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REPORT

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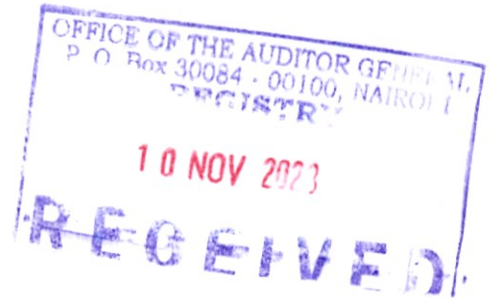
THE AUDITOR-GENERAL

ON

**SOUND CHEMICALS MANAGEMENT
MAINSTREAMING AND UPOPS REDUCTION
IN KENYA PROJECT NO.P00099820**

**FOR THE YEAR ENDED
30 JUNE, 2023**

**MINISTRY OF ENVIRONMENT, CLIMATE
CHANGE AND FORESTRY**



PROJECT NAME: Sound Management Mainstreaming and UPOPS Reduction in Kenya

IMPLEMENTING ENTITY: Ministry of Environment Climate Change and Forestry

PROJECT GRANT/CREDIT NUMBER: P0099820

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

*Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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*Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
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Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
PMU	Project Management unit
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name The project's official name is **Sound Chemicals Management Mainstreaming and UPOPs Reduction in Kenya,**

Objective

The key objective of the project is to protect human health and environment

Address

The project headquarters offices are Nairobi city, Nairobi Country, Kenya.

The address of its registered office is

UPOPS Project unit

Ministry of Environment and Forestry

NHIF Building, Upper Hill,

P.O. Box 30126 - 00100

Nairobi

Contacts:

The following are the project contacts

Telephone: (254) 20 2730808/09 Ext. 1257,

E-mail: upops@gmail.com/ psoffice@environment.go.ke

Website: www.upops.environment.go.ke

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Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 21 July 2016
Project End Date:	The project end date is 31 st December, 2021.
Project Manager:	The project manager is Mr Cyrus Mageria
Project Sponsor:	The project sponsor is GEF through UNDP Kenya

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment and Forestry.
Project number	P00099820
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> 1. Sound Management of Chemicals <ol style="list-style-type: none"> a. Improve the country legislation on chemicals, with the objective to assist the environmentally sound management of hazardous chemical, define quality and technical standards for disposal processes; b. Increase the knowledge and awareness of risks related to chemicals with a life cycle perspective, promote alternatives to POPs and other hazardous substances, preventing the use of materials that may generate / release POPs as a consequence of their improper disposal, and the proper disposal of chemicals to avoid their release into the environment; c. Ensure that the country has the capacity to monitor the presence of POPs in the relevant environmental media with specific focus on air quality, atmospheric emissions and specific waste streams. 2. Health-care waste management <ol style="list-style-type: none"> a. Increase segregation and minimisation of waste; b. Improvement of HCW disposal technology and implementation of centralisation of waste disposal. c. Therefore, the strategy of the project is to rank health care facilities in 3 categories: <ol style="list-style-type: none"> (i) Small facilities where no treatment or disposal plant is installed under the project. In these facilities, the

assistance aims instead at ensuring minimization of waste production, proper segregation, and safe storage/transportation. Basic waste disposal equipment will be provided to these hospitals (bags, bins, carts, sharp boxes).

- (ii) Large or medium size facilities currently equipped with out of order or sub-standard incinerators, which can be replaced under the project by non-incineration equipment for the treatment of waste, generated by the same facility or by the small facilities in point (1) above. It is envisaged that under the project a maximum number of 4 medium size non-incineration equipment composed by shredders and non-combustion equipment will be deployed to these facilities. In these facilities, the project will provide training and technical assistance, basic waste disposal equipment, and the waste treatment equipment.
- (iii) A large or medium size HCF currently equipped with a working double-chamber incinerator, which can be used to dispose waste generated by the same facility or by the small facilities in previous point 1. In this facility, after proper technical and financial feasibility study, the incinerator will be upgraded by installing a complete APCM train which may include quencher, bag-filter, neutralizer, and an activated charcoal column. The upgraded incinerator will be used for disposing only the hazardous waste which cannot be processed differently. The incinerator will dispose therefore the hazardous waste generated by the hospital itself or by the HCF listed under the previous point (2) after steam disinfection. Please note that this still synergizes with the activities described below as part of the “Clean Teach East Africa” initiative, as the latter will focus on the Nairobi area and this project can focus on another geographic area

3. Municipal Waste

- a. Creation of alternative approaches to composting in pilot counties;
- b. Support to the development of a new stream of recycling for plastics in these counties;
- c. Development of emergency measures in one priority site, particularly to avoid accidental or voluntary burning of

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	wastes.
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Streamlining sound management of chemicals and waste into national and county development activities through capacity building of MOEF, MOH, county governments in Nairobi, Kisumu, Nakuru and Mombasa and the NGOs; (ii) Introducing environmentally sound management of health care waste in selected healthcare facilities; policy development and strategic plans to prepare them to adopt BAT and safe disposal; (iii) Demonstration of sound healthcare waste management technologies in a selected number of healthcare facilities in each county; (iv) Minimizing releases of unintentionally produced POPs from open burning of waste; and <p>Monitoring, learning, adaptive feedback, outreach and evaluation</p>
Other important background information of the project	<p>Kenya is a party to the Stockholm Convention on Persistent Organic Pollutants (POPs), having ratified the Convention in September 2004. The country subsequently developed a National Implementation Plan (NIP) in 2007. Like other signatories to the Convention, Kenya completed the process of updating the NIP in accordance with the provisions of Article 10 of the Convention and in view of the amendments made to the convention since ratification. Through this process, Kenya developed and amended in a systematic and participatory manner, priority policy and regulatory reforms as well as capacity building needs and required investment programs for POPs since 2004. The process also enabled Kenya to establish inventories of products/articles containing POPs, improve production processes using them and to provide useful information on concentration levels and distribution of POPs across the country.</p>

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Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: The project was formed to intervene in the following areas: (i) Health care Waste (ii) Municipal Waste to reduce open burning of wastes
Project duration	The project started on 21 July 2016 and ran until 31 December 2021

2.4 Bankers

The following are the bankers for the current year:

1. Central Bank of Kenya 1000407867-Special Deposit Account up to date
2. Central Bank of Kenya 1000392387- Project operating account- up to date

2.5 Independent Auditor

The project is audited by the office of the Auditor General and;

