

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

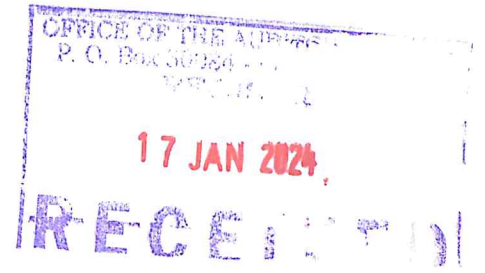
ON

THE PRESIDENT'S AWARD - KENYA

FOR THE YEAR ENDED
30 JUNE, 2023



Republic of Kenya



THE PRESIDENT'S AWARD - KENYA

Proud to be

THE DUKE OF EDINBURGH'S
INTERNATIONAL AWARD

in Kenya



THE PRESIDENT'S AWARD – KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE, 2023

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

**The President’s Award-Kenya
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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
GPA	Group personal Accident
GYM	Global Youth Mobilization
IAF	International Award Foundation
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
KEFRI	Kenya Forestry Research Institute
KESSHA	Kenya Secondary Schools Heads Association
KIMC	Kenya Institute of Mass Communication
MDAs	Ministries, Departments and Agencies
NETFUND	National Environment Trust Fund
ORB	Online Record Book
PA-K	The President's Award - Kenya
PFM	Public Finance Management
PIC	Parliamentary Investments Committee
R&D	Research and Development
SGBV	Sexual and Gender Based Violence
SLDP	Strategic Leadership and Development Programme
SNA	System of National Accounts
TSC	Teachers Service Commission
USA	United States of America
WIBA	Work Injury benefit Act
WSPU	World Scout Parliamentary Union

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B: Glossary of Terms

Award Centre: An institution, whether formal or informal, licenced by PA-K to run the Award Programme

Award Leader: An individual trained and recognized by PA-K to guide Award participants

Award Participant: A young person registered and taking part in the Award Programme

Fiduciary Management: Members of Management directly entrusted with the responsibility of financial resources of the organization

Online Record Book: An online platform used by Award Participants to record their activities on regular basis

Volunteer: An individual, mostly an Award Holder, who is trained and engaged by PA-K in Award Programme related activities for no remuneration

2. Key Entity Information and Management

(a) Background information

The President's Award - Kenya (PA-K) was launched in Kenya in 1966 by the Founding Father of the Nation, the late Mzee Jomo Kenyatta, being the Patron. The President's Award-Kenya is a member of the Duke of Edinburgh's International Award for young people with the aim of building young people's character to enable them become responsible citizens in their communities, country and society in general. The President's Award-Kenya is licenced to operate in Kenya by the Duke of Edinburgh's International Award.

The programme has been able to nurture young people who have become leaders, thinkers and innovators and are making a significant contribution to national development. PA-K became a State Corporation in 2017 through an Act of Parliament. It's commencement as a state corporation was on 16 August 2017. The entity is domiciled in Kenya with its Headquarters situated at 15 Elgon Road, Upper hill, Nairobi.

(b) Principal Activities

PA-K is a self-development and character-building programme available to all young people countrywide between the ages of 14 and 24 equipping them with positive life skills to make a difference for themselves, their communities, country and the world. The program draws participation from learning institutions, mainly secondary schools, universities and tertiary institutions, faith based and community-based organizations as well correctional institutions. The President's Award-Kenya is a Semi-Autonomous Government Agency through the President's Award Act No.30 of 2017.

Vision

Reach young people in Kenya and equip them with life skills to succeed in life.

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Mission

To provide and support a framework for non-formal education and learning that enables young people to undertake voluntary activities which will allow them to discover their passion, purpose and place in the world; lead healthy lifestyles; and make a positive contribution to society.

PA-K's strategic objectives are:

- i) To facilitate the delivery of a quality youth programme inculcating core national values
- ii) To facilitate young people to contribute to national development priorities
- iii) To develop, operationalize and sustain a digital platform
- iv) To undertake research and development (R & D) on youth development trends
- v) To establish a sustainable resource base
- vi) To enhance the profile and visibility of PA-K
- vii) To strengthen PA-K's Corporate Governance

(c) Key Management

The President's Award-Kenya day-to-day management is under the following key organs

No	Designation	Name
1.	Chief Executive Officer	Nellie Munala
2.	Principal Accountant	Grace Musyoka
3.	Senior Human Resource Officer	Wendy Langat
4.	Supply Chain Management Officer	Alex Katabwa

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Nellie Munala
2.	Head of Finance	Grace Musyoka
3.	Head of Procurement	Alex Kamba

(e) Fiduciary Oversight Arrangements

The Board of The President's Award-Kenya has constituted Finance, Audit and Technical committees in place that carry out oversight activities towards good corporate governance and as required by the Mwongozo Code of Governance for State Corporations.

Audit, Risk and Compliance Committee

The functions of the Audit, Risk and Compliance Committee include:

- i) To review the Board's internal financial controls and risk management systems and advise on risk areas.
- ii) To monitor and review the effectiveness of the Board's internal audit function and make recommendations to the Board.
- iii) To review and monitor the internal auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- iv) To advise the Board on matters related to audit and Governance.
- v) To handle audit issues.
- vi) To ensure compliance with the legal and statutory requirements.

Finance and General Purpose Committee

The functions of the Finance and General Purpose Committee include:

a) Organizational Structure and Staffing Levels

- i) Ensure the PA-K has in place Human Resources Strategic Objectives
- ii) Ensure the implementation of the Human Resources Strategic Objectives
- iii) Review and propose an optimal organizational structure
- iv) Review staffing requirement and recommend optimal staffing levels

b) Recruitment and Retention Policies

- i) Ensure the PA-K has in place a recruitment and retention policy
- ii) Ensure there is in place staff terms and conditions of service
- iii) Undertake reviews of Terms and Conditions of Service for Staff and make recommendations to the Board for consideration and action
- iv) Receive assurance from Management that the staff recruited are of the appropriate skills and that the PA-K supports appropriate policies and schemes for their attraction motivation and retention
- v) Review and make recommendations on staff remuneration
- vi) Review and ensure that the PA-K has an effective succession plan
- vii) Shortlist and interview candidates for advertised senior management positions
- viii) Provide policy guidelines on staff welfare, training, industrial relations and work environment

c) Training and Development of Staff and Board members

- i) Ensure that the PA-K has in place a skills development policy for staff
- ii) Review the staff training and development program to ensure it is in line with the PA-K's Human Resources Strategic Objectives
- iii) Work with Management to establish continuing programs for Board members which are appropriate and relevant to enable the Board members to maintain and enhance their skills and abilities and ensure their knowledge and understanding of the PA-K's business remains current.

d) Staff Discipline

- i) Ensure that there is in place a staff Disciplinary policy

- ii) Review and deal with disciplinary matters for senior staff
- iii) Receive and consider disciplinary appeal cases from members of staff and make appropriate decisions

e) Finance and Procurement Functions

- i) Reviewing and making recommendations to the Board on the financial strategy of the PA-K ensuring its adequacy and soundness in providing for current operations and long-term stability
- ii) Reviewing, discussing and making recommendations to the Board on significant financial planning, management and reporting issues
- iii) Review budgeting process, systems and cycle to support the PA-K's Strategy and activities in line with public sector requirements
- iv) Advising the Board on sources of finance to ensure that there are sufficient financial resources to carry out the PA-K's activities and fulfil its objectives
- v) Advising the Board on income generation and seek appropriate advice from external sources
 - a) Ensuring all expenditures of the PA-K are within the approved budgets
 - b) Reviewing and making recommendations to the Board on financial issues arising from the annual financial statements of the PA-K
 - c) Reviewing procurement and disposal plans and consolidated annual procurement plan and submitting them to the Board for approval
 - d) Monitoring the management's strategy towards ensuring efficiency and integrity of the PA-K's procurement systems

Technical Committee

The functions of the Audit, Risk and Compliance Committee include:

a) Supervision Function

- i) Providing policy guidance on technical aspects of the PA-K's functions
- ii) Reviewing and advising the Board on technology budgets as well as major investments in new operational models and information technology platforms, investments, partnerships and alliances
- iii) Making recommendations to the Board with respect to thematic projects and investments that require Board approval
- iv) Periodically reporting to and consulting with the Audit, Risk and Compliance and Human Resource, Finance and General Purpose Committees of the Board regarding ICT systems and processes that relate to or affect the PA-K's internal control systems.

b) Research Function

- i) Reviewing and monitoring operational strategy based on current social, economic, legal and political factors
- ii) Preparing relevant memoranda for submission to the government to influence policy and budgetary pronouncements
- iii) Reviewing issues affecting the acceptance of the PA-K's policy prescriptions by government and other stakeholders
- iv) Reviewing and making recommendations on significant emerging issues, policy briefs and regulatory improvements
- v) Making delegation of PA-K and responsibilities of the Committee to the management as the Committee deems appropriate and periodically review such delegations.

Parliamentary Committee Activities

The Board reports on financial matters to the Parliamentary Investments Committee (PIC) by virtue of being a State Corporation. Most parliamentary committees investigate specific matters of policy or government administration or performance. Other parliamentary committees are responsible for matters related to the internal administration of the parliament.

Committees are able to do things which it would not be possible to undertake in the large, formal environment of the parliament, such as finding out the facts of a case or issue, gathering evidence from expert groups or individuals, sifting evidence and drawing up reasoned conclusions. This kind of work is more effectively carried out by small group members. An advantage of committees is that several of them can operate at one time enabling many more investigations to be conducted. Each committee has its own defined area of operation so that it is able to specialize and build up a body of expertise among its members.

(f) Entity Headquarters

P.O. Box 62185, 00200

PA-K Building

15 Elgon Road, Upper hill

Nairobi, Kenya

(g) Entity Contacts

Telephone: +254722714122 and +254787419325

E-mail: info@presidentsaward.or.ke

Website : www.presidentsaward.or.ke

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(h) Entity Bankers

Kenya Commercial Bank

Kipande House Branch

P.O. Box 30012

Nairobi, Kenya

(i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue



P.O. Box 40112

City Square 00200



Nairobi, Kenya

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3. Board Of Trustees

Ref	Directors	Details
1.	 <p data-bbox="295 840 715 873">Dr. Fr Wakimani Wamugunda D.</p>	<p data-bbox="790 571 1423 712">Dr. Fr Wakimani Wamugunda D was re-appointed as the President's Award – Kenya Non-Executive Board Chairperson on 18th March, 2022.</p>
2.	 <p data-bbox="295 1550 670 1583">Susan Nkirote Omanga, MBS</p>	<p data-bbox="790 913 1423 1317">Susan was re-appointed as a member of the President's Award – Kenya Board on 10th May, 2022. She founded Exclamation Marketing Ltd in 1998, a fully-fledged marketing communications agency which serves local and international clients. Previously Susan was Head of Marketing, Standard Chartered Bank in East Africa and Marketing Manager, Barclays Bank of Kenya</p> <p data-bbox="790 1339 1423 1534">She holds a Bachelor of Science in Business Management and Marketing with a minor in advertising from Rocky Mountain College, Billings, Montana, USA.</p> <p data-bbox="790 1556 1423 1697">Susan is a Non- Executive and Independent Board Member. She is the Chairperson of the Audit, Risk and Compliance Committee.</p>



