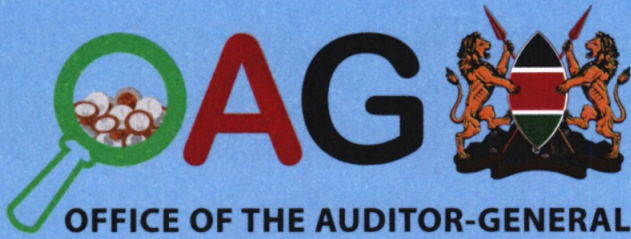


REPUBLIC OF KENYA



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REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 03 DEC 2024 DAY: Tuesday

TABLED BY:	Majority Whip
CLERK-AT-THE-TABLE:	Hon. Silvanus Osoro Irene Nduku

THE AUDITOR-GENERAL

ON

**VIJANA VUKA NA AFYA (VIVA) YOUTH
PROGRAMME PROJECT NO. 201367465**

**FOR THE YEAR ENDED
30 JUNE, 2024**

STATE DEPARTMENT FOR YOUTH AFFAIRS



PROJECT NAME: VIJANA VUKA NA AFYA (VIVA)

IMPLEMENTING ENTITY: STATE DEPARTMENT FOR YOUTH AFFAIRS

PROJECT GRANT/CREDIT NUMBER: 201367465

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024

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Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
SRH	Social Reproductive Health
ILO	International Labour Organization

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Vijana Vuka na Afya (VIVA) programme.

Objective

The key objective of the project is to enhance positive health seeking behaviour among the youth.

Address

KENCOM HOUSE, 3rd Floor (NAIROBI),
Nairobi County,
Kenya.

Contacts: The following are the project contacts

P.O. Box: 34303-00100

Telephone: (254) 022251674

E-mail: psy@youth.go.ke

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:		23 rd December 2021
Project End Date:		23 rd December 2024
Project Manager:		Dr Franklin Njue Mbae
Project Sponsor:		Kfw Development Bank

2.3 Project Overview

Line Ministry/State Department of the project	State Department for Youth affairs and Creative Economy.
Project number	201367465
Strategic goals of the project	The strategic goals of the project are as follows: (i) Increase access to sexual reproductive health services (ii) Enhance access to technical and vocational skills training
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Demand creation for sexual reproductive health services and products through awareness creation (ii) Enhance access to technical and vocational skills training

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

Other important background information of the project	The project was conceived through the survey conducted in 2014 and 2015 in the informal settlements of Mombasa, Kilifi, Kisumu and Nairobi. The survey highlighted challenges that youth in age 15 to 24 years face. These were mainly: high poverty levels, high teenage pregnancies and lack of access to quality sexual reproductive health . The Federal Republic of Germany and Kenya Government committed to address the challenges. The German Government committed to provide Euros 6.5 Million and Government of Kenya committed Euros 0.72 Million.
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: (i) High teenage pregnancies (ii) Lack of adequate youth friendly SRH services
Project duration	Three Years

4

8

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Central Bank of Kenya,
P.O. BOX 60000,
Nairobi,
Kenya.

2.5 Independent Auditor

The project is audited by the Office of the Auditor General (OAG)

2.6 Roles and Responsibilities

The following officers were involved in the project in the financial year under review.

Names	Title designation	Key qualification	Responsibilities
Hon. Onesimus Kipchumba Murkomen EGH	Cabinet Secretary	Masters in Law	Overall Policy Direction
Mr. Ismail Maalim Madey	Principal Secretary	Masters in Global Business Management	Accounting Officer
Dr. Franklin Mbae	National Project Coordinator	Deputy Director Youth Development	Coordination of project implementation
Dr. Annah Yegon	Deputy Project Coordinator	Deputy Director Youth Development	Assisting the National Project Coordinator on project implementation
Ms. Caroline Gacheri Muchena	Project Accountant	Principal Accountant	In charge of finance and accounts of the project

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024

Project information and overall performance (continued)

Below is the funding summary:

2.7 Funding summary

The Project is for duration of 3 years from 23rd December 2021 to 23rd December 2023 with an approved budget of Euros 7.2 Million equivalent to Kshs. 914.4 Million as highlighted in the table below: The project duration has been extended to 31st December,2025.

