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THE NATIONAL ASSEMBLY PAPERS L.A. 10	
REPORT	DATE: 11 APR 2023
	DAY: TUESDAY
TABLED BY:	Hon. Owen Bayo, MP Deputy Leader - Majority
CLERK-AT-TABLE:	Esther Ngunjo

THE AUDITOR-GENERAL

ON

**KENYA GOLD MERCURY FREE ASGM
PROJECT CREDIT NO. GEF/UNDP/GOK -
00108253**

**FOR THE YEAR ENDED
30 JUNE, 2022**

MINISTRY OF ENVIRONMENT AND FORESTRY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

01 NOV 2022

RECEIVED

PROJECT NAME: KENYA GOLD MERCURY FREE ASGM PROJECT
IMPLEMENTING ENTITY: MINISTRY OF ENVIRONMENT AND FORESTRY
PROJECT GRANT/CREDIT NUMBER: GEF/UNDP/GOK-00108253

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

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1. Project Information and Overall Performance

1.1 Name and registered office

Name

The project's official name is Kenya GOLD Mercury Free ASGM Project.

Objective

The key objective of the project is to reduce/eliminate the use of mercury in the Kenya's ASGM mining sector through provision of technical assistance, technology transfer, establishment of public private partnerships and facilitating access to financing for the purchase of mercury-free processing equipment.

The project intends to introduce and promote best practices and techniques for gold extraction. That means more money for miners and their families and fewer risks to their health, their communities, and the environment.

Address

The project headquarters offices are at Nairobi City, Nairobi County, Kenya.

The address of its registered office is:

NHIF Building, Ragati Road, Upperhill

NAIROBI, KENYA

The project has no other offices/branches

Contacts: The following are the project contacts

P.O. Box: 30126-00100, Nairobi

Telephone: 254-020 – 2730808/9

E-mail: psoffice@environment.go.ke, imkagoldproject@gmail.com

Website: www.environment.go.ke

Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 05/07/2019
Project End Date:	The project end date is 05/07/2024
Project Manager:	The project manager is Ms Mayiani Saino
Project Sponsor:	The project sponsor is GEF through UNDP

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment and Forestry.
Project number	GEF/UNDP/GOK-00108253
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> I. To strengthen institutions and the policy/ regulatory framework for mercury-free ASGM; II. To establish financing lending arrangements that provide loans for mercury free processing equipment; III. To increase capacity for mercury-free ASGM through provision of technical assistance, technology transfer and support for formalization; and, IV. Monitor and evaluate, awareness raising, capturing and disseminating experiences, lessons-learned and best practices.
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> I. Strengthening institutions and the policy/ regulatory framework for mercury-free ASGM II. Establishing financing lending arrangements to provide loans for mercury free processing equipment

Kenya GOLD Mercury Free ASGM Project

Annual Report and Financial Statements for the financial year ended June 30, 2022

	<p>III. Increasing capacity for mercury-free ASGM through provision of technical assistance, technology transfer and support for formalization; and</p> <p>IV. Monitoring and Evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices</p>
Other important background information of the project	The project will support seven sites in Kenya to reduce mercury use in gold processing by 0.5 metric tonnes per year (mercury reduction will likely start in year three (3) o the project) resulting in a total of 1.5 tonnes of mercury avoided over the duration of the five (5) year project
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none">(i) To build/enhance the capacity of government entities in order to improve their capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector;(ii) Development of new/improved financial products/mechanisms (including women friendly financial products) established for the ASGM sector;(iii) Total mercury use/releases from ASGM avoided by 1.5 tonnes; and,(iv) Awareness raised of 54,600 people (16,380 female and 38,220 male) on the dangers of mercury and ways to reduce its use in ASGM
Project duration	The project started on 1st July 2019 and is expected to run until 30 June 2024

Project Information and Overall Performance (Continued)

1.4 Bankers

The following is the banker for the current year:

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

1.5 Independent Auditors

The project is audited by:

Auditor General
Office of Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100,
NAIROBI, KENYA.

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1.6 Roles and Responsibilities

The officers who are working on the project are as below:

Names	Title designation	Key qualification	Responsibilities
Dr. Chris Kiptoo, CBS	Principal Secretary	PhD International Macro Economics	Project Executive, Chair project board and approves all the project expenditures
Ms. Agnes Yobterick, OGW	Director of Projects Programmes & Strategic Initiatives	MSc in Forestry & leadership skills in project and programs	Oversight and supervise the project implementation.
Mayiani Saino	Project Manger	MSc. Environmental Engineering.	Oversee the day-to-day project implementation
Convine Omondi	Regional Project Officer	MSc Geology	Project Officer in charge of Kakamega & Vihiga Region
Henry Nyamai	Regional Project Officer	MSc Geology	Project Officer in charge of Migori & Narok Region
Kiprono Patrick	Finance Officer	C.P.A, Bachelors of Commerce in Finance	Project Financial Reporting and Administration

Sharon Chelangat	Project Assistant	Bachelors degree in Environmental Planning and Management	Coordination & administration of project Activities
Ruth Epwoka	Communication Officer	M.A Communication & Media	Provide lead role in knowledge management & Communication aspect of the project

1.7 Funding summary

The Project is for duration of 5 years from 2019 to 2024 with an approved budget of **US\$ 4,200,000** (use donor currency) equivalent to **KShs 462,000,000** as highlighted in the table below:

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 June 2022		Undrawn balance to date	
	Donor currency	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Grant						
UNDP (1USD=KES 110)			632,753	69,602,800.00		
(ii) Direct Payments						
Direct Payments by UNDP	4,200,000	462,000,000	459,435	50,537,821	3,107,812	341,859,320
Total	4,200,000	462,000,000	1,092,188	120,140,621	3,107,812	341,859,320

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative amount paid to date – (30 th June 2022)	Unutilised balance to date (30th June 2022)	
	Donor currency (A)	Kshs (A')		Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant					
UNDP (1USD=KES 110)	632,752.73	69,602,800.00	67,669,255.60	17,577.68	1,933,544.40
(ii) Direct Payments					
Direct Payments by UNDP	459,435	50,537,821.00	50,537,821.00	0	0
Total	1,092,187.73	120,140,621	118,207,076.6	17,577.68	1,933,544.40

Project information and overall performance (continued)

1.8 Summary of Overall Project Performance:

Kenya GOLD Mercury Free ASGM Project is a five-year project with a grant of USD 4,200,000.00. The project is part of a global initiative funded by the Global Environment Facility (GEF), led by the United Nations Environment Programme, and implemented in collaboration with the United Nations Development Programme, United Nations Industrial Development Organization and Conservation International. The programme works in partnership with governments, the private sector and artisanal and small-scale gold mining (ASGM) communities in eight countries to significantly improve the production practices and work environment of artisanal and small-scale miners.