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<p>3.</p>	 <p>Sylvia Wairimu Mulinge, MBS</p>	<p>Sylvia was re-appointed as a member of the President's Award – Kenya Board on 10th May, 2022. She is currently serving as a CEO at MTN Uganda. She has developed a track record in the strategic thinking, new business development, commercial execution and people development in the Fast Moving Consumer Goods and Telecommunications sector.</p> <p>She holds a BSc – Food Science and Technology degree from the University of Nairobi.</p> <p>She is a Non-Executive and independent Board Member. She is a member of the Technical committee.</p>
<p>4.</p>	 <p>Sachen Chandaria, MBS</p>	<p>Sachen was re-appointed as a member of the President's Award – Kenya Board on 10th May, 2022.</p> <p>He is a well-rounded and influential businessman having been involved in running the family business traversing different countries like North America, Europe, Africa and the Middle East where he has gained both local and global wealth of experience.</p> <p>He is a graduate with Honours in Chemistry and Management from Imperial College in London.</p> <p>He is a Non- Executive and Independent Board member. He is the Chairperson of the Finance and General Purpose committee and a member of the Technical committee.</p>

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<p>5.</p>	 <p>Edwin Otieno Joseph, MBS</p>	<p>Edwin was re-appointed as a member of the President's Award – Kenya Board on 10th May, 2022. He is a Non-Executive and Independent Board member. He is the Chairperson of the Technical committee and a member of the Finance and General Purpose committee.</p>
<p>6.</p>	 <p>Anne Chelangat</p>	<p>Anne was appointed as a member of the President's Award – Kenya Board on 12th September, 2022 as an alternate to the Cabinet Secretary, National Treasury. She is a Senior Deputy Secretary/Administration at the National Treasury. She has previously held different positions in various Ministries.</p> <p>She holds a Masters of Business Administration (MBA) – General Management and Information Systems. Bachelor of Arts – Political Science and Sociology, Strategic Leadership, Senior Management and Advanced Public Administration Courses. She is a member of the Finance and General Purpose committee</p>

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<p>7.</p>	 <p>Prof. Eric Okoth Ogur, PhD,CEng MIMechE, MBS</p>	<p>Prof. Eric Ogur was re-appointed as member of the President’s Award – Kenya Board on 10th May, 2022 as an alternate to the Cabinet Secretary, Ministry of Education. He is the TVET Advisor to the Cabinet Secretary. He is also an Associate Professor of Mechanical and Mechatronic Engineering at the Technical University of Kenya. He holds PhD in Engineering and Masters in Manufacturing Systems Engineering from The University of Warwick, Coventry, England and BEng (Hons) Mechanical and Manufacturing Engineering from The University of Portsmouth, England.,</p> <p>He is a Non- Executive Board Member and a member of the Audit, Risk and Compliance Committee. Prof Ogur retired from the Board in the Course of the year.</p> <p>Date of birth: 17th December 1971</p>
<p>8.</p>	 <p>Kennedy Martin Waituka Kihara, MGH</p>	<p>Kennedy was re-appointed as member of the President’s Award – Kenya Board as an alternate to the Head of Public Service. He is the Principal Administrative Secretary in the Executive Office of the President. He is also the Assistant Secretary to the Cabinet.</p> <p>He holds a Masters of Business Administration degree from Maastricht School of Business and a Bachelors of Arts degree in Political Science from the University of Nairobi. After basic paramilitary training, he has undertaken specialist training in Israel, Austria, India and the United Kingdom.</p>

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		<p>He is a Non- Executive Board member. He sits in the Audit, Risk and Compliance committee. Kennedy retired from the Board in the course of the year.</p>
9.	 <p>Nellie Munala, MBS</p>	<p>Nellie is the Chief Executive Officer at The President's Award-Kenya. Her experience includes 11 years international development exposure, which includes, 4 years working in conflict and post conflict communities in Rwanda and the DR Congo with Voluntary Service Overseas and MONUC (UN Mission to Congo) in the child, youth and gender sectors and 7 years in Zambia with the Commonwealth Secretariat, Youth Affairs Division, in the youth development sector.</p> <p>She holds a Master of Arts degree in Development Studies from Erasmus University, International Institute of Social Studies, The Hague, The Netherlands; a Bachelor of Arts degree in Sociology from the University of Nairobi; graduate and postgraduate qualifications in journalism and Mass Communication from the Kenya Institute of Mass Communication (KIMC) as well as Strategic Leadership Development Programme (SLDP) from Kenya School of Government. She is Secretary to the Board</p>

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4. Key Management Team

Ref	Management	Details
1.	 <p>Nellie Munala, MBS</p> <p>Master of Arts, Development Studies Postgraduate Certificate in Mass Communication Postgraduate Certificate in Journalism Bachelor of Arts, Sociology Strategic Leadership Development Programme (SLDP)</p>	Chief Executive Officer
2	 <p>Grace Musyoka</p> <p>Master of Business Administration Bachelor of Business Administration (Finance and Accounting) CPA (K) Strategic Leadership Development Programme (SLDP) Senior Management Course</p>	Principal Accountant




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<p>3</p>	 <p>Jinnarius Wambugu, MBS</p> <p>Master of Arts in Project Planning and Management Bachelor of Arts in Community Development, Diploma in Technical Education Senior Management Course</p>	<p>Senior Programmes and Projects Coordination Officer</p>
<p>4</p>	 <p>Wendy Langat</p> <p>Master in Business Administration - HRM Bachelor of Science in Hotel and Restaurant Management Higher Diploma in Human Resource Management Certified Human Resource Professional (CHRP-K)</p>	<p>Senior Human Resource Management Officer</p>
<p>5</p>	 <p>Christine Chacha</p> <p>Higher National Diploma in Entrepreneurship, Diploma in Technical Education Senior Management Course</p>	<p>Senior Programmes and Projects Coordination Officer</p>

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<p>6</p>	 <p>Harat Malenya</p> <p>Bachelor of Arts and Social Sciences Post Graduate Diploma in Education Senior Management Course</p>	<p>Principal Programmes and Projects Coordination Officer</p>
<p>7</p>	 <p>Wangari Kaburi</p> <p>Bachelor of Arts in Education, Diploma in Education</p>	<p>Senior Programmes and Projects Coordination Officer</p>
<p>8</p>	 <p>Joram Otieno</p> <p>Bachelor of Arts and Social Sciences Strategic Leadership Development Programme(SLDP) Senior Management Course</p>	<p>Principal Programmes and Projects Coordination Officer</p>

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<p>9</p>	 <p>Neddy Mbori</p> <p>Bachelor in Business Management Diploma in Journalism</p>	<p>Senior Public Communications Officer</p>
<p>10</p>	 <p>Alex Kamba</p> <p>Bachelor of Business Administration- Entrepreneurship Diploma in Purchasing and Supplies Management CIPS Level 4 Diploma in procurement & Supply</p>	<p>Supply Chain Management Officer</p>
<p>11</p>	 <p>Emmanuel Ouko</p> <p>Bachelor of science in Information Technology</p>	<p>ICT Officer</p>

5. Chairman's Statement

Dear Stakeholders,

It is with great pleasure and gratitude that I present to you the President's Award – Kenya (PA-K) FY 2022/2023 Annual Report and Financial Statements and to assure you that as an organization we have continued to deliver on the mandate to promote national values and integrity in our community. Through inculcating leadership skills and a spirit of service we prepare young people to be world ready. The year has seen the organization support young people to contribute to community and national development priorities in their respective communities.

The year was packed with both successes and challenges. Some of the notable achievements were the growth in number of Award participants by 14% from 5,323 to 6,057. This growth was occasioned by some strategic interventions like partnering with State Department for Basic Education, TTCs, KMTCs, and KESSHA among other key interventions. PA-K continues to strive to deliver the Award more efficiently so that all young persons in Kenya within the years 14 to 24 years get a chance to develop themselves and contribute to the good of the society. Another major development was the strategic positioning of The President's Award Kenya under the State Department for Basic Education which places PA-K at a closer proximity to the learners in secondary institutions in Kenya. When complemented with partnering with KESSHA, the positioning would help popularize the award among those young people.

PA-K continued to participate in the Award globally, by attending international meetings and also physically participating in the Award Forum in Romania in October 2022. By engaging in these international events, PA-K ensures that it delivers global standards, as well as learning from other NAOs, as well as contributes to growth of other NAOs by sharing our experience through the years. We thank the government of Kenya for the subventions received amounting Kshs.50M from

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the State Department for Basic Education and State Department for Youth Affairs and the Arts and a grant of Kshs. 200M from the Sports Fund, which has enabled PA-K to enhance Award participation in the grassroots. In the year, there were no major changes in the Board composition, which has facilitated consistency over the year.

In the financial year, the Award Community also mourned the passing on of Queen Elizabeth on 8th September 2022. It was a big blow to the Award Community worldwide due to her close association with the Award globally. Generally, the whole economy faced economic hardships, but it did not deter PA-K from delivering on its mandate.

Successes in the year have been due to contributions from many stakeholders, and I thank the following for the key role they played to PA-K in the year;

- ★ The Government of Kenya for its continued support and goodwill
- ★ The International Award Foundation for continued support and engagements
- ★ My colleagues the Board of Trustees for their effective strategic leadership and oversight
- ★ The staff in PA-K for their commitment in transforming lives of the young persons
- ★ Programme supporters both corporate and individual supporters and heads of institutions
- ★ Special institutions like TTCs, TVETA and KMTCs for their acceptance of the programme
- ★ Volunteers and all the stakeholders and champions of youth development at all levels

I would like to assure you that as an organization we have continued to deliver on the mandate to promote national values and integrity in our community.



Dr. (Fr.) Wakimani Wamugunda D.

Chairman, Board of Trustees

6. Report of the Chief Executive Officer

The President's Award – Kenya: 2022/2023

The President's Award – Kenya continued to deliver its mandate during FY 2022/23, and reached higher heights in terms of number of Award participants, number collaborating institutions, number of Award participants from special institutions and also in the area of volunteerism. The overall achievement is an increased contribution to the quality of life in the society. During the year, PA-K also saw a change in its patronage with the general elections held in August 2022. We thank the new patron for adopting the Award and recognizing its strategic contributions in modelling of young persons in the country.

The President's Award-Kenya strategic directions are guided by the following instruments the President's Award Act, No.30 of 2017, Kenya's Vision 2030, the Kenya Youth Development Policy 2019, the Constitution of Kenya 2010, the Duke of Edinburgh's Award Foundation Strategic Plan 2014-2027 and the President's Award – Kenya Validation of 2020. The strategic directions include: Growth in staffing and participation levels, digitalization of the Award delivery, resource mobilization for stability and contribution to National Development priorities.

Some of the key highlights for the FY 2022/23 include:

i) Alignment in the National Government

The President's Award - Kenya is now fully under the State Department for Basic Education, Ministry of Education.

ii) Award Participation

The Award participation continued to grow not just in the number of Award Participants, but also in the diversity. In the FY 2022/23, a total of 6,057 Award Participants joined the programme which is a more than 10% increase from the previous year. The participants were from very diverse

institutions like schools for children with special needs, borstal institutions, public and private schools, KMTCs, TTCs, TVET institutions and also universities. This diversity ensures that all young persons between the ages of 14 and 24 have an equal opportunity of participating in the programme. Additionally, more than 1,000 volunteers continue to participate in the delivery of the Award at various levels and activities which has helped build a stronger community of positive minded individuals. The Online model has also continued to grow. a total of 248 Award Centres are using the ORB which improves the cost effectiveness and efficiency in which the Award is delivered.

iii) Award Qualification

In the FY 2022/23, a total of 1,423 young persons qualified for Gold Award Certification. Out of these, 53% were females while 47% were males. This shows that we have reduced any barriers which could limit the girl child participation in the award. Also, of the 1,423 Gold Awardees, 48 have special needs while 13 are from a Borstal Institution. The gold awardees are from 59 diverse institutions which is good for the Organization's diversity. Also, of the 59 institutions, 1 is a borstal institution and another one caters for participants with special needs. This shows that the Award Programme has become part of way of life in some institutions which is great for its delivery. In the same FY 2022/23, a total of 2,344 Award Participants qualified for their Bronze and Silver levels, and were awarded by PA-K.

iv) Relevance

To ensure relevance of the Award Programme, PA-K has continued to promote the Award Participants contribution to the community, national and also global development goals. PA-K participates in international events to learn from other National Award Operators and the Award Foundation. By doing so, the PA-K programme is always up to date with every development.