UNDP appointed auditors:

Deloitte auditors

Deloitte Place

Waiyaki Way, Muthangari

Nairobi, Kenya

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Eng.Festus Ngeno	Principal secretary	MSc Environmental & Biosystems Engineering	Accounting officer of the State Department of Environment and Climate Change
Mr. Cyrus Mageria	Ag. Director MEAs	Master of Science in Natural Resource Management and Public Resource Management	-National Project Director implementation and oversight
FORMER EMPLOYEES OF THE PROJECT			

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Mr.Francis Kihumba	Ag.Project Manager	Masters of Applied Sciences (BSc), Environmental Chemistry	<ul style="list-style-type: none"> -Prepare and u work plans. -Coordinate Management Coordinate qu planning an reporting meet NPC, PMU, an - Ensure that a with impleme are prepared, r agreed upon. -TORs Prepara
Ms. Mercy Kimani	Project Assistant	Bachelor of Arts, Counselling Psychology; Higher Diploma in Public Relations and Personnel Management	<ul style="list-style-type: none"> -Provide assistance in tl management c according to document an procedures. -Draft corres administrative matters perta Project responsibilities: -Provide s preparing pr including meetings (mor and annual), trainings, etc. This also preparation o materials fo discussions sessions on pr -Logistical This incl transportation, bookings for consultants

			<p>guests coming for project activities;</p> <p>-Be responsible for project filing system. This includes setting up the filing, numbering of all incoming and outgoing correspondence.</p> <p>-Prepare regular list of events for sharing of information within project staff and outside;</p> <p>vii. Assist with project communication activities, including publications;</p>
Nancy Narasha	Finance and Administration Officer	Masters of applied economics BCOM Finance	<p>Operation management of the project</p> <p>Procurement</p> <p>TORs Preparations</p> <p>Prepare quarterly advance requests as required to get advance funds from UNDP</p> <p>Handle incoming requests for funds from Responsible Parties and prepare them for input and approval by NPM and NPC</p> <p>Project budget monitoring and project budget revision</p>

2.7 Funding summary

The Project is for duration of 5 years from May 2016 to December 2021 with an approved budget of US\$ 4,515,000 equivalent to Kshs 451,500,000 as highlighted in the table below:

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Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
UNDP	4,515,000	451,500,000	3,054,161	370,317,021	669,550	81,182,979
TOTAL	4,515,000	451,500,000	3,054,161	370,317,021	669,550	81,182,979
(ii) Counterpart funds						
Government of Kenya						
Cash	451,500	45,150,000	37,889	4,594,136	-	-
In kind	8,128,653	812,865,300	-	-	-	-
In-kind private /Bilateral	12,428,650	1,242,865,000	-	-	-	-
Total	25,523,803	2,552,380,300	3,092,050	374,911,157	669,550	81,182,979

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2023)		Cumulative amount paid to date – (30 th June 2023)		Unutilised balance to date (30th June 2023)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
UNDP	3,052,902	370,317,021	3,052,685	370,290,735	-	26,286
						26,286
(i) Counterpart funds						
Government of Kenya	37,889	4,594,136	37,889	4,594,136	-	-
Total	3,092,050	374,911,157	3,090,574	374,884,871	-	26,286

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Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for current year and for cumulative
- ii) Budget performance against actual amounts for current year and for cumulative to-date,
- iii) Physical progress based on outputs, outcomes, and impacts since commencement,
- iv) Comment on value-for-money achievements,
The project uses government procedures to incur expenses and due diligence is done before a contract is issued. The goods and services are acquired through competition to obtain better quality of goods or services in more significant quantities, just in time when needed, from better suppliers at prices that contribute to improve.
- v) Indicate the absorption rate for each year since the commencement of the project

Absorption rate

2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
66%	77%	88%	61%	67%	100%

The least performing year was 2019/2020 which the project experienced several changes in ministry's executive and in addition, the project was affected by the restrictions imposed due to COVID 19 pandemic.

- vi) List the implementation challenges and recommended way forward.

No	Challenges	Way forward
1	Two months interruptions of End of Financial Year for the donor and GOK means the project loses 4 months in a year	Proper planning
2	The IFMIS closure of requisition window means that the project is unable to capture its commitments in good time hence affecting expenditure levels which in turn affects funds disbursement and this leads to budget cuts with UNDP	Donor funded project should not be affected by IFMIS closure
3	Turnover of employee	Project was allowed to retain staff to enable project implementation smoothly

4	High turnover of executive and management within the Ministry of environment	Political goodwill
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Summary of Project Compliance:

- i) The project has complied with all the relevant laws and procedures.
- ii) Consequences suffered on account of non-compliance or likely to be suffered **Not applicable**
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance **Not applicable**

3. Statement of Performance against Project's predetermined objectives

Introduction

Sound chemicals Management Mainstreaming and UPOPS Reduction Project is from GEF through UNDP. The project uses Grant Revenue and Grant Appropriation Aid financed modalities of cash transfer. The project attained 100% absorption rate and met its objectives for the 2021/22FY.

Background

Kenya is party to Multilateral Environmental Agreements for instance the Stockholm Convention on Persistent Organic Pollutant which requires Kenya to put in place measures to safeguard the Environmental Health of its people through safe disposal of waste. The Ministry of Environment being the focal point of these MEAs is implementing the Chemicals Management Mainstreaming and UPOPS reduction project to achieve the objective of safe health and environment. In this regard, the project has put in place measures to achieve these objectives.

The key development objectives of the project's 2016-2021 plan are to:

- a) Streamlining sound management of chemicals and waste into national and county development activities through capacity building of institutions and county governments of Nairobi, Kisumu, Nakuru and Mombasa.
This objective involves developing chemical laws for example policies and regulations for safe management of chemicals in the country.
- b) Introduce environmentally sound management of health care waste in selected health facilities; policy and strategic plans to prepare them to adopt best alternative Technologies and Best Environmental Practices disposal.
- c) Personnel of hospital facilities and control authorities at central and county level have enough capacity guidance and equipment to manage healthcare waste in an Environmentally Sound Manner
- d) Demonstration of sound healthcare waste disposal technologies in a selected number of healthcare facilities in each county
- e) Minimizing releases of unintentionally produced persistent organic Pollutants from burning of waste.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to various sectors, all the development objectives were made specific, measurable, achievable, realistic, time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Sound Chemicals Management Mainstreaming and UPOPS reduction	The project intends to protect human health and the environment by managing the risks posed by production, use, import and export of chemicals and reducing / preventing the release of U-POPs and toxic compounds originating from the unsafe management of waste in Health Care Waste and Municipal Waste.	-Policy and legal framework -Institution strengthening -Medical Waste - Management -Municipal Waste Management	Number of Policy and regulations put in place Number of trainings done Consultancy and Medical Waste commodities purchased 3Rs upscaling and Awareness creation	In FY 19/20 we developed Chemicals Regulations Policy, Revised Hazardous Medicals Waste Policy and Reviewed the Pest Control Products Act. -Training of Ministry of Health staff on IRAT tool. -Best Environmental Practices encouraged and Health care Waste Commodities for 13 facilities were purchased. -100 metric tonnes of POPS eliminated due to the concerted efforts done.