The project during the period received a total of KES 69,602,800.00 under the direct cash transfer modality and utilized KES 67,669,255.60 (equivalent to 97% absorption) to implement the project activities including consultative meetings, training of miners and minor associations on record keeping, review and validation of various guidelines and regulations, site assessment and sharing of experience and lessons learned with various stakeholders. In addition, UNDP incurred a total of KES 50,537,821 for the purposes of attaining project goals through the direct payment modality. The project was able to attain the following goals:

- Developed work plan, budgets and procurement plan;
- Harmonized the reports with the mineral rights boards;
- Conducted training for miners and miner associations;
- Carried out various consultancy baseline reports, reviewed and validated the findings;
- Developed a stakeholder engagement plan and conducted a stakeholder consultation, site assessment and engagements in all the seven project areas;
- Carried out the accumulation of data to determine the mercury to gold ratios in project sites;
- Supported the finalization of the National Action Plan on ASGM.

Some of the risk management strategies employed by the project includes the following:

- Entrusting project partners to run some of the project activities;
- Constant review of the project progress reports against the set targets; and,

- The internal controls put in place by the ministry to ensure transactions conforms to the ministry Standard Operating Procedures.

Implementation challenges and recommended way forward.

- The project has been operating without 3 critical project staff. (Gender expert, Chief Technical Advisor and Governance Policy Expert). The ministry has been in the process of recruiting the personnel and there is need to fast track the process;
- The differences in the donor and government financial years makes synchronization of operations a little difficult. Delays in processing advances in grant revenue affects project absorptions. To overcome this the ministry will continuously engage the donor and national treasury to ensure efficiency in funds disbursement and exchequer processing; and,
- The frequent closure of IFMIS system affects project procurements delaying the delivery of the project targets. To address this, the project would request that system closure should consider donor timelines and targets to support the project achieve its objectives in the given timelines.

1.9 Summary of Project Compliance:

The implementation of the project has been smooth and no cases of noncompliance with applicable laws and regulations and essential external financing agreements/covenants reported during the period under review.

2. Statement of Performance against Project's Predetermined Objectives

The Kenya project, being a part of the Global Opportunities for Long-term Development of the ASGM sector – GEF GOLD programme, will also be able to benefit from the efforts of the UNEP-implemented GEF GOLD global child project that will unify and coordinate efforts among all the GEF GOLD child projects, focusing on the capturing of experiences and lessons-learned and subsequently disseminating knowledge generated to a wider ASGM audience to help Parties to the Minamata Convention meet their obligations to reduce and where feasible eliminate mercury use in ASGM. The project is based on the components/outcome outlined below and the degree to which such outcome has been achieved:

- Component 1/outcome 1: strengthening institutions and the policy/ regulatory framework for mercury-free ASGM.

So far, all the four (4) Artisanal County committees in Kakamega, Migori, Narok and Vihiga have been gazette by the Ministry of Mining and Petroleum and the project supported the induction of the committees.

The project has developed various two draft guidelines and one regulation awaiting public participation. The draft documents are as below;

1. Draft guidelines for designation areas for ASM and the draft consents forms for various land tenures;
2. Draft mine health, safety and Environment for Artisanal Mining operations; and,
3. Draft TOR for Mine, health and environment regulations.

The project also finalized on various consultancies on baseline surveys and final reports are being actioned in the current quarter.

Estimated process: 70%

- Component 2/outcome 2: Establishing financing lending arrangements to provide loans for mercury free processing equipment.

Against the mid-term goal, no financial product has been developed. The project identified and shortlisted the financial institutions and micro finance institutions that are able to develop financial product for ASGM.

Estimated process is: 40%

- Component 3/outcome 3: Increasing capacity for mercury-free ASGM through provision of technical assistance, technology transfer and support for formalization;

The project is yet to introduce mercury free technology and mercury reduction to small scale miners and is in the process of carrying out an assessment to determine the mercury releases from ASGM.

There has been no record of gold produced without mercury.

Estimated process is: 15%

- Component 4/outcome 4: Monitoring and Evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices.

The project has raised awareness and has engaged a cumulative total number of 2,785 persons (1,169 women and 1,616 men) in all project sites.

The project has documented common practices in the sector that need to be improved.

Estimated process is: 30%

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Strengthening institutions and the policy/ regulatory framework for Mercury-free ASGM	To increase the capacity National and local systems to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector.	Capacity of 4 government entities increased to improve their capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector	% Level of the capacity increased on the government entities to assess, plan and implement sustainable and mercury free interventions in the ASGM sector	<ul style="list-style-type: none"> • So far, all the four (4) Artisanal County committees in Kakamega, Migori, Narok and Vihiga have been gazette by the Ministry of Mining and Petroleum and the project supported the induction of the committees • The project also finalized on various consultancies on baseline surveys and final reports are being actioned in the current quarter. • The project has developed various two draft guidelines and one regulation awaiting public

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<p>Establishing financing lending arrangements to provide loans for mercury free processing equipment.</p>	<p>To established 2 new financial product/mechanism (including women friendly financial products) for the ASGM sector.</p>	<p>2 new/improved financial products/mechanisms (including women friendly financial products) established for the ASGM sector.</p>	<p>The number of financial products/mechanisms improved (including women friendly financial products) for the ASGM sector.</p>	<p>participation. The draft documents are as below; 1. Draft guidelines for designation areas for ASM and the draft consents forms for various land tenures; 2. Draft mine health, safety and Environment for Artisanal Mining operations; and, 3. Draft TOR for Mine, health and environment regulations Estimated process is: 70%</p>
				<p>• No financial product has been developed, however, the consultancy baseline report recommends consideration for Asset financing and working capital facility to support</p>

				<p>the sector;</p> <ul style="list-style-type: none"> The project identified and shortlisted the financial institutions and micro finance institutions that are able to develop financial product for ASGM. Estimated process is: 40%
<p>Increasing capacity for mercury-free ASGM through provision of technical assistance and technology transfer.</p>	<p>To reduce 1.5 tonnes of mercury through the introduction of BEP, BAT and socially and environmentally sound ASGM practices.</p>	<p>Total mercury use/releases from ASGM avoided by 1.5 tonnes.</p>	<p>Number of tonnes of mercury use/releases from ASGM avoided.</p>	<ul style="list-style-type: none"> No mercury free technology has been implemented and mercury reduction has taken place to small scale miners. The project has not yet carried out an assessment to determine the mercury releases from ASGM. There has been no record of gold produced without mercury. Estimated process is: 15%

<p>Monitoring and evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices.</p>	<p>To raise awareness to 54,600 people (16,380 female and 38,220 male) on the dangers of mercury and ways to reduce its use in ASGM</p>	<p>Awareness raised of 54,600 people (16,380 female and 38,220 male) on the dangers of mercury and ways to reduce its use in ASGM</p>	<p>Number of people who are aware of the dangers of mercury and ways to reduce its use in ASGM sector</p>	<ul style="list-style-type: none"> The project has raised awareness and engaged a cumulative total of 2,785 persons (1,169 women and 1,616 men) in all project sites. <p>Estimated process is: 30%</p>
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3. Environmental and Sustainability reporting

The Ministry of Environment and Forestry mission is to promote and facilitate good governance in the protection, restoration, conservation, development and management of environment and forestry resources for equitable and sustainable development.

I. Sustainability strategy and profile

The project aims to increase the capacity of government and private sector and improve regulatory frameworks so as to enable formalization of the ASGM sector and the development of responsible mining. This will improve access to, and adequacy of financial and technical services for the ASGM sector for the uptake of chemical-free ore processing, and to pilot and train miners in the use of best practice technologies that eliminate mercury.

II. Environmental performance

The right to a clean and healthy environment is enshrined in Article 42 of the Constitution of Kenya, and Article 70 on the Enforcement of Environmental Rights. The sound management of mercury to prevent acts or emissions that affect the health and wellbeing, not only of people but of the environment, is therefore an obligation of the State. Kenya lacks a dedicated law on mercury, which makes it difficult to control the handling and movement of the chemical. Nevertheless, it is a signatory to the Minamata Convention on Mercury since 10th October 2013 and is working towards its ratification. In addition to the Minamata Convention, Kenya is a signatory to the Basel Convention on the Transboundary Movement of Hazardous Waste Disposal, which it ratified on 1st June, 2000, and the Rotterdam Convention which it ratified on 3rd February, 2005, as a demonstration of its commitment to address threats posed by pollutants such as mercury.

III. Employee welfare

The Ministry continuously ensures that the hiring process is guided by the employment Act of Kenya which takes into account the gender ratio and stakeholder engagement. The amendments of the employment Act of 2007 by the employment (amendment) Act 2021 which come into force on 15th April, 2021 takes into consideration changes in the employment sector including provision on pre-adoptive leave. Training programs are also arranged by the Ministry through the

project to build and enhance capacity for the staff while the Ministry also ensures compliance with Occupational Safety and Health Act of 2007, (OSHA)

IV. Market place practices-

a) Responsible competition practice.

The Ministry through the project ensures responsible political involvement, fair competition, respect for competitors and responsible competition practices when engaging third parties to provide services and/or goods while also ensuring that the staff do not engage in corrupt and an ethical behaviour.

b) Responsible Supply chain and supplier relations-

The Public Procurement and Disposals Act of 2015 guides the project in the engagement of suppliers of goods and services which ensures that the terms of engagement are adhered to.

c) Responsible marketing and advertisement-

The Ministry through the project is committed to maintain high ethical marketing practices in the implementation of the project activities.

d) Product stewardship-

Integrated Sound Management of Mercury in Kenya's ASGM Project is geared towards improving the production practices and work environment of artisanal and small-scale gold mines which is aimed at demonstrating a pathway to cleaner and more efficient small-scale gold mining practices that benefit everyone, from mine to market.

V. Community Engagements

The project works with a multitude of partners and communities to achieve the project's objective. The project developed a summary/overview of all the project's stakeholders and partner initiatives, what these stakeholders/initiatives are currently doing to address the project objectives, what the role of the partner/initiative will be in the project's implementation, as well as the assumptions and expected results that will be achieved by the project's partners that are critical for the achievement of the results of this project.

4. Statement of Project Management responsibilities

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM 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 (period) ended on June 30, 2022.

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 Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM 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 Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM 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/period ended June 30, 2022, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM 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.

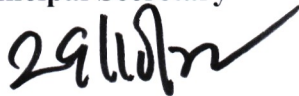
The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Manager* for **Kenya GOLD Mercury Free ASGM project** on 28TH OCT. 2022 and signed by them.



Dr. Chris Kiptoo, CBS
Principal Secretary



Mayiani Saino
Project Manager



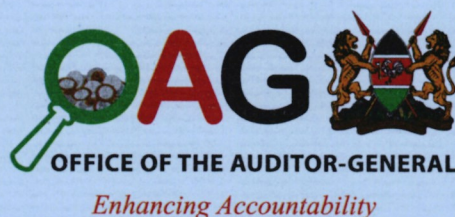
Kiprono Patrick
Project Accountant

ICPAK Member No:12541

***Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2022***

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA GOLD MERCURY FREE ASGM PROJECT CREDIT NO. GEF/UNDP/GOK - 00108253 FOR THE YEAR ENDED 30 JUNE, 2022 - MINISTRY OF ENVIRONMENT 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 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, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Gold Mercury Free ASGM Project set out on pages 1 to 34, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of

Report of the Auditor-General on Kenya Gold Mercury Free ASGM Project Credit No. GEF/UNDP/GOK - 00108253 for the year ended 30 June, 2022 - Ministry of Environment and Forestry

cash flows and the statement of comparison of budget and actual amounts for the year then ended 30 June, 2022, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Gold Mercury Free ASGM Project as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement between United Nations Development Programme (UNDP) and the Government of the Republic of Kenya dated 5 July, 2019 and the Public Finance Management Act, 2012

In addition, the special accounts statement presents fairly the special accounts transaction, and the closing balance has been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Gold Mercury Free ASGM 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 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. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.150,000,000 and Kshs.90,121,621 respectively resulting to under-funding of Kshs.59,878,379 or 40% of the budget. Similarly, the Project spent Kshs.96,222,505 out of the budgeted amount of Kshs.150,000,000 resulting to an under-expenditure of Kshs.53,777,495 or 36% of the budget.

The under-funding and under-performance affected the planned activities of the Project and may have impacted negatively on service delivery to the public.

2. Pending Bills

As disclosed in Note 12.1 under other important disclosures, the Project had pending accounts payables totalling to Kshs.692,606 as at 30 June, 2022. This amount remained outstanding as at the time of audit in the month of October, 2022. Management has not explained why the bills were not settled during the year when they occurred. The Project is at risk of incurring significant interest costs and penalties with their continued delay in payment.

Failure to settle bills during the year in which they relate, distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unfulfilled Project Objectives

According to the statement of performance against Project's predetermined objectives as reflected in the financial statement, the objectives of the Project may not be attained fully for a duration of five (5) as analyzed below: -

- i. Objective 2. Establishing financing lending arrangements to provide loans for mercury free processing equipment is at 40%.
- ii. Objective 3. Increasing capacity for mercury-free ASGM through provision of technical assistance, technology transfer and support for formalization is at 15%.
- iii. Objective 4. Monitoring and Evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices is at 30%.

The project objectives ought to be at least at 50% while three (3) years have already lapsed since inception and two (2) years remaining to achieve 100% project objectives.

In the circumstances, the full realization of the planned Project's predetermined objectives could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain limited assurance as to whether the activities, financial transactions and information reflected in

Report of the Auditor-General on Kenya Gold Mercury Free ASGM Project Credit No. GEF/UNDP/GOK - 00108253 for the year ended 30 June, 2022 - Ministry of Environment and Forestry

the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis of Conclusion

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

Responsibilities of Management and those Charged with Governance

The Project 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 Management is aware of the intention to terminate the Project or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the Projects activities, financial transactions and information reflected in the financial statements are 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 financial process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

and risk management, are in place, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal 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 Project's 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 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 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 sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 November, 2022

**Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

6. Statement of Receipts and Payments for the year ended 30th June 2022.

Note	2021-2022			2020-2021			Cumulative to-date (From inception)
	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	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts							
Transfer from Government entities	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants-UNDP	39,583,800	-	39,583,800	30,019,000	-	30,019,000	69,602,800
Direct payments from external development partners- Grant UNDP	-	50,537,821	50,537,821	-	-	-	50,537,821
Miscellaneous receipts	-	-	-	-	-	-	-
Total receipts	39,583,800	50,537,821	90,121,621	30,019,000	-	30,019,000	120,140,621
Payments							
Compensation to employees	16,512,000	-	16,512,000	12,836,406	-	12,836,406	29,348,406
Purchase of goods and services	29,172,684	50,537,821	79,710,505	9,148,166	-	9,148,166	88,858,671
Social security benefits	-	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-	-
Other grants and transfers /payments	-	-	-	-	-	-	-
Total payments	45,684,684	50,537,821	96,222,505	21,984,572	-	21,984,572	118,207,077
Surplus/ (deficit)	(6,100,884)	-	(6,100,884)	8,034,428	-	8,034,428	1,933,544

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

.....

DR CHRIS KIPTOO, CBS
 Project Manager

.....

KIPRONO PATRICK
 Project Accountant

ICPAK Member No: 12541

7. Statement of Financial Assets as at 30th June 2022

Description	Note	2021-2022 Kshs	2020-2021 Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	1,933,544	8,034,428
Cash Balances	11.B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
Total Cash and Cash equivalents		1,933,544	8,034,428
Imprests and Advances	12	-	-
Total Financial Assets		1,933,544	8,034,428
Financial Liabilities			
Deposits and Retention monies	13	-	-
Net Assets		-	-
Represented By			
Fund Balance B/fwd.	14	8,034,428	-
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(6,100,884)	8,034,428
Net Financial Position		1,933,544	8,034,428

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28TH OCT- 2022 and signed by:

.....
DR. CHRIS KIPTOO, CBS **MAYIANI SAINO**
 Principal Secretary Project Manager

.....
KIPRONO PATRICK
 Project Accountant
 ICPAK Member No: 12541

Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2022


8. Statement of Cashflow for the year ended 30th June 2022


Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	39,583,800	30,019,000
Miscellaneous receipts	4	-	-
Total receipts		39,583,800	30,019,000
Payments			
Compensation of employees	5	16,512,000	12,836,406
Purchase of goods and services	6	29,172,684	9,148,166
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		45,684,684	21,984,572
Adjustments during the year			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		(6,100,884)	-


**Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

Description	Notes	2021-2022 Kshs	2020-2021 Kshs
Cashflow from investing activities			
Acquisition of non-financial assets	8	-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Proceeds from foreign borrowings	3	-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(6,100,884)	-
Cash and cash equivalent at beginning of the year	11	8,034,428	-
Cash and cash equivalent at end of the year	11	1,933,544	8,034,428

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entry financial statements were approved on 28th OCT 2022 and signed by:


 DR. CHRIS KIPTOO, CBS
 Principal Secretary


 MAYIANI SAINO for
 Project Manager


 KIPRONO PATRICK
 Project Accountant
 ICPAK Member No:12541

**Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2022**

9. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2022


Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Proceeds from domestic and foreign grants	150,000,000	-80,000,000	70,000,000	39,583,800	30,416,200	57%
Direct Payments from UNDP	0	80,000,000	80,000,000	50,537,821	29,462,179	63%
Total Receipts	150,000,000	0	150,000,000	90,121,621	59,878,379	60%
Payments						
Compensation to employees	25,590,600	-	25,590,600	16,512,000	9,078,600	65%
Purchase of goods and services	124,409,400	-80,000,000	44,409,400	29,172,684	15,236,716	66%
Direct Payments by UNDP	0	80,000,000	80,000,000	50,537,821	29,462,179	63%
Total Payments	150,000,000	0	150,000,000	96,222,505	53,777,495	64%
Surplus or Deficit	-	-	-	-6,100,884	6,100,884	-

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.

.....

Name *Dr Oms Kiptoo*
Principal Secretary
29/10/22

.....
for
Name
Project Manager

.....

Name
Project Accountant
ICPAK Member No:

10. Significant Accounting Policies

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

10.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for the Kenya GOLD Mercury Free ASGM project under the Ministry of Environment and Forestry. The financial statements are for the reporting entity Kenya GOLD Mercury Free ASGM project as required by Section 81 of the PFM Act, 2012 .

10.3 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.

10.4 Recognition of receipts

Kenya GOLD Mercury Free ASGM project recognises all receipts from the various sources when the event occurs, and the related cash has actually 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 as direct payments from multilateral and bilateral development partners.

Significant Accounting Policies (Continued)

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

10.5 Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has actually 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.

Significant Accounting Policies (Continued)

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

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.

10.6 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.

Significant Accounting Policies (Continued)

10.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

10.8 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.

10.9 Imprests and Advances

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

10.10 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:

Significant Accounting Policies (Continued)

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) 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.

10.11 Contingent Assets

Kenya GOLD Mercury Free ASGM 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 (*the Entity*) in the notes to the 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.

10.12 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.

Significant Accounting Policies (Continued)

10.13 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 recognised 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*.

10.14 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. During the year, there were no amount of money being loan disbursements received in form of direct payments from third parties.

10.15 Exchange rate differences

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

Significant Accounting Policies (Continued)

10.16 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.

10.17 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, 2022.

10.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). During the financial year, there were no prior year adjustments

11. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	KShs	KShs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total (See Annex 2)	-	-	-
<i>Other transfers from government entities</i>			
Ministry xx	-	-	-
Ministry xy	-	-	-
Project zz	-	-	-
Agency xx	-	-	-
Total	-	-	-
Appropriations-in-Aid	-	-	-
Total	-	-	-

There was no transfer from Government entities during the financial year 2021/2022

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

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 in Kshs	
						2021-2022	2020-2021
			Kshs	Kshs	Kshs	Kshs	
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-
UNDP	17/11/2021		19,831,000	-	-	19,831,000	-
UNDP	17/03/2022	-	19,752,800	-	-	19,752,800	-
Total	-	-	39,583,800	-	-	39,583,800	-

Notes to the Financial Statements (Continued)

3. Direct payments from External Development Partners

During the financial period to 30 June 2022, we received funding from development partners in form of direct payments as detailed in the table below:

Name of Donor	Date received	Amount in Direct payment currency	Direct payments received in cash	Direct payments during the year*	Total amount in Kshs	
					2021-2022	2020-2021
Direct Payments from Multilateral Donors-UNDP	30/06/2022	-	Kshs -	Kshs 50,537,821	50,537,821	-
Total	-	-	-	50,537,821	50,537,821	-

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

	2021-2022			2020/2021	Cumulative to-date (from inception) Kshs
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts 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	-	-	-	-	-
Total	-	-	-	-	-

There were no miscellaneous receipts during the financial year 2021/2022

Notes to the Financial Statements (Continued)

5. Compensation to Employees

	2021/2022			2020/2021	
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs
-	13,224,000	-	13,224,000	10,212,206	23,436,206
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	3,288,000	-	3,288,000	2,624,200	5,912,200
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	16,512,000	-	16,512,000	12,836,406	29,348,406

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

	2021/2022		2020/2021	Cumulative to-date
	Payments made in Cash	Payments made by third parties		
	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	523,700	4,784,100	627,872	5,935,672
Communication, supplies and services	2,957,081	-	-	2,957,081
Domestic travel and subsistence	14,435,662	6,073,960	5,036,900	25,546,522
Foreign travel and subsistence	-	-	-	-
Printing, advertising, and information supplies	2,166,473	-	242,036.10	2,408,509
Rentals of produced assets	-	-	-	-
Training payments	9,089,768	4,782,915	3,241,358.60	17,114,042
Hospitality supplies and services	-	-	-	-
Insurance costs	-	-	-	-
Specialized services-Consultancies	-	34,896,846	-	34,896,846
Other operating payments	-	-	-	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-
Routine maintenance- other assets	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-
Total	<u>29,172,684</u>	<u>50,537,821</u>	<u>9,148,166</u>	<u>88,858,672</u>

Notes to the Financial Statements (Continued)

7. Social Security Benefits

	2021-2022		2020-2021		Cumulative to-date Kshs
	Payments made by the Entity in Cash Kshs	Payments made by third parties Kshs	Total Payments Kshs	Total Payments Kshs	
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
Total	-	-	-	-	-

There was no payment for social Security Benefits during the Financial Year 2021/2022

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs.	Kshs.	Kshs	Kshs	Kshs
	2021-2022		2020-2021		
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	-
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	-	-
Purchase of specialised plant, equipment and machinery	-	-	-	-	-
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live	-	-	-	-	-

Kenya GOLD Mercury Free ASGM project (Project Name)
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	Payments made in Cash	Payments made by third parties	2021-2022		2020-2021		Cumulative to-date
			Total payments	Total payments	Total payments	Total payments	
animals							
Research, studies, project preparation, design & supervision	-	-	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-	-	-
Acquisition of land	-	-	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

There was no acquisition of non-financial assets during the year

Kenya GOLD Mercury Free ASGM project (Project Name)
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Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2022, we transferred funds to reporting government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs
	2021-2021		2021-2020		
Transfers to National Government entities					
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	-	-	-	-	-
Transfers to County Governments					
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

There were no transfers to other Government entities

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs
		2022-2021		2020-2021	
	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g. schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
Total	-	-	-	-	-

There was no other Grants, Transfers and Payments.

Kenya GOLD Mercury Free ASGM project (Project Name)
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Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts (Note 8.13A)	1,933,544	8,034,428
Cash in hand (Note 8.13B)	-	-
Cash equivalents (short-term deposits) (Note 8.13C)	-	-
Total	<u>1,933,544</u>	<u>8,034,428</u>

Kenya GOLD Mercury Free Project has only one project accounts within the project implementation area and one foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total Foreign Currency balances	-	-
<u>Local Currency Accounts</u>		
Central Bank of Kenya [[A/c No.1000434252 KES]	1,933,544	8,034,428
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total local currency balances	1,933,544	8,034,428
Total bank account balances	<u>1,933,544</u>	<u>8,034,428</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2022 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 direct payments/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2021-2022	2020-2021
	Kshs	Kshs
(i) A/c Name [A/c No 1000425307]		
Opening balance	0	-
Total amount deposited in the account	39,583,800	-
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>39,583,800</u>	-
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	-
(ii) A/c Name [A/c No1000425307]	-	-
Opening balance (as per the SDA reconciliation)	0	-
Total amount deposited in the account	39,583,800	-
Total amount withdrawn (as per Statement of Receipts & Payments)	39,583,800	-
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	-

The Special Deposit Account reconciliation statement has been attached as Appendix 8 (iv) support these closing balance.

