

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 14 MAR 2024

DAY: *Friday*

**REPORT**

*Hon Naomi Wago, mp  
Deputy Majority Whip  
A. Shubuko*

**OF**

**THE AUDITOR-GENERAL**

**ON**

**INTEGRATED HEALTH AND ENVIRONMENT  
OBSERVATORIES AND LEGAL AND  
INSTITUTIONAL STRENGTHENING FOR THE  
SOUND MANAGEMENT OF CHEMICALS IN  
AFRICA (NO.AFR/CHEMOBS  
PROJECT/C/07-2017)**

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

**STATE DEPARTMENT FOR ENVIRONMENT  
AND CLIMATE CHANGE**



**PROJECT NAME: Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa (Africa Chemobs)**

**IMPLEMENTING ENTITY: Ministry of Environment, Climate Change and Forestry (MECCF)**

**PROJECT GRANT/CREDIT NUMBER: AFR/CHEMOBS PROJECT/C/07-2017**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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

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**1. Acronyms and Glossary of Terms**

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
Comparative FY	Financial year preceding the current financial year.
USD	US Dollars
No.	Number
A/C	account
KSHS	Kenya shillings
F/Y	Financial Year
SDA	Special deposit account
CHEMOBS	Integrated Health and Environment Observatories and Leg InstitutionalStrengthening for the Sound Management of Chem Africa

## **2. Project Information and Overall Performance**

### **2.1 Name and registered office**

**Name:** The project's official name is "Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of chemicals in Africa (Africa ChemObs)".

#### **Objective**

The key objective of the project is to contribute to improved health and environment protection through strengthening national and regional institutions, developing country owned plans of actions and implementing priority chemicals and waste related interventions. The project will specifically develop a prototype of national integrated health and environment observatory, including a core set of indicators enabling data aggregation, to provide timely and evidence-based information to predict, prevent and reduce chemical risks to human health and the environment.

#### **Address**

The project headquarters offices are Nairobi, Kenya.

The address of its registered office is:

Ministry of Environment and Forestry,  
NHIF Building, 12th Floor, Ragati Road,  
P.O Box 30126-00100,  
Nairobi, Kenya

The project does not have any other offices/branches.

**Contacts:** The following are the project contacts

Telephone: +254-(0) 202730808/9

E-mail: [psoffice@environment.go.ke](mailto:psoffice@environment.go.ke)

Website: [www.environment.go.ke](http://www.environment.go.ke)

## *Chemobs Project*

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

#### **Project information and overall performance (continued)**

##### **2.2 Project Information**

<b>Project Start Date:</b>	The project start date is 17.4.2018
<b>Project End Date:</b>	The project end date is 31 <sup>st</sup> Dec. 2022 but it has been extended to 30 <sup>th</sup> November, 2023.
<b>Project Manager:</b>	Mr. Cyrus Mageria
<b>Project Sponsor:</b>	The project sponsor is Global Environment Fund

##### **2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment and Forestry.
Project number	File no. 2015-39790
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <p>The overall objective of the project is to contribute to improved health and environment protection, strengthening national and regional institutions, developing country owned plans of actions and implementing chemicals and waste related interventions.</p> <p>Component 1 is focused on strengthening capacity of selected existing relevant national government departments and institutions to monitor pollution, prioritize and implement intervention as well as plan and implement through active involvement of local communities.</p> <p>Component 2 is focused on the development of broad action plans to promote sound chemicals management, reduce negative impacts on health and the environment.</p> <p>Component 3 focuses on the support to reduce risks from chemicals and wastes identified as posing specific risks to public health and environment.</p>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <p>(i) Adopting a multisectoral approach to in</p>

## **Chemobs Project**

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

	the project activities.
Other important background information of the project	The project did not start as expected during 2018/2019 financial year (F/Y) but begun in 2019/2020 F/Y.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Protect human health and the environment from chemicals risks (ii) Strengthen institutional and community capacity to promote sound chemicals management in Kenya.
Project duration	The project started in July 2018 and was expected to run until 30 December 2022. The project has been extended to November 2023 due to the challenges it faced including Covid 19 pandemic. The extension will also allow implementation of the hard intervention proposal that has been approved by UNEP.

#### **2.4 Bankers**

The following are the bankers for the current year:

Central Bank of Kenya.

Account No. 1000490098

#### **2.5 Independent Auditor**

The project is audited by the Auditor General, Office of the Auditor General

## ***Chemobs Project***

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

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#### **2.6 Roles and Responsibilities**

List the different people who will be working on the project. This list would include the manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng. Festus Ngeno	Principal Secretary	Msc. Environmental and Biosystems Engineering	Accounting Officer
Mr. Cyrus Mageria (Tel: 0727640589)	Ag. Director MEAs	Masters in Natural Resource and Co-management	Overall co-ordinator of the project
Edward Njuguna (Tel: 0710785077)	Project Officer	Msc. Chemicals Risks Management (ongoing) Bsc. Environmental Planning and Management	Project Assistant

#### **2.7 Funding summary**

The Project is for duration of 4 years from 2018 to 31<sup>st</sup> December, 2022. However, the project has been extended to November, 2023 as highlighted in *note 2.2*. The project has got an approved budget of US\$ 266,666.7 equivalent to Kshs 28,498,702 as highlighted in the table below. Below is the funding summary:

**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 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency USD	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
GEF FUNDS	266,667	28,498,702	1128,507	13,737,471	138,159	14,769,239
<b>(ii) Loan</b>	-	-	-	-	-	-
<b>(iii) Counterpart funds</b>						
Government of Kenya	1,050,000	112,213,500	111,968	11,969,440	938,000	100,244,060
<b>Total</b>	<b>1,316,667</b>	<b>140,712,202</b>	<b>240,476</b>	<b>25,706,911</b>	<b>1,076,159</b>	<b>115,013,299</b>

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

Project information and overall performance (continued)

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30 <sup>th</sup> June 2023)	
	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
<b>(i) Grant</b>						
GEF FUNDS	128,507	13,737,471	123,442	17,196,025	5,064	541,445
<b>(i) Loan</b>	-	-	-	-	-	-
<b>(ii) Counterpart funds</b>						
Government of Kenya	112,000.00	11,969,440.00	111,968	11,969,440	-	-
<b>Total</b>	<b>240,507.60</b>	<b>25,706,911</b>	<b>235,411</b>	<b>29,165,465</b>	<b>5,064</b>	<b>541,445</b>

**Project information and overall performance (continued)**

**2.8 Summary of Overall Project Performance:**

i) Budget performance against actual amounts for current year and for cumulative to-date, Although there were delays in implementing the project activities, the project has made significant progress in implementing the activities. The Covid 19 pandemic was also a big challenge that interfered with the implementation of the project. The Donor has extended the Project to end in November 2023 to facilitate the implementation of the pending activities.

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

The project has achieved the below outputs:

Development the Chemobs Communication Strategy

1. Assessment of institutional and community capacity building needs
2. Assessment of financing systems for the Chemobs project
3. Training of stakeholders on chemicals data management tools
4. Arranged preparatory workshop and meetings for the Basel Rotterdam and Stockholm Conventions Conference of Parties, 2022.

The achievements of the project in comparison to the amount disbursed show there is value for money.

The absorption rate for financial year 2022/2023 was 42%. The low absorption rate was caused by delays in processing quarterly disbursements by the donor and delays in acquiring an exchequer from the National Treasury.

iii) List the implementation challenges and recommended way forward.

There have been delays in disbursing funds from the donor which in turn delays implementation of activities. The Ministry should urge the donor to make disbursements in a timely manner to allow time for our national funds transfer procedures from National Treasury to the project account.

***Chemobs Project***

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

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***2.9 Summary of Project Compliance:***

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

### **3. Statement of Performance against Project's Predetermined Objectives**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *project's agreement/* plan are to:

1. Strengthen the capacity of selected existing relevant national government departments and institution to monitor pollution, prioritize areas for intervention as well as plan and implement solutions through active involvement of local communities.
2. Develop broad based action plans to promote sound chemicals management and reduce negative impacts on health and the environment.
3. Support local communities to reduce risks from chemicals and wastes identified as posing specific risks to public health and environment.

#### **Progress on attainment of strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bund (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:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Per</b>
Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa (Africa Chemobs)	Strengthen the capacity of selected existing relevant national government departments and institution to monitor pollution, prioritize areas for intervention as well as plan and implement solutions through active involvement of local communities.	Institutional and technical barriers preventing adequate management of harmful chemicals and wastes reduced and sound data available to the established national Chemicals Observatories	Major chemicals waste and pollution problems requiring action are identified and prioritized.  Key progress indicators established to measure improvements in sound chemicals management.  Capacity development plan for institutional/legal and capacity building needs assessed.	Major c waste ar problem action h identifie prioritiz  The nati consulta process key prog indicato improve sound c manage under d  Instituti commu building been ass
	Development of broad-based action plans to promote sound chemicals management and reduce impacts on health and environment	Sound management of chemicals mainstreamed into the decision-making processes and national planning and national implementation of chemicals related MEAs and voluntary instruments advanced.	Identification of populations that are particularly exposed to chemicals  Benefits and cost of inaction to mitigate risks and specific interventions are identified and compared to the estimated costs of inaction.  Development of plans of actions	The pro identific areas wh populati exposed risks inc Athi Ri sheep co site.  The pro develop interven action f remedia identifie

			and business case for investment and integrated into national development plans.	contaminated site and submitted to UNEP for review and approval.
	Support local communities to reduce risks from chemicals and wastes identified as posing specific risks to public health and environment.	Kenya is able to implement actions from national action plans and monitor changes in exposure to chemicals and wastes	<p>Training of key stakeholders to strengthen capacity for on the ground action to mitigate health risks.</p> <p>Communities informed about the health risks of chemicals exposure</p> <p>Implementation of situation specific interventions and policy measures</p>	<p>Stakeholder capacity building needs have been assessed.</p> <p>Training on chemicals data management tools have been conducted for stakeholders.</p> <p>Community capacity building needs have been assessed.</p> <p>Communications strategy has been developed.</p> <p>Communication materials and messages are being developed.</p> <p>The project is currently organising community information sessions in the identified priority areas</p> <p>The situation specific intervention proposal has been approved by UNEP and will be implemented in the second quarter of 2022/2023</p>

#### **4. Environmental and Sustainability reporting**

The Chemobs Project aims to improve human health and promote environmental sustainability. Below is a brief highlight of how the project activities contribute to sustainability.

##### **1. Sustainability strategy and profile**

The overall object of the Chemobs Project is to protect human health and the environment from the risks associated with chemicals exposure. This will in turn lead to improved human health and well-being as well as environmental sustainability through protection of water resources, air quality, soil and biodiversity. Protection of human health and environment is a key step towards achieving the global sustainable development agenda.

##### **2. Environmental performance**

Implementation of the Chemobs Project will reduce the environmental risks posed by chemicals through promotion of sound chemicals management and chemical safety management. This will in turn protect the environmental resources including water resources, soil, air and biodiversity and contribute to environmental sustainability performance.

##### **3. Employee welfare**

The project aims to improve the health of all workers that are exposed to chemicals. The project recognizes that chemicals have varying impacts on both men and women, with the impacts being particularly high in women due to their biological nature. For this reason, the project aims to engage stakeholders in the agrochemicals and manufacturing sectors to promote the awareness of chemicals risks.

##### **4. Market place practices-**

###### **a) Responsible Supply chain and supplier relations-**

The project has always maintained good business practices, treated suppliers responsibly and honoured all contracts and respects payment practices.

**b) Responsible ethical practices**

The Chemobs Project has always aligned itself to the Ministry's core ethical values which include: honesty and integrity, human dignity, equity and embracing a participatory approach.

**c) Regulatory impact assessment**

The Chemobs Project aims to ensure every Kenyan enjoys their constitutional right of enjoying a clean and healthy environment.

**5. Community Engagements**

One of the major components of the Chemobs Project is identifying communities that are highly exposed to chemicals risks and engaging them to reduce these risks. The project has conducted a community capacity building assessment that will guide how the vulnerable communities will be engaged.

The project aims to hold community information sessions in the identified regions to create awareness on chemicals risks and promote sound chemicals management. The project recognizes that women are impacted by chemical risks more than men and for this reason, the project will integrate gender mainstreaming in this information sessions.

Holding community information sessions will help to increase the awareness of chemicals risks among the community members and will in turn contribute to improved health and environmental protection from chemical risks.

## **5. Statement of Project Management responsibilities**

The *Principal Secretary State Department for Environment and Climate Change* and the *Coordinator for Chemobs 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that they 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 *Principal Secretary State Department for Environment and Climate Change* and the *Coordinator for Chemobs project* accept responsibility for the Project's financial statements. The financial statements 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 State Department for Environment and Climate Change* and the *Project Coordinator for Chemobs 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, 2023, and of the Project's financial position as at that date. The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Chemobs 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 State Department for Environment and Climate Change* and the *Coordinator for Chemobs 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.


*Chemobs Project*

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

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**Approval of the Project financial statements**

The Project financial statements were approved by the *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for Chemobs project on ..... 2023 and signed by them.



Principal Secretary  
Eng. Festus Ngeno



Project Coordinator  
Cyrus Mageria



Project Accountant:  
Enock Maticha  
ICPAK Member No: 23310



# 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 INTEGRATED HEALTH AND ENVIRONMENT OBSERVATORIES AND LEGAL AND INSTITUTIONAL STRENGTHENING FOR THE SOUND MANAGEMENT OF CHEMICALS IN AFRICA (NO.AFR/CHEMOBS PROJECT/C/07-2017) FOR THE YEAR ENDED 30 JUNE, 2023 – STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE**

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### PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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.

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*Report of the Auditor-General on Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa (No.AFR/Chemobs Project/C/07-2017) for the year ended 30 June, 2023 – State Department for Environment and Climate Change*

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa set out on pages 1 to 39, which comprise the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budgeted 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 227 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Grant Agreement between African Institute (AI) and the Government of Kenya (GoK) signed on 22 December, 2020 and the Memorandum of Understanding for project cooperation signed on 17 April, 2018 and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Undisclosed Consultancy Payments

The statement of receipts and payments reflects total payments of Kshs.7,223,527 for the year ended 30 June, 2023. However, these payments excluded USD100,000 consultancy services paid directly by Africa Institute to a consultancy firm.

In the circumstances, the accuracy and completeness of the total payments of Kshs.7,223,527 could not be confirmed.

#### 2. Unsupported University Scholarships

The African Institute set aside USD50,000 for a scholarship programme. The programme benefited one Assistant and other three (3) staff from other implementing agencies benefit from the scholarship studies at the University of Cape Town. However, the amount of support and details for the programme have not been provided for review or disclosure in the financial statements.

In the circumstances, the accuracy and completeness of the total payments of Kshs.7,223,527 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa 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 qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts for the year ended 30 June, 2023 reflects final revenue budget and actual on comparable basis of Kshs.12,500,000 and Kshs.5,252,850 respectively, resulting in an underfunding of Kshs.7,247,150 or 58% of the budget.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is however not modified in respect of the above matter.

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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.

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 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 the processes and systems of internal control, risk management and overall governance are operating effectively, in all material respects. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and those Charged with Governance**

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management deems it necessary to enable the preparation of financial statements that are free from 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 Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, information related to sustainability of services and using the applicable basis of accounting. Management is aware of the intention to terminate the Project or cease operations.

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 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 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 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 the auditor's report. However, future events or conditions may cause the Project to be unable 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 the 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 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 the Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and the applicable, related safeguards.

  
**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**22 December, 2023**

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

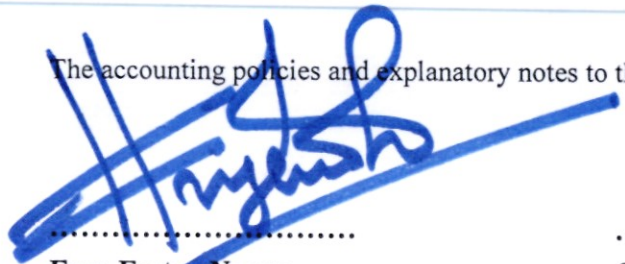
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2022/2023			2021/2022			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Receipts</b>								
Transfer from Government entities	1	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants	2	5,252,850.00	-	5,252,850.00	3,247,991.00	-	3,247,991.00	13,737,471.00
Loan from external development partners	3	-	-	-	-	-	-	-
Miscellaneous receipts	4	-	-	-	-	-	-	-
<b>Total receipts</b>		<b>5,252,850.00</b>		<b>5,252,850.00</b>	<b>3,247,991.00</b>		<b>3,247,991.00</b>	<b>13,737,471.00</b>
<b>Payments</b>								
Compensation to employees	5	917,419.35	-	917,419.35	721,934.50	-	721,934.50	1,639,353.85
Purchase of goods and services	6	6,306,108.00	-	6,306,108.00	4,472,164.00	-	4,472,164.00	11,556,672.00
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	-	-	-	-	-
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	-
<b>Total payments</b>		<b>7,223,527.35</b>	<b>-</b>	<b>7,223,527.35</b>	<b>5,194,098.50</b>	<b>-</b>	<b>5,194,098.50</b>	<b>13,196,025.85</b>
<b>Surplus/ (deficit)</b>		<b>(1,970,677.35)</b>	<b>-</b>	<b>(1,970,677.35)</b>	<b>(1,946,107.50)</b>	<b>-</b>	<b>(1,946,107.50)</b>	<b>541,445.15</b>

*Chemobs Project*

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

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



.....  
Eng. Festus Ngeno  
Principal Secretary



.....  
Cyrus Mageria  
Project Coordinator



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

*Chemobs Project*

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


**8. Statement of Financial Assets as at 30<sup>th</sup> June 2023**

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	541,445.15	2,512,122.50
Cash Balances	11. B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
<b>Total Cash and Cash equivalents</b>		<b>541,445.15</b>	<b>2,512,122.50</b>
Imprests and Advances	12	-	-
<b>Total Financial Assets</b>		<b>541,445.15</b>	<b>2,512,122.50</b>
<b>Financial Liabilities</b>			
Third party Deposits and Retention	13	-	-
<b>Net Assets</b>		<b>541,445.15</b>	<b>2,512,122.50</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	2,512,122.50	4,458,230.00
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(1,970,677.35)	(1,946,107.50)
<b>Net Financial Position</b>		<b>541,445.15</b>	<b>2,512,122.50</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on \_\_\_\_\_ 2023 and signed by:

  
.....  
Eng. Festus Ngeno  
Principal Secretary

  
.....  
Cyrus Mageria  
Project Coordinator

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

*Chemobs Project**Annual Report and Financial Statements for the financial year ended June 30, 2023***9. Statement of Cashflow for the year ended 30<sup>th</sup> June 2023**

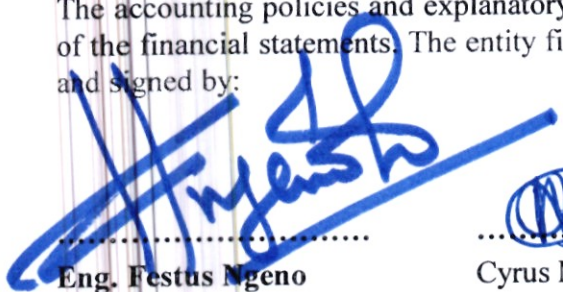
Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	5,252,850.00	3,247,990.00
Miscellaneous receipts	4	-	-
<b>Total receipts</b>		5,252,850.00	3,247,990.00
<b>Payments</b>			
Compensation of employees	5	917,419.35	721,930.00
Purchase of goods and services	6	6,306,108.00	4,472,160.00
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
<b>Total Payments</b>		7,223,527.35	5,194,090.00
<b>Net receipts/(payments)</b>		<b>(1,970,677.35)</b>	<b>(1,946,100.00)</b>
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>(1,970,677.35)</b>	<b>(1,946,100.00)</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	8	-	-
<b>Net cash flows from investing activities</b>		-	-
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	3	-	-

**Chemobs Project**

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

Description	Notes	2022/2023	2021/2022
		Kshs	Kshs
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(1,970,677.35)	(1,946,107.50)
Cash and cash equivalent at beginning of the year	11	2,512,122.50	4,458,230.00
Cash and cash equivalent at end of the year	11	541,445.15	2,512,122.50

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 \_\_\_\_\_ 2023 and signed by:



.....  
**Eng. Festus Ngeno**  
**Principal Secretary**



.....  
**Cyrus Mageria**  
**Project Coordinator**



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

*Chemobs Project*

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

**10. Statement of Comparison of Budget and Actual amounts for year ended 30<sup>th</sup> June 2023**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	-	-	-	-	-	-
Proceeds from domestic and foreign grants	17,500,000	(5,000,000)	12,500,000	5,252,850	7,247,150	42%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>17,500,000</b>	<b>(5,000,000)</b>	<b>12,500,000</b>	<b>5,252,850</b>	<b>7,247,150</b>	<b>42%</b>
<b>Payments</b>						
Compensation to employees	1,000,000	0	1,000,000	917,419	82,581	91.7%
Purchase of goods and services	16,500,000	(5,000,000)	11,500,000.00	6,306,108	5,193,892	54.8%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
<b>Total Payments</b>	<b>17,500,000</b>	<b>(5,000,000)</b>	<b>12,500,000</b>	<b>7,223,527</b>	<b>5,276,473</b>	<b>57.8%</b>
<b>Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,970,677)</b>	<b>1,970,677</b>	<b>-</b>

**Note:** The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.

*[Handwritten signature]*  
 .....  
 Finance Manager

*[Handwritten signature]*  
 .....  
 Finance Manager

*[Handwritten signature]*  
 .....  
 Finance Manager

## **11. Significant Accounting Policies**

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

### **a) Statement of compliance and basis of preparation**

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

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

### **b) Reporting entity**

The financial statements are for CHEMOBS Project under the State Department of Environment, Climate Change and Forestry. The financial statements are for the reporting entity CHEMOBS as required by Section 81 of the PFM Act, 2012 .

### **c) Reporting currency**

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

### **d) Recognition of receipts**

CHEMOBS Project recognises all receipts from the various sources when the event occurs, and the related cash has been received.

#### **i) Transfers from the Exchequer**

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

**Significant Accounting Policies (continued)**

**ii) External Assistance**

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

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing.**

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

**vi) Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and 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.

**Significant Accounting Policies (continued)**

**e) Recognition of payments**

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

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

**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.

**Significant Accounting Policies (continued)**

**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 or for nominal consideration and the fair value of the asset can be reliably established, the transaction is recorded as receipt and as a payment. A fixed asset register is maintained for each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**f) In-kind donations**

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for such 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.

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits, call and highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant 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 imprests and advances to authorised public officers and/or institutions which were surrendered or accounted for at the end of the financial year.

**Significant Accounting Policies (Continued)**

**h) 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.

**i) 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.

**j) Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

**Significant Accounting Policies (Continued)**

**k) Contingent Assets**

*CHEMOBS 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 more uncertain future events not wholly within the control of *Chemobs project* in 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.

**l) 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 involve the payment of cash in the reporting period, they are 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.