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	Donor currency Euro	Kshs	Donor currency Euro	Kshs	Donor currency Euro	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
KFW	6,500,000	825,500,000	2,871,655	364,700,221	3,628,345	460,799,779
(ii) Counterpart funds						
Government of Kenya	700,000	88,900,000	508,115	64,530,718	191,885	24,369,282
Total	7,200,000	914,400,000	3,379,770	429,230,939	3,820,230	485,169,061

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
KFW	2,871,655	364,700,221	2,871,655	364,700,221	-	-
Counterpart funds						
Government of Kenya	-	64,530,718	-	64,445,587	-	85,131
Total	2,871,655	429,230,939	2,871,655	429,145,808	-	85,131

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

FY	Amount received (KSHs)	Amount utilized in (KSHs)	Percentage
2023/2024	177,564,173.00	177,869,160.00	99.9%
Total	177,564,173.00	177,869,160.00	99.9%

Physical Progress based on outputs, outcomes and impact since project commencement

52,265 youths trained on sexual reproductive health services, 155 youth peer educators trained, procured 40 public health facilities for delivery of health services, finalized contracting master craft-persons, finalize service level agreement with counties, on boarding of peer educators and health facilities and staff. 38,089 youth access SRH services from the 40 public health facilities on boarded to Vijana Vuka Na Afya Project.

Comment on value for money achievements

There was value for money for the activities carried out during this period

- **Implementation challenges and way forward**
- There was delay in finalization of service level agreement with county government for health facility to offer SRH services
- Attrition of youth in Apprenticeship training as they get challenges of transport.

2.9 Summary of Project Compliance:

There were no cases of non-compliance with applicable laws and regulations and essential external financing agreement/covenants. Hence non-consequences were suffered or likely to be suffered on account of non-compliance

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objectives of the project's agreement/ plan are to:

- a) Reach 60,000 youths in SRH products and services
- b) Empower 3,019 youths with knowledge and skills to improve their social economic wellbeing
- c) Strengthen the capacity to deliver essential services
- d) Engage 19,000 youths in sporting and physical activities
- e) Train 4,500 youths on entrepreneurship
- f) Train 300 youths' leaders on leadership skills

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

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

Below we provide the progress on attaining the stated objective:

Project aim	Objective	Outcome	Indicator	Performance
Improve youth knowledge, agency and motivation to use sexual reproductive health services	Reach 60,000 youth with age appropriate SRH services	Create awareness and improve access to SRH services	87.1%	52,265 youths trained through peer-to-peer learning
	Train 150 peer educators	150 peer educators to conduct age-appropriate sexual education sessions	100%	150 peer educators reached
Strengthen capacity to deliver SRH	Training service providers in delivering services	134 health facilities trained	100%	134 health professionals were trained
Expand access to subsidized youth friendly sexual and reproductive health services	85,000 youth to access subsidized sexual reproductive health products and services	38,089 youth accessed subsidized health services	70.2%	Services accessed from the 4 contracted public facilities
Promote meaningful engagement in sports and physical activities	Engage 19,100 youth in sport and physical activities	14,000 youth engaged in sporting and physical activities	73.2%	14,000 youth engaged through sport such as football, basketball, martial arts through community bas clubs with 88 youth clubs that participated.
Improve access to skills and funding opportunities	Reach 3,000 youth with skills	1,000 reached	33%	300 Youth identified for skills training, and trained on entrepreneurship

4. Environmental and Sustainability reporting

Vijana Vuka na Afya (VIVA) project exist to transform lives. This is our purpose; the driving force behind everything we do. Its what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

i. Sustainability strategy and profile

Activities that fall due during election period will be distributed across safe months to avoid being affected negatively and involve beneficiaries in planning.