4. Environmental and Sustainability reporting.

1. Sustainability strategy and profile

Institutions were identified for strengthening in terms of hardware and software, the W Central Water Testing Laboratory elevated and equipped to provide referral services to regional laboratories on water. The project has involved and supported the Universities develop a curriculum that teaches Multilateral Environmental Agreements to students. will help in knowledge transfers and development on short courses. The project also supported the development and validation of the Environment Management and Coord Regulations 2018. The regulation provides for proper chemicals management through cycle which shall be enforced. The regulation will support -Environment, Safety and Hazard and Toxic Chemicals, Ecotoxicology of chemicals used, Management, safety, handling and storage, obsolete chemicals and Chemicals banned in other countries.

2. Environmental performance

In the last 4 years, the project has trained officers from different institution, Water Resources Authority officers, NEMA, CBO's, County Government and Health Care Management workers on their core skills when it comes to MEAs, waste management sound disposal. The knowledge transfer will go a long way in developing the institut memory.

3. Employee welfare

In the last 4 years, the project has trained officers from different institution, Water Resources Authority officers, NEMA, CBO's, County Government and Health Care Management workers on their core skills when it comes to MEAs, waste management sound disposal. The knowledge transfer will go a long way in developing the institut memory.

4. Market place practices-

The project in the procurement of goods and services

- a) Uses the Ministry's procedures in procurement fully and in compliance with procurement and Asset Disposal Act 2015. This ensures that proper guidelines and processes have been followed to enable smooth operations of the project competitiveness and value for money is achieved.
- b) Vulnerable groups of Youth, Women and Disables have been incorporated in quotations and tendering processes of the project.

5. Community Engagements

The Sound Chemicals Management Mainstreaming and UPOPS Reduction project objective on development of policies in waste management that will help the country in Managing wastes coming out from medical wastes as well as Municipal waste in a sound manner. project has put in place the following measures to ensure continuity of the objectives

5. Statement of Project Management responsibilities.

The **Principal Secretary** for the State Department of Environment and Climate Change and the **Project Coordinator** for **Sound Chemicals Management Mainstreaming and UPOPS project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

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

The **Principal Secretary** for the State Department of Environment and Climate Change and the **Project Coordinator** for **Sound Chemicals Management Mainstreaming and UPOPS project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

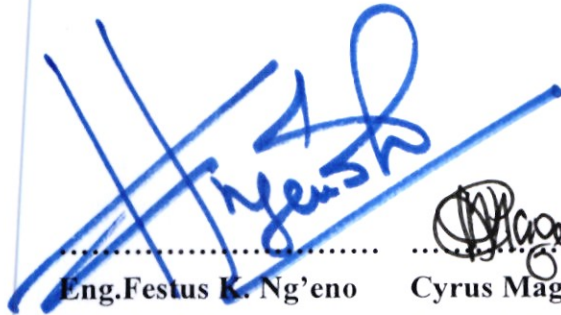
The **Principal Secretary** for the State Department of Environment and Climate Change and the **Project Coordinator** for **Sound Chemicals Management Mainstreaming and UPOPS project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The **Principal Secretary** for State Department of Environment and Climate Change and the **Project Coordinator** for **Sound Chemicals Management Mainstreaming and UPOPS project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The **Principal Secretary** for the State Department of Environment and Climate Change and the **Project Coordinator** for **Sound Chemicals Management Mainstreaming and UPOPS project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

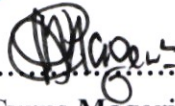
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Approval of the Project Financial Statements.

The Project financial statements were approved by the Principal Secretary for Department of Environment and Climate Change and the **Project Coordinator for Chemicals Management Mainstreaming and UPOP project** 10/11/ 2023 and signed by:



Eng. Festus K. Ng'eno
Principal Secretary



Cyrus Mageria
Project Coordinator



Enock Maticha
Project Accountant
ICPAK Member No:

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UPOPS REDUCTION IN KENYA PROJECT NO.P00099820 FOR THE YEAR ENDED 30 JUNE, 2023 - MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY

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 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 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

Adverse Opinion

I have audited the accompanying financial statements of Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya Project set out on pages 1 to 10 which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of 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, because of the significance of the matters discussed in the Adverse Opinion section of my report, the financial statements do not present a true and fair view of the financial position of Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya Project as at 30 June, 2023, and of its financial performance and cash flows for the year then ended, in accordance with International Public Accounting Standards (Cash Basis) and do not comply with the Financing Agreement No.00099820 dated 21 July, 2016 between the United Nations Development Programme (UNDP) and the Government of Kenya (GOK) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements presented for audit revealed the following variances:

- (i) Note 1 to the financial statements reflects cumulative transfers from government entities of Kshs.4,594,136 while opening balance from financial year 2022 reflects Kshs.4,763,200 resulting into unreconciled variance of Kshs.169,064.
- (ii) The statement of receipts and payments reflects cumulative receipts of Kshs.374,911,157 while exchequer issues notification from the National Treasury reflects amount of Kshs.142,320,863 resulting to unexplained variance of Kshs.232,590,294.
- (iii) The statement of receipts and payments reflects Nil miscellaneous receipts while Note 4 to the financial statement reflects an amount of Kshs.5,080,000 of receipts not reflected elsewhere resulting in unreconciled variance of Kshs.5,080,000. Further, the Project bank account statement held at the Central Bank of Kenya reflects credit entries of Kshs.4,108,000 received in July 2022 resulting in unexplained receipts of Kshs.4,108,000.