**m) Budget**

The budget is developed on a comparable accounting basis (cash basis), the same as the classification basis (except for accounts receivable - outstanding imprest and closed accounts and accounts payable - deposits, which are accounted for on an accrual basis) for the same period as the financial statements. The Project's budget was approved and required by Law and National Treasury Regulations, as well as by the particular 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 are accounted for as budgeted funds as transfers and account for them separately. These transfers are recorded as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

**Significant Accounting Policies (Continued)**

**n) 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.

**o) 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.

**p) 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.

**q) Subsequent events**

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

**r) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note 15 of these financial statements*.

*Chemobs Project*

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

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

Description	2022/2023	2021/2022	Cumulative to-date
	Kshs	Kshs	income
<i>Counterpart funding through Ministry of Environment, Climate Change and Forestry</i>			
Counterpart funds Quarter 1	-		
Counterpart funds Quarter 2	-		
Counterpart funds Quarter 3	-		
Counterpart funds Quarter 4	-		
<b>Total (See Annex 3)</b>	-		
<i>Other transfers from government entities</i>			
	-		
	-		
Total	-	-	.
Appropriations-in-Aid	-	-	.
<b>Total</b>	=	=	∞

*Note: There were no transfers from government entities during the financial year 2022/2023*

## Notes to the Financial Statements (Continued)

## 2. Proceeds From Domestic and Foreign Grants

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

Name of Donor	2022/2023						2021/2022	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Bilateral Donors (Foreign Governments)								
GEF FUNDS	23/8/2023	5,252,850.00	-	-	-	5,252,850.00	3,247,991.00	13,737,471.00
Grants Received from Multilateral Donors (International Organizations)								
Insert name of international organization								
Grants Received from Local Individuals and organizations								
Insert name of individual or local organization								
<b>Total</b>		<b>5,252,850.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,252,850.00</b>	<b>3,247,991.00</b>	<b>13,737,471.00</b>

*Chemobs Project*

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

**Notes to the Financial Statements (Continued)**

**3. Loan from External Development Partners**

During the financial period to 30 June 2023, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description  Name of Donor	2022/2023					2021/2022	Cumulative to date
	Date received	Amount in loan currency  (Insert currency)	Loans received in actual amount  Kshs	Loans received as direct payment*  Kshs	Total amount in Kshs  Kshs	Total amount in Kshs  Kshs	
Loans received from bilateral Donors (Foreign Governments)							
Insert name of foreign Government							
Insert name of foreign Government							
Loans received from Multilateral Donors (International Organizations)							
Insert name of international organization							
Insert name of international organization							
<b>Total</b>			-				-

**Notes to the Financial Statements (Continued)**

**4. Miscellaneous receipts**

Description	2022/2023			2021/2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	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*					
<b>Total</b>					

*Chemobs Project*

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

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	917,419.35	-	917,419.35	721,934.50	1,639,353.85
Basic wages of temporary employees	-	-	-	-	-
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	-	-	-	-	-
<b>Total</b>	<b>917,419.35</b>		<b>917,419.35</b>	<b>721,934.50</b>	<b>1,639,353.85</b>

**Notes to the Financial Statements (Continued)**

**6. Purchase of Goods and Services**

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-		-		
Communication, supplies and services	-		-		
Domestic travel and subsistence	5,001,200.00		5,001,200.00	4,265,164.00	9,266,364.00
Foreign travel and subsistence	1,117,528.00		1,117,528.00	-	1,117,528.00
Printing, advertising, and information supplies	-		-		-
Rentals of produced assets	-		-		-
Training payments	-		-		778,400.00
Hospitality supplies and services	187,380.00		187,380.00	207,000.00	394,380.00
Insurance costs	-		-		-
Specialized materials and services			-		-
Other operating payments					
Routine maintenance – vehicles and other transport equipment	-		-		-
Routine maintenance- other assets	-		-		-
<b>Total</b>	<b><u>6,306,108.00</u></b>	<b>=</b>	<b><u>6,306,108.00</u></b>	<b><u>4,472,164.00</u></b>	<b><u>11,556,672.00</u></b>

*Chemobs Project*

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

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Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	-		-		-
Social security benefits in cash and in kind	-		-		-
Employer social benefits in cash and in kind	-		-		-
<b>Total</b>	-		-		-

**Notes to the Financial Statements (Continued)**

**8. Acquisition of Non-Financial Assets**

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	
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					

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Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Purchase of certified seeds, breeding stock and live animals					
Research, studies, project preparation, design & supervision					
Rehabilitation of civil works					
Acquisition of strategic stocks					
Acquisition of land					
Acquisition of other intangible assets					
<b>Total</b>	=		=		=

*Note: There were no acquisition of non-financial assets during the financial year under review.*

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2023, we transferred funds to reporting government entities as shown below:

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Transfers to National Government entities					
Ministry ABC	-		-		-
Project XYZ					
Transfers to County Governments	-		-		-
County ABC					
County XYZ					
<b>Total</b>	<b>=</b>		<b>=</b>		<b>=</b>

*Note: There were no transfers to other government entities*

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**Notes to the Financial Statements (Continued)**

**10. Other Grants, Transfers and Payments**

Description	2022/2023			2021/2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Grants for scholarships	-		-		-
Transfers to lower levels of government e.g. schools	-		-		-
Miscellaneous payments	-		-		-
<b>Total</b>	-		-		-

**Chemobs Project****Annual Report and Financial Statements for the financial year ended June 30, 2023****Notes to the Financial Statements (Continued)****11. Cash And Cash equivalents**

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts (Note 11A)	541,445.15	2,512,122.50
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<b>541,445.15</b>	<b>2,512,122.50</b>

CHEMOBS Project has one project account within the project implementation area and zero number of foreign currency designated accounts managed by the National Treasury as listed below:

**11. A Bank Accounts****Project Bank Accounts**

Details	2022/2023	2021/2022
	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.1000490098]	541,445.15	2,512,122.50
Kenya Commercial Bank [A/c No...]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others ( <i>specify</i> )	-	-
<b>Total local currency balances</b>	<b>541,445.15</b>	<b>2,512,122.50</b>
<b>Total bank account balances</b>	<b>541,445.15</b>	<b>2,512,122.50</b>

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**Notes to the Financial Statements (Continued)**

**Special Deposit Accounts**

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

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

**Special Deposit Accounts Movement Schedule**

<b>Description</b>	<b>2022/2023</b>	<b>2023</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(i) A/c Name [A/c No.....]</b>		
Opening balance		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
<b>Closing balance (as per SDA bank account reconciliation attached)</b>		
<b>(ii) A/c Name [A/c No.....]</b>		
Opening balance (as per the SDA reconciliation)		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
<b>Closing balance (as per SDA bank account reconciliation attached)</b>		

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**Notes to the Financial Statements (Continued)**

**11 B Cash in hand**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>KShs</b>	<b>KShs</b>
Location 1		
Location 2		
Location 3		
Other locations ( <i>specify</i> )		
<b>Total cash in hand balances</b>		

**11 C Cash equivalents (short-term deposits)**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Kenya Commercial Bank [A/C No.....]		
Co-Operative Bank of Kenya [A/C No.....]		
Others ( <i>Specify</i> )		
<b>Total</b>		

**12. Imprests and Advances**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests		
Salary advances		
<b>Total</b>		

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Notes to the Financial Statements (Continued)

12A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance Current FY	Ba Comp I
	Kshs	Kshs	Kshs	Kshs	K
<i>Officer 1</i>					
<i>Officer 2</i>					
<i>Officer 3</i>					
<i>Officer 4</i>					
<i>Officer 5</i>					
<i>Programme 1</i>					
<b>Total</b>	=		-		

13. Deposits and Retention Monies

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Retention				
Deposits				
<b>Total</b>				
<b>Ageing analysis:</b>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of Total</b>
Under one year				
1-2 years				
2-3 years				
Over 3 years				
<b>Total</b>	-	-	-	-

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**14. Fund Balance Brought Forward**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	2,512,122.50	4,458,230.00
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b>2,512,122.50</b>	<b>4,458,230.00</b>

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Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f Previous FY (audited financial statements)	Adjustments	Adjusted b/f Pre FY
Description of the error	Kshs	Kshs	Ks
Bank account Balances			
Cash in hand			
Imprests and advances			
Deposits and retentions			
Others ( <i>specify</i> )			
<b>Total</b>	-	-	

16. Changes in Imprests and Advances

Description	2022/2023	2021/2020
	Kshs	Ks
Opening Receivables as at 1 <sup>st</sup> July 2023		
Closing account receivables as at 30 <sup>th</sup> June 2023		
<b>Change in Imprests and advances</b>		

17. Changes in Accounts Deposits and Retention

Description	2022/2023	2021/2020
	Kshs	Ksl
Deposit and Retentions as at 1 <sup>st</sup> July 2023		
Closing accounts payables as at 30 <sup>th</sup> June 2023		
<b>Changes in deposit and retention</b>		

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**Other Important Disclosures**

**1. Pending Accounts Payable (See Annex 4a)**

	Balance b/f from Comparative FY	Additions for the year	Paid during the year	Balance c/f For Current FY
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings				
Construction of civil works				
Supply of goods				
Supply of services				
<b>Total</b>				

**2. Pending Staff Payables (See Annex 4b)**

	Balance b/f from 2021/2022	Additions for the year	Paid during the year	Balance c/f for 2022/2023
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others - Gratuity	-	-	-	-
<b>Total</b>	-	-	-	-