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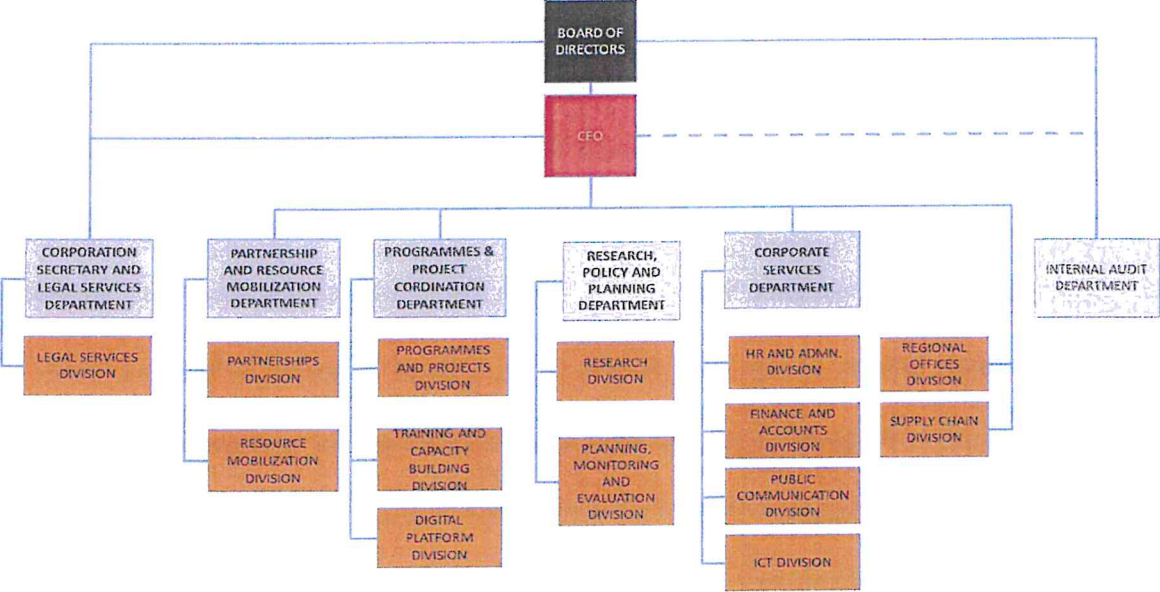
Additionally, PA-K emphasizes to its Award Participants on the ideals of Chapter 2, Article 10 on the Principles of Governance and National Values, as well as Chapter 6 of the Constitution of Kenya on Leadership and Integrity. By doing so, we are assured of a positive impact and relevance of the PA-K programme to the society, and also help bring up citizens who live up to such values. Additionally, PA-K continues to search for other opportunities to implement programmes that are equally beneficial to young persons. Within FY 2022/23, PA-K successfully completed the Covid-19 recovery project funded by the IAF, where 1,570 trainees benefited with basic skills like tailoring and baking technology. The skills have helped some get employment opportunities and others start their small businesses which are earning them a living. PA-K targets to run at least one such project every year to continue to deliver on its mandate.

v) Organizational Structure

- i. PA-K staffing structure comprises 20 staff members, of which 1 is deployed from the State Department for Youth Affairs.
- ii. PA-K comprises 10 staff members under the Programmes department and 9 staff members under Administration. The Chief Executive officer oversees all the departments.
- iii. The approved optimal staff establishment is eighty four (84) staff members.
- iv. State Department for Basic Education, State Department for Youth Affairs and Office of the President supported the delivery of the Programme.

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The President’s Award – Kenya organization structure



vi) Sustainability

The Government of Kenya contributed Kshs. 50,000,000 (Fifty million) in the year under review through the State Department of Basic Education Kshs. 30,000,000 (Thirty million) and the State Department for Youth Affairs and the Arts (Kshs. 20,000,000). The government also provided a grant of Kshs. 200,000,000 (Two hundred million) through the Sports Fund. Government provides annual subvention to support recurrent expenditure.

vii) Visibility

The President’s Award - Kenya continues to be more visible through its Award activities. For increased visibility, PA-K has continued to ensure that its activities are aligned to the national development priorities and that they are very strategic and purposeful in execution. This has facilitated the contribution of the Award Participants to the national priorities in Kenya. Most of the activities that contribute to visibility fall under the Gold Residential Project, volunteerism and Adventurous Journeys. All these activities were highlighted in the print media, social media sites and also highlighted in national events.

viii) Contribution to national development priorities

The President's Award Kenya has continued to contribute to the national development priorities in Kenya. In the FY 2022/23, as part of their programmes, the participants planted 30,200 trees in the coast region and established 100 tree nurseries. The volunteers also continued to participate in Award delivery through assisting with the monitoring of Gold Adventurous Journeys and also Residential Projects. The Residential Projects conducted by the Award participants contribute to solving society needs like solving water shortage issues through sinking of boreholes and improving the image of some educational facilities through repainting. Other Award participants have constructed classrooms and ablution blocks for institutions which help contribute to development in the Country. Another strategic contribution has been the collaboration with some Borstal Institutions to transform young offenders through participation in the programme. This is expected to reduce crime rates and improve the quality of life of the offenders once released.

ix) Challenges

The President's Award Kenya continues to navigate through some challenges as highlighted below;

★ Human Resources

The current President's Award – Kenya staff complement is only 25% of the recommended staff establishment and therefore, inadequate to achieve its stated mandate. Key functions required to deliver on the PA-K mandate have not been filled and some departments have only one staff. The implementation of the operational instruments will mitigate this challenge.

★ Financial Resources

The current annual Government subvention to the President's Award – Kenya is insufficient to meet the budgetary requirements to effectively deliver the programmes and projects in line with


the organization strategy. Though in the FY 2022/23 PA-K received Sports Fund Grant for use in 2 years, the organizations annual allocation has not improved which risks the operations after the grant is fully utilized in the FY 2023/24. Increased Government subvention and implementation of the Resource mobilization strategy can help in making the organization more stable enabling it deliver its mandate.

★ Visibility

The awareness of the Programme in the community and especially beyond the capital city is limited. This has an implication on the enrolment rates of young people in the Award programme as well as engagement of adults and potential supporters. The entity continues to explore opportunities to influence social policy and practice in youth as well as national development. PA-K continues to strengthen its networking and partnerships agenda to enhance its visibility. So far PA-K has worked with Kenya Medical Training Colleges, The Teachers Service Commission and the State Department for Basic Education to improve its visibility among the partner institutions, however more needs to be done to bring onboard more partner institutions to enhance it's visibility.

★ Lack of Own Office Space

Though progress has been made to facilitate ownership of the office where PA-K operates in, PA-K is yet to get ownership of the property.



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Nellie Munala, MBS

Chief Executive Officer

7. Statement of Performance against Predetermined Objectives for FY 2022/23

The Award Programme delivery mirrors the national development framework in order to significantly reach out to the youth segment both in and out of school. PA-K continues to deliver on its mandate and provide avenues for alternative learning. PA-K has the following key impact arrears:

- i. Improved employability and earning potential
- ii. Improved physical health and fitness
- iii. Improved mental health and emotional wellbeing
- iv. Increased engagement with charitable and community causes
- v. Increased social cohesion
- vi. Improved environmental impact
- vii. Reduced offending

The President's Award - Kenya has 4 strategic pillars within the current Strategic Plan for the FY 2023/24 - 2026/27;

- i. Reach
- ii. Access
- iii. Impact
- iv. Strengthening of Strategic Objectives

The President's Award - Kenya develops its annual work plans based on the above 4 strategic pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The President's Award - Kenya achieved its performance targets set for the FY 2022/23 period for its 4 strategic pillars, as indicated in the table below:

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Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Reach	<p>Enroll 10,000 new participants from diverse backgrounds across the country</p> <p>Train 2,500 New Award Leaders</p> <p>Sensitize 360 heads of institutions</p> <p>Reach out and support 400 Award Centres</p>	No. of new participants enrolled	<p>Award presentations and sensitization sessions to prospective Institutions</p> <p>Induction of Award Leaders and students Award leaders Sensitization of heads of institutions</p>	<p>6,057 new participants enrolled</p> <p>2,488 Award Leaders were trained</p> <p>32 ToTs were trained</p> <p>2,548 heads of institutions were sensitized on the Award Programme during KESSHA meetings</p> <p>488 Award centres were reached and supported</p>
Access	Remove barriers to entry to the Programme	<p>Train 700 young persons through Covid-19 recovery project</p> <p>Support 30 institutions through Compass project and 3 through Twapepea project</p> <p>Increase use of ORB by 400 Award Centres</p>	<p>Support funded projects</p> <p>Roll out Twapepea and Compass projects</p> <p>Train Award leaders on use of ORB</p>	<p>1,570 young persons were trained through the Covid-19 recovery project</p> <p>18 institutions supported through the Compass project and 3 through the Twapepea project</p> <p>248 Award centers started using ORB</p>
Impact	Plant 10,000 trees through the award participants	Number of trees planted	<p>Organize tree planting activities</p> <p>Engage volunteers in PA-K activities</p>	30,200 trees were planted by Award participants and staff and board members

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	Engage 200 volunteers in Award Activities Award 3,000 Gold, Silver and Bronze certificates Award	Number of volunteers engaged Number of Awardees for Silver and Bronze levels	Hold regional ceremonies for Silver and Bronze	Engaged 300 volunteers in Award activities 3,667 young persons were awarded with certificates for various levels
Strengthen Strategic Objectives	Document 4 impact stories Carry out 20 staff appraisals Prepare annual and mid year personal work plans Develop an effective communication strategy Develop and implement PA-K strategy plan Revamp PA-K website Develop 3,000 information, education and communication materials and 13,500 branded items Comply with International Award Licence standards To expand PA-K resource base	Number of stories documented Number of staff appraised Number of reports for work planning Percentage of completion of communication strategy Percentage of completion of strategic plan Completion of PA-K website Number of IEC materials developed Number of branded items made Implement License requirements Develop Partnerships	Identify and document stories of change Carry out staff appraisals Do individual work plans Get communication strategy developed Develop strategic plan Engage developers to revamp PA-K website Develop communication and branded items Implement improvement plans Develop partnerships	6 impact stories were documented 10 staff were appraised 5 work planning reports were made for every quarter and one for annual 1 communication strategy was developed Strategic plan was finalized pending launching PA-K website was updated and revamped 1,500 brochures and 1,500 branded items were procured and distributed License recommendations were implemented Partnerships developed with KEFRI, Safaricom PLC, IAF and Mastercard Foundation

8. Corporate Governance Statement

The entity's Board of Trustees were re-appointed for a further three (3) year term vide Kenya Gazette Notice Vol. CXXIV No. 85 dated 10th May 2022, Gazette Notice No. 5376 and re-appointment of the Board Chairman for a further three (3) year term vide Kenya Gazette Notice Vol. CXXIV No. 61 dated 8th April 2022, Gazette Notice No.3824.

The following are the President's Award – Kenya approved Board Committees;

i) Technical Committee

- a) Edwin Otieno – Chairperson
- b) Sylvia Mulinge
- c) Sachen Chandaria
- d) Anne Chelangat

ii) Human Resource, Finance and General Purpose Committee

- a) Sachen Chandaria- Chairperson
- b) Anne Chelangat
- c) Edwin Otieno

iii) Audit, Risk and Compliance Committee

- a) Susan Omanga- Chairperson
- b) Prof. Eric Ogur
- c) Kennedy Kihara

The gazetted Boards' operations are guided by the President's Award Act, 2017, the State Corporation's Act as well as Mwongozo in its undertakings. PA-K does not remunerate its Board of Trustees, but reimburses costs incurred in their line of duty as required by various directives.

During the FY 2022/23 four of the board trustees received training from ICS. This was in line with the requirements of the Office of the Prime Cabinet Secretary as well as the PA-K's desire for exceptional performance.

9. Management Discussion and Analysis

i) PA-K's Operational and Financial Performance

In the period ended 30th June 2023, PA-K continued to deliver on its mandate. Key activities undertaken were training of new award leaders, participation in KESSHA meetings to create partnerships with heads of institutions, participation in Bronze and Silver award ceremonies as well as liaising with ministry officials for operational leverage.

In terms of financial performance, PA-K had revenues amounting to Ksh. 286M, out of which Ksh. 200M was a one-off grant from sports fund, Ksh. 50 million were disbursements from ministries, Ksh. 1.2 million was received as donations, Ksh. 4.8M was utilization of Safaricom airtime, while Ksh. 29M was internally generated through license fees, registration fees and interest on fixed deposits.

ii) PA-K's Compliance with Statutory Requirements

PA-K continues to comply with statutory requirements and there are no current situations which may risk the compliance status. Among the notable compliances are registration of the workplace, GPA and WIBA insurance, payment of statutory deductions and taxes, honoring agreements with suppliers, as well as maintaining no pending bills as required.

iii) Key Projects and Investment Decisions Implemented

PA-K has implemented many youth and environment related projects, some of which are as enumerated below. All projects were funded by government subventions or internally generated funds and therefore PA-K did not accumulate any debts as a result of implementing these projects

1) Global Youth Mobilization (GYM) COVID–19 Response and Recovery Project: Taita-Taveta County

In this project, 377 young people from Timbila location, Taveta sub-county benefited from the Global Youth Mobilization (GYM) COVID–19 Response and Recovery Project under The President's Award-Kenya (PA-K). The beneficiaries were equipped with entrepreneurial skills, resources, and linkages to help them improve their lives and that of their communities. GYM Covid-19 Recovery Project targeted 47 countries including Kenya. Taveta sub-county in Kenya became a recipient of this global initiative because of the high incidence rates of Sexual and Gender Based Violence (SGBV) during the 2019-2020 global pandemic and surge in the number of teenage pregnancies in Taita Taveta County. The Covid-19 Response and Recovery Project opened its doors to young people from Timbila location in Taveta sub-county in September 2021, with the help of Volunteer Trainers and Community Leaders. A total of 377 participants have graduated having been equipped with the relevant skills, resources, and linkages to help them improve their lives and that of their communities. 75% of the trainees are teen mothers who were unable to continue with their education.



Two of the project beneficiaries are receiving their certificates. On the right, PA-K CEO, Nellie Munala hands a certificate to the youngest beneficiary.

2) Twapepea Project

Part of the digital adoption strategy for The President's Award-Kenya is to have 80% of all the participants actively undertake the Award programme on the Online Record Book (ORB) Platform. To support this strategy, Mr. Dhiren Chandaria and Nikita Chandaria made a commitment to equip award centers with IT infrastructure to enable participants in those Award Centres and the surrounding institutions to have access to the Online Record Book. Twapepea Project was borne out of this commitment.

The project targeted 5 Award Centres with 300 young people and managed to do 3 Centres with a total of 180 young people



Delighted St. Marys Girls-Igoji Participants and staff as they posed for a photo with the donated IT Equipment for the Twapepea Project.

3) Bronze and silver Award ceremonies

a) Coast Region

300 Bronze and Silver President's Award-Kenya (PA-K) participants from 28 schools in coast region were recognized and awarded certificates for successfully completing the two levels of the Award programme. At the same time 15 Senior Principals and Award leaders were also recognized for the support that they give to thousands of young people in terms of volunteering their time and skills and ensuring successful implementation of the Award programme in the learning institutions. The ceremony was officiated by Teachers Service Commission (TSC) Coast Regional Director Ms. Julliet Kariuki and witnessed by PA-K Chief Executive Officer Ms. Nellie Munala, Ministry of Education Coast Regional Director of Quality Mr. Nerry Otieno and PA-K Board of Trustees.



Board of Trustee Susan Omanga presents a certificate to an Award leader from Shimo-La-Tewa Borstal institution, Mombasa County.

b) Kirinyaga county

90 bronze and silver awardees from Kiaragana girls' high school in Kirinyaga county received their certificates for having successfully completed the two levels of the Award. The occasion was Graced by Muranga Catholic Bishop Rev. Peter Maria Maina.



Award participants from Kiaragana girls secondary school, Central Region, receive their certificates from veteran paralympic athlete Henry Wanyoike who is a Gold Award holder.

c) Eastern Region

To popularize the Award, all young people participating in the Award are celebrated for their contribution to community, national and global development. At every level of the Award, participants who qualify are awarded with a certificate and a pin appropriate for their level. During the period participants were awarded with Bronze and Silver certificates in various award centers in the presence of PA-K staff.



Bronze and Silver Awardees from Highway Secondary School with their Principal in a photo session.

4) State Corporations Tree Growing Exercise

In the period, National Environment Trust Fund (NETFUND) organized a tree growing exercise for Chairpersons of state corporations to sensitize state co-operations on the need to appreciate and set the tone for state co-operations to implement the presidential directive of accelerating and attaining 30% tree cover by 2032. The President's Award – Kenya participated in the event where five hundred indigenous trees were planted at Lenana block in Ngong Forest. PA-K also participated in tree growing exercises in Kilifi and Taita Taveta counties.



Left: NETFUND Board Chairperson Hon. David Waihiga Mwaure (White t-shirt) and PA-K CEO Nellie Munala during the tree growing ceremony.

Right: Senior Programmes and Projects Coordination Officer Jinnarius Wambugu (Front) during the tree growing ceremony.

5) Partnerships

a) World Scouts Parliamentary Union (WSPU)

In the period, The President’s Award Kenya participated at the 1st World Scouts Parliamentary Union (WSPU) Africa Assembly held in Kenya. The conference themed “Empowering African Parliamentarians and Youth in Climate Change Mitigation through Scouting” attracted over 600 delegates drawn from different countries including; Korea, South Sudan, Malawi, Burundi, Tunisia and Morocco during the event in Nyeri county. The President’s Award – Kenya networked with youth development agencies and identified areas to strengthen Award delivery.



Students at the PA-K booth during the event

b) Kenya Secondary School Heads Association (KESSHA)

In the period, PA-K participated in the 46th Kenya Secondary School Heads Association (KESSHA) Conference held in Mombasa, from June 27 to 30th 2023, to enable school administrators to reflect and exchange experiences in managing schools, as acknowledged by the Ministry. The conference themed ‘enhancing effectiveness and efficiency of education in Kenya’ brought together over 9,500 Principals drawn from all the 47 counties in the country. The opportunity strengthened PA-K’s partnerships with learning institutions and raised awareness on the important complimentary role of non-formal education and learning in achieving Youth Development and Education sector goals.



PA-K Senior Programmes and Projects Coordination officers with delegates during the conference.

6) Education Day, Central Region

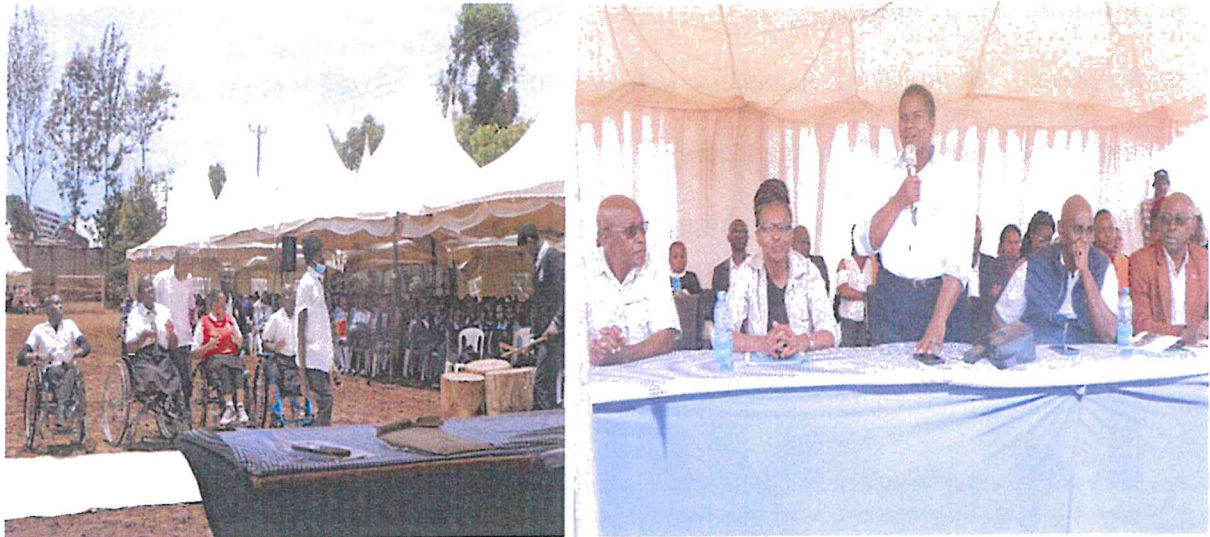
In the period, Karoti Girls Secondary school held the President's Award education day to popularize the Award in Kirinyiga County. 521 students from 13 institutions were in attendance and indicated interest in joining the Award programme. The event was graced by the Legendary Henry Wanyoike who is an Award Holder Alumni and Esther Mureke an Award leader from Kamwenje Teachers Training College.



A section of students pose for a photo with Award leaders during the event.

7) The President's Award Kenya Education Day, Kiambu County

In this FY, our Lady of Mt. Carmel Maryhill Girls' High School organized the President's Award education day for the Central Region in a bid to popularize the Award in the region. Maryhill Girls High School organized the event that attracted 40 schools from the Central Region targeting 2,000 young people. It is expected that a majority of the institutions present will join the Award programme. The event was attended by the Chief Principal Maryhill Girls Ms. Jacinta Waweru Ngure and the school's Chairman Board of Management Mr. Anthony Mwaura.



(L) Students from Joyland making a presentation. (R) Chief Principal Maryhill Girls Ms. Jacinta Waweru Ngure addressing the students.

8) Young Offenders Contribute to Climate Action, Kakamega County

In the period, Award participants at Shikusa Borstal institution in Kakamega established a tree nursery to contribute to mitigating the effects of climate change in their community. As part of their voluntary service, the Award participants are growing trees in their community with the aim of making a significant contribution to the Presidential directive of growing 15 billion trees in the next 10 years. The voluntary service activity is part of their Silver level Award engagements. The young offenders established a tree nursery of 10,000 seedlings.