- (iv) The statement of receipts and payments reflects cumulative purchase of goods and services amounts to date of Kshs.193,572,665 while Note 6 to the financial statements reflects an amount Kshs.264,265,965 resulting in unreconciled variance of Kshs.70,693,300.
- (v) As reported in the previous year, variances were noted between the statement of receipts and payment and statement of comparison of budget and actual amounts. However, the variances have not been corrected in the financial statements for 2022/2023 financial year by way of restatements.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Prior Year Adjustments

The statement of financial assets and cash flow statement reflects a prior year adjustment amounting to Kshs.5,080 while Note 15 to the financial statements reflects Kshs.70,693,300 under assets resulting in unreconciled variance of Kshs.70,688,220 not explained in the Notes to the financial statements on the nature of the error that relates to the prior period and the fact that comparative information has been restated or that it is impracticable to do so. Further, the assets balances at the beginning of the period has not been adjusted by the amount of errors and journal entries signed by the Accounting Officer. This was contrary to Regulation 103 of the Public Finance Management (National Government) Regulations, 2015 that provides that journal entries prepared for all adjustments to be authorized by the accounting officer or an officer designated by him or her before posting them in a financial record. Further, the Regulations requires that the journal vouchers be supported by sufficient explanations, authorizations, and documentation to facilitate accounting adjustments to be understood.

In the circumstances, the accuracy and completeness of the prior year adjustments balance of Kshs.70,693,300 could not be confirmed.

3. Incomplete Financial Statements

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects receipts with Nil balances against Nil actual expenditure. However, a review of IFMIS report reflects an approved budget of Kshs.30,000,000 against actual expenditure of Kshs.25,366,770 resulting to unspent amount of Kshs.4,633,230 which includes outstanding commitments of Kshs.2,798,015 and unspent balances of Kshs.1,835,215.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

4. Unsupported Acquisition of Non-Financial Assets

The statement of receipts and payments and as disclosed in Note 8 to the financial statement reflects acquisition of non-financial assets cumulative to date totalling to Kshs.118,540,065. However, assets valued at Kshs.23,463,400 located at Water

Resource Management Authority laboratories in Nairobi and Kisumu had attached to each asset. Further, assets valued at Kshs.53,211,035 were acquired on the 31 December, 2021 and their supporting documents such as payment receipts, lease agreements and contracts were not provided for audit review. Similarly, the letter of agreement dated 7 June, 2022 by United Nations Development Programme revealed that ownership of assets valued at USD 1,070,219 were transferred to the Ministry of Environment and Forestry. However, there was no evidence of receipt of the assets.

In the circumstances, the accuracy and completeness of cumulative expenditure on acquisition of assets amounting to Kshs.118,540,065 could not be confirmed.

5. Poor Assets Management

The statement of receipts and payments and as disclosed in Note 8 to the financial statement reflects acquisition of non-financial assets cumulative to date to Kshs.118,540,065. However, assets were not supported by a comprehensive asset register. The register did not include assets details such as purchase/original tag, asset codes for specific assets and motor vehicle registration numbers. Further, review of the assets register revealed the following;

- (i) Assets valued at Kshs.7,594,900 were not tagged.
- (ii) Assets valued at Kshs.86,871,700 held by former officers of various county governments had no handing over report for the assets provided for audit.
- (iii) A biomedical truck located at County Government of Nakuru had no supporting documents provided for audit.
- (iv) Assets of Kshs.6,911,958 had been allocated to former employees of the county whose employment contracts had since ended. However, there was no handover report provided for audit review.
- (v) Assets valued at Kshs.560,000 were indicated as awaiting distribution, of which four faulty laptops were not provided for audit verification and disclosed as missing.
- (vi) HP ProBook 450G6 serial no.5CD9305WDF laptop worth Kshs.1,100,000 acquired on 18 October, 2019 assigned to an officer was indicated as missing in the asset register supported by a police OB number 83/30/01/2023 Central police. However, there was no proof of surcharge for the loss.
- (vii) Two medical waste microwaves valued at Kshs.25,000,000 indicated as allocated to the former county executive committee members for Kajiado and Nairobi County Governments respectively, were not branded with donor logo and not yet installed for use.

In the circumstances, existence and ownership of projects' assets could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Undrawn External Assistance

Note 1(b) under other important disclosures to the financial statements reflects undrawn external assistance of Kshs.81,182,979. The Project Management indicated that the project was completed, but did not explain the reasons for the undrawn balance of Kshs.81,182,979 representing 22% of the total Project funding of Kshs.374,911,157.

In the circumstances, the completion of the project could not be confirmed.

2. Slow Rate of Funds Absorption

The financing agreement and other project information accompanying the financial statements reflects donor commitment, counterpart fund and in-kind contribution totalling to of USD 25,523,803 equivalent to Kshs.2,552,380,300. However, review of the project report status as at 30 June, 2023 revealed the grant and loan received amount of USD 3,092,050 equivalent to Kshs.374,911,157 representing 12% of the donor commitment having been absorbed.

The slow rate of absorption of funds implies that some activities in the project will not be implemented and this will negatively impact on achievement of the goals of the project.

3. Unresolved Prior Year Audit matters

In the audit report of 2021/2022 financial year several issues were raised, however, no report or recommendations from the Project Management and oversight bodies were submitted for audit verification and clearance. Therefore, the issues remain unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require accounting officers designated for County Government entities to try and resolve any issues resulting from an audit that remain outstanding.

In the circumstance, the Project Management was in breach of the law.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significant matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, the audit procedures performed, I confirm that public resources have not been used lawfully and in an effective way.

Basis for Conclusion

1. Lack of Quarterly Reports from the Beneficiary Counties

Project information and overall performance under project summary of project for achievement of strategic goals indicate that the project was implemented in the respective Counties of Nairobi, Kisumu, Nakuru and Mombasa and the NGOs. However, there were no quarterly reports from the beneficiary counties on the expected performance achieved and documents on how the funds were spent in the respective Counties.

In the circumstances, the effectiveness and lawfulness of the project implemented by County government may not have been achieved.

2. Failure to Close Donor Project

Review of the signed summary of project agreement revealed that the project had an initial start date of May 2016 and end date on 31 December, 2021. However, as at 30 June, 2023, the project had not been closed and the closure report was not available for audit review. This was contrary to Regulation 74(6)(c) of the Public Finance Management (National Government) Regulations, 2015 that requires an Accounting Officer of a National Government entity to ensure that the assets are handed over to the donor within three months from the date of the closure of the project.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and I governance were not effective.

