	
25. Felam General Merchants	388,700	01/02/2021			388,700	
26. Computerways Ltd	574,940	21/12/2020	-		574,940	
27. Net Through Company	811,500	18/04/2021	-		811,500	
28. Beny Investments Limited	214,100	27/05/2021	-		214,100	
29. Sharzat General Supplies	407,000	10/06/2021	-		407,000	
30. Bima Logistic Ltd	260,690	30/04/2021	-		260,690	
31. Nyambaric Office Agencies	275,000	10/02/2021	-		275,000	
32. Kalotavonwe Merchants	300,670	10/02/2021	-		300,670	
33. De-Mwati Enterprises	216,960	29/05/2021	-		216,960	
34. Feannac Enterprises	40,000	27/11/2020	-		40,000	
35. Computerways Ltd	574,940	11/12/2020	-		574,940	
36. Linkmatt Investments	417,600	27/11/2020	-		417,600	
37. Dastech Investments Ltd	486,700	27/05/2021	-		486,700	
38. Rex Kiosk	306,250	27/11/2020	-		306,250	
39. Takusi Company	864,354		-		864,354	
40. Coastwide	1,507,010	29/04/2021	-		1,507,010	
41. Computerways Limited	1,518,372				1,518,372	
42. Computerways Ltd	574,940		-		574,940	
43. Safaricom PLC	59,800		-		59,800	

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
44. Safaricom PLC	18,150		-		18,150	
45. Safaricom PLC	13,560		-		13,560	
Sub-Total	17,711,619				17,711,619	
Supply of services						
46. Chamwa Motors Ltd	476,121	11/02/2021	-		476,121	
47. Welma Agencies Ltd	384,000	11/02/2021	-		384,000	
48. Peter Kimita	300,000	11/02/2021	-		300,000	
49. MFI Document Solution	235,271	04/05/2021	-		235,271	
50. Pogo Airways Travel Services	28,785	21/06/2021	-		28,785	
51. Excellence Rovers Enterprises	394,440	03/03/2021	-		394,440	
52. Apex Motor Mart Ltd	213,000	11/02/2021	-		213,000	
53. Apex Motor Mart Ltd	294,006		-		294,006	
54. Stirling Consultants Ltd	1,700,000	19/4/2021-	-		1,700,000	
Sub-Total	4,025,623				4,025,623	
Historical Pending Bills						
Construction of buildings						
1. ILkishonko Building &	2,100,000			2,100,000		Verification of bills in process
2. Kanyikita Enterprises	5,544,577			5,544,577		Verification of bills in process
3. Pinka Debucon Construction	2,202,470			2,202,470		Verification of bills in process
4. Sourcing & Construction Industries Ltd	1,066,577			1,066,577		Verification of bills in process
5. Cemmi Contractors	3,748,076			3,748,076		Verification of bills in process
6. Mbadasa Building Contractor Limited	238,552			238,552		Verification of bills in process

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
7. Machu Construction CO. Ltd	752,938			752,938		Verification of bills in process
8. Reenah (K) Ltd	99,699			99,699		Verification of bills in process
9. Jimro Enterprises Limited	3,871,171			3,871,171		Verification of bills in process
Sub-Total	19,624,060			19,624,060		
Construction Of Civil Works						
Sub-Total						
Supply of goods						
10. Graken General Suppliers	119,360.00		-	119,360.00		Insufficient Budget
11. Eglesoar Enterprises	399,800.00			399,360.00		Insufficient Budget
12. Sunrex Investment	568,000.00			568,000.00		Insufficient Budget
13. R.H. Devani Ltd	634,999.98			634,999.98		Insufficient Budget
Historical Pending Bills						
14. Consultant	135,000			135,000		Verification of bills in process
15. Julius Wachakana Wakubwa	1,576,297			1,576,297		Verification of bills in process
16. Smart Life Sacco Society Ltd	135,000			135,000		Verification of bills in process
17. 1 Goldtimes Technologies	1,500,000			1,500,000		Verification of bills in process
18. Standard Group PLC	402,520			402,520		
Sub-Total	5,335,977			5,335,977		
Current Pending Bills						
Supply of services						Insufficient Budget
19. Red Apple Travel & Tours	117,600			117,600		Insufficient Budget
20. Pago Airways Travel Services Ltd	55,100			55,100		Insufficient Budget
21. Pago Airways Travel Services Ltd	438,270			438,270		Insufficient Budget

