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Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
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THE AUDITOR-GENERAL

ON

**GREEN GROWTH AND EMPLOYMENT
THEMATIC PROGRAMME
(CR NO:2015-39789)**

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

**NATIONAL ENVIRONMENT
MANAGEMENT AUTHORITY**



**Project Name: Green Growth & Employment Thematic Programme (GGEP)
2016 - 2021
Greening Kenya's Development Pathway (GKDP)
Development Engagement No. 5
NEMA, Kenya**

Implementing Entity: National Environment Management Authority

PROJECT GRANT/CREDIT NUMBER: 2015-39789

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: Green Growth & Employment Thematic Program (GGEP) 2016 - 2020
 Greening Kenya's Development Pathway (GKDP).

Objective: The key objective of the project is to contribute to inclusive green growth and development in Kenya, in line with Vision 2030 to create 'a globally competitive and prosperous country with a high quality life by 2030'.

Address: The project headquarters offices are Nairobi, Kenya.
 Popo Road, off Mombasa Road
 The address of its registered office is: P.O. Box 67839-00200 Nairobi

Contacts: The following are the project contacts

Telephone: (254-20) 6005522/3/6/7
 E-mail: dgnema@nema.go.ke
 Website: www.nema.go.ke

1.2 Project Information

Project Start Date:	The project start date is 1/7/2016
Project End Date:	The project end date is 30/6/2021
Project Manager:	The project Component manager is Mr Obadiah K. Mungai.
Project Sponsor:	The project sponsor is the Danish Ministry of foreign affairs.

1.3 Project Overview

State Department of the project	National Environment Management Authority (NEMA)
Project number	2015-39789
Strategic goals of the project	<p>The project expected outcome is "A green development pathway for Kenya".</p> <p>The project outcome indicator is "The Environmental Performance Index (EPI) raised from: 2014 baseline of 36.99 to 50.0 in year 2020".</p> <p>The strategic goals of the project are as follows:</p> <p>1) To enhance capacity of counties to undertake devolved environmental functions.</p>

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	<ol style="list-style-type: none"> 2) To reduce environmental crime. 3) To mainstream environmental functions in MDAs and report their implementation back to the PCS. 4) To enhance private sector adoption of green technologies and practises through PPPs.
<p>Achievement of strategic goals</p>	<p>The Danish support to Component 5 of GGEP will enable NEMA to work with different stakeholders (ie Counties, Ministries, Departments and Agencies (MDAs), Private sector, etc) to shift Kenya's brown economic growth trajectory to a greener path with the objective of raising the Environmental Performance Index (EPI) from the 2014 baseline of 36.99 to 50.0 by 2020. NEMA will continue to build capacity of counties in devolved environmental functions integrating State of Environment (SOE) and Environmental Action Plans (EAP) into the County Integrated Development Plans (CIDP). Included will be attention to waste management, air and noise pollution and integrated water resource management (IWRM), amongst others, and domesticating the EPI to Kenyan requirements. NEMA will build capacity of County Environment Committees (CEC), and ensure strategic environmental assessments (SEA) are conducted on the CIDPs. NEMA will continue to enforce compliance with environmental standards and regulations to reduce environmental crimes, and develop an Environmental Crime Index (ECI). Government MDAs will be assisted to integrate environmental sustainability management programmes into their core activities. NEMA will also work with the private sector to create Public, Private Partnerships (PPP) developing economic instruments that encourage the private sector's voluntary uptake of cleaner production processes such as waste recycling and reuse as well as resource and energy efficiency green technologies.</p>
<p>Other important background information of the project</p>	<p>The project aims at fighting poverty and creating sustainable development through inclusive green growth, increased earnings and more jobs, especially for the youth and women. The entire GGEP has 9 components, of which NEMA is implementing component No. 5.</p> <ol style="list-style-type: none"> 1. Value Chain Greening and Financing 2. Private Sector Green Growth 3. Community resilience and rangeland management 4. Management of water resources in arid/semi-arid lands 5. Greening Kenya's development pathway (GKDP) 6. Creating an enabling environment for green growth 7. Improving the business climate for greener growth 8. Environmentally Sustainable Trade Growth in the East African

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	Community (EAC) 9. Supporting cleaner technologies and innovative business
Current situation that the project was formed to intervene	The green growth and employment programme was formed to intervene the following situation in Kenya: Kenya's Vision for Green Growth is to mainstream low carbon and resource use efficient green technologies, goods and services across the sectors and economic, social and environmental spheres of society. The recently developed Kenya Green Growth Strategy and Implementation (GESIP) calls for 2 per cent of Kenya's GDP per annum to investments in green economy interventions. The emphasis is on green growth (GG) and the green economy (GE) is only possible if the environment can continue to sustainably provide ecosystem goods and services that support 80% of livelihoods
Project duration	The project started on 1st July 2016 and is expected to run until 30 June 2021

1.4 Bankers

The following are the bankers for the current year:

Kenya Commercial Bank Ltd
KCB Gateway House-4026
P.O. Box 27618-00506, Nairobi

1.5 Auditors

The project is audited by the Auditor General

P.O Box 30084-00100
Nairobi, Kenya

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Mamo B. Mamo	Director General	Master of Science	Overall program leadership.
Obadiah K. Mungai	Component Manager		Coordinate overall programme activities in NEMA
Eric Deche	Deputy Programme Component Manager	Master of Science	Assist in the Coordination of overall programme activities in NEMA