CEO Nellie Munala (Second right) having a word with a guard at Shikusa Borstal institution

9) Gold Residential Project, Borehole in Kakamega County

Gold Awardees from Mpesa Foundation Academy (MFA) constructed and handed over a borehole project worth Ksh 1.2M to a local school in Kakamega County. Through the school, 128 students with support from local qualified personnel constructed a borehole at the Friend's School Shitirira Mixed Day Boarding Primary school in Malava, Kakamega County as part of their PA-K Gold Residential project. The Gold Residential project is undertaken to contribute to development solutions in a community by Award participants at Gold level. The project is part of the requirement for successful completion of the Award at Gold level.

The handover was officiated by the outgoing Mpesa Foundation Academy Executive Head of School Mr. Alan Adlington-Carfield and witnessed by PA-K Chief Executive Officer, Ms. Nellie Munala, Mpesa Foundation Academy Director of Student Life Ms. Beatrice Bwali, Friends Shitirira Primary School Headteacher Ms. Sarah Taabu, Board of Management, local administration and the pupils. The borehole has ensured access to clean water for students, staff and the community at large.



Outgoing MFA Executive Head of School Mr. Alan Adlington-Corfield walking to the borehole site with CEO Nellie Munala, a local representative and pupils from Shitirira.

10) Gold Residential Project, Gilgil Highway Primary School in Nakuru County

Three award participants from Laikipia Award Unit carried out their Gold Residential Project at Gilgil Highway Primary School in Nakuru county. They were joined by a participant from Egerton Unit for a five-day exercise which started on 15th June and Completed on 19th June. The project entailed a kitchen renovation and student mentorship sessions. The key activities of the project were: - wall partitioning and cementing of the floor. With the help of a qualifying mason, the team was able to partition the kitchen with a 9-course stone wall and cement the kitchen floor. Aside from that, the team repaired the kitchen's brick cookers and reinstalled the kitchen chimneys.



The Award participants at work in Gilgil Highway Primary School

11) New Award Leaders training

In the period, The President's Award-Kenya held capacity building trainings for adult helpers in the Award programme that included, County Education officers, Award leaders and Heads of Institutions across the country. The capacity building trainings facilitate the expansion of PA-K's reach in the country.

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New Award leaders from central region pose for a photo. On the left front row (center), PA-K Chairman Board of Trustees Rev. Fr. (Dr.) Dominic Wamugunda, pose for a photo with the participants.



Programmes and Projects Coordination Officer Wambui Matheri facilitating at the New Award Leaders Training in Kisumu county.

12) The Compass Project

In the period, participants continued to benefit through the Compass Project in Kenya. The Compass Project promotes the delivery of the Award Programme through the digital platform. The support has been instrumental in enabling PA-K fast-track transition of Award delivery to the digital platform. Through the donor's gesture, Mr. Muhoho Kenyatta has transformed the lives of

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many young people by enabling them to access the opportunities provided by the Award Programme. The Award Leaders also confirm that they have honed their digital skills which they have acquired while guiding the young people in the Award Programme.



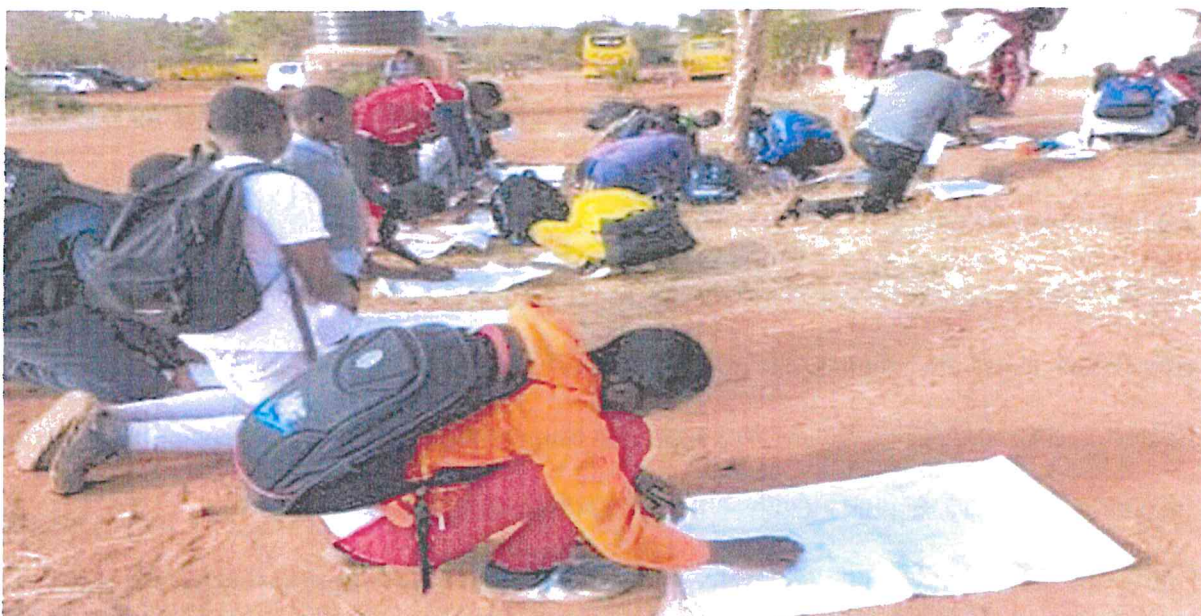
*Left: The Principal Njoro Mixed Day Secondary school in Taveta County receiving a laptop from PA-K CEO Nellie Munala.
Right: Kamae Girls Borstal institution displaying ruck sacks donated by the Compass project.*



Board of Trustee member Edwin Otieno waters a tree as he chats with the students of St. Thomas Girls Secondary school in Kilifi County.

13) Adventurous Journey

Adventurous Journey is part of the qualification for the award at any level. In the FY 2022/23, Award participants at different levels continued to participate in AJ activities to qualify for their Awards. The AJs were held across all regions. In one occasion a Team of 375 participants from the various Schools took part in their qualifying Bronze and Silver Expeditions, the designated route ran through Mwatate, Wundanyi, Chaiwa and Taita Hills.



Adventurous Journey Group Navigators getting their bearings to the next Checkpoint

In another occasion, a group of 205 participants from Kegonge Boys Secondary School from Embu County, Samaj Senior School and Oshwal Senior School from Nairobi County were in Machakos County undertaking their Adventurous Journeys within the period.



Samaj School participants debriefing after completing their Silver Expedition in Machakos area.

14) Volunteer Training

The President's Award-Kenya (PA-K) relies heavily on volunteers for the delivery of the Award programme across the country. The pool of volunteers are drawn from Assessors who are former Award participants (Gold Award Holders) and support the participants especially through the adventurous journey section and the additional Gold Residential Project.

During the period One hundred and seventy seven (176) new Volunteers were trained across the country during in-person trainings.



Volunteers for Western and Nyanza in a photo session after the training at Kenya Forest Research Institute (KEFRI) Training facility.

iv) Major Risks Facing the Entity.

There are no major risks facing The President's Award Kenya

v) Material Arrears in Statutory/Financial Obligations

The President's Award Kenya does not accumulate financial obligations and pays any immediately they arise. As at 30th June 2023, there were no material statutory/ financial obligations to be met.

vi) The Entity's Financial Probity and Serious Governance Issues

The President's Award Kenya did not face any financial improbability or any serious governance issue in the period ended 30th June 2023.

10. Environmental and Sustainability Reporting

The President's Award - Kenya is sensitive to its sustainability and also the need for environmental conservation and improvement. Below is an outline of the PA-K's policies and activities that promote sustainability and response to environmental concerns

i) Sustainability strategy and profile

PAK has put in place various measures to ensure that the organization is able sustain itself in the medium and long term period. Some of the initiatives put in place are;

- ★ Aligning its activities with the Government priority agenda
- ★ Establishment of an affective governance and internal control system
- ★ Establishment of a Partnership department to spearhead fundraising activities
- ★ Enhanced management of revenues and expenditure through development of finance policies
- ★ Increased numbers of Award Participants and Award Centres

- ★ Creating partnerships with close entities for funding of projects and other areas of collaboration

- ★ Emphasizing on results through performance contracting

It is expected that the macroeconomic conditions affect the operations of any organization within an economy. However, PA-K does not foresee any adverse effects on the Award Programme by the prevailing market prices. The organization is ready to respond to any eventualities and would focus on minimizing any factor that may limit award participation.

ii) Environmental performance

The President's Award - Kenya is cautious of the environment and strives to preserve it. It is core to the delivery of the Award and is emphasized especially during Adventurous Journeys. The following are the measures taken by PA-K to be responsive to the need for environmental performance;

- ★ Partnering with KEFRI to enable acquisition of seedlings for use by Award Centres to plant in their surroundings

- ★ Contributing to the national tree planting campaign

- ★ Participating in tree planting exercises organized by PA-K itself, Award Centres as well as other partner organizations like NETFUND

- ★ Digitizing operations and minimizing paperwork

- ★ Emphasizing on the use of Online Record Book by the Award Participants

- ★ Emphasizing on Award Participants to be cautious of the safety of their environment

iii) Employee welfare

To ensure that PA-K is responsive to the welfare of its employees, human resource policy documents have been developed to guide the PA-K workforce. The policies were developed

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through coordination with different stakeholders and has been the reference point for every action from hiring to induction and engagement. Some of the actions which show PA-K is responsive to the welfare of its staff are;

- ★ Fair remuneration in consideration of the guidelines offered by SCAC and SRC
- ★ Payment of employee salaries on time
- ★ Payment of employee medical scheme
- ★ Offering trainings to staff as guided by skills gap analysis
- ★ Fair distribution of responsibilities
- ★ Taking insurance covers for WIBA and GPA
- ★ Facilitating resources for online trainings on the Global online resource center
- ★ Sensitizing staff on work life balance and self mental health
- ★ Encouraging teamwork and team results

These actions are guided by PA-K Human Resource Policies and Procedures, Career guidelines, Organizational Structure as well as the National Policies guiding the hiring process in the Public Sector. As at the close of FY 2022/23, the proportion of employees was 40% and 60% for females and males, surpassing the minimum requirement of 33% on either gender.

iv) Marketplace practices-

The President's Award - Kenya practices fair actions in the marketplace. The organization does not engage in corrupt or unfair practices to raise its revenue and is politically neutral. The organization also recognises the contribution of its partner organizations like Scouts Movement, and Volunteer service organizations among others, and strives to complement their contribution, as they do to those of PA-K. In publicizing the Award, PA-K does not suggest that the Award is better than the product offered by its complementors.

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PA-K also maintains responsible supply chain and supplier relations. The organization pays suppliers on time and recruits its suppliers competitively through open tenders. As of the close of FY 2022/23, the organization did not have any pending bills. The operations of the Supply Chain Department are guided by the provisions of the PPAD Act of 2012, and recommendations by PPRA.

The product offered by PA-K is the Award Programme as controlled by IAF. PA-K strives to ensure that the programme is run as per the requirements by the IAF and so maintains its international standards. Key to the process is the requirements of joining the programme in consideration of age, minimum participation hours as well as offering support with ORB. PA-K also trains volunteers and Award Leaders to ensure that they offer the Award as per the required standards.

v) Corporate Social Responsibility / Community Engagements

Corporate social responsibility is part of the delivery of the award, and is emphasized to award participants so that they become more responsive to the needs of their societies. Among others, in the FY 2022/23, PA-K;

- ★ Donated computers and other essential items to some award centers
- ★ Some PA-K Award participants sunk a borehole for a community in Kakamega
- ★ PA-K community participates in blood donations
- ★ Participants of the Award took part in distribution of sanitaryware in their communities
- ★ The Award participants participates in classroom renovations and repainting

11. Report of the Board of Trustees

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of The President's Award - Kenya affairs.

i) Principal activities

The principal activities of the entity are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 1-27

iii) Board of Trustees

The members of the Board of Trustees who served during the year are shown on page xi - xv. During the period Trustee Godfrey Busolo, OGW retired and replaced by Anne Chelangat as an alternate to the Cabinet Secretary, National Treasury with effect from 12th September 2022. Trustees Eric Ogur, alternate to the Cabinet Secretary, Education and Kennedy Kihara, representative from the Office of the President retired in the period.

i) Surplus Remission

The President's Award Kenya is not a regulatory Authority and therefore, is not required to remit surplus funds to the Consolidated Fund.

ii) Auditors

The Auditor-General is responsible for the statutory audit of The President's Award Kenya in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the period ended June 30, 2023

By Order of the Board



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Nellie Munala

Chief Executive Officer

12. Statement Of Trustees Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Trustees to prepare financial statements in respect of the President's Award-Kenya, which give a true and fair view of the state of affairs of the President's Award-Kenya at the end of the financial year and the operating results of the President's Award-Kenya for that year. The Trustees are also required to ensure that the President's Award-Kenya keeps proper accounting records which disclose with reasonable accuracy the financial position of the Organization. The Trustees are also responsible for safeguarding the assets of the President's Award-Kenya.

The Trustees are responsible for the preparation and presentation of the President's Award-Kenya financial statements, which give a true and fair view of the state of affairs of the President's Award-Kenya for and as at the end of the financial year ended on June 30, 2023. These responsibilities include:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the President's Award-Kenya
- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv) Safeguarding the assets of the President's Award-Kenya

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- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the President's Award-Kenya financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Trustees are of the opinion that the President's Award-Kenya financial statements give a true and fair view of the state the Organization's transactions during the financial year ended June 30, 2023, and of the President's Award-Kenya financial position as at that date.

The Trustees further confirm the completeness of the accounting records maintained for the President's Award-Kenya, which have been relied upon in the preparation of the President's Award-Kenya financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the President's Award-Kenya will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The President's Award-Kenya financial statements were approved by the Board on 29/09/2023 2023 and signed on its behalf by:


.....

Fr (Dr.) Wakimani Wamugunda D.
Chairperson of the Board


.....

Nellie Munala, MBS
Accounting Officer

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13. Report of the Independent Auditor for the Financial Statements of The President's
Award – Kenya

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON THE PRESIDENT'S AWARD - KENYA FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of The President's Award-Kenya set out on pages 1 to 31, which comprise the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net

assets, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the President's Award-Kenya as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the President's Award-Kenya Act, 2017.

Basis for Qualified Opinion

Undisclosed Value of Property, Plant and Equipment

The statement of financial position and as disclosed in Note 19 to the financial statements reflects a balance of Kshs.23,054,513 in respect of property, plant and equipment. However, review of records revealed that the parcel of land on which the Agency's Head Office is located was purchased by the Government on 28 February, 2015 through the former Ministry of Lands, Housing and Urban Development from the vendor, Kenya Railways Corporation at a consideration amount of Kshs.255,000,000. The State Department made a down payment of Kshs.145,000,000 to vendor with the balance of Kshs.110,000,000 payable upon the registration of the transfer of the property. However, the value of land has not been incorporated in the financial statements while the ownership documents were not provided for audit review. Consequently, the payment status of the balance could not be confirmed.

Further, the balance excludes an unregistered parcel of land located in Loitoktok. Management explained that there was progress made to have the parcel of land registered and a Presidential Decree was issued on 13 May, 2022 for the transfer of title to be affected to the Agency. Further, Management indicated that the property will be recognized as an asset once the transfer of title is complete. However, the continued lack of ownership documents may lead to loss of property to informal settlers.

In the circumstances, the ownership, existence and completeness of the property, plant and equipment balance of Kshs.23,054,513 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the President's Award-Kenya Management in accordance with ISSAI 130 on the 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 qualified 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unapproved Call Deposits

The statement of financial position and as disclosed in Note 21 to the financial statements reflects cash and cash equivalents balance of Kshs.341,462,435. Included in the balance is an amount of Kshs.340,000,000 in respect of call deposit. However, Management did not provide for audit the approval of The National Treasury and the Board to place the funds on call deposits account. Further, there was no agreement between Management and the Bank on call deposit account.

This was contrary to Section 87(1) of the Public Finance Management Act, 2012 which stipulates that the National Government or National Government Entity may not invest (a) in a State Corporation; (b) in a Government-linked company without the prior approval of the Cabinet, which approval may be given only after considering any recommendations of The National Treasury regarding the financial implications of the investment.

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

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 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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Functional Board Composition

During the year under review, the Board had four (4) appointed Board Members instead of five (5) as required by Section 5(1) of the President's Award Act, 2017.

In the circumstances, the effectiveness the Board as constituted could not be confirmed.

2. Understaffing of The President's Award-Kenya

The statement of financial performance and as disclosed in Note 12(a) to the financial statements reflects an amount of Kshs.33,947,661 in respect of employee costs. Examination of the staff establishment revealed staff in-post of twenty (20) against an approved establishment of eighty-four (84), resulting to understaffing of sixty-four (64).

Lack of adequate human labour may negatively affect service delivery and the organizational goals and targets may not be achieved.

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

Responsibilities of Management and the Board of Trustees

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

In preparing the financial statements, Management is responsible for assessing the Agency'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 Agency or to cease operations.

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

In addition to the responsibility for the preparation and presentation of 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.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 Agency'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 Agency 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 Agency 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 March, 2024

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14. Statement of Financial Performance for the Year Ended 30 June 2023

	Notes	30 th June 2023	30 th June 2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other Government entities	6	250,000,000	50,000,000
Public contributions and donations	7	7,045,202	4,325,540
Licences, Fees and Permits	8	4,018,500	3,276,370
Sub Total		261,063,702	57,601,910
Revenue from exchange transactions			
Finance income	9	25,032,603	11,208,908
Other Income	10	9,380	12,100
Sub Total		25,041,983	11,221,008
Total revenue		286,105,685	68,822,918
Expenses			
Use of goods and services	11(a)	63,280,400	29,273,098
Employee costs	12(a)	33,947,661	24,612,461
Board expenses	13	9,213,981	4,689,600
Depreciation and amortization expense	14	5,310,530	4,433,831
Repairs and maintenance	15	3,471,960	1,709,982
Grant and subsidies	16	6,013,582	2,742,202
Contracted services	17	1,363,765	1,044,680
Tax Expense	18	11,034,821	-
Total expenses		133,636,700	68,505,854
Surplus for the period		152,468,985	317,064

The notes set out on pages 8 to 30 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Trustees

by:



Nellie Munala
Accounting Officer

Date 29.09.2023



Grace Musyoka
Head of Finance
ICPAK M/No: 24686

Date 29.09.2023



Fr. (Dr) Dominic Wamugunda
Chairman of the Board

Date 29.09.2023

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15. Statement of Financial Position as at 30 June 2023

	Notes	30 th June 2023	30 th June 2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	21	341,462,435	189,393,800
Inventories	22	5,344,490	9,869,421
Accrued Interest on call deposit	26	3,846,459	-
Nita Levy Contributions	27	2,400	-
Government Subvention Receivable	6	2,500,000	-
Total Current Assets		353,155,784	199,263,221
Non-Current Assets			
Property, plant and equipment	19	23,054,513	22,929,290
Total Non- Current Assets		23,054,513	22,929,290
Total Assets		376,210,297	222,192,511
Liabilities			
Current Liabilities			
Provision for audit fees	20	350,000	700,000
Trade and Other Payables	24	3,411,269	-
Deferred grants income	28	3,534,000	8,323,500
Retirement benefit obligation	23	3,244,289	2,187,042
Tax payable	25	6,115,473	2,845,476
Total Current Liabilities		16,655,031	14,056,018
Total Liabilities		16,655,031	14,056,018
Net Assets			
Reserves			
Accumulated Surplus	29	349,334,460	196,865,475
Capital Fund	30	5,125,339	6,175,551
Revaluation Surplus	31	5,095,467	5,095,467
Total Net Assets		359,555,266	208,136,493
Total Funds and Liabilities		376,210,297	222,192,511

Capital fund are assets donated to The President's Award - Kenya realized in the income statement over their useful life.

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The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Trustees

by:



Nellie Munala
Accounting Officer

Date 29.09.2023



Grace Musyoka
Head of Finance
ICPAK M/No: 24686

Date 29.09.2023



Fr. (Dr) Dominic Wamugunda
Chairman of the Board

Date 29.09.2023

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16. Statement of Changes in Net Assets for the Year Ended 30 June 2023

	Surplus/ Deficit Reserve	Capital Fund	Revaluation Surplus	Total
As at July 1, 2021	202,239,362	7,225,763	-	209,465,125
Surplus for the year	317,064	-	-	317,064
Transfer to income	-	(1,050,212)	-	(1,050,212)
Revaluation surplus			5,095,467	5,095,467
Tax expense adjustment	(5,690,951)			(5,690,951)
As at June 30, 2022	196,865,475	6,175,551	5,095,467	208,136,493
Surplus for the Year	152,468,985	-	-	152,468,985
Transfer to Income	-	(1,050,212)	-	(1,050,212)
Revaluation Surplus	-	-	-	-
As at June 30, 2023	349,334,460	5,125,339	5,095,467	359,555,266

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14. Statement of Cash Flows for The Year Ended 30 June 2022

		30 th June 2023	30 th June 2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	247,500,000	50,000,000
Public contributions and donations	7	5,994,990	3,275,328
Licenses fees and permits	8	4,018,500	3,276,370
Finance income	9	21,186,144	11,208,909
Other income	10	9,380	12,100
Total receipts		278,709,014	67,772,707
Payments			
Use of goods and services	11 (b)	62,649,700	26,934,396
Employee costs	12 (b)	30,726,814	25,436,870
Board Expenses	13	9,213,981	4,689,600
Repairs and maintenance	15	3,471,960	1,709,982
Grants and Subsidies	16	6,013,582	2,742,202
Contracted services	17	1,363,765	1,044,680
Tax paid	18	7,764,824	2,845,476
Total payments		121,204,626	65,403,206
Net cash flows from/ (used in) operating activities	32	157,504,388	2,369,501
Cash flows from investing activities			
Purchase of PPE and Intangible assets	19	(5,435,753)	(1,219,721)
Net cash flows from/ (used in) investing activities		(5,435,753)	(1,219,721)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash flows from financing Activities		-	-
Net increase in cash & Cash Equivalents		152,068,635	1,149,780
Cash and cash equivalents at 1 July	21	189,393,800	188,244,020
Cash and cash equivalents at 30 June	21	341,462,435	189,393,800

NB: Safaricom cards donation amounting Kshs.1,676,500 included in public contributions in FY 2022/23 had been omitted in cashflow's receipts and payments FY 2021/22. The Administrative costs which had been reflected in the comparative period have been restated as follows:

1. Tax expense Kshs. 2,845,476 was included in administrative costs in FY2021/22. In FY2022/23 it has been reflected as tax paid.
2. Provisions for gratuity and pension amounting Kshs. 824 409 were included in administrative costs in FY2021/22. In FY2022/23 these have been reflected in employee costs
3. Grant expenses (Covid 19 expenses) amounting Kshs. 1,065,702 were included in administrative costs in FY2021/22. In FY2022/23 these been reflected in grant expenses.