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
22. Pago Airways Travel Services Ltd	996,099			996,099		Insufficient Budget
23. Ride On Agencies Ltd	29,465			29,465		Insufficient Budget
24. Ride On Agencies Ltd	35,900			35,900		Insufficient Budget
25. Silver Africa Tours & Salaries	96,800			96,800		Insufficient Budget
26. Machakos University	33,000			33,000		Insufficient Budget
27. Silver Africa Tours & Safaris	25,700			25,700		Insufficient Budget
28. Ride On Agencies Ltd	795,800			795,800		Insufficient Budget
29. Airport Hotel	378,000			378,000		Late submission of invoice
30. Jadfad Consultants	14,863,465			14,863,465		Late submission of invoice
31. Jairus Ongai Obuhatsa	1,680,000			1,680,000		Late submission of invoice
32. Mercy Mwende Katela	1,140,000			1,140,000		Late submission of invoice
33. Mercy Mwende Katela	1,560,000			1,560,000		Late submission of invoice
34. Mercy Mwende Katela	1,110,000			1,110,000		Late submission of invoice
35. Jairus Ongai Obuhatsa	4,000,000			4,000,000		Late submission of invoice
36. Cap Empowerment Institute	683,914			683,914		Late submission of invoice
37. Cap Empowerment Institute	71,250			71,250		Late submission of invoice
38. Cap Empowerment Institute	126,450			126,450		Late submission of invoice
39. Nairobi College of Bread &	114,000			114,000		Late submission of invoice
40. Nairobi College of Bread &	76,000			76,000		Late submission of invoice
41. Career Training Institute	148,770			148,770		Late submission of invoice
42. Uzuri Institute	33,250			33,250		Late submission of invoice
43. Career Training Institute	440,800			440,800		Late submission of invoice
44. Trident Vocational Training Centre	20,660			20,660		Late submission of invoice
45. Uzuri Institute	9,500			9,500		Late submission of invoice

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
46. Ideal De & Evaluation Consultants Ltd	145,008			145,008		Late submission of invoice
47. Rift Valley Institute of Business Studies	71,250			71,250		Late submission of invoice
48. Kisumu Institute of Business Studies	527,552			527,552		Late submission of invoice
49. Giscer Agency	19,000			19,000		Late submission of invoice
50. Cornerstone Training Institute Ltd	83,646			83,646		Late submission of invoice
51. Telkom	111,026			111,026		Late submission of invoice
52. CMC	385,499			385,499		Late submission of invoice
53. Giscer Agency	4,750			4,750		Late submission of invoice
54. Mount Kenya University	725,340			725,340		Late submission of invoice
55. ART Novel Dimensions Ltd	23,750			23,750		Late submission of invoice
56. CMC	280,000			280,000		Late submission of invoice
57. Isuzu	914,000			914,000		Late submission of invoice
58. Computer for Schools, Kenya	11,875			11,875		Late submission of invoice
59. Trident Vocational Training Centre	41,320			41,320		Late submission of invoice
60. Trident Vocational Training Centre	12,396			12,396		Late submission of invoice
61. Lanugo Hairdressing College	166,250			166,250		Late submission of invoice
62. Jadfad Consultants	5,308,683			5,308,683		Late submission of invoice
63. Hi-Tech Hope College	106,875			106,875		Late submission of invoice
64. Kenya Pipeline Co. Ltd	165,000			165,000		Late submission of invoice
65. Samtech Augo Garage	49,584			49,584		Late submission of invoice
66. Samtech Augo Garage	82,640			82,640		
Sub-Total	38,315,238			38,315,238		
Historical Pending Bills						
66. Silver Africa Tours & Safaris	1,416,214			1,416,214		Verification of bills in process