On pandemic, project activities will be delivered in total compliance with government protocols.

ii. Environmental performance

The project shall ensure that the implementors comply with the applicable laws and regulation on environmental policies and standards including sexual exploitation under ILO treaties. Implement environmental and social risks mitigation measures as identified in social management plan.

iii. Employee welfare

The consultant complies with all applicable laws, rules, regulations and provision of relevant legal systems relating to the performance of the contract or failure to comply would impair ability to perform its obligations hereunder as not to enter into or continue any business relationship with Kenyan nationals or entities.

Consultants shall treat employees fairly and train employees on new areas of competence.

iv. Market place practices-

a) Responsible Supply chain and supplier relations-

Use the internationally accepted principles on procurement and contract management to ensure fairness, equity and compensation

b) Responsible ethical practices

Outline efforts to maintain ethical and anti-corruption practices and responsible political involvement

Unethical practices are sanctionable under the financing agreement and contract entered hereafter and explicitly stated in the evaluation conditions of each contract.

c) Regulatory impact assessment

The project will conduct the assessment for compliance to risk mitigation measures and level implementation recommendations arising thereof and make a report

i. Community Engagements

DSW one of the consultants has equipped 3 youth empowerment center and has been training and paying youth peer educators

Additionally, the project will do community soccer to support development of youth talent.

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

4. Statement of Project Management Responsibilities

The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

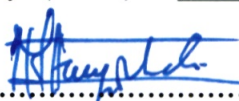
The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

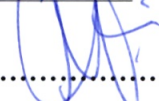
The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

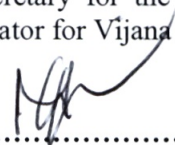
The Project financial statements were approved by the The Principal Secretary for the State Department for Youth Affairs and Creative Economy and the Project Coordinator for Vijana Vuka na Afya (VIVA) on 28/10/2024 2024 and signed by:


.....

Mr. Ismail Maalim Madey
Principal Secretary


.....

Dr. Franklin N. Mbae
Project Coordinator


.....

CPA Caroline Muchena
Project Accountant
ICPAK Member No: 14674

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON VIJANA VUKA NA AFYA (VIVA) YOUTH PROGRAMME PROJECT NO. 201367465 FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR YOUTH AFFAIRS

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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Unmodified Opinion indicates the books of accounts and underlying records agree with the financial statements and that no materials misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and working effectively in the financial year under review.

The Unmodified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Vijana Vuka Na Afya Programme - State Department for Youth Affairs set out on pages 1 to 17, which comprise of the statement of financial assets as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Vijana Vuka Na Afya Programme as at 30 June, 2024, 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 and the Financing Agreement No.201367465 dated 22 November, 2016 amended on 30 March, 2021 between the KfW Development Bank and the Republic of Kenya.

Basis for Opinion

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

Emphasis of Matter

Budgetary control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts and actual on comparable basis amounting to Kshs.393,222,610 and Kshs.177,564,173 respectively resulting in a revenue shortfall of Kshs.215,658,437 or 55% of the budget. Similarly, the Project expended Kshs.177,869,160 against an approved budget of Kshs.221,700,510 resulting to an under expenditure of Kshs.43,831,350 (20%).

Management has attributed the under absorption to delay by the consultants in submission of invoices and supportive evidence as per the milestones in the contract.

The under-funding and under-expenditure imply that some of the planned activities were not implemented which could impact negatively on the achievement of the overall Programme's goals and objectives.

My Opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues 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 or given any explanation for the failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and the National Treasury's Circulars.

Other Information

The Management is responsible for the other information set out on page iii to xiv which comprise of Key Entity Information and Management, Management Team, Project Information and Overall Performance, Statement of Performance against Project's predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 3000 and 4000. The Standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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 the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Programme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 Programme'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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

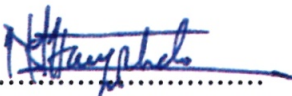
11 November, 2024

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
 Annual Report and Financial Statements for the financial year ended June 30, 2024

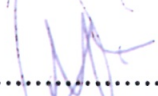
7. Statement of Receipts and Payments for the year ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024			2022-2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	16,722,610	-	16,722,610	19,727,800	-	19,727,800	64,530,718
Proceeds from domestic and foreign grants	2	-	160,841,563	160,841,563	-	85,155,966	85,155,966	364,700,221
Total receipts		16,722,610	160,841,563	177,564,173	19,727,800	85,155,966	104,883,766	429,230,939
Payments								
Purchase of goods and services	3	14,416,163	160,841,563	175,257,726	16,369,822	85,155,966	101,525,788	418,404,009
Acquisition of non-financial assets	4	2,611,434	-	2,611,434	2,967,860	-	2,967,860	10,741,799
Total payments		17,027,597	160,841,563	177,869,160	19,337,682	85,155,966	104,493,648	429,145,808
Surplus/ (deficit)		(304,987)	-	(304,987)	390,118	-	390,118	85,131

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



Mr. Ismail Maalim Madey
 Principal Secretary



 Dr. Franklin N. Mbae
 Project Coordinator



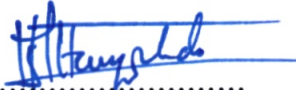
 CPA Caroline Muchena
 Project Accountant
 ICPAK Member No:14674

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024

8. Statement of Financial Assets as at 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	5.A	85,131	390,118
Total Cash and Cash equivalents		85,131	390,118
Net Assets		85,131	390,118
Represented By			
Fund Balance B/fwd.	6	390,118	-
Surplus/(Deficit) for the Year		(304,987)	390,118
Net Financial Position		85,131	390,118


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/10/ 2024 and signed by:



Mr. Ismail Maalim Madey
Principal Secretary



Dr. Franklin N. Mbae
Project Coordinator



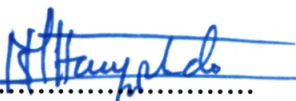
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Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024


9. Statement of Cashflow for the year ended 30th June 2024

Description	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	16,722,610	19,727,800
Proceeds from domestic and foreign grants	2	160,841,563	85,155,966
Total receipts		177,564,173	104,883,766
Payments			
Purchase of goods and services	3	175,257,726	101,525,788
Total Payments		175,257,726	101,525,788
Net receipts/(payments)		2,306,447	3,357,978
Cashflow from investing activities			
Acquisition of non-financial assets	4	(2,611,434)	(2,967,860)
Net cash flows from investing activities		(2,611,434)	(2,967,860)
Net increase in cash and cash equivalents		(304,987)	390,118
Cash and cash equivalent at beginning of the year	5	390,118	-
Cash and cash equivalent at end of the year	5	85,131	390,118


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 28/10/2024 and signed by:



Mr. Ismail Maalim Madey
Principal Secretary



Dr. Franklin N. Mbae
Project Coordinator



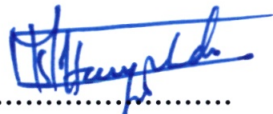
CPA Caroline Muchena
Project Accountant
ICPAK Member
No:14674

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
 Annual Report and Financial Statements for the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	96,700,510	(3,477,900)	93,222,610	16,722,610	76,500,000	18%
Proceeds from domestic and foreign grants	133,000,000	167,000,000	300,000,000	160,841,563	139,158,437	54%
Total Receipts	229,700,510	163,522,100	393,222,610	177,564,173	215,658,437	45%
Payments						
Purchase of goods and services	224,203,324	(5,115,000)	219,088,324	175,257,726	43,778,698	80%
Acquisition of non-financial assets	5,497,186	(2,885,000)	2,611,434	2,611,434	752	100%
Total Payments	229,700,510	(8,000,000)	221,700,510	177,869,160	43,831,350	40%
Surplus or Deficit	-	-	-	(304,987)		

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.



.....
 Mr. Ismail Maalim Madey
 Principal Secretary



.....
 Dr. Franklin N. Mbae
 Project Coordinator



.....
 CPA Caroline Muchena
 Project Accountant
 ICPAK Member No:14674

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for Vijana Vuka na Afya (VIVA) project under the State Department of Youth affairs. The financial statements are for the Vijana Vuka na Afya (VIVA) project as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

Vijana Vuka na Afya (VIVA) project recognises all receipts from the various sources when the event occurs, and the related cash has been received by the government.

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

Annual Report and Financial Statements for the financial year ended June 30, 2024

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465

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completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

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

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) 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 is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) 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' 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.

k) Budget

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

Significant Accounting Policies (Continued)

funds as transfers and account for them separately. These transfers are recognised as inter-entirety transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

l) Third party payments

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

m) Exchange rate differences

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

n) Comparative figures

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

o) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

p) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023-2024	2022-2023	Cumulative to-date
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1	7,000,000	-	7,000,000
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	5,836,800	5,836,800
Counterpart funds Quarter 4	9,722,610	13,891,000	51,693,805
Total (See Annex 3)	16,722,610	19,727,800	64,530,718

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2023-2024				Total amount	2022-2023	Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind		Total Amount	
		Euro	Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Bilateral Donors (Kfw)	June, 2024	1,266,469	-	160,841,563	-	160,841,563	85,155,966	364,700,221
German Government		1,266,469	-	160,841,563	-	160,841,563	85,155,966	364,700,221
						-		
Total		1,266,469	-	160,841,563	-	160,841,563	85,155,966	364,700,221

Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

Description	2023-2024			2022-2023	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	-	-	-	860,190	1,565,390
Domestic travel and subsistence	8,289,701	-	8,289,701	8,370,545	39,261,007
Printing, advertising, and information supplies	187,000	-	187,000	406,800	10,120,317
Training payments	1,383,481	-	1,383,481	-	45,308,556
Hospitality supplies and services	1,864,538	-	1,864,538	5,181,412	11,850,926
Specialized materials and services	-	-	-	-	-
Office and general supplies and services	758,800	-	758,800	126,947	8,005,554
Fuel and other Lubricants	42,022	-	42,022	1,269,000	2,580,492
Other operating payments	1,556,643	160,841,563	162,398,206	85,155,966	297,554,172
Routine maintenance – vehicles and other transport equipment	205,978	-	205,978	154,928	1,520,595
Routine maintenance- other assets	128,000	-	128,000	-	637,000
Total	<u>14,416,163</u>	<u>160,841,563</u>	<u>175,257,726</u>	<u>101,525,788</u>	<u>418,404,009</u>

Notes to the Financial Statements (Continued)

4. Acquisition of Non-Financial Assets

Description	2023-2024			2022-2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	
Purchase of office furniture & general equipment	-	-	-	1,174,760	2,841,885
Research, studies, project preparation, design & supervision	2,611,434	-	2,611,434	1,793,100	7,899,914
Total	<u>2,611,434</u>	<u>-</u>	<u>2,611,434</u>	<u>2,967,860</u>	<u>10,741,799</u>

Notes to the Financial Statements (Continued)

5. Cash and Cash equivalents

Description	2023- 2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 5A)	85,131	390,118
Cash in hand (Note 5B)	-	-
Total	85,131	390,118

Vijana Vuka na Afya (VIVA) Project has **one** project account spread within the project implementation area and **a** foreign currency designated accounts managed by the National Treasury as listed below:

5. A Bank Accounts

Project Bank Accounts

Details	2023- 2024	2022-2023
	Kshs	Kshs
Local Currency Accounts		
Central Bank of Kenya [A/c No1000504021]	85,131	390,118
	-	-
Total bank account balances	85,131	390,118