Kenya GOLD Mercury Free ASGM project (Project Name)
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Notes to the Financial Statements (Continued)

11 B Cash in hand

Description	2021-2022	2020-2021
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations (<i>specify</i>)	-	-
Total cash in hand balances	-	-

[Provide a cash count certificate for each location above]

11 C Cash equivalents (short-term deposits)

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others (<i>Specify</i>)	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

12. Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

Notes to the Financial Statements (Continued)

12b: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2022	Balance 2021
	Kshs	Kshs	Kshs	Kshs	Kshs
<i>Officer 1</i>	-	-	-	-	-
<i>Officer 2</i>	-	-	-	-	-
<i>Officer 3</i>	-	-	-	-	-
<i>Officer 4</i>	-	-	-	-	-
<i>Officer 5</i>	-	-	-	-	-
<i>Programme 1</i>	-	-	-	-	-
Total	-	-	-	-	-

13. Deposits and Retention Monies

Description	2021-2022	2020-2021
	Kshs	Kshs
Retention	-	-
Deposits	-	-
Total	-	-

14. Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	8,034,428	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Total	8,034,428	-

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f FY (2020/2021 audited financial statements)	Adjustments	Adjusted balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

There are no prior year adjustments.

16. Changes in Receivable

Description	2020-2021	2019-2020
	Kshs	Kshs
Opening Receivables as at 1 st July 2021	-	-
Closing account receivables as at 30 th June 2022	-	-
Change in Receivables	-	-

17. Changes in Accounts Payable

Description	2021-2022	2020-2021
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2021	-	-
Closing accounts payables as at 30 th June 2022	-	-
Change in payables	-	-

Kenya GOLD Mercury Free ASGM project (Project Name)
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12. Other Important Disclosures

1. Pending Accounts Payable (See Annex 3a)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	0	692,606.25	-	692,606.25
Total	0	692,606.25	-	692,606.25

2. Pending Staff Payables (See Annex 3b)

	Balance b/f FY 2020/20 21	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

Kenya GOLD Mercury Free ASGM project (Project Name)
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Other Important Disclosures (Continued)

3. Other Pending Payables (See Annex 3c)

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

4. External Assistance

	2021-2022	2020-2021
Description	Kshs	Kshs
External assistance received as grants	39,583,800	30,019,000
External assistance received as direct payment	50,537,821	-
Total	90,121,621	-

a). External assistance relating direct payments and grants

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
External assistance received as direct payments	39,583,800	-
External assistance received as grants	50,537,821	-
Total	90,121,621	-

Other Important Disclosures (Continued)

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Undrawn external assistance – Direct payments	Purchase of goods and services	29,462,179	-
Undrawn external assistance - grants	Payment of services, goods and personnel	30,416,200	-
Total		59,878,379	-

c) Classes of providers of external assistance

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
Multilateral donors-UNDP	90,121,621	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	90,121,621	-

External assistance is provided for Economic development in ASGM sector to support the reduction/elimination of mercury use.

Kenya GOLD Mercury Free ASGM project (Project Name)
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Other Important Disclosures (Continued)

d. Non-monetary external assistance

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

(This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient or Third Party, Fair value measurement).

e Purpose and use of external assistance

Payments made by third parties	FY 2021/2022	FY 2020/2021
	Kshs	Kshs
Compensation to employees	-	-
Use of goods and services	-	-
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	-	-

(N/B The above sub-classification should be adopted based on the purpose of the external assistance and how it was used).

Other Important Disclosures (Continued)

f. External Assistance paid by third parties on behalf of (the Entity) by Source


This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity).


	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Kenya GOLD Mercury Free ASGM project (Project Name)
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13. 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)
Other mater (Pg 287 of the report)	Budgetary Control and Performance- The statement of comparative budget and actual amounts for the year ended 30 June, 2021 reflected actual receipts of KES 30,019,000 against budgeted receipts of KES 50M resulting in short fall of KES 19,981,000 or 40% of the total budget. In addition, actual expenditure for the year amounted to KES 21,984,572 against the final budget expenditure of KES 50M resulting to under absorption of KES 28,015,428	Delay in constituting the Project Management, Delay in consultancies on baseline surveys, Delay in recruitment of other project staff	Resolved partially	6 months

.....

Dr. Chris Kipoo, CBS
 Principal Secretary

.....

Mayiani Saino
 Project Manager

Kenya GOLD Mercury Free ASGM project (Project Name)
Annual Report and Financial Statements for the financial year ended June 30, 2022

14. Annexes

Annex1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022

	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					
Proceeds from domestic and foreign grants	70,000,000	39,583,800	30,416,200	57%	Delays in processing advance funds from the donor. The project received funds twice instead of 4 times in period under audit.
Direct payments from UNDP	80,000,000	50,537,821	29,462,179	63%	Delay in finalization of the consultancies
Total Receipts	150,000,000	90,121,621	59,878,379	60%	
Payments					
Compensation of employees	25,590,600	16,512,000	9,078,600	65%	The project budgeted to compensate nine (9) project staff, however its currently compensating six (6). Three officers join the project in September, 2022.
Purchase of goods and services	44,409,400	29,172,684	15,236,716	66%	Delays and slow procurement processing by the Ministry.
Direct Payments-UNDP	80,000,000	50,537,821	29,462,179	63%	Delay in finalization of the consultancies
Total payments	150,000,000	96,222,505	-	65%	

Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex 2: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the Ministry of Environment and Forestry			
a. Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	17/11/2021	19,831,000	FY 2021/2022
	17/03/2022	19,752,800	FY 2021/2022
		-	
Total		39,583,800	
B. Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	30/06/2022	50,537,821	FY 2021/2022
Total		50,537,821	
C. Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
		-	
Total		-	
Total (A+B+C)		90,121,621	

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

Project Manager
 Kenya GOLD Mercury Free ASGM Project

Sign -----for/

with the Parent Ministry/ State Department
 C.A. George K. Gichuru
 Head of Accounting Unit
 Ministry of Environment and Forestry

Sign -----

**Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex 3a - Analysis of Pending Bills

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020/2021	Comments
	a	b	c	d=a-c		
Supply of services						
1. Lake Naivasha Resort Limited	274,500.00	FY 2021/2022	None	274,500.00	None	Conference charges
2. Florence Hotel Limited	126,000.00	FY 2021/2022	None	126,000.00	None	Conference charges
3. Ministry of Information, Communication & Technology	292,106.25	FY 2021/2022	None	292,106.25	None	Conference charges
Grand Total	692,606.25	FY 2021/2022	None	692,606.25	None	

Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex 3b - Analysis of Pending: Staff Bills

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020-2021	Outstanding Balance 2019/20	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							

Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex 3c - Analysis of other Pending Payables

Name	Brief Description	Original Amount	Date Contracted	Payable Amount Paid To-Date	Outstanding Balance 2021	Outstanding Balance 2022	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							

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Annex 4 – Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 20xx/xx (a)	Donations in form of assets (KShs) 20xx/xx (b)	*Purchases/ Additions in the Year (KShs) 20xx/xx (c)	**Disposals in the Year (KShs) 20xx/xx (d)	Transfers in/(out) Kshs 20xx/xx (d)	Closing Cost (KShs) 20xx (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						

Notes

* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold. The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets. Ensure the complete fixed asset register is separately prepared as per circular number 5 2020 and follow up reminder of circular No. 23 2020 of The National Treasury

*Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex 5 – Contingent Liabilities Register

	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Kenya GOLD Mercury Free ASGM project (Project Name)
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Annex: 6 Reporting of Climate Relevant Expenditures

Name of the Organization
Telephone Number
Email Address
Name of CEO/MD/Head

Name and contact details of contact person (in case of any clarifications)

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

NB: Project did not incur any costs on climate relevant expenditures.

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Annex 7 Disaster Expenditure Reporting Template

Date:						
Entity						
Period to which this report refers (FY)	Year	Quarter				
Name of Reporting Officer						
Contact details of the reporting officer:	Email	Telephone				
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

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Annex 8: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2022
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance

ANNEX 8 (11)

REPUBLIC OF KENYA		F.O 30
MINISTRY OF ENVIRONMENT AND FORESTRY		
KENYA GOLD MERCURY FREE ASGM PROJECT		
ACCOUNT NUMBER 1000434252		
BANK RECONCILIATION AS AT 30TH JUNE, 2022		Kshs
BALANCE AS PER BANK CERTIFICATE		2,954,677.10
LESS		
1. PAYMENT IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT		
VAT-Lake Naivasha Resort conference charges	4,810.35	
Mayiani Saino June 2022 PAYE PV 9068	97,383.35	
Mayiani Saino June 2022 NSSF PV 9068	200.00	
Mayiani Saino June 2022 NHIF PV 9068	1,700.00	
Mayiani Saino-Net Pay June 2022 PV 9068	250,716.65	
Christantus Wekesa-Validation of consultancy meeting 30-31 May 2022 PV 9391	14,700.00	
Richard Rakora-Validation of consultancy meeting 30-31 May 2022 PV 9399	14,700.00	
Kiprono Patrick-Validation of consultancy meeting 30-31 May 2022 PV 9404	25,200.00	
Convine Omondi- Validation of consultancy meeting 30-31 May 2022 PV 9392	25,200.00	
Melau Niakuka-Validation of consultancy meeting 30-31 May 2022 PV 9394	25,200.00	
Kamau Njuguna Edward-Validation of consultancy meeting 30-31 May 2022 PV 9388	25,200.00	
Joshua Bojwa-Validation of consultancy meeting 30-31 May 2022 PV 9395	31,800.00	
Agnes Yobterik-Validation of consultancy meeting 30-31 May 2022 PV 9397	37,800.00	
Convine Omondi- Review and validation of training materials 23-27th May at Nakuru PV 8693	56,000.00	
Henry Nyamai- Review and validation of training materials 23-27th May at Nakuru PV 8691	56,000.00	
Ruth Nyamusi- Review and validation of training materials 23-27th May at Nakuru PV 8692	56,000.00	
Jackson Kibet- Review of guidelines Machakos 8-10 June 2022 PV 9613	12,000.00	
Mary Ragen-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9602	25,200.00	
Judy Luchiri-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9621	25,200.00	
Patrick Ndongu-Field wok- Accumulated data IMP 4634299	25,200.00	
Patrick Ndongu-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9605	25,200.00	
Ruth Nyamusi- Review of guidelines Machakos 8-10 June 2022 PV 9521	25,200.00	
Esther Livengwa-Field wok- Accumulated data IMP 4634300	25,200.00	
Mary Wahome-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9603	25,200.00	
Gladys Kemunto-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9606	25,200.00	
Convine Omondi- Review of guidelines Machakos 8-10 June 2022 PV 9522	25,200.00	
Convine Omondi-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9627	25,200.00	
Kennedy Olwasi-Field wok- Accumulated data 27-29th June IMP 4634295	31,500.00	
Thomas Kipngeny- Review of guidelines Machakos 8-10 June 2022 PV 9612	31,500.00	
Samuel Too-Review of guidelines Machakos 8-10 June 2022 PV 9407	31,500.00	
Rose Mokaya-Review of guidelines Machakos 8-10 June 2022 PV 9616	31,500.00	
67 Airport Hotel-Conference charges PV 9029	182,793.10	
VAT-Conference charges 67 Airport Hotels PV 9029	3,206.90	
Mackson Kasainne-Validation of consultancy meeting 30-31 May 2022 PV 9493	12,000.00	
Patrick Munene-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9672	14,700.00	
Patrick Munene-Validation of consultancy meeting 30-31 May 2022 PV 9403	14,700.00	
Faith Ndanu-Validation of consultancy meeting 30-31 May 2022 PV 9401	14,700.00	
Ravmond Macdii-Training on establishment of groups and cooperative PV 9512	24,500.00	
Judy Luchiri-Validation of consultancy meeting 30-31 May 2022 PV 9353	25,200.00	
Amos Kiplimo-Validation of consultancy meeting 30-31 May 2022 PV 9390	25,200.00	
Susan Waweru-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9604	25,200.00	
Susan Waweru-Validation of consultancy meeting 30-31 May 2022 PV 9354	25,200.00	
Henry Nyamai-Review of guidelines Machakos 8-10 June 2022 PV 9514	25,200.00	
Beatrice Atemo-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9668	31,500.00	
Michael Okok-Validation of consultancy meeting 30-31 May 2022 PV 9400	31,500.00	
Thomas Kipngeny-Validation of consultancy meeting 30-31 May 2022 PV 9406	31,500.00	
Evans Keronche-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9671	31,500.00	
Daudi Kamau-Validation of consultancy meeting 30-31 May 2022 PV 9398	31,500.00	
Henry Nyamai-Assesment of mining sites PV 9620	33,600.00	
Francis Wekesa-Validation of consultancy meeting 30-31 May 2022 PV 9421	37,800.00	
Gregory Nzavuu-Validation of consultancy meeting 30-31 May 2022 PV 9394	37,800.00	
Agnes Yobterik-Validation of Consultants meeting at Naivasha 15-17 June 2022 PV 9670	37,800.00	
Golf Hotel -Conference charges PV 9385	39,310.35	
VAT-Conference charges Golf Hotel Kakamega PV 9385	689.65	
Henry Nyamai-Training on establishment of groups and cooperative PV 9513	42,000.00	
Daisy Mangera- Training on record keeping PV 9525	62,000.00	
Richard Rakora-Field wok- Accumulated data IMP 4584277	14,700.00	
Kiprono Patrick PV 9617	25,200.00	
Mayiani Saino 9396	31,500.00	