Basis for Conclusion

Lack of Internal Audit Review

During the year 2022/2023, there was no internal audit review of the Project's activities contrary to Section 73(3) (b) of the Public Finance Management Act, 2012 which require that the Internal Auditor should conduct internal auditing which includes risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of the entity.

In the circumstances, the effectiveness of the Project's internal controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, the Project Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Project 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 all financial activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective policies 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 internal 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 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 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 control environment that might be material weaknesses under the ISSAIs. A material weakness is a deficiency in the design or operation of one or more of the internal control components that could reduce to a relatively low level the risk that misstatements caused by error or fraud, if not detected, would be material in relation to the financial statements being audited.

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

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

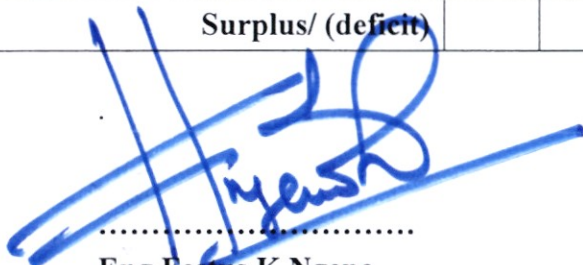
Nairobi


30 November, 2023

7. Statement of Receipts and Payments for the year ended 30th June 2023.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2022/2023			2021/2022			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	-	-	-	4,763,200	-	4,763,200	4,594,136
Proceeds from domestic and foreign grants	2	-	-	-	71,711,016	17,950,400	89,661,416	370,317,021
Loan from external development partners	3		-	-	-	-	-	-
Miscellaneous receipts	4				-	-	-	-
Total receipts		-	-	-	76,474,216	17,950,400	94,424,616	374,911,157
Payments								
Compensation to employees	5		-	-	7,588,275	-	7,588,275	59,647,341
Purchase of goods and services	6		-	-	68,861,929	17,950,400	86,817,409	193,572,665
Social security benefits	7	-	-	-	-	-	-	3,124,800
Acquisition of non-financial	8	-	-	-	-	-	-	118,540,065

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
assets								
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	
Total payments		-	-	-	76,450,205	17,950,400	94,400,605	374,884,870
Surplus/ (deficit)		-	-	-	24,011	-	24,011	26,286.30


.....
Eng. Festus K. Ngeno
Principal Secretary


.....
Cyrus Mageria
Project Coordinator


.....
Enock Maticha
Project Accountant
ICPAK Member No: 23310

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

8. Statement of Financial Assets as at 30th June 2023

Description	Note	2022/2023	2021/20
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	26,286	
Cash Balances	11.B	-	
Cash equivalents (Short-term deposits)	11.C	-	
Total Cash and Cash equivalents		26,286	
Imprests and Advances	12	-	
Total Financial Assets		26,286	
Financial Liabilities			
Third party Deposits and Retention	13	-	
Net Assets		26,286	
Represented By			
Fund Balance B/fwd.	14	21,206	
Prior Year adjustments	15	5,080	
Surplus/(Deficit) for the Year		-	
Net Financial Position		26,286	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10/11 and signed by:

.....
Eng. Festus K. Ngeno
Principal Secretary

.....
Cyrus Mageria
Project Coordinator

.....
Enock Maticha
Project Accountant
ICPAK Member No:

9. Statement of Cash flow for the year ended 30th June 2023

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	-	4,763,200
Proceeds from domestic and foreign grants	2	-	89,661,416
Miscellaneous receipts	4	-	-
Total receipts		-	94,424,616
Payments			
Compensation of employees	5	-	7,588,275
Purchase of goods and services	6	-	86,812,330
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		-	94,400,605
Net receipts/(payments)		-	
Adjustments during the year			-
Prior year adjustments	15	5,080	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		-	24,011
Cashflow from investing activities			-
Acquisition of non-financial assets	8	-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			

***Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
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Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Proceeds from foreign borrowings	3	-	
Net cash flow from financing activities		-	
Net increase in cash and cash equivalents		-	
Cash and cash equivalent at beginning of the year	11	21,206	
Cash and cash equivalent at end of the year	11	26,286	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 20/11/23 and signed by:

.....
Eng. Festus K. Ng'eno
Principal Secretary

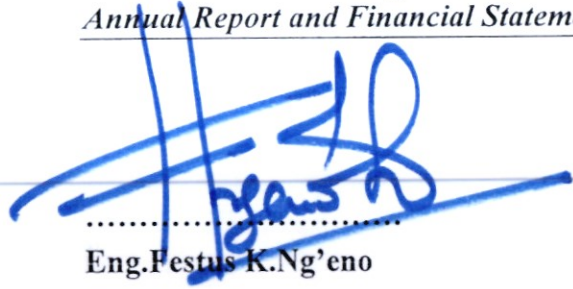
.....
Cyrus Mageria
Project Coordinator

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Enock Maticha
Project Accountant
ICPAK Member No:

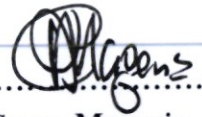
10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2023

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	-	-	-	-	-	-
Proceeds from domestic and foreign grants	-	--	-	-	-	-
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-
Payments						
Compensation to employees	-	-	-	-	-	-
Purchase of goods and services	-	-	-	-	-	-
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Total Payments	-	-	-	-	-	-
Surplus or Deficit	-	-	-	-	-	-

*Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
Annual Report and Financial Statements for the financial year ended June 30, 2023*



.....
Eng. Festus K. Ng'eno
Principal Secretary



.....
Cyrus Mageria
Project Coordinator



.....
Enock Maticha
Project Accountant

ICPAK Member No: 23310

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for UPOPS project under the State Department of State Department of Environment and Climate Change. The financial statements are for the reporting entity **Sound Chemicals Management Mainstreaming and UPOPS project** as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

Sound Chemicals Management Mainstreaming and UPOPS project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

Significant Accounting Policies (Continued)

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and committed to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

Significant Accounting Policies (continued)

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

Cash and cash equivalents

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

g) Restriction on cash

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

Significant Accounting Policies (Continued)

h) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorized personnel and/or institutions which were not surrendered or accounted for at the end of financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

i) Contingent Liabilities

A contingent liability is:

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

The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of the financial statement is a register of the contingent liabilities in the year

j) Contingent Assets

UPOPS Project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UPOPS Project in the notes

Significant Accounting Policies (continued)

financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

Significant Accounting Policies (continued)

m) Third party payments

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

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

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

q) Prior period adjustments

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

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2022/2023	2021/2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry Environment, Climate Change and Forestry</i>			
Counterpart funds Quarter 1	-	46,200	88,400
Counterpart funds Quarter 2	-		1,075,300
Counterpart funds Quarter 3	-	609,000	3,330,436
Counterpart funds Quarter 4	-	4,108,000	100,000
Total	-	4,763,200	4,594,136

Note

The funds that were credited to the project bank account totaling Kshs.4, 763,200.00 during the year have not been added to the cumulative to date. These credits were refund for payments earlier erroneously made from project account and not new transfers from the Government into account.

*Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

	FY 2022/2023						FY 2021/2022	Cumulative to date
Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
UNDP	-	-	-	-	-	-	89,661,461	370,317,021
Total	-	-	-	-	-	-	89,661,461	370,317,021

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

There were no loan from External Development Partners

4. Miscellaneous receipts

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere*	5,080.00	-	-	-	5,080.00
Total	5,080.00	-	-	-	5,080.00

*Sound chemicals management mainstreaming and UPOPS Reduction in Kenya project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

5. Compensation to Employees

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	-	-	-	4,474,633	51,208,053
Basic wages of temporary employees	-	-	-	734,700	1,914,404
Personal allowances paid as part of salary	-	-	-	-	-
Other personnel payments	-	-	-	2,378,942	6,524,884
Total	-	-	-	7,588,275	59,647,341

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	-	-	-		1,093,532
Communication, supplies and services	-	-	-		675,200
Domestic travel and subsistence	-	-	-	2,681,900	28,870,050
Foreign travel and subsistence	-	-	-		8,166,164
Printing, advertising, and information supplies	-	-	-		2,032,000
Rentals of produced assets	-	-	-		-
Training payments	-	-	-		36,563,003
Hospitality supplies and services	-	-	-	1,576,305	14,130,564
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	82,291,940	97,395,605
Other operating payments	-	-	-		-
Routine maintenance – vehicles and other transport equipment	-	-	-	262,185	3,932,439
Routine maintenance- other assets	-	-	-	-	599,902
Paye special force	-	-	-	-	369,100
Refund to development	-	-	-	-	6,336,243

Annual Report and Financial Statements for the financial year ended June 30, 2023

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Monitoring and Evaluation	-	-	-	-	23,854,141
HCWM Commodities	-	-	-	-	10,931,708
AIA DSA regularization	-	-	-	-	29,316,313
Exchange rate losses/gains (net)	-	-	-	-	-
Total	-	-	-	86,812,330	264,265,965

7. Social Security Benefits

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	-	-	-	-	3,124,800.00

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

Description	FY 2022/2023			FY 2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	
Purchase of vehicles & other transport equipment	-	-	-	-	3,961,800
Purchase of office furniture & general equipment	-	-	-	-	3,621,565
Purchase of specialised plant, equipment and machinery	-	-	-	-	23,463,400
Acquisition of other intangible assets	-	-	-	-	87,493,300
Total	-	-	-	-	118,540,065

9. Transfer to other Government Entities.

There were no transfers in the financial year 2022/2023.

10. Other Grants, Transfer and Payments

There were no other grants, transfer and payments transfers in the financial year 2022/2023

Notes to the Financial Statements (Continued)

11. Cash and Cash equivalents

Description	Insert Current FY	Insert Compar:
	Kshs	Kshs
Bank accounts (Note 11A)	26,286	
Cash in hand (Note 11B)	-	
Cash equivalents (short-term deposits) (Note 11C)	-	
Total	26,286	

Sound Chemicals Management mainstreaming and UPOPS Reduction project has one proj account within project implementation area and one foreign currency designated account managed by the The National Treasury

11. A Bank Accounts

Project Bank Accounts

Details	FY 2022/2023	FY 2021/20
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000401877]	-	
Total Foreign Currency balances	=	
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000392387]	26,286	
Total local currency balances	26,286	
Total bank account balances	26,286	

11B. Cash in hand

There was no cash in hand in the financial year 2022/2023

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
i) A/C Name: UNDP support to country program [A/c No 10002885470]	-	-
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
Closing balance (as per SDA bank account reconciliation attached)	-	-
ii) A/c Name Sound chemicals management mainstreaming and UPOPS Reduction project in Kenya [A/c No 1000407867]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
Closing balance (as per SDA bank account reconciliation attached)	-	-

11B.CASH IN HAND.

There were no cash in hand

11C. Cash equivalents (short-term deposits)

There were no Cash equivalents

12. Imprests and Advances

There was no Imprests and Advances

12A: Breakdown of Imprests and Advances.

There was no Breakdown of Imprests and Advances

13. Deposits and Retention Monies

There were no Deposits and Retention Monies

Notes to the Financial Statements (Continued)

14. Fund Balance Brought Forward

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Bank accounts	21,206	2,275
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
Total	21,206	2,275

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f Previous FY 2022/2023 (audited financial statements)	Adjustments	Adjust b/f I FY 2
Description of the error	Kshs	Kshs	
Bank account Balances	-	-	
Cash in hand	-	-	
Imprests and advances	-	-	
Deposits and retentions	-	-	
Assets	47,846,765	70,693,300	
Total	47,846,765	70,693,300	

Other Important Disclosures

Other Important Disclosures (Continued)

1. External Assistance

	FY 2023/22	FY 2022/2021
Description	Kshs	Kshs
External assistance received as grants		370,317,021
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	370,317,021

a). External assistance relating loans and grants from UNDP

	FY 2022/23	FY 2022/21
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	370,317,021
Total	-	370,317,021

b) Undrawn external assistance from UNDP

	Purpose for which the undrawn external assistance may be used	FY 2023/22	FY 2022/21
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		81,182,979	81,182,979
Total		81,182,979	81,182,979

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Other Important Disclosures (Continued)

c) Purpose and use of external assistance

Payments made by third parties	FY 2022/23	FY 2021/22
Description	Kshs	Kshs
Compensation to employees	-	-
Use of goods and services	-	17,950,400
Subsidies	-	
Transfers to other Government entities	-	
Other grants and transfers	-	
Social Security benefits	-	
Acquisition of assets	-	
Finance Costs including loan interest	-	
Repayment of principal on domestic and foreign borrowing	-	
Other payments	-	
Total	-	17,950,400

d) Exchange Rate

The Exchange Rate used were as per the prevailing rate in the UNDP Circular. (Annex attached)

e) Government Funding

The Government funding provided for in the Budget of Ksh.30, 000,000 was for continuing the project which has been accounted for in the Ministry's financial statements.

13. Annexes

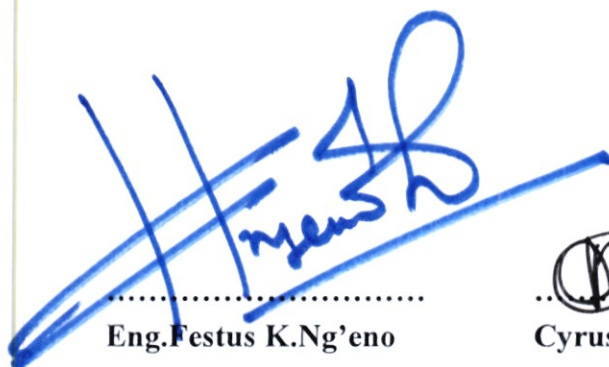
Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																
1003	<p>Variances between the statement of Receipts and Payment and Statement of Comparison of Budget and Actual Amounts</p> <p>The following inaccuracies were noted in the Statement as shown below</p> <table border="1" data-bbox="225 1151 970 1787"> <thead> <tr> <th>Item</th> <th>Statement of Receipts and Payment (Kshs.)</th> <th>Statement of Comparison of Budget and Actual (Kshs.)</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Transfer from Government Entities</td> <td>4,763,200</td> <td>-</td> <td>4,763,200</td> </tr> <tr> <td>Compensation of employees</td> <td>7,588,275</td> <td>3,898,276</td> <td>3,689,999</td> </tr> <tr> <td>Purchases of Goods and Services</td> <td>86,817,409</td> <td>85,744,208</td> <td>1,073,201</td> </tr> </tbody> </table>	Item	Statement of Receipts and Payment (Kshs.)	Statement of Comparison of Budget and Actual (Kshs.)	Variance	Transfer from Government Entities	4,763,200	-	4,763,200	Compensation of employees	7,588,275	3,898,276	3,689,999	Purchases of Goods and Services	86,817,409	85,744,208	1,073,201	<p>We acknowledge the error noted above and confirm that it was corrected in the amended financial statement. In the amended financial statements returned payment has been excluded from receipts. The correct receipts amount is Kshs.4,763,200.00</p>	<p>Not resolved</p>	<p>Awaiting to appear Before PAC at a later</p>
Item	Statement of Receipts and Payment (Kshs.)	Statement of Comparison of Budget and Actual (Kshs.)	Variance																	
Transfer from Government Entities	4,763,200	-	4,763,200																	
Compensation of employees	7,588,275	3,898,276	3,689,999																	
Purchases of Goods and Services	86,817,409	85,744,208	1,073,201																	

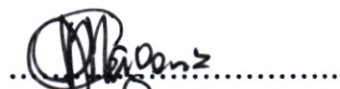
**Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023**

	<table border="1"> <tr> <td>Total payments</td> <td>94,405,684</td> <td>89,642,484</td> <td>4,763,200</td> </tr> </table>	Total payments	94,405,684	89,642,484	4,763,200	<p>In addition, the Statement of Comparison of Budget and Actual amounts have casting error of Kshs.6,240,000 on the final expenditure budget column In the circumstances, the accuracy and completeness of the financial statement could not be confirmed</p>		
Total payments	94,405,684	89,642,484	4,763,200					
1004	<p>Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis of 137,000,000 and Kshs.89, 661,416, respectively resulting to underfunding of Kshs.47,338,584 or 35% of the budget. Similarly, the project spend Kshs.89,642,484 against an approved budget of Kshs.137,000,000 resulting to under expenditure of Kshs.47,357,516 or 35% of the budget. The underfunding and under expenditure affected the planned activities of the Project and may have impacted negatively on service delivery to the public.</p>	<p>The under absorptions of project funds is true and this was mainly attributed to procurement bottlenecks which were beyond the control of the Ministry nor the government of Kenya. Due to COVID 19, the responses to tenders floated in the government did not attract capable firms that led into bid cancellation. For instance, Ashpits Kshs. 15M couldn't be constructed because the firm that worn the tender decided to withdraw. Also, the time was short</p>	Not resc					

to re-issue the tender since the project was ending on Dec 2021. Hence the budget couldn't be absorbed fully.		
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.....
Eng. Festus K. Ng'eno
Principal Secretary



.....
Cyrus Mageria
Project Coordinator

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 2: Variance explanations - Comparative Budget and Actual amounts for FY 2022/2023

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	-	-	-	-	-
Proceeds from domestic and foreign grants	-	-	-	-	-
Proceeds from borrowings	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-
Total Receipts	-	-	-	-	-
Payments					
Compensation of employees	-	-	-	-	
Purchase of goods and services	-	-	-	-	
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
Total payments	-	-	-	-	

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 3: Reconciliation of inter-entity transfers

Project Name: Sound Chemicals and UPOPS Reduction Project				
Break down of transfers from the State Department of Environment and Climate Change				
a	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total	-	
B	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total	-	
c	Others			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		Total	-	
		Total (A+B+C)	-	

Project Coordinator
Sound chemicals management mainstreaming
And UPOPS Reduction project

Sign 

Head of Accounting Unit
State Department of Environment and Climate Change

Sign 

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total						

Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 4c: Analysis of other Pending Payables

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2022/23 (a)	Donations in form of assets (KShs) 2022/23 (b)	*Purchases/ Additions in the Year (KShs) 2022/23 (c)	**Disposals in the Year (KShs) 2023/22 (d)	Transfers in/(out) Kshs 2022/23 (d)	Closing Cost (KShs) 2023 (e)= (a)+ (b)+c)- (d)+(-)d
Land	-	-	-	-	-	-
Buildings and structures	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-	-	-
ICT Equipment,	-	-	-	-	-	-
Other Machinery and Equipment	-	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-
Infrastructure assets roads, rails	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	-	-	-	-	-	-
Total	-	-	-	-	-	-

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

*Sound chemicals management mainstreaming and UPOPS Reduction project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2023
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. Trial balance
- v. UNDP exchange rate circular.

SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UPOPS REDUCTION IN KENYA

TRIAL BALANCE FOR THE YEAR ENDED 30 JUNE 2023

SNO	PARTICULARS	DR	CR
1.	Bal b/d	-	21,206
2.	Refund of imprest	-	5,080
3.	Bal c/d	26,206	-
	TOTAL	26,206	26,206

Prepared by: Eunice Mbithe

Signature.....