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15. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2023

	Note	Original Annual Budget	Adjustment s.	Final Annual Budget	Actual on Comparable Basis	Performance difference	% of Utilization
Revenue from non-exchange transactions					Period ended June 23		
Transfers from Government	6	50,000,000	-	50,000,000	50,000,000	-	100%
Presidential Executive Order Grant	6	200,000,000	-	200,000,000	200,000,000	-	100%
Licenses, Fees and Permits	8	3,125,000	-	3,125,000	4,020,300	(895,300)	129%
Grant Income (Award Covid 19 Recovery Project)	7	1,065,702	-	1,065,702	705,490	360,212	66%
Donations in Kind (Safaricom Foundation)	7	8,973,500	-	8,973,500	4,789,500	4,184,000	53%
Donation from Trustee Sachin Chandaria	7	500,000	-	500,000	500,000	-	100%
Sub Total		263,664,202		263,664,202	260,015,290	3,648,912	99%
Revenue from exchange transactions							
Finance Income	9	11,000,000	-	11,000,000	25,032,603	(14,032,603)	228%
Other income	10	-	-	-	7,580	(7,580)	
Sub Total		11,000,000		11,000,000	25,040,183	(14,040,183)	228%
Total revenue		274,664,202		274,664,202	285,055,473	(10,391,271)	104%
Expenses							
Use of Goods	11	103,783,700	(12,400,000)	91,383,700	63,280,400	28,103,300	69% (a)
Employee costs	12	43,652,300	(200,000)	43,452,300	32,317,534	11,134,766	74% (b)
Board expenses	13	11,728,000	8,000,000	19,728,000	9,213,981	10,514,019	47% (c)
Contracted Services	17	1,461,000	-	1,461,000	1,363,765	97,235	93%
Repairs and maintenance	15	3,500,000	-	3,500,000	3,471,960	28,040	99%
Donations In Kind Expenses (Safaricom Foundation)	16	8,973,500	-	8,973,500	4,789,500	4,184,000	53% (d)
Donations	16	1,565,702	-	1,565,702	1,224,082	341,620	78%
Tax Expense	18	-	4,600,000	4,600,000	11,034,821	(6,434,821)	240% (e)
Total expenses		174,664,202		174,664,202	126,696,043	47,968,159	73%
Surplus for the year		-		-	158,359,430	(58,359,430)	

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Reconciliation Between the Surplus as Per the Budget and As Per Statement of Financial Performance

DESCRIPTION	SURPLUS (KShs)
Surplus under the statement of budgeted and actual amounts	158,359,430
Surplus under the statement of financial statements	152,468,985
Difference	5,890,445

Explained by:

Deferred income	(1,050,212)
Provision for gratuity and pension	1,630,127
Depreciation expense in the financial statement	5,310,530
Total	5,890,445

Explanation on Low Utilization

- a) Use of Goods Costs – Some factors like 4 vehicles to serve 8 regions limited execution of some trainings hence lower utilization
- b) Employee costs – Some projected trainings for the newly recruited staff were not done as well as non-recruitment of some of the projected vacant posts
- c) Board Expenses – Board fees and bonuses were not paid as projected
- d) Donations in-kind expenses (Safaricom cards) – Though it was later replaced, some cards expired limiting trainings for newly recruited award leaders
- e) Tax expense – The actual paid was 4,649,486 which was within the budget and the difference was accrued as shown in Note 18

19. Notes to the Financial Statements

1) General Information

The President's Award - Kenya is established by and derives its authority and accountability from The President's Award Act, No. 30 of 2017. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activities are equipping young people with positive life skills to make a difference for themselves, their communities, country and the world.

2) Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed on note 5. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the President's Award Act, 2017, Mwongozo and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3) Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

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Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. PA-K does not have any leases and therefore not affected by this change.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>PA-K does not have held for sale assets and therefore is not affected by this standard.</p>

ii. Early adoption of standards

The President's Award - Kenya did not early – adopt any new or amended standards in the financial year

4) Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue From Non-Exchange Transactions

Transfers From Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of financial performance. Development/capital grants are recognized in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

Grant Income

These are receipts from international donors. The funds are recognized on receipt.

Licenses

The entity recognizes revenues from licenses paid by institutions to carry out the award programme. The funds are recognized on an accrual basis.

Transfer From Capital Fund

The amounts include capitalization of assets that were donated to the President's Award - Kenya by the Government of Kenya. The amounts are realized in the statement of financial performance over their useful life.

ii) Revenue from Exchange Transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget Information

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a

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classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

The original budget for the financial year 2022-2023 was approved by the board of trustees on 28th September 2022. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

The organization's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 of these financial statements.

c) Taxes

The President's Award - Kenya is a non – commercial state corporation that receives substantial revenue from non – exchange transactions (especially from the National Government in form of transfers and grants). As such, it is liable for income taxes only on interest received from fixed deposits. However, other taxes accruing from employees are recovered through the payroll and remittances filled as appropriate.

d) Property, office and other equipment

All property, office and other equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, office and other equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, office and other equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of financial performance. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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Buildings are not depreciated. Depreciation on all other assets is calculated on the Straight-line basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

Buildings	5% Per annum
Motor vehicles	16.67% Per annum
Furniture, fittings and Equipment	12.5% Per annum
Computers	30% Per annum

e) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 financial instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the organization has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in the statement of financial performance.

f) Provisions

Provisions are recognized when the organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

g) Nature and purpose of reserves

The President's Award - Kenya has reserves which are used in the programme operations due to current insufficient government funding.

h) Changes in accounting policies and estimates

The organization recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

i) Employee benefits

Retirement benefit plans

PA-K provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged in the statement of financial performance in the year in which they become payable.

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j) 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 Kenya Commercial Bank at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests to authorised public officers which were not surrendered or accounted for at the end of the financial year.

k) Comparative figures

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

l) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

5) Significant Judgements and Sources of Estimation Uncertainty

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The organization based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may

change due to market changes or circumstances arising beyond the control of the organization. Such changes are reflected in the assumptions when they occur.

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the organization
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- c) The nature of the processes in which the asset is deployed
- d) Availability of funding to replace the asset
- e) Changes in the market in relation to the asset

Provisions

Provisions are raised and management determines an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 28. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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6) Transfers from Ministries, Departments and Agencies (MDAs)

Name of Entity sending the grant	Amount recognized to Statement of Financial Performance	Amount deferred under deferred income	Amount recognized in capital fund	Total grant income during the year 2022/2023	2021/2022
	KShs	KShs	KShs	KShs	KShs
Ministry of Education (Received)	27,500,000	-	-	27,500,000	30,000,000
Ministry of Public Service, Youth and Gender Affairs	20,000,000	-	-	20,000,000	20,000,000
Sports Fund Grant	200,000,000	-	-	200,000,000	-
Total	247,500,000	-	-	247,500,000	50,000,000
Ministry of Education (Accrued)	2,500,000	-	-	2,500,000	-
Grant Total	250,000,000	-	-	250,000,000	50,000,000

7) Public Contributions and Donations

Description	30th June 2023	30th June 2022
	KShs	KShs
Grant income	1,205,490	1,598,828
Donations in kind-Safaricom cards	4,789,500	1,676,500
Sub Total	5,994,990	3,275,328
Deferred income	1,050,212	1,050,212
Total public contributions and donations	7,045,202	4,325,540

NB

- i) Deferred income refers to the depreciation amount on donated motor vehicles transferred to income
- ii) Grant income refers to grant received from International Award Foundation for the Covid 19 recovery project amounting Kshs. 705,490 and donation of Ksh.500,000 from Board Trustee Sachin Chandaria.
- iii) Donations in kind refers to Safaricom cards donation from Safaricom PLC for the programme activities amounting Ksh.10,000,000 however due to Accounting Standards what has been

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recognised in the Statement of Financial Performance is the total amount of cards issued in the year.

8) License, Fees and Permits

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Manual record books	-	64,000
Online record books	3,038,500	2,597,370
Licence Fees from Award Centres	980,000	615,000
Total licences, fees and permits	4,018,500	3,276,370

NB: Sale of manual record books and online record books totalling Kshs. 2,661,370 were reflected in sale of goods under note 8 in FY 2021/22. In FY 2022/23 they have been reflected as fees. Licences were reflected as licences under note 6 in FY 2021/22.

9) Finance Income

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Interest income from call deposits	21,186,144	9,681,237
Accrued Interest	3,846,459	1,527,671
Total finance income	25,032,603	11,208,908

NB: Interest for the period includes interest amounting Kshs. 1,089,992 for the PA-K Foundation.

10) Other Income

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Tender Documents	7,000	-
Miscellaneous income	580	
Hiring out of PAK ground		10,000
Badges	1,800	2,100
Total other income	9,380	12,100

NB: Badges amounting to Kshs. 2,100 were reflected in sale of goods under note 8 in FY 2021/22. The amount has been reflected in other income in FY 2022/23.

11) a) Use of Goods and Services

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Adventurous Journey Expenses	651,224	80,656
Advertisement	702,197	315,570
Annual budget expenses	755,800	1,495,281
Asset Insurance	193,998	-

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Award Day Expenses	1,490,700	-
Award day preparation costs	-	493,190
Award Holders Alumni	23,417	-
Award Presentations	7,215,314	2,911,273
Bank charges	297,138	268,733
Brand and Communication Strategy	4,184,080	-
Cleaning and fumigation	228,670	33,020
Covid-19 Expenses	-	566,000
Content and publications	-	200,000
Courier and Postage	344,182	430,926
Digital Platform Expenses	-	533,894
Duke of Edinburghs Fees	2,067,900	604,913
Electricity	-	36,000
Email Hosting	46,400	40,600
Forum Expenses	2,440,626	-
Fuel and oil	300,000	407,000
Hospitality expenses	964,483	541,060
HRH Visit Expenses	-	4,178,210
ICT and Infrastructure Expenses	272,700	-
Induction of coordinators	-	2,800
Internet	1,240,616	1,224,792
Licence Review Costs	73,500	-
Monitoring and evaluation	-	1,296,506
Office expenses	156,537	607,937
PA-K Corporate Events	992,650	-
Partnerships & Fundraising Cost	1,056,150	50,400
Policy Development	206,700	-
Prequalification and evaluation of tenders expenses	643,800	209,300
Print and Electronic Media	442,469	-
Printing and stationery	444,509	305,773
Printing of certificates and forms	95,265	234,796
Provision for audit fees	350,000	350,000
Publications and Documentaries	341,400	-
Quarterly Reporting expenses	-	1,198,780
Residential Project Expenses	97,353	-
Sensitization of Heads of Institutions	835,700	-
Staff Training & Cont. Prof. Devt	3,349,273	2,230,771
Strategic Plan	816,275	3,533,060
Telephone	816,750	802,000
Training of Award Leaders	17,806,954	3,322,206
Training of Trainers	3,223,400	-
Volunteer meals and transport	532,000	473,190
Volunteer Medical Cover	1,077,300	-

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Volunteer Training Expenses	4,225,193	-
Water	160,269	114,740
Website Development	985,700	-
Work Planning Expenses	996,323	-
Zoom Application Expenses	135,485	179,721
Total use of goods and services	63,280,400	29,273,098

11) b) Use of Goods and Services (Cash Basis Adjustment)

