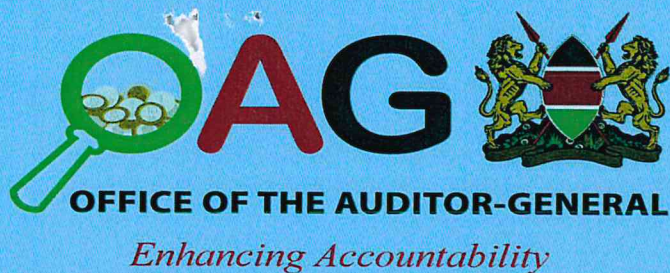


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 02 DEC 2021

DAY:

Thurs PM.

OF

TABLED
BY:

LOMP.

CLERK-AT
THE TABLE:

B. Inzoga.

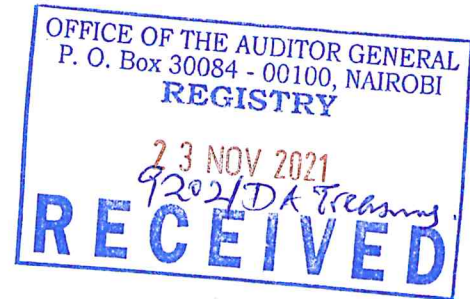
THE AUDITOR-GENERAL

ON

**MULTIPLE INDICATOR CLUSTER
SURVEY PROJECT-UNICEF**

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

KENYA NATIONAL BUREAU OF STATISTICS



**Project Name: MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT
(UNICEF)**

Implementing Entity - KENYA NATIONAL BUREAU OF STATISTICS

Project Grant/Credit Number -

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)

Reports and Financial Statements For the financial year ended June 30, 2021

Table of Content

1. Project Information and Performance	i
2. Statement of Performance against Project's Predetermined Objectives	v
3. Corporate Social Responsibility Statement.....	vi
4. Statement of Project Management Responsibilities	vii
5. Report of the Independent Auditor	viii
6. Statement of Receipts and Payments	1
7. Statement of Financial Assets and Liabilities.....	2
8. Statement of Cashflows	3
9. Statement of Comparative Budget and Actual Amounts	4
10. Significant accounting policies	5
11. Notes to the financial statements	7
12. Progress on Follow up of Prior Year Auditor's Recommendation	8

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)

Reports and Financial Statements

For the financial year ended June 30, 2021

1. Project Information and Performance

1.1 Name and registered office

Name: The project's official name is Round 5 of Multiple Indicator Cluster Survey (MICS 5)

Objective: The key objective of the project is to provide up-to-date information for assessing the situation of children and women in Kenya.

Address: The project headquarters offices are:
Real Towers, Upper Hill
P. O. Box 30266 – 00100
Nairobi, Kenya

Contacts: The following are the project contacts
Telephone: (254) 020 3317586 / 8
E-mail: directorgeneral@knbs.or.ke

Website: www.knbs.or.ke

1.2 Project Information

Project Start Date:	The project start date was July 2014
Project End Date:	The project was to end in June 2016
Project Manager:	The project manager is Mr. Abdikadir A. Awes
Project Sponsor:	United Nations Children's Fund (UNICEF)

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Devolution and Planning. The project was undertaken by University of Nairobi in Collaboration with KNBS. Specifically, the role of KNBS was sampling and updating of the sampling frame.
Project number	
Strategic goals of the project	The strategic goals of the project are as follows: (i) To furnish data needed for monitoring progress toward goals established at the World Summit for Children. (ii) To produce statistically sound and internationally comparable estimates of a range of indicators

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Provision of information at lower levels of administration (ii) Regional dissemination of findings up to the county level
Other important background information of the project	The MICS was originally developed in response to the World Summit for Children to measure progress towards an internationally agreed set of mid-decade goals. The first round of MICS was conducted around 1995 in more than 60 countries. A second round of surveys was conducted in 2000 (around 65 surveys), and resulted in an increasing wealth of data to monitor the situation of children and women. For the first time it was possible to monitor trends in many indicators and set baselines for other indicators.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: Monitoring the situation of children and women in the areas of (i) Health (ii) Education (iii) Child protection (iv) HIV/AIDS
Project duration	The project is no longer being funded.

1.4 Bankers

The following are the bankers for the current year:

Co-operative Bank of Kenya,
 Kimathi Street Branch
 P.O. Box 48231 – 00100, Nairobi.
 Account No: 01120081528600 (MICS)

1.5 Auditors

The project is audited by the:

Auditor General,
 Office of the Auditor General,
 Anniversary Towers, 12th floor,
 Nairobi, Kenya

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Macdonald George G. Obudho, MBS	Director General	Macdonald George Obudho holds a Bachelor of Science degree in Mathematics and Computer Science (Second class Honours - Upper Division) from Jomo Kenyatta University of Agriculture and Technology and a Master of Science degree in Statistics from the same university.	Being the Bureau's Director General, he is the overall coordinator of the project, approving the work-plans and the budgets.
Abdulkadir Amin Awes	Director Population and Social Statistics	Mr Abdulkadir Amin Awes holds a Master of Arts degree in Economic Policy Management (EPM) from Makerere University of Kampala (MUK), Master of Science in Population Studies from University of Nairobi, Bachelor of Arts (Second Class Honors, Upper Division) from University of Nairobi and Diploma on Decentralized Planning for Rural Development from National Institute of Rural Development, Hyderabad (India).	He is the project manager and oversees the implementation of the project targets, through budgeting and making user requests for all activities under the project.

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

1.7 Funding summary

Below is the funding summary:

a. Source of Funds

Source of funds	Donor Commitment-	Amount received to date – (30.06.2021)			Undrawn balance to date (30 06 2021)	
		Donor currency	Kshs	Donor currency	Kshs	
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
UNICEF	86,392,918			86,392,918	-	-
Total	86,392,918			86,392,918	-	-

b. Application of Funds

Application of funds	Amount received to date – (30.06.2021)		Cumulative Amounts paid to date – (30.06.2021)		Unutilised balance to date (30.06.2021)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Grant						
UNICEF	-	86,392,918	-	86,339,620	-	53,298
Total	-	86,392,917	-	86,339,620	-	53,298

The unutilised amount of Sh.53,298 represents the cash in bank per Note 3.

1.8 Summary of Overall Project Performance:

- Data availability and dissemination to users enhanced
- Value for the funds provided was commensurate
- Challenges: Delay in accessing the funds from Treasury, which has in turn delayed implementation of activities

1.9 Summary of Project Compliance:

The project did not have any significant non-compliance with applicable laws and regulations, and essential external financing agreements.

2. Statement of Performance against Project's Predetermined Objectives

The project did not receive any funding during the period.

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

3. Corporate Social Responsibility Statement

The project was not involved in any corporate social responsibility activities during the period.

4. Statement of Project Management Responsibilities

The Director General (Kenya National Bureau of Statistics) and the Project Coordinator 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 as at the end of the financial year ended June 30, 2021.

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, 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, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

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's transactions during the financial year ended June 30, 2021, and the project's financial position as at that date. 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 the adequacy of the systems of internal financial control.

The Director General and the Project Coordinator 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.

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 28th September 2021.



Macdonald Obudho, MBS
Director General



Abdulkadir Amin Awes
Project Coordinator



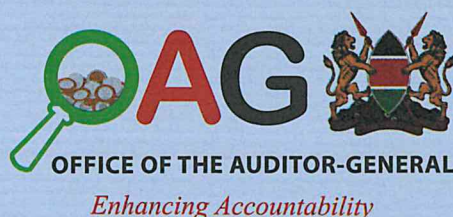
Elias N. Njoroge
Accountant - No.3030

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

5. Report of the Independent Auditor

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON MULTIPLE INDICATOR CLUSTER SURVEY PROJECT-UNICEF FOR THE YEAR ENDED 30 JUNE, 2021 – KENYA NATIONAL BUREAU OF STATISTICS

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, gazetted 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 control, 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 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 Multiple Indicator Cluster Survey Project-UNICEF set out on pages 1 to 8, which comprise the statement of financial assets

Report of the Auditor-General on Multiple Indicator Cluster Survey Project-UNICEF for the year ended 30 June, 2021 – Kenya National Bureau of Statistics

and liabilities as at 30 June, 2021, and the statement of receipts and payments, the statement of cash flows and the 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 Multiple Indicator Cluster Survey Project-UNICEF as at 30 June, 2021, and 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 Multiple Indicator Cluster Survey Project-UNICEF 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

Status of Project Activities

The financial statements indicate that the Project did not receive any funds from UNICEF or the Government of Kenya during the year under review. In addition, no project activities were carried out in the year and the only expense incurred amounting to Kshs.4,320 related to bank charges for the Project account. Management has previously indicated the intention to close the Project Bank account to avoid the bank charges but is yet to do so.

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, except for the matters described in the Basis for Conclusion

on Lawfulness and Effectiveness in Use of Public Resources sections of my report, 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

Undisclosed Financing Conditions

As in the previous financial year, the Project financing agreement signed between the Government of Kenya and UNICEF was not provided for audit review. Management has explained that no agreement was signed in respect to the Project as funding from UNICEF was based on work plans for various activities. However, Management has not disclosed the terms and conditions attached to the work plans.

As a result, the validity of the cumulative receipts and payments amounting to Kshs.86,392,918 and Kshs.86,339,620 respectively transacted during the year ended 30 June, 2021 has not been confirmed.