Date.....30/6/2023

21

SOUND CHEMICALS MANAGEMENT AND MAINSTREAMING UPOS PROJECTS
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023
PART B: ACCOUNT RECONCILIATION

Credit No. UNEP GRANT

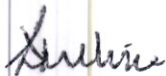
Bank Account No.1000401877 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by UNEP - Opening Bal.		-
	Amount advanced by UNEP - Adv YR 2023		-
	Less:		
2	Total amount recovered by UNEP		-
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special Account Balance as as 30 June 2023		-
5	Amounts claimed but not credited as at 30th June 2023		-
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		-

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by SWEDEN and provide reasons for not claiming the expenditures



AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 24.08.2023

SPECIAL ACCOUNT STATEMENT

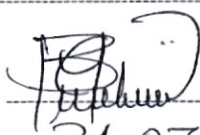
For period ending	30th JUNE, 2023
Account No.	1000401877
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	SOUND CHEMICALS MGT AND MSTM. UPOPS
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank	0.00
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	0.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2023	0.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

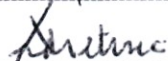


DATE

24.07.2023

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:



DATE

24.08.2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: Run Time:
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O. BOX 60000-0200
NAIROBI
STATEMENT PERIOD: From 01/07/2022 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER :

ACCOUNT TITLE : SOUND CHEMICALS MGT AND MSTM. UPOPS
30/06/2023

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
-----	------	--------------	---------	-------	----------------

OPENING BAL : 0.00

NO.	Value	Date	Reference.No	Details	Debit	Credit	Balance
1	0.00				0.00	0.00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)
[Clear Selection](#) [Find](#)

- Account equals v 1000401877
- Statement From equals v 20220701
- Statement To equals v 20230630

TAM.E.STMT.OF.ACCT.EPRM

SOUND CHEMICALS MANAGEMENT AND MAINSTREAMING UPOS PROJECTS
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2022
PART B: ACCOUNT RECONCILIATION

Credit No. UNEP GRANT

Bank Account No.1000401877 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by UNEP - Opening Bal.		-
	Amount advanced by UNEP - Adv YR 2022		-
	Less:		
2	Total amount recovered by UNEP		-
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special Account Balance as as 30 June 2022		-
5	Amounts claimed but not credited as at 30th June 2022		-
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2022		-

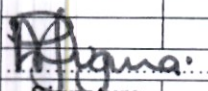

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by SWEDEN and provide reasons for not claiming the expenditures

AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE:

		REPUBLIC OF KENYA		F.O 30
		MINISTRY OF ENVIRONMENT AND FORESTRY		
		UPOPS-1108 (ME&F) 2022/2023		
		Account number : 1000392387		
		BANK RECONCILIATION STATEMENT AS AT 30.06.2023		
				Kshs.
Balance as per bank certificate				26,286.30
Less				
1. Payments in cashbook not yet recorded in bank statement				
2. Receipts in bank statement not yet recorded in cashbook				-
Add				
3. Payments in bank statement not yet recorded in casbook				-
4. Receipts in cashbook not yet recorded in bank statement.				-
Balance as per the cashbook.....				26,286.30
I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct				
 Signature		DAG Designation		16/07/23 Date
(All schedules are attached herewith)				
Prepared by: <u>Kunice Mbithe</u>			Signature 	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C UPOS-1108 (ME&F) 2022/2023			
Account number : 1000392387			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)			
CB DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C UPOPS-1108 (ME&F) 2022/2023			
Account number : 1000490098			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 2)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C UPOPS-1108(ME&F) 2022/2023			
Account number : 1000392387			
BANK RECONCILIATION STATEMENT AS AT 30.06.2022			
PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 3)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C UOPS-1108 (ME&F) 2021/2022			
Account number : 1000392387			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT(SCHEDULE 4)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	



★ Operational Rates

Current

Tools

Help

UN Operational Rates of Exchange

Operational exchange rates for one United States Dollar (USD) listed by country. You can navigate the list by clicking on a letter.

Filter: None Rates changed since 01 Oct 2023

A B C D E F G H I J K L M N O P Q R S T U V W Z

Export to: XML Excel

Currency Code	Operational Rate	Effective Date
KES	148.87	13 Oct 2023
KES	147.98	01 Oct 2023
KES	146.46	15 Sep 2023
KES	145.23	01 Sep 2023
KES	143.49	15 Aug 2023
KES	142.25	01 Aug 2023
KES	141.11	14 Jul 2023
KES	140.28	30 Jun 2023
KES	139.41	15 Jun 2023
KES	138.29	01 Jun 2023
KES	136.77	15 May 2023
KES	135.7	01 May 2023
KES	133.8	14 Apr 2023
KES	132.1	01 Apr 2023
KES	129.24	15 Mar 2023
KES	126.65	01 Mar 2023
KES	125.09	15 Feb 2023
KES	124.3	01 Feb 2023

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4.7 (11)

Date: ...27TH JULY, 2023

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF ENVIRONMENT AND FORESTRY (UOPS 1108) A/c 1000737897 as at the close of business on 30th June, 2023

The Board, consisting of – (Names and official titles).

RODNEY OMARI --- ASSISTANT SECRETARY - CHAIRMAN
 MARY RAGEN --- PRINCIPAL ACCOUNTANT - MEMBER
 ANTONY RUTTO --- ECONOMIST - MEMBER

Assembled at the CASH OFFICE- MINISTRY HQs

At.....10 a.m. (time) on the 27TH JULY 2023

and the following cash was produced

Notes	NIL
Silver	NIL
Copper	NIL
Cheques (as per details on reverse)	NIL
		NIL

It was observed that cheques amounting to Sh..... NIL.....cts..... had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the30TH JUNE, 2023

Cash on hand	Sh: NIL
Bank balance	Sh: 26,286.30
		26,286.30

The Bank Certificate of Balance showed a sum of Sh TWENTY SIX THOUSAND, TWO HUNDRED AND EIGHTY SIX AND THIRTY CENTS ONLY.
 (Sh. 26,286 cts 30.....)

Standing to the credit of the account on 30th June, 2023.

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank reconciliation Statement (F.O.30) attached.

: RODNEY OMARI
 CHAIRMAN
 : MARY RAGEN
 : ANTONY RUTTO
 MEMBERS OF THE BOARD

Date: 27TH JULY, 2023