Description	30 th June 2023 KShs	30 th June 2022 KShs
Total as per the Income Statement	63,280,400	29,273,098
Add:		
Increase in Consumables Inventory	264,569	123,958
Reduction in Provision for Audit Fees	350,000	-
Less:		
Increase in Hospitality Payable	(134,230)	-
Increase in Volunteer Insurance Payable	(1,077,300)	-
Increase in Trade Payables	(33,739)	-
Increase in Payables	-	(2,462,660)
Total Use of Goods (Cash Basis)	62,649,700	26,934,396

12) a) Employee Costs

Description	30 th June 2023 KShs	30 th June 2022 KShs
Salaries and Wages	22,685,128	16,455,691
Staff travel	8,325	282,851
Staff subsistence allowance	358,670	346,750
Staff establishment	693,390	2,985,500
Casual Labour	310,667	423,750
Staff medical cover	5,502,214	1,291,876
GPA and WIBA Expenses	281,986	-
Pension Payment	2,477,154	1,001,709
Gratuity provision for the year	1,630,127	1,824,334
Total employee costs	33,947,661	24,612,461

12) b) Employee Costs (Cash Basis Adjustment)

Description	30 th June 2023 KShs	30 th June 2022 KShs
Total as per the Income Statement	33,947,661	24,612,461
Add:		

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Increase in NITA Levy receivable contributions	2,400	-
Decrease in Pension Liability		95,200
Decrease in Provision for Gratuity		729,209
Less:		
Increase in Staff Insurance Payable	(1,646,537)	-
Increase in Provision for Gratuity	(1,057,247)	-
Increase in NITA Levy Payable	(1,150)	-
Increase in PAYE Payable	(518,313)	-
Total Employee Costs (Cash Basis)	30,726,814	25,436,870

NB: Employee costs included provisions for pension and gratuity amounting Kshs. 824,409 not included in FY 2021/22.

13) Board Expenses

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Chairman's Honoraria	978,000	960,000
Board Sitting Allowances	2,124,900	3,184,350
Board travel and Accommodation	4,781,061	24,350
Board medical cover	328,000	200,000
Board Induction and Training	960,020	258,440
Other allowances	42,000	62,460
Total Board expenses	9,213,981	4,689,600

14) Depreciation and Amortization Expense

Description	30 th June 2023	30 th June 2022
	Kshs	Kshs
Property, plant and equipment	5,310,530	4,433,831
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	5,310,530	4,433,831

(NB: The variations are as a result of PPE procured as explained in note 19)

15) Repairs and Maintenance

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Building	1,642,385	1,017,980
Equipment and machinery	144,500	-

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Vehicles	1,234,601	579,868
Computers and printers	450,474	112,134
Total repairs and maintenance	3,471,960	1,709,982

16) Grant and Subsidies

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Covid 19 Recovery fund project expenses	1,224,082	1,065,702
Donations in kind expenses - Safaricom cards	4,789,500	1,676,500
Total grant and subsidies	6,013,582	2,742,202

17) Contracted Services

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Contracted security services	1,363,765	1,044,680
Total contracted services	1,363,765	1,044,680

18) Tax Expense

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Tax Expense	11,034,821	-
Total tax expense	11,034,821	-

NB: Out of this tax expense, PA-K paid a total of 4,649,486 while KCB withheld and paid a total of 3,115,338. Tax expense of Kshs.2,845,476 had been included in administrative costs in FY 2021/22

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19) Property, Plant and Equipment

Cost	Land and Buildings KShs	Furniture, fittings, office equipment KShs	Motor vehicles KShs	Computers KShs	Total KShs
As at July 1, 2021 after revaluation	3,500,000	4,099,900	14,300,000	4,243,500	26,143,400
Additions	-	45,721	-	1,174,000	1,219,721
As at 30th June 2022	3,500,000	4,145,621	14,300,000	5,417,500	27,363,121
As at July 1, 2022	3,500,000	4,145,621	14,300,000	5,417,500	27,363,121
Additions	1,049,705	276,639	-	4,109,409	5,435,753
As at 30th June 2023	4,549,705	4,422,260	14,300,000	9,526,909	32,798,874
Depreciation and Impairment	-	-	-	-	-
As at July 1, 2021	-	-	-	-	-
Depreciation for the year after revaluation	175,000	513,917	2,383,812	1,361,102	4,433,831
As at 30th June 2022 after revaluation	175,000	513,917	2,383,812	1,361,102	4,433,831
Depreciation for the year	201,243	538,513	2,383,810	2,186,964	5,310,530
As at 30th June 2023	376,243	1,052,430	4,767,622	3,548,066	9,744,361
Net Book Values					
As at 30th June 2022	3,325,000	3,631,704	11,916,188	4,056,398	22,929,290
As at 30th June 2023	4,173,462	3,369,830	9,532,378	5,978,843	23,054,513

NB:

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1. PA-K occupies a parcel of land in Elgon Road, Upper Hill. PA-K does not have ownership documents for the property. A presidential Decree was issued on 13th May 2022 for the transfer of title to be effected to PA-K. The property values will be recognised as an asset in due course once the transfer of title has been completed.
2. A draft vesting order was issued in 2017 in regard to Outward Bound Loitoktok property. Further through Board of Trustees meeting with the patron held on 3rd March 2023, H.E The President directed that the Outward Bound Mountain School in Loitoktok, Kajiado be handed over to The President's Award-Kenya. The property values will be recognized as an asset in due course once the transfer of title has been completed.

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1) Provision for Audit fees

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	700,000	700,000
Provision during the year	350,000	350,000
Paid During the Year	(700,000)	(350,000)
Closing balance	350,000	700,000

2) Cash and Cash Equivalents

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Current account	1,462,435	2,676,177
Call deposit	340,000,000	186,717,623
Total cash and cash equivalents	341,462,435	189,393,800

Detailed Analysis of the Cash and Cash Equivalents

Description	Account number	30 th June 2023	30 th June 2022
		KShs	KShs
a) Current account			
Kenya Commercial Bank	1104068737	1,462,435	2,676,177
Sub- total		1,462,435	2,676,177
b) Call Deposit			
Kenya Commercial Bank	1104068737	340,000,000	186,717,623
Sub- total		340,000,000	186,717,623
Grand total		341,462,435	189,393,800

NB: This includes Kshs. 12,713,702 for The President's Award – Kenya Foundation

3) Inventories

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Stationery Items and Consumables	1,810,490	709,635
Sanitizers	-	18,175
Certificates	-	818,111
Safaricom cards	3,534,000	8,323,500
Grand total	5,344,490	9,869,421

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28) Deferred Grant Income

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	8,323,500	0
Donated during the year	-	10,000,000
Utilised during the year	(4,789,500)	(1,676,500)
Closing balance	3,534,000	8,323,500

29) Accumulated Surplus

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	196,865,475	196,548,410
Profit for the year	152,468,985	317,065
Closing balance	349,334,460	196,865,475

30) Capital Fund

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	6,175,551	7,225,763
Donated Assets During the Year	-	-
Written off due to depreciation	(1,050,212)	(1,050,212)
Closing balance	5,125,339	6,175,551

31) Revaluation Surplus

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	5,095,467	5,095,467
Revaluation Surplus for the Year	-	-
Closing balance	5,095,467	5,095,467

32) Net Cash Flow From/ (Used in) Operating Activities

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Surplus for the period before tax	152,468,986	317,065
Adjusted for:		
Depreciation	5,310,529	4,433,831
Working Capital adjustments		
Increase in inventory	(264,569)	(123,958)
Increase in receivables	(6,348,859)	2,462,660

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23) Retirement Benefit Obligation

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Provision for gratuity	2,660,249	1,973,142
Provision for pension	584,040	213,900
Closing balance	3,244,289	2,187,042

24) Trade and Other Payable

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Medical Insurance for Staff	1,646,537	-
Trade Payables	167,969	-
Volunteer Insurance	1,077,300	-
PAYE Payable	518,313	-
Nita Levy	1,150	-
Closing Balance	3,411,269	

25) Tax Payable

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	2,845,476	-
Accrued During the Year	7,919,483	2,845,476
Paid during the year	(4,649,486)	-
Closing balance	6,115,473	2,845,476

26) Accrued Interest on Call deposit

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	-	-
Net Interest Accrued During the Year	3,846,459	-
Closing balance	3,846,459	-

27) NITA Levy Contributions

Description	30 th June 2023	30 th June 2022
	KShs	KShs
Opening balance	-	-
Paid During the Year	2,400	-
Claimed during the year	-	-
Closing balance	2,400	2,400

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Increase in deferred income	(1,050,212)	(1,050,212)
Increase in payables	7,388,513	(3,669,885)
Net cash flow from operating activities	157,504,388	2,369,501

33) Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible

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amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of trustees sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with PA-K's trustees, who have built an appropriate liquidity risk management framework for the management of the organization's short, medium and long-term funding and liquidity management requirements. The organization manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

34) Events After the Reporting Period

There were no material adjusting and non - adjusting events after the reporting period.

35) Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi - Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

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Appendix I: Implementation Status of Auditor-General's Recommendations

During the audit of PA-K annual report and financial statements for the year ended June 30, 2022, the report was unmodified and the report indicated that there were no issues to report on.

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Appendix II: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Sports Fund	20/09/22	Recurrent	200M	-	-	-	-	-	200M
State Department for Basic Education	04/10/2022	Recurrent	7.5M	-	-	-	-	-	7.5M
State Department for Basic Education	29/12/2022	Recurrent	7.5M	-	-	-	-	-	7.5M
State Department for Basic Education	14/03/2023	Recurrent	7.5M	-	-	-	-	-	7.5M
State Department for Basic Education	23/06/2023	Recurrent	5M	-	-	-	-	-	5M
State Department for Basic Education		Recurrent	-	-	-	2.5M	-	-	2.5M
State Department for Youth Affairs	28/09/2022	Recurrent	5M	-	-	-	-	-	5M
State Department for Youth Affairs	09/11/2022	Recurrent	5M	-	-	-	-	-	5M
State Department for Youth Affairs	24/01/2023	Recurrent	5M	-	-	-	-	-	5M
State Department for Youth Affairs	28/04/2023	Recurrent	5M	-	-	-	-	-	5M
Total			247.5M	-	-	2.5M	-	-	250M

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Appendix III: Ministry of Education Inter-Entity Confirmation Letter




MINISTRY OF EDUCATION

STATE DEPARTMENT FOR BASIC EDUCATION

Appendix2: Inter-Entity Transfers confirmation letter

The State for Basic Education wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populated the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amount received by The President's Award-Kenya as at 30 th June 2023							
Reference Number	Date Disbursed	Amount Disbursed [SC/SAGA/Fund] (Kshs) as at 30 th June 2023				Amount Received by The President's Award – Kenya (Kshs) as at 30 th June 2023 (E)	Differences (Kshs)(f)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	04-10-2022	7,500,000	Nil	Nil	7,500,000	7,500,000	Nil
	29-12-2022	7,500,000	Nil	Nil	7,500,000	7,500,000	Nil
	13-04-2023	7,500,000	Nil	Nil	7,500,000	7,500,000	Nil
	03-07-2023	7,500,000	Nil	Nil	7,500,000	7,500,000	Nil
Total		30,000,000			30,000,000	30,000,000	
I confirm that the amount shown above are correct as of the date indicated and are as included in the financial statements HEAD OF ACCOUNTS DEPARTMENT OF BENEFICIARY ENTITY: The President's Award-Kenya Name: Grace Musyoka Sign  Date 20 th July 2023							

CC: Director General Accounting Services and Quality Assurance, National Treasury