		2,025,110.35	2,025,110.35	
2. RECEIPT IN BANK STATEMENT NOT IN CASHBOOK				
Deposits for under expenditure				
		15,600.00	15,600.00	
ADD 3. PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK				913,966.75
Payment to Joshua Boiwa of KES 37,500 paid as 37800				
		300.00		
Erroneous payment-TRFS PV5217 27.01.2022				
		75,150.00		
Erroneous Payment to Jakinda Contractors-tree planting				
		460,000.00		
Erroneous Payment to Maviari sains-Devolution conference				
		112,500.00		
Erroneous Payment Faith Chirchir-chemobs project				
		31,500.00		
Erroneous payment for transport-SAICAM				
		340,127.00		
4. RECEIPTS IN THE CASHBOOK NOT YET RECORDED IN THE BANK STATEMENT				
			1,019,577.00	
BALANCE AS PER CASHBOOK				
			1,019,577.00	
				1,933,543.75


I certified that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct

Signature 

Designation **SDAAG**

Date **6/9/22**

(All schedules are attached herewith)

Prepared By **DAMARIS MALENA** 

Designation **CO1**

Date **06/09/22**

ANNEX 8 (ii)

REPUBLIC OF KENYA

Date 1ST July, 2022

Report of the Board of Survey on the Cash and Bank Balances of **MINISTRY OF ENVIRONMENT AND FORESTRY (RECURRENT 1108)**
AS AT THE CLOSE OF BUSINESS ON 30TH JUNE, 2022.

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

RODNEY OMARI	-	CHAIRMAN
CAROLINE WAMBUA	-	MEMBER
JIMMY MUCHEKE	-	MEMBER

Assembled at the Cash office Ministry HQS.

At.....10.00 A.M.(time) on the 1ST JULY..., 2022

And the following cash was produced:

Notes	Sh Nil
Silver	Sh. Nil
Copper	Sh. Nil
Cheques (as per details on reverse)	Nil

Shs Nil

It was observed that cheques amounting to Sh.....NILcts.....
 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
 the 30th June .2022

Cash on hand	Sh. Nil.
Bank balance	Sh 1,933,544.30
		<u>Sh 1,933,544.30</u>

The Bank Certificate of Balance showed a sum of **TWO MILLION, NINE HUNDRED AND FIFTY FOUR THOUSAND, SIX HUNDRED AND SEVENTY SEVEN, TEN CENTS ONLY. (Sh 2,954,677.10)**

Standing to the credit of the account on30th June, 2022.....

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

CAROLINE WAMBUA :.....

JIMMY MUCHEKE

MEMBERS OF THE BOARD

1ST JULY 2022

Date

13

noted
18/7/22

July 14, 2022

CERTIFICATE OF BALANCES

Customer: 138667 MINISTRY OF ENVIRON AND FORESTRY
Balance Date: 30-Jun-22

Account No	Account Name	Currency	Balance
1000383957	REC-MIN OF ENVIRONMENT AND FORESTRY	KES	71,242,476.50
1000383968	DEV-MIN OF ENVIRONMENT AND FORESTRY	KES	28,616,652.10
1000383976	DEP-MIN OF ENVIRONMENT AND FORESTRY	KES	33,169,827.30
1000383984	CBK165-MIN OF ENVIRON AND FORESTRY	KES	0.00
1000392387	SOUND CHEM MNGNT MAINSTR UPOPS RED	KES	31,379,969.30
1000392398	NAT. ACT. PLAN PRI No.AFR/NAP ASGM	KES	1,883,138.35
1000410353	KENYA METEOROLOGICAL DEPT(KCSAP)	KES	10,883,780.00
1000410817	KENYA SPECIAL PRJ FOR BRSM, SAICM P	KES	2,816,611.90
1000411716	MIN. OF ENVIR, FORES. -GREEN GROWTH	KES	6,452,003.40
1000434236	INSTITUTIONAL STRENGTHENING PRJ -XI	KES	72,461.65
1000434252	KENYA GOLD MERCURY FREE ASGM PROJ	KES	2,954,677.10
1000455519	KENYA GOLD MERCURY FREE ASGM PROJEC	KES	0.00
1000490098	THE AFRICAN INST AFRICA CHEMOBS MEF	KES	3,091,122.50
1000495898	STENGHTH.DROUGHT RESILIENCE IGAD RE	KES	0.00
1000561165	UNEP INTEG SC TOOLKIT IMPR TRA INFO	KES	0.00

Lawrence Rweria
Authorised Signatory
Banking Services Division

Joyce Nasieku
Authorised Signatory
Banking Services Division

KENYA GOLD MERCURY ASGM PROJECT
STATEMENT OF SPECIAL DEPOSIT ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2022
PART B: ACCOUNT RECONCILIATION

Credit No. UNDP


Bank Account No. 1000425307 CENTRAL BANK OF KENYA

	NOTES	AMOUNT	AMOUNT
			KSHS
1	Amount advanced by UNDP		39,583,800.00
	Add: Balance Brought Forward		-
	Less:		
2	Total amount recovered by UNDP		-
3	Outstanding amount to be documented		39,583,800.00
	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		39,583,800.00
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		39,583,800.00

Discrepancy between total appearing on line 3 and 9 - None

Notes:

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 02/03/2022