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021/22	Outstanding Balance 2020/21	Comments
67. Ride On Agencies	251,915			251,915		Verification of bills in process
68. Post Office – Machakos Branch	50,000			50,000		Verification of bills in process
69. KPLC – Athi River Branch	64,799			64,799		Verification of bills in process
70. KPLC – Athi River Branch	11,200			11,200		Verification of bills in process
71. Athi River Water Co. –Athi River Branch	8,100			8,100		Verification of bills in process
72. Postal Office –Mwala	58,077			58,077		Verification of bills in process
73. Service Provider	48,000			48,000		Verification of bills in process
74. KPLC-Matunguru Branch	52,000			52,000		Verification of bills in process
75. Telkom Kenya Matunguru Branch	15,000			15,000		Verification of bills in process
76. Post Office – Masinga Branch	4,600			4,600		Verification of bills in process
77. KPLC – Yatta Branch	17,499			17,499		Verification of bills in process
78. KPLC – Yatta Branch	41,600			41,600		Verification of bills in process
79. Post Office- Yatta Branch	11,590			11,590		Verification of bills in process
80. Post Office – Kitui Central Branch	38,650			38,650		Verification of bills in process
81. KPLC – Kitui East	80,000			80,000		Verification of bills in process
82. Post Office – Mwingi Central Branch	58,454			58,454		Verification of bills in process
83. Post Office – Nzau Branch	59,530			59,530		Verification of bills in process
84. Post Office- Kathonzonwi Branch	57,870			57,870		Verification of bills in process
85. Post Office – Kilungu Branch	68,150			68,150		Late submission of IFMIS
86. Eldoret Polytechnic	278,400			278,400		Document Variance
87. Nakuru Training Institute	177,834			177,834		Missing-Registration Certificate
89. Cornerstone Training Institute	41,514			41,514		
Sub-Total	2,910,996			2,910,996		
Grand Total	66,186,271			66,186,271	21,737,242	

Annex 2– Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2021/22
Land	-	-			-
Buildings and structures	148,661,461	57,757,529	-	-	206,418,990
Refurbishment of buildings	56,980,899	25,687,067	-	-	82,667,966
Transport equipment	118,846,032	6,380,000			125,226,032
Office equipment, furniture and fittings	47,017,796	29,127,748			76,145,544
ICT Equipment	40,761,450	0			40,761,450
Machinery and Equipment	4,316,348	109,926,285			114,242,633
Heritage and cultural assets	1,725,000	0			1,725,000
Intangible assets	60,326,929	0			60,326,929
Total	478,635,915	228,878,629			707,514,544

Note

Prefeasibility studies expenditure did were not for acquisition of assets and hence has not been included in additions to fixed assets

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Annex 5 – List of SCs, Sagas and Public Funds Under State Department for Youth Affairs

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done?(yes/no)
1	Youth Enterprise Development Fund	Reduce Unemployment among the Youths	Mr. Ismael Maalim Madey	474,089,300	Yes
2	National Youth Council	Policy Research and Advocacy on Youth Affairs.	Mr. Ismael Maalim Madey	98,000,000	Yes
3	Presidential Awards Scheme	Nurture leadership skills among the youths	Mr. Ismael Maalim Madey	20,000,000	Yes
4	Inter Conference for Great Lakes Regions	Nurture Entrepreneurship	Mr. Ismael Maalim Madey	9,783,680	Yes

Annex 3– List of Projects implemented by State Department for Youth Affairs

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
IDA Credit No.58120	Kenya Youth Employment & Opportunities Project	Improving youth employability	Mr. Ismael Maalim Madey	Yes
2	VIVA	Improving Sexual reproductive health and social economics wellbeing of the youth.	Mr. Ismael Maalim Madey	Yes
3.	UNFPA	-Improving Sexual reproductive health among the youths. -Development of youth index.	Mr. Ismael Maalim Madey	Yes

Annex 6- Reports Generated from IFMIS

The following financial reports generated from IFMIS should be attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes