

REPORT

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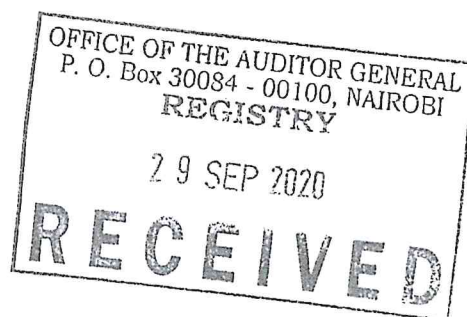
THE AUDITOR-GENERAL

ON

**DATA COLLECTION AND DATABASE
DEVELOPMENT PROJECT
(UNFPA-KEN7P32A)**

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

**KENYA NATIONAL BUREAU
OF STATISTICS**



**DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT
(UNFPA)**

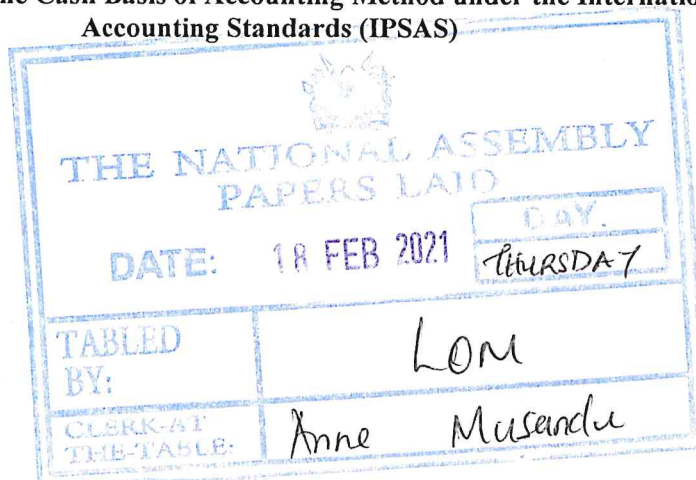
KENYA NATIONAL BUREAU OF STATISTICS

PROJECT GRANT/CREDIT NUMBER - KEN7P32A

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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



DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

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

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DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

1. Project Information and Overall Performance

Name, address and registered office of the Project's Office is:

Real Towers, Upper H Nairobi, Kenya
P. O. Box 30266 – 00100
Nairobi, Kenya

Objective: The key objective of the project: to improve data availability and analysis resulting in evidence-based decision-making and policy formulation around population dynamics, SRH (including family planning), and gender equality

Contacts: The following are the project contacts

Telephone: (254) 020 317586 / 8

E-mail: directorgeneral@knbs.or.ke

Website: www.knbs.or.ke

1.1 Project Information

Project Start Date:	The project start date is 01/ 01 /2009
Project End Date:	The project is ongoing
Project Manager:	The project manager is Mr MacDonald Obudho
Project Sponsor:	The project sponsor is UNFPA

1.2 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Devolution and Planning.
Project number	KEN7P32A
Strategic goals of the project	The strategic goals of the project are as follows: (i) Provide support for conducting socio-demographic surveys
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Conducting of the 2014 KDHS survey
Other relevant background information of the project	The project N/A
Current situation that the project was formed to intervene	The project was ed to intervene in the following areas: (i) To strengthen institutional and legal frameworks and processes that support democratic governance, transformation, accountability, respect for human

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

2. Statement of Project Management Responsibilities

The Director General (Kenya National Bureau of Statistics) and the Project Coordinator are responsible for preparing the project's financial statements, which give a true and fair view of the state of affairs of the project as at the end of the accounting period. This responsibility includes maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the project. Also 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 fraud or error, safeguarding the assets of the project, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Director General and the Project Coordinator accept responsibility for the project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, as guided by the financial agreement with the donor.


The Director General and the Project Coordinator are of the opinion that the financial statements give a true and fair view of the state of the project financial position as at June 30, 2020. The Director General and the Project Coordinator further confirm the completeness of the accounting records maintained by the Project which have been relied upon in the preparation of the Financial Statements as well as on the adequacy of the internal control systems.

The Director General and the Project Coordinator confirm that the project has complied fully with the terms and conditions of the Financing Covenants in accordance with the Legal Agreement and the applicable Government Regulations.

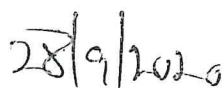
The project did not receive any funds during the period under audit.

Approval of the Project financial statements


The Project financial statements were approved by the Board of Directors of the Bureau on 24th September 2020.



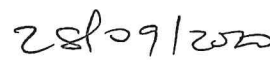
Mr. Zachary Mwangi
Director General



Date



Mr. Macdonald Obudho
Project Coordinator



Date

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON DATA COLLECTION AND DATABASE DEVELOPMENT PROJECT (UNFPA-KEN7P32A) FOR THE YEAR ENDED 30 JUNE, 2020 - KENYA NATIONAL BUREAU OF STATISTICS

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Data Collection and Database Development Project (UNFPA KEN7P32A) set out on pages 6 to 11, which comprise the statement of financial assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Data Collection and Database Development Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and 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 Data Collection and Database Development Project 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

Status of Project Activities

As reported in the previous three financial years, the Project remained dormant in the year under review. However, it had an opening cash in bank balance amounting to Kshs.2,166,658 against which bank charges amounting Kshs.4,320 were debited resulting in a closing balance of Kshs.2,162,338, as reflected in the statement of financial assets and liabilities as at 30 June, 2020.

Management has indicated that activities for the Project were implemented under GOK/UNFPA 8th County Programme and therefore, no new programme agreement was signed in respect to the Project's activities, which entailed financing preparatory activities for the 2019 Kenya Population and Housing Census. Management has further indicated that although no funding was received in the four financial years ended 30 June, 2020, UNFPA has indicated they will finance a 9th GOK/UNFPA Country Programme on data collection and database management. Management says it has maintained the Project bank account for the purpose.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Board of Directors

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

29 December, 2020

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

3. Statement of Receipts and Payments


For the Period ended 30th June 2020

RECEIPTS	Notes	Actual Exp. Current Year 2019 / 2020 Kshs	Actual Exp. Current Year 2018 / 2019 Kshs	Cummulative to date, since inception Kshs
GOK Contribution				42,739,472
Direct AIA				187,107,278
Donor Grants	8	-	-	163,425,983
AIA Receipts		-	-	65,142
TOTAL RECEIPTS		-	-	393,337,875

PAYMENTS

Purchase of goods & Services	9	4,320	4,260	391,175,537
TOTAL PAYMENTS		4,320	4,260	391,175,537
Surplus / (Deficit)	7	(4,320)	(4,260)	2,162,338

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


For: **Director General**

28/9/2020
Date


Project Coordinator

28/09/2020
Date

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

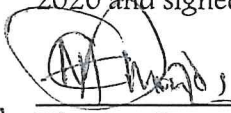
4. Statement of Financial Assets and Liabilities

As at 30th June 2020


	Notes	2019 / 2020 Kshs.	2018 / 2019 Kshs.
ASSETS			
Financial Assets			
Cash in Project Account- Bank		2,162,338	2,166,658
TOTAL FINANCIAL ASSETS		2,162,338	2,166,658
REPRESENTED BY			
Cash b/f		2,166,658	2,170,918
Surplus /(Deficit) for the year		(4,320)	(4,260)
NET FINANCIAL POSITION		2,162,338	2,166,658

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th September 2020 and signed by:

For,


Director General

28/9/2020
Date


Project Coordinator

28-9/2020
Date

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

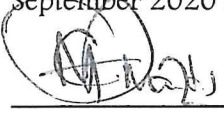
Reports and Financial Statements

For the financial year ended June 30, 2020

5. Statement of Cashflows For the Period Ended 30th June 2020

	2019 / 2020 KShs.	2018 / 2019 KShs.
Receipts for operating income		
Grants	-	-
AIA Receipts	-	-
Payments		
Purchase of goods and services	(4,320)	(4,260)
Net Cashflows from operating activities	(4,320)	(4,260)
Net increase /(decrease) in cash and cash equivalents	(4,320)	(4,260)
Cash and cash equivalents at beginning of period	2,166,658	2,170,918
Cash and cash equivalents at end of period	2,162,338	2,166,658

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 24th September 2020 and signed by:



Director General

28/9/2020
Date



Project Coordinator

28/09/2020
Date

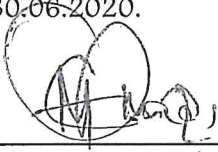
DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)


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

6. Statement of Comparative Budget and Actual Amounts

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Variance	% of Variance
	a	b	c=a+b	d	e=d-c	f=e/c %
Receipts						
Cash Balance b/f	2,166,658	-	2,166,658			0.00%
Miscellaneous receipts	-		-	-		-
Total Receipts	2,166,658	-	2,166,658	-	0	0.00%
Payments						
Other payments	(4,320)	-	(4,320)			0.00%
Total Payments	(4,320)	-	(4,320)	-		0.00%
Balances	2,162,338	-	2,162,338	-	0	

The variance balance of KShs.2,162,338 represents the unutilised funds in the bank as at 30.06.2020.


 Director General
 28/09/2020
 Date


 Project Coordinator
 28/09/2020
 Date

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

7. Notes to the Financial Statements

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

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting. The financial statements comply with and conform to the form of presentation prescribed by the Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the Project, and all values are rounded to the nearest one Shilling. The accounting policies adopted have been consistently applied to all of the years presented.

The financial statements have been prepared on the cash, which recognises transactions and events only when cash is received or paid out by the Project.

i. Recognition of revenue and expenses

The Project recognises all receipts from the various sources when the event occurs, and the related cash has been received by the Project. Also, the Project recognises all expenses when the event occurs, and the associated cash has been paid out by the Project.

ii. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

iii. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements.

iv. 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.

v. Subsequent events

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

DATA COLLECTION AND DATA BASE DEVELOPMENT PROJECT (UNFPA)

Reports and Financial Statements

For the financial year ended June 30, 2020

8. Receipts

There were no receipts during the period.

9. Purchase of goods and services

The details of expenses are as detailed:

	Actual Exp. Current Year 2019 / 2020 Kshs	Actual Exp. Previous Year 2018 / 2019 Kshs	Cummulative to date, since inception Kshs
Purchase of goods & services	-	-	319,192,700
Incremental operating costs	4,320	4,260	71,982,837
TOTAL PAYMENTS	4,320	4,260	391,175,537

10. Cash and Cash Equivalents

This was the amount in the bank as shown below:

	2019/20 Kshs	2018/19 Kshs
Bank accounts – Cooperative Bank of Kenya	2,162,338	2,166,658

**ONE (1) REPORT OF THE AUDITOR-GENERAL ON DONOR FUNDED PROJECTS
FOR THE YEAR ENDED 30 JUNE, 2020**

IMPLEMENTING AGENCY: WATER SECTOR TRUST FUND

1. Report of the Auditor-General on Kenya Urban Water and Sanitation OBA Project Fund for Low Income Areas for the year ended 30 June, 2020 - Water Sector Trust Fund