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Barbara J. Munyua	Programme Assistant	Master of Arts in Environmental	Co-ordination of GGEP Programme Activities
Ali Mwanzei	Output 1 Leader		Co-ordination of Enhanced Capacity of Counties to undertake devolved environmental function activities
Mariam Kioko	Output 2 Leader		Co-ordination of Reduced environmental crime activities
Godfrey M Mwangi	Output 3 Leader	Bachelor of Arts	Co-ordination of Environmental performance targets in ministries, departments and agencies and report to the performance Contracting Secretariat
Harron Wanjohi	Output 4 Leader		Co-ordination of the Enhanced activities in that aid the private sector adopting Green technologies practices through public private partnerships
Alphonse O. Omollo	Project Accountant	MBA Accounting	Financial Management and Reporting
John Dominic	Technical Advisor/ Taskforce member		Coordinate activities in the GGEP technical Advisory and reporting.

1.7 Funding summary

The Project is for duration of 6 years from 2016 to 2021 with an approved budget of DDK 40 million equivalent to Kshs 560 Million as highlighted in the table below:

Below is the funding summary:

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Source of funds	Donor Commitment-		Amount received to date (30/06/2020)		Undrawn balance to date (30/06/2020)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Danish Ministry of foreign affairs.	40,000,000	560,000,000	31,428,571	440,000,000	8,571,429	120,000,000
Total	40,000,000	560,000,000	31,428,571	440,000,000	8,571,429	120,000,000

1.8 Summary of Overall Project Performance:

Budget performance against actual amounts for current year and for cumulative to-date

The project budget performance for the FY 2019/20 was at 58% and 60% cumulatively as outlined in the table below.

FY	DED Budget (DKK M.)	DED Budget (KES M.)	Cumulative Budget (KES M.)	Disbursements received	Disbursement %	Disbursement Balance (KES M.)
2016/17	10.75	135	135	60	44%	-75
2017/18	10.05	130	205	140	68%	-65
2018/19	10.75	140	205	140	68%	-65
2019/20	6.70	107.2	172.2	100	58%	-72.2
Total	38.25	512.2	717.2	440	60%	

Physical progress based on outputs, outcomes and impacts since project commencement

The GGEP programme has made significant progress in achieving the four programme outputs defined in the Development Engagement Document (DED) as leading to the desired outcome of Greening Kenya's Development Pathway (GKDP). The following are the key achievements made under each output.

- Output 1:** Enhanced capacity of counties to undertake Devolved Environmental Functions (DEF).

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Summary of Achievements This Period

- a. NEMA strategic Plan 2019-24 developed, printed and launched.
- b. NEMA agreed cooperation with CoG in draft MOU
- c. 46 CEC gazetted, Nairobi remains
- d. NEMA DEF Engagement Framework and roll out approved by Board
- e. NEMA DEF strategy and transition plan in draft
- f. DEF manual in draft
- g. CEC manual by CoG (and NEMA EE) unit in draft
- h. DEF curriculum in draft
- i. SOER/EAP manual and NEI indicators under review, in draft
- j. SOER 2020 in draft
- k. 2020 EPI and 2020 ECII national and county consultancy tendered
- l. 18 CEC inducted on DEF (with CoG)(DEF training course power point developed)
- m. 38 County Executive Committee sensitised on roles in SOER and EAP preparation with CoG support.
- n. 2 ecosystem management plan consultancy tendered
- o. SEA checklist and Guide for CIDP in draft
- p. 81 County inspectors trained in BEC and gazetted by DG
- q. GP strategy revised in draft, 3 GP field survey undertaken to validate strategy.
- r. All 9 GP supported with IEC materials
- s. 4 GP monitored to advise improvements
- t. 7 EPI/SOER fact sheets in draft
- u. RDE/CDE TORs aligned to DEF and operations supported to train CEC
- v. CDE performance assessment of support to CEC and DEF undertaken (see Figure 3)
- w. MEA days celebrated (e.g. WED, WWD, WOD, ASK, WDCD) and tree planting undertaken
- x. Meeting with Danida Team on Climate Change adaptation as assessment of GGEP role and achievement
- y. 2 GP and 10 CDE offices supported with IT equipment
- z. GIS Unit and IT started on developing EPI, SOER and ECII database
- aa. Developed environmental award scheme for schools, in draft.
- bb. Shared EPI, SOER and NEAP with several libraries.
- cc. RCE proposals on climate change supported.
- dd. Reviewed climate change booklet in draft
- ee. IT licenses supported and equipment and computers purchased
- ff. IT networking of 10 CDE offices
- gg. IT strategy in draft
- hh. IT systems audit undertaken
- ii. GGEP review underway
- jj. Consultancy on geo-portal developed
- kk. Consultancy to review EMCA developed
- ll. Consultancy to roll out KMS underway
- mm. Consultancy to develop corporate communication developed

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2. Output 2: Reduced environmental crime.

Summary Achievements this Period

- a. Licences issued (EDL, waste, plastics, ODS, emissions, PIC, CBD, etc)
- b. Audits/inspections/incidents undertaken
- c. EIAs completed
- d. 1727 EIA experts registered and licenced
- e. Database on regulated facilities updated
- f. 3 Counties air quality and 2 counties water quality were monitored
- g. EMCA regulations under review (i.e. EIA, Chemicals, ODS, wetlands, plastic recycling, marine litter.)
- h. EIA guidelines in draft and on-line module and COVID requirements
- i. Plastic recycling strategy in draft
- j. Condemned goods guide published
- k. Chemical management strategy finalised
- l. Green technologies in waste disposal in draft
- m. RERU consultancy concluded
- n. Rapid Response/IMU Incident Management framework in draft
- o. RERU Manual in draft
- p. Public incident reporting App in draft
- q. Incident register trends analysed as an ECII in draft
- r. RERU vehicle equipped as field lab
- s. Riparian action plan developed
- t. 47 CEPI printed and shared to CEC
- u. EPI and ECII 2020 consultancy tendered
- v. Inter-County EPI presented at international Glow meeting
- w. COVID-19 audit checklist developed
- x. 47 CDEs trained in use of COVID-19 waste handling guidelines and audit checklist, provided PPEs
- y. Review of EMCA on-going (consulted CoG, parliamentary committee, Board, etc.)
- z. Marine litter action plan in draft
- aa. Strategies for UNCCD reviewed
- bb. NEMA charter digitised

3. Output 3: Environmental functions mainstreamed in Ministries, Departments and Agencies (MDAs)

Summary of Achievements this Period

- a. National Guidelines for COVID-19 Facilities and private sector waste handling issued
- b. 42 county staff from 11 counties sensitized of EPAP Guidelines for county MDAs to adopt
- c. 47 CDE trained in use of COVID-19 audit of MDA facilities and waste handlers
- d. 20 County planners sensitized on EPI
- e. 25 MDAs regularly report of EAPAP to NEMA
- f. TORs for a valuation of E&NRM developed

- 4. Output 4:** Enhanced private sector adoption of green technologies and practices through Public-Private Partnership (PPPs).

Summary of Achievements this Period

- a. Voluntary Compliance guide initiated
- b. Green Technologies in Waste Disposal in draft
- c. Plastic recycling and take back strategy in draft
- d. Extended Producer Responsibility (EPR) strategy in draft
- e. Various fiscal incentives targeting plastic recycling introduced through the Finance Act 2019
- f. Schools PET take back scheme involving 19 schools in Nairobi initiated

Value- for Money Achievements

- Construction of 1 green point in Samburu.
- Training of NEMA and County Inspectors on Basic Enforcement Course.
- EPI improvement to also include EPI performance measurement of the 8 pilot counties.
- All 47 counties have CEC, but focus is on 8 pilot CEC trained and implementing DEF.
- Green Point strategy in place and consolidate 9 GP as functioning as outreach centers.
- 5 ecosystems have management plans.
- 8 CIDPs subjected to SEA checklist for Counties
- 8 counties capable of supporting select EMCA functions.
- National and 47 County EPIs in place and ECII included.
- Licensing, audits and EIAs conducted to plan.
- RERU framework and manual in place.
- 50 MDAs complete their environmental policy and action plans (EPAP)
- Voluntary compliance manual on green technologies adopted by 40 private sector companies.
- Economic instruments guide and 3 instruments in place.

The implementation challenges and recommended way forward.

- Prolonged delays in funds disbursed from DANIDA, to Treasury to MoEF to NEMA hampering achieving of the GGEP targets. Consequently, the project activities suffered unprecedented delays dues to unavailability of funds. A high level meeting between Danida, the Ministry, Treasury and NEMA was held to resolve the disbursement challenges. A timely, smooth on-ward submission of funds from Treasury to NEMA is needed.
- There was a delay in receiving the expected Government counterpart funds as per programme documents.. This adversely affected the implementation of several GGEP activities that could not run on the donor funds only. NEMA is working in collaboration with the ministry of environment and forestry on securing the remaining earmarked GoK counterpart funds for GGEP activities.

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- Inadequate support from County governments on implementation of devolved environmental functions.
- The COVID-19 pandemic. The restrictions introduced in March 2020, hampered face-to-face interaction, meetings, workshops and field visits, delaying progress in undertaking of the GGEP activities.

1.9 Summary of Project Compliance:

The project has not had any case of non-compliance with applicable laws and regulations, and essential external financing agreements/covenant.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The Green Growth & Employment Program (GGEP) overall objective is to contribute to an inclusive green growth and employment in Kenya. The Key distinct development objectives/outputs of the projects 2016-2021 plan are to;

- **Output 1:** Enhance capacity of County to achieve Devolved Environmental Functions (DEF).
- **Output 2:** Reduce Environmental crime.
- **Output 3:** Ensure Environmental functions are mainstreamed in Ministries, Departments and Agencies (MDAs).
- **Output 4:** Enhance private sector adoption of green technologies and practices through PPPs.

Progress on attainment of Strategic Development Objectives

For purposes of implementing and cascading the above development objectives, all the objectives were made specific, measurable, achievable, realistic and time- bound (SMART) and converted into development outcomes Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Greening Kenya's Development Pathway (GKDP)

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Project	Objective	Outcome	Indicator/Means OF Verification	Performance
Output 1:	Enhanced capacity of counties to undertake devolved environmental functions		Level of implementation of devolved environmental functions	
1.1.		47 effective county environment committees (CEC) established and functional.	No. of CECs trained and gazetted	a. NEMA agreed cooperation with CoG in draft MOU b. 46 CEC gazetted, Nairobi remains c. NEMA DEF Engagement Framework and roll out approved by Board d. NEMA DEF strategy and transition plan in draft e. CEC manual by CoG (and NEMA EE) unit in draft f. DEF curriculum in draft g. SOER/EAP manual and NEI indicators under review, in draft h. SOER 2020 in draft i. 2020 EPI and 2020 ECII national and county consultancy tendered j. 18 CEC inducted on DEF (with CoG)(DEF training course power point developed)
1.2.		47 CEAPs developed and implemented	No of CEAPs rolled out	
1.3.		11 green points providing green growth linkages between communities and technology and information providers	No. of Green Points Developed	
1.4		5 ecosystems requiring management plans	No. of management plans Developed & Implemented	
1.5.		At least 15 County Intergrated Development Plans (CIDPs) subjected to Strategic Environmental Assessment	No of CIDPs developed and SEA implemented	
1.6.		47 counties capable of effectively implementing devolved environmental functions i.e. waste management, noise pollution and environmental planning (inspections, enforcements, licensing and permitting)	Number of counties implementing devolved environment functions	

				<ul style="list-style-type: none"> k. 38 County Executive Committee sensitised on roles in SOER and EAP preparation with CoG support. l. 2 ecosystem management plan consultancy tendered m. SEA checklist and Guide for CIDP in draft n. 81 County inspectors trained in BEC and gazetted by DG o. GP strategy revised in draft, 3 GP field survey undertaken to validate strategy. p. All 9 GP supported with IEC materials q. 4 GP monitored to advise improvements r. 7 EPI/SOER fact sheets in draft s. RDE/CDE TORs aligned to DEF and operations supported to train CEC t. CDE performance assessment of support to CEC and DEF undertaken (see Figure 3) u. MEA days celebrated (e.g. WED, WWD, WOD, ASK, WDCD) and tree planting undertaken v. Meeting with Danida Team on Climate Change adaptation as assessment of GGEP role
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Greening Kenya's Development Pathway (GKDP)

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				<ul style="list-style-type: none"> and achievement w. 2 GP and 10 CDE offices supported with IT equipment x. GIS Unit and IT started on developing EPI, SOER and ECII database y. Developed environmental award scheme for schools, in draft. z. Shared EPI, SOER and NEAP with several libraries. aa. RCE proposals on climate change supported. bb. Reviewed climate change booklet in draft cc. IT licenses supported and equipment and computers purchased dd. IT networking of 10 CDE offices
Output 2:	Reduced environmental crime		Level of environmental crime as measured with the environmental crime/ incidences index	
2.1.		7000 licenses/permits issued (excluding noise & waste) annually	Nos of Licences Processed/ year under EMCA Regs	a. Licences issued (EDL, waste, plastics, ODS, emissions, PIC, CBD, etc)
2.2.		5500 environmental audits submitted to NEMA annually	Nos of Environmental Audits processed/year	b. Audits/inspections/incidents undertaken
2.3.		5 Control Environmental Audits of high risk facilities annually	No of controlled audits conducted/year	c. EIAs completed

2.4.		A rapid response framework in place	An operational rapid response framework implemented	d. 1727 EIA experts registered and licenced
2.5.		Environmental performance index and environment crime index in place and used to track environmental crimes	EPI and ECI in place and used to track environmental crime	e. Database on regulated facilities updated f. 3 Counties air quality and 2 counties water quality were monitored g. EMCA regulations under review (i.e. EIA, Chemicals, ODS, wetlands, plastic recycling, marine litter.) h. EIA guidelines in draft and on-line module and COVID requirements i. Plastic recycling strategy in draft j. Condemned goods guide published k. Chemical management strategy finalised l. Green technologies in waste disposal in draft m. RERU consultancy concluded n. Rapid Response/IMU Incident Management framework in draft o. RERU Manual in draft p. Public incident reporting App in draft q. Incident register trends analysed as an ECII in draft r. RERU vehicle equipped as field lab s. Riparian action plan

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				<ul style="list-style-type: none"> t. developed t. 47 CEPI printed and shared to CEC u. EPI and ECH 2020 consultancy tendered v. Inter-County EPI presented at international Glow meeting w. COVID-19 audit checklist developed x. 47 CDEs trained in use of COVID-19 waste handling guidelines and audit checklist, provided PPEs y. Review of EMCA on-going (consulted CoG, parliamentary committee, Board, etc.) z. Marine litter action plan in draft
Output 3 :	Environmental functions mainstreamed in MDAs and their implementation reported back to the PCS		No. of MDAs with and implementing their environmental policies and action plans	
3.1.		250 MDAs with operational environmental policies & action plans (EPAP)	Nos of MDAS Trained	<ul style="list-style-type: none"> a. National Guidelines for COVID-19 Facilities and private sector waste handling issued
3.2.		50 percent of MDAs practicing sustainable production and consumption as a result of increased knowledge and awareness facilitated by NEMA	Nos of MDAs Reporting and M&E of EPAP	<ul style="list-style-type: none"> b. 42 county staff from 11 counties sensitized of EPAP Guidelines for county MDAs

3.3.		MDAs supporting environmental crime prevention by reporting cases to NEMA	Nos MDAs Trained and Reporting to NEMA	<ul style="list-style-type: none"> to adopt c. 47 CDE trained in use of COVID-19 audit of MDA facilities and waste handlers d. 20 County planners sensitized on EPI e. 25 MDAs regularly report of EAPAP to NEMA f. TORs for a valuation of E&NRM developed
Output 4 :	Enhanced private sector adoption of green technologies and practices through PPPs		No. of PPPs established to support implementation of green technologies and other practices	
4.1.		40 institutions (manufacturing; building, and construction) participating in a voluntary environmental compliance scheme/cleaner production scheme	Nos Institutions Participating in environmental compliance	<ul style="list-style-type: none"> a. Voluntary Compliance guide initiated b. Green Technologies in Waste Disposal in draft
4.2.		Implementation of economic instruments guidelines (targets: privatization of solid waste management in selected municipalities; royalty charges; and user fees, etc.).	Economic Instruments Guidelines Developed	<ul style="list-style-type: none"> c. Plastic recycling and take back strategy in draft d. Extended Producer Responsibility (EPR) strategy in draft e. Various fiscal incentives targeting plastic recycling introduced through the Finance Act 2019 f. Schools PET take back scheme involving 19 schools in Nairobi initiated

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY

The National Environment Management Authority is mandated to coordinate and supervise all environmental matters country-wide as well as implement environmental policies on behalf of the government.

It provides a coordinating mechanism for NEMA to work with and through National and County Governments, supporting ministries, departments and state agencies (MDAs), Including NGOs, private sector and other stakeholders.

The Danish support through the Green Growth & Employment Thematic Program (GGEP) 2016 - 2020 assists NEMA to work with different stakeholders (ie Counties, Ministries, Departments and Agencies (MDAs), Private sector, etc) to shift Kenya's brown economic growth trajectory to a greener path with the objective of raising the Environmental Performance Index (EPI) from the 2014 baseline of 36.99 to 50.0 by 2020.

A brief description of the projects achievements in the following pillars is highlighted below;

- **Sustainability strategy and profile**

For sustainability, NEMA through the GGEP has assisted Government MDAs to integrate environmental sustainability management programmes into their core activities. NEMA will also work with the private sector to create Public, Private Partnerships (PPP) developing economic instruments that encourage the private sector's voluntary uptake of cleaner production processes such as waste recycling and reuse as well as resource and energy efficiency green technologies.

- **Environmental Performance**

NEMA through the GGEP Project has built capacity of County Environment Committees (CEC), to ensure strategic environmental assessments (SEA) are conducted on the CIDPs. NEMA also through the project has continued to enforce compliance with environmental standards and regulations to reduce environmental crimes, and develop an Environmental Crime Index (ECI).

The Project supports the integration of the State of Environment (SOE) and Environmental Action Plans (EAP) into the County Integrated Development Plans (CIDP). Its main focus is in the waste management, air and noise pollution and integrated water resource management (IWRM), amongst others, and domesticating the EPI to Kenyan requirements.

- **Community Engagement**

The project aims at fighting poverty and creating sustainable development through inclusive green growth, increased earnings and more jobs, especially for the youth and women. The entire GGEP has 9 components, of which NEMA is implementing component No. 5.

1. Value Chain Greening and Financing
2. Private Sector Green Growth
3. Community resilience and rangeland management
4. Management of water resources in arid/semi-arid lands
5. Greening Kenya's development pathway (GKDP)
6. Creating an enabling environment for green growth
7. Improving the business climate for greener growth
8. Environmentally Sustainable Trade Growth in the East African Community (EAC)
9. Supporting cleaner technologies and innovative business.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Accounting officer and the Project Coordinator for Green Growth and Employment Thematic Programme 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, 2020. 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 (vi) making accounting estimates that are reasonable in the circumstances.

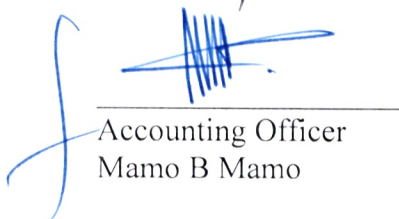
The Accounting Officer and the Project Coordinator for Green Growth and Employment Thematic Programme accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The Accounting Officer and the Project Coordinator for Green Growth and Employment Thematic Programme 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, 2019, and of the Project's financial position as at that date. The Accounting Officer and the Project Coordinator for Green Growth and Employment Thematic Programme 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.

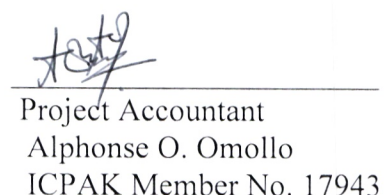
The Accounting Officer and the Project Coordinator for Green Growth and Employment Thematic Programme confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under 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 Accounting Officer and the Project Coordinator for the Green Growth and Employment Thematic Programme on 30/ Dec / 2020 and signed by them.


Accounting Officer
Mamo B Mamo


Project Coordinator
Obadiah Mungai


Project Accountant
Alphonse O. Omollo
ICPAK Member No. 17943

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GREEN GROWTH AND EMPLOYMENT THEMATIC PROGRAMME (CR NO:2015-39789) FOR THE YEAR ENDED 30 JUNE, 2020 - NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Green Growth and Employment Thematic Programme set out on pages 20 to 36, which comprise of the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Green Growth and Employment Thematic Programme as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No.2015-39789 dated 14 December, 2015 between National Environment Management Authority and Danish Embassy and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Green Growth and Employment Thematic Programme 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

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.194,200,000 and Kshs.111,000,000 respectively, resulting to an underfunding of Kshs.83,200,000 or 43% of the budget. Similarly, the performance was limited to the receipts and Kshs.75,698,272 was spent which represented an under expenditure of 32% of the receipts.

Based on the approved estimates, the under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

30 December, 2020

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5. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date
		Receipts and Payments controlled by the Entity	Payments made by third parties	Receipts and Payments controlled by the Entity	Payments made by third parties	
		<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>	<u>Kshs</u>
RECEIPTS						
Transfer from Government entities	7.3	11,000,000	-	11,000,000	-	22,000,000
Proceeds from foreign grant	7.4	100,000,000	-	140,000,000	-	440,000,000
TOTAL RECEIPTS		111,000,000	-	151,000,000	-	462,000,000
PAYMENTS						
Purchase of Goods & Services	7.5	60,814,096	-	103,844,355	-	260,471,572
Acquisition of non-financial assets	7.6	10,770,650	-	24,562,820	-	70,391,548
Other Payments	7.7	4,113,525	-	10,074,876	-	60,597,241
TOTAL PAYMENTS		75,698,272	-	138,482,051	-	391,460,362
SURPLUS		35,301,728	-	12,517,949	-	70,539,638

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

Accounting Officer

Mamo B Mamo

Project Coordinator

Obadiah Mungai

Project Accountant

Alphonse O. Omollo

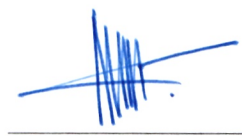
ICPAK Member No. 17943


NEMA Green Growth & Employment Thematic Programme (GGEP) 2016 - 2021
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6. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019/20	2018/19
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.8A	70,539,638	35,237,910
Total Cash and Cash Equivalents		70,539,638	35,237,910
TOTAL FINANCIAL ASSETS		70,539,638	35,237,910
REPRESENTED BY			
Fund balance b/fwd	7.10'	35,237,910	24,836,558
Prior year adjustments	7.11''	-	(2,116,597)
Surplus/(Deficit) for the year		35,301,728	12,517,949
NET FINANCIAL POSITION		70,539,638	35,237,910

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30 Dec / 2020 and signed by:


 Accounting Officer
 Date: 30/12/2020


 Project Coordinator
 Date: 30/12/2020

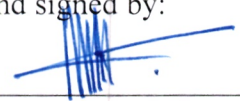

 Project Accountant
 Date 30/DEC/2020
 ICPAK Member No. 17943

NEMA Green Growth & Employment Thematic Programme (GGEP) 2016 - 2021
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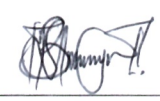
7. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019/20	2018/19
	Note	KShs	KShs
Receipts for operating activities			
Transfers from Government Entities	7.3	11,000,000	11,000,000
Proceeds from foreign grants	7.4	100,000,000	140,000,000
Payments for operating activities			
Purchase of goods and services	7.5	(60,814,096)	(103,844,355)
Other Payments	7.7	(4,113,525)	(10,074,876)
Adjustments during the year		-	-
Net cash flow from operating activities		46,072,379	37,080,769
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	7.6	(10,770,650)	(24,562,820)
Net cash flows from Investing Activities		(10,770,650)	(24,562,820)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		35,301,728	12,517,949
Cash and cash equivalent at BEGINNING of the year		35,237,910	22,719,961
Cash and cash equivalent at END of the year		70,539,638	35,237,910

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/Dec/2020 and signed by:


Accounting Officer

Date: 30/12/2020


Project Coordinator

Date: 30/12/2020


Project Accountant

Date: 30/Dec/2020


ICPAK Member No. 17943

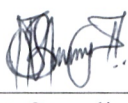
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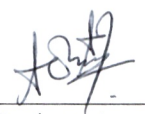
8. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	22,000,000	-	22,000,000	11,000,000	11,000,000	50%
Proceeds from domestic and foreign grants	107,200,000	65,000,000.00	172,200,000	100,000,000	72,200,000	58%
Total Receipts			194,200,000	111,000,000		
Payments						
Purchase of goods and services			112,200,000	60,814,096	51,385,904	54%
Acquisition of non-financial assets			11,500,000	10,770,650	729,350	94%
Other Payments			48,500,000	4,113,525	44,386,475	8%
Total Payments			172,200,000	75,698,272		

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


 Accounting Officer
 Date: 30/12/2020


 For: Project Coordinator
 Date: 30/12/2020


 Project Accountant
 Date: 30/Dec/2020
 ICPAK Member No. 17943

9. NOTES TO THE FINANCIAL STATEMENTS

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

7.1 Basis of Preparation

7.1.1 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.

7.1.2 Reporting entity

The financial statements are for the Project Green Growth & Employment Thematic Program (GGEP) 2016 – 2021 Greening Kenya's Development Pathway (GKDP) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

7.1.3 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.

7.2 Significant Accounting Policies

a) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

b) Recognition of payments

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

- **Compensation of employees**

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

- **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.

- **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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) 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.

d) Accounts receivable

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.

e) 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' items to provide a sense of the overall net cash position of the Project at the end of the year. 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.

f) 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

g) 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.

h) . 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, 2019.

i) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7.3 RECEIPTS FROM GOVERNMENT OF KENYA

These represents counterpart funding from the government as follows;

	2019/20	2018/19	Cumulative
	KShs	KShs	to-date
<i>Counterpart funding through the Ministry of Environment & Forestry</i>			
Counterpart funds	11,000,000	11,000,000	22,000,000
	<u>11,000,000</u>	<u>11,000,000</u>	<u>22,000,000</u>
Total	<u>11,000,000</u>	<u>11,000,000</u>	<u>22,000,000</u>

7.4 PROCEEDS FROM FOREIGN GRANTS

During the 12 months to 30 June 2020 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	
						FY 2019/20	FY 2018/19
			KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)	10/04/2018	4,642,857	65,000,000				65,000,000
	03/06/2019	5,357,143	75,000,000				75,000,000
	20/02/2020	7,142,857				100,000,000	
Total						100,000,000	140,000,000

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7.5 PURCHASE OF GOODS AND SERVICES

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	1,607,369	-	1,607,369	711,444	4,807,725
Communication, supplies and services	4,894,355	-	4,894,355	3,673,170	20,066,913
Domestic travel and subsistence	1,664,692	-	1,664,692	9,441,197	13,120,209
Foreign travel and subsistence	1,381,501	-	1,381,501	2,237,710	4,578,439
Printing, advertising and – information supplies & services	18,197,702	-	18,197,702	20,254,472	53,546,853
Rentals of produced assets		-	-	-	-
Training payments	6,094,688	-	6,094,688	12,633,395	34,842,005
Hospitality supplies and services	16,388,224	-	16,388,224	29,441,197	77,962,407
Insurance costs		-	-	-	-
Specialised materials and services	518,051	-	518,051	10,561,043	18,505,996
Other operating payments	3,803,471	-	3,803,471	3,720,558	12,695,002
Routine maintenance – vehicles and other transport equipment	5,887,421	-	5,887,421	11,170,169	19,889,401
Routine maintenance- – other assets	376,623	-	376,623		456,623
Exchange rate losses/gains (net)		-	-	-	-
Total	<u>60,814,096</u>	<u>-</u>	<u>60,814,096</u>	<u>103,844,355</u>	<u>260,471,572</u>

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7.6 ACQUISITION OF NON- FINANCIAL ASSETS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Construction of buildings	1,835,315	-	1,835,315	12,064,835	25,494,319
Construction of civil works	-	-	-	-	10,731,037
Purchase of vehicles & other transport equipment	-	-	-	-	7,632,966
Purchase of office furniture & general equipment	8,935,335	-	8,935,335	12,497,984	26,533,225
Total	<u>10,770,650</u>	<u>-</u>	<u>10,770,650</u>	<u>24,562,820</u>	<u>70,391,548</u>

7.7 OTHER PAYMENTS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Grants for Scholarship	-	-	-	-	-
Transfers to lower levels of government e.g schools	-	-	-	-	-
Miscellaneous payments	4,113,525	-	4,113,525	-	60,597,241
Total	<u>4,113,525</u>	<u>-</u>	<u>4,113,525</u>	<u>-</u>	<u>60,597,241</u>

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7.8 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2018/19	2018/19
	KShs	KShs
Bank accounts (Note 7.8A)	70,539,638	35,237,910
Total	<u>70,539,638</u>	<u>35,237,910</u>

7.8 A Bank Accounts
 Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
Local Currency Accounts		
Kenya Commercial Bank [A/c No1204171068]	70,539,638	35,237,910
Total local currency balances	<u>70,539,638</u>	<u>35,237,910</u>
Total bank account balances	<u>70,539,638</u>	<u>35,237,910</u>

7.9 OUTSTANDING IMPRESTS AND ADVANCES

Name of Officer or Institution	No	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2020	Balance 2019
Jefferson Nyamache Tinga	IAF7482	15,000		-		15,000
Jefferson Nyamache Tinga	IAF7483	17,500		-		17,500
Shieni Kotinye Koiyet	IAF7701	513,500		13,000		500,500
Titus Wafula Simiyu	IAF8182	157,500		-		157,500
Stephen Kyalo Peter	IAF8267	301,600		-		301,600
Edward Khambi Menza	IAF8462	14,828		-		14,828
William Opiyo Odeyo	IAF8465	13,944		-		13,944
Leonard Oloo Ofula	IAF8469	104,894		-		104,894
Dickens Otieno Sijaji	IAF8470	14,132		-		14,132

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Stanley Ambasa	IAF8471	12,152	-	12,152
Bille Adden Barre	IAF8472	104,148	-	104,148
Godfrey Wabwire Wafula	IAF8473	17,460	-	17,460
Josiah Joshua Nyandoro	IAF8477	12,088	-	12,088
Samuel Okoth Ondeng'	IAF8478	14,120	-	14,120
Patrick Pureina Lekenit	IAF8480	16,822	-	16,822
Ezra Kuhunya Ng'ang'a	IAF8481	13,146	-	13,146
Gilbert Kiplimo Magut	IAF8482	9,188	-	9,188
Joel Kipkoech Roph	IAF8483	19,482	-	19,482
Joel Kipkoech Roph	IAF8486	25,000	16,561	8,439
William Opiyo Odeyo	IAF8490	25,000	-	25,000
Jusper Maranga Omwenga	IAF8491	25,000	-	25,000
John Sikanga Maniafu	IAF8493	25,000	-	25,000
Antony Aura Saisi	IAF8494	25,000	-	25,000
James Siaji Omondi	IAF8495	25,000	-	25,000
Stanley Ambasa	IAF8496	25,000	-	25,000
Godfrey Wabwire Wafula	IAF8498	25,000	-	25,000
Josiah Joshua Nyandoro	IAF8505	25,000	-	25,000
Samuel Okoth Ondeng'	IAF8506	25,000	-	25,000
Patrick Pureina Lekenit	IAF8508	25,000	-	25,000
Ezra Kuhunya Ng'ang'a	IAF8509	25,000	-	25,000
Gilbert Kiplimo Magut	IAF8510	25,000	-	25,000
Titus Wafula Simiyu	IAF8513	156,780	154,400	2,380
Gilbert Kiplimo Magut	IAF8516	6,890	-	6,890

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Ezra Kuhunya Ng'ang'a	IAF8517	9,860	-	9,860
Patrick Pureina Lekenit	IAF8518	12,618	-	12,618
Samuel Okoth Ondeng'	IAF8519	10,590	-	10,590
Hashir Mohammad Ali	IAF8520	10,914	9,910	1,004
Godfrey Wabwire Wafula	IAF8523	13,094	-	13,094
Stanley Ambasa	IAF8525	9,114	-	9,114
James Sijaji Omondi	IAF8526	10,600	-	10,600
Leonard Oloo Ofula	IAF8527	90,170	-	90,170
Leonard Oloo Ofula	IAF8527	1,000	-	1,000
John Sikanga Maniafu	IAF8528	12,180	-	12,180
Wilfred Mboya Osumo	IAF8529	10,050	-	10,050
Jusper Maranga Omwenga	IAF8530	10,182	6,700	3,482
William Opiyo Odeyo	IAF8531	10,458	-	10,458
Simon Tonui	IAF8533	17,444	-	17,444
Edward Khambi Menza	IAF8534	11,122	-	11,122
Josiah Joshua Nyandoro	IAF8536	9,066	-	9,066
Titus Wafula Simiyu	IAF8537	76,778	63,436	13,342
Godfrey Wabwire Wafula	IAF8538	13,094	-	13,094
Hashir Mohammad Ali	IAF8541	10,914	-	10,914
Simon Tonui	IAF8544	17,444	-	17,444
William Opiyo Odeyo	IAF8546	10,458	-	10,458
Jusper Maranga Omwenga	IAF8547	10,182	-	10,182
John Sikanga Maniafu	IAF8549	12,180	-	12,180
Leonard Oloo Ofula	IAF8550	11,170	-	11,170

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James Siaji Omondi	IAF8551	10,600	-	10,600
Stanley Ambasa	IAF8552	9,114	-	9,114
Josiah Joshua Nyandoro	IAF8556	9,066	-	9,066
Samuel Okoth Ondeng'	IAF8557	10,590	-	10,590
Bille Adden Barre	IAF8559	10,610	-	10,610
Patrick Pureina Lekenit	IAF8560	12,618	-	12,618
Ezra Kuhunya Ng'ang'a	IAF8561	9,860	-	9,860
Gilbert Kiplimo Magut	IAF8562	6,890	-	6,890
Patricia Wayua Mwanzia	IAF8703	30,400	-	30,400
	Total	2,380,604	-	2,116,597

7.10 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	35,237,910	22,719,961
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	2,116,597
Total	35,237,910	24,836,559

7.11 PRIOR YEAR ADJUSTMENT

	2019/20	2018/19
	KShs	KShs
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Receivables - Outstanding Imprests	-	2,116,597
Total	-	2,116,597

10. OTHER IMPORTANT DISCLOSURES

10.1 PENDING ACCOUNTS PAYABLE (See Annex 2)

	2019/20	2018/19
	KShs	KShs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

All the issues that were raised by the external auditors in the previous audit were fully addressed.



Accounting Officer

30/12/2020

Date



For: Project Coordinator

30/12.2020

Date

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Difference	Utilization %	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government Entities	22,000,000	11,000,000	11,000,000	50%	Part of amount not received
Proceeds from foreign grants	172,200,000	100,000,000	72,200,000	58%	The tranche received in March 2020 and therefore the amount could not be sufficiently used before requesting for the balance
Total Receipts	194,200,000	111,000,000			
Payments					
Purchase of goods and services	112,200,000	60,814,096	51,385,904	54%	Funds received in March 2020 and therefore couldnot be fully utilized due to the Corona Pandemic
Acquisition of non-financial assets	11,500,000	10,770,650	729,350	94%	Proper Absorption

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Other Payments	48,500,000	4,113,525	44,386,475	8%	Funds received in March 2020 and therefore could not be fully utilized due to the Corona Pandemic
Total payments	172,200,000	75,698,272			

ANNEX 2 – ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	PV No.	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Supply of goods					-		
Sub-Total		-		-		-	
Supply of services					-		
Sub-Total		-	-	-	-	-	
Grand Total		-				-	

NB; Due to the availability of funds all outstanding Payments relating to the Project were paid by 30th of June 2020 and there were no pending bills.

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/20	*Purchases/Additions in the Year (KShs) 2019/20	**Disposals in the Year (KShs) 2019/20	Closing Cost (KShs) 2020
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Buildings and structures	34,390,042	1,835,315	-	36,225,357
Transport equipment	7,632,966	-	-	7,632,966
Office equipment, furniture and fittings	17,597,889	8,935,335	-	26,533,225
Total	59,620,898	10,770,650	-	70,391,548

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APPENDICES

- i. Bank Reconciliations