6. Fund Balance Brought Forward

Description	2023- 2024	2022-2023
	Kshs	Kshs
Bank accounts	390,118.20	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
Total	390,118.20	-

Other Important Disclosures**Other Important Disclosures (Continued)****1. External Assistance**

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received as grants	160,841,563	85,155,966
Total	160,841,563	85,155,966

a). External assistance relating to loans and grants

	2023-2024	2022-2023
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	160,841,563	85,155,966
Total	160,841,563	85,155,966

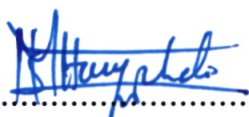
b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023-2024	2022-2023
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		460,799,779	621,641,342
Total		460,799,779	621,641,342

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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)
Paragraph 1822	Unsupported Expenditure	There was no call of expression of interest for the project	Not Resolved	31 st December 2024
Paragraph 1823	Budgetary Control Performance	The under absorption was occasioned by delay in submission of invoices and supportive evidences by the consultant	Not Resolved	31 st December 2024
Paragraph 1824	Non-Adherence to approved financial reporting template	The Audit report was issued on the basis of the financial statements signed by the Accounting Officer	Resolved	



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Mr. Ismail Maalim Madey
 Principal Secretary



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Dr. Frankline N. Mbae
 Project Coordinator

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
 Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	96,700,510	(3,477,900)	93,222,610	16,722,610	76,500,000	18%
Proceeds from domestic and foreign grants	133,000,000	167,000,000	300,000,000	160,841,563	139,158,437	54%
Total Receipts	229,700,510	163,522,100	393,222,610	177,564,173	215,658,437	45%
Payments						
Purchase of goods and services	224,203,324	(5,115,000)	219,088,324	175,257,726	43,778,698	80%
Acquisition of non-financial assets	5,497,186	(2,885,000)	2,612,186	2,611,434	752	100%
Total Payments	229,700,510	(8,000,000)	221,700,510	177,869,160	43,779,450	80%
Surplus or Deficit	-	-	171,522,100	(304,987)	171,878,987	

The under-absorption was necessitated by late submission of invoices by consultants and delay in onboarding of Master-craftsmen


Annex 3: Reconciliation of inter-entity transfers

Project Name: VIJANA VUKA NA AFYA (VIVA)				
Break down of transfers from the State Department of Youth				
A.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	National Treasury - Exchequer	29-Sep-23	7,000,000	FY 2023/2024
	National Treasury - Exchequer	17-Apr-24	6,222,610	FY 2023/2024
	National Treasury - Exchequer	20-Jun-24	3,500,000	FY 2023/2024
		Total	16,722,610	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Kfw	25-Mar-24	26,692,386	FY 2023/2024
	Kfw	02-May-24	38,958,250	FY 2023/2024
	Kfw	03-Jun-24	25,339,675	FY 2023/2024
	Kfw	26-Jun-24	19,508,285	FY 2023/2024
	Kfw	26-Jun-24	11,143,068	FY 2023/2024
	Kfw	26-Jun-24	10,895,853	FY 2023/2024
	Kfw	26-Jun-24	17,775,663	FY 2023/2024
	Kfw	28-Jun-24	10,528,383	FY 2023/2024
		Total	160,841,563	
		Total (A+B)	177,564,173	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Vijana Vuka na Afya (VIVA) Project Grant No. 201367465
Annual Report and Financial Statements for the financial year ended June 30, 2024

Dr. Franklin N. Mbae
Project Coordinator
Vijana Vuka na Afya (VIVA) Project

Sign: 

CPA Robert Asumani
Head of Accounting Unit
State Department for Youth Affairs & Creative Economy

Sign: 

Annex 4: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/24	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) Kshs 2023/24	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,	4,634,805	-		-	-	4,634,805
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
Total	4,634,805					4,634,805

Annex 5: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)