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 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

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

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

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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

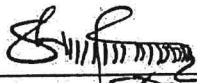
08 November, 2021

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021


6. Statement of Receipts and Payments
For the Year Ended 30th June, 2021

ITEM		Actual Exp. Current Year 2020 / 2021	Actual Exp. Current Year 2019 / 2020	Cumulative Exp. to date since inception
	Notes	Kshs	Kshs	Kshs
<u>RECEIPTS</u>				
Grants	1	-	-	86,392,918
TOTAL		-	-	86,392,918
<u>PAYMENTS</u>				
Purchase of Goods & Services	2	4,320	4,320	86,335,300
Refunds to UNICEF		-	-	
		4,320	4,320	86,339,620
Surplus / (Deficit)		(4,320)	(4,320)	53,298

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


 Macdonald Obudho, MBS
 Director General


 Abdulkadir Amin Awes
 Project Coordinator



 Elias N. Njoroge
 Project Accountant
 ICPAK No.3030

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021


7. Statement of Financial Assets and Liabilities
As at 30th June 2021

ASSETS	Notes	2020 / 2021 Kshs.	2019 / 2020 Kshs.
Financial Assets			
Cash in Project Account	3	53,298	57,618
Total Financial Assets		53,298	57,618
 REPRESENTED BY:			
Cash b/f		57,618	61,938
Surplus / (Deficit) for the Year		(4,320)	(4,320)
Total Net Assets		53,298	57,618

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28th September 2021 and signed by:


 Macdonald Obudho, MBS
 Director General


 Abdulkadir Amin Awes
 Project Coordinator

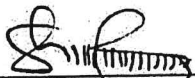

 Elias N. Njoroge
 Project Accountant
 ICPAK No.3030


MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021


8. Statement of Cashflows
For the Year ended 30th June 2021

		2020 / 2021	2019 2020
	Notes	Kshs.	Kshs.
Receipts			
Grants	1		-
Purchase of goods and services	2	(4,320)	(4,320)
Net Cashflows from operating activities		(4,320)	(4,320)
Net increase /(decrease) in cash and cash equivalents		(4,320)	(4,320)
Cash and cash equivalents at beginning of period		57,618	61,938
Cash and cash equivalents at end of period	3	53,298	57,618

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 28th September 2021 and signed by:


 Macdonald Obudho, MBS
 Director General


 Abdulkadir Amin Awes
 Project Coordinator



 Elias N. Njoroge
 Project Accountant
 ICPAK No.3030


MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021


9. Statement of Comparative Budget and Actual Amounts

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget Utilization	% Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
Receipts						
Cash Balance b/f	57,618	-	57,618	57,618	-	0%
Miscellaneous receipts	-		-	-	-	0%
Total Receipts	57,618	-	57,618	57,618		0%
Payments						
Other payments	(4,320)	-	(4,320)	(4,320)		0%
Total Payments	(4,320)	-	(4,320)	(4,320)	-	0%
Balances	53,298	-	53,298	53,298	-	0%

The balance of Sh.53,298 represents the unutilised funds in the bank as at 30th June 2021, per Note 3.


 Macdonald Obudho, MBS
 Director General


 Abdulkadir Amin Awes
 Project Coordinator


 Elias N. Njoroge
 Project Accountant
 ICPAK No.3030

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

10. Significant accounting policies

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with 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.

10.3 Reporting

The financial statements are for the UNFPA project under Kenya National Bureau of Statistics. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

a. 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.

b. 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.

c. 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.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

e. 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.

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

e. 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.

f. 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, 2021.

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

11. Notes to the financial statements

1. Receipts

There were no receipts during the year.

2. Purchase of Goods and Services

The details of expenses are as follows:

	Actual Exp. Current Year 2020 / 2021 Kshs	Actual Exp. Previous Year 2019 / 2020 Kshs	Cummulative to date, since inception Kshs
Child Poverty	-	-	77,390,014
Incremental operating costs	4,320	4,320	8,949,606
TOTAL PAYMENTS	4,320	4,320	86,339,620

3. Cash and Cash Equivalents

This was the amount in the bank as shown below:

	2020/21 Kshs.	2019/2020 Kshs.
Bank accounts – Coop Bank of Kenya (Account No: 01120081528600)	53,298	57,618

MULTIPLE INDICATOR CLUSTER SURVEY (MICS) PROJECT (UNICEF)
Reports and Financial Statements
For the financial year ended June 30, 2021

12. Progress on Follow up of Prior Year Auditor's Recommendation

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Lack of financing agreement There is no signed financing agreement that was availed that outlines how the project is to be financed, names and contact information for all the parties involved, how the money is to be used and how the parties will resolve any disputes should a breach of contract arise.	One of the key objectives of the 2019 census exercise was to provide accurate data on women and children that would facilitate planning in areas of education, health and basic protection for all. It is in this spirit that UNICEF has been funding some of the Bureau's activities, based on a specific work plan for each activity. During the period under review, no funds were received.	Pending	
	Dormant Account The bank account at Coop Bank has remained dormant during the period.	The projects account in Cooperative Bank remained dormant within the period as UNICEF did not fund the project. The Board has given authority to close off this account to avoid additional running costs.	Ongoing	31 st Dec 2021