**3. Other Pending Payables (See Annex 4c)**

	Balance b/f from 2021/2022 FY	Additions for the year	Paid during the year	Balance c/f for 2022/2023 FY
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
<b>Total</b>	-		-	-

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**Other Important Disclosures (Continued)**

**4. External Assistance**

	<b>2022/2023</b>	<b>2021/20</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as grants	5,252,850.00	3,247
External assistance received as loans	-	
External assistance received in kind- as payment by third parties	-	
<b>Total</b>	<b>5,252,850.00</b>	<b>3,247</b>

*a). External assistance relating loans and grants*

	<b>2022/2023</b>	<b>2021/</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	
External assistance received as grants	5,252,850.00	3,247
<b>Total</b>	<b>5,252,850.00</b>	<b>3,247</b>

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>2022/2023</b>	<b>2021/2</b>
<b>Description</b>		<b>Kshs</b>	<b>Ksh</b>
Undrawn external assistance - loans		-	
Undrawn external assistance - grants		14,769,239.85	20,014,
<b>Total</b>		<b>14,769,239.85</b>	<b>20,014,</b>

**Chemobs Project**

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**Other Important Disclosures (Continued)**

*c) Classes of providers of external assistance*

	<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
<b>Total</b>		

*(Provide details of the reasons for external assistance e.g. Economic development or welfare objective, Emergency relief, Trading activities etc.)*

*d. Non-monetary external assistance*

	<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods		
Services		
<b>Total</b>		

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**Other Important Disclosures (Continued)**

**e Purpose and use of external assistance**

<b>Payments made by third parties</b>	<b>2022/2023</b>	<b>2021/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
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		
<b>Total</b>		

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

**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 e. note should tie to line 3 of note 4 on external assistance)).

	<b>2022/2023</b>	<b>2021/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
<b>Total</b>	-	

**Chemobs Project**

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**Other Important Disclosures (Continued)**

**5. Payments By Third Party on Behalf of The Project**

*This relates to payments done directly to supplier on behalf of the project such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given activity*

**5.1 Classification by Source**

	<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
<b>Total</b>		

*(Third party payments may be done by other entities that are not providers of external assistance)*

**5.2 Classification of payments made by Third Parties by Nature of expenses**

<b>Payments made by third parties</b>	<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees		
Use of goods and services		
Subsidies		
Transfers to other government units		
Other grants and transfers		
Social security benefits		
Acquisition of assets		
Finance costs, including loan interest		
Other payments		
<b>Total</b>		

*N/B The above subclassification will be adopted based on the appropriate project's operations.*

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**Other Important Disclosures (Continued)**

**6. Related Party Disclosures**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis accounting standards. Related party disclosures comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

**Related party transactions:**

	2022/2023	2021/2022
	Kshs	Kshs
<b>Compensation to Key Management</b>		
Compensation to the program manager/ director		
Key Management Compensation others (specify)		
<b>Total Compensation to Key Management</b>		
<b>Transfers to related parties</b>		
Transfers to other government entities		
<b>Total Transfers to related parties</b>		
<b>Transfers from related parties</b>		
Transfers from the Ministry/ department		
Payments made on behalf of the project by other govt. entities		
(Insert any other transfers received)		
<b>Total Transfers from related parties</b>		

**7. Contingent Liabilities**

<b>Contingent liabilities</b>	2022/2023	2021/2022
	Kshs	Kshs
Court case xxx against the project		
Bank guarantees in favour of other govt. entities		
Contingent liabilities arising from PPPs/ donor agreements		
<b>Total</b>	-	

*(Give details- Update ANNEX 8 Contingent liabilities register)*

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
989.	<p><b>Undisclosed Consultancy payments</b></p> <p>The statement of receipts and payments reflects total payments of Kshs. 5,194,098 for the year ended 30 June, 2022. However, Africa Institute (executing agency) paid US\$ 5,000 (Ksh. 534,500) for consultancy services being 50% final payments for US \$ 10,000 invoice dated 31 March, 2021. In the circumstances, the accuracy and completeness of the total payments of Kshs. 5,194,098 could not be confirmed.</p>	<p>The Africa Institute (Donor representative) contracted the services of a national consultant (Emerald Environment Limited). On this note, Africa Institute made direct payments to the consultant without sending the funds through the National Treasury. As explained the total payments made to the consultant is USD 10,000 made in two installments of USD 5,000. The second installment of USD 5,000 is dated 31st March 2021. We wish to confirm that the last financial year the project did not have an A.I.A based budget hence the expenditure could not be captured in our</p>	Not solved	Awaiting to appear before PAC at a later date

*Chemobs Project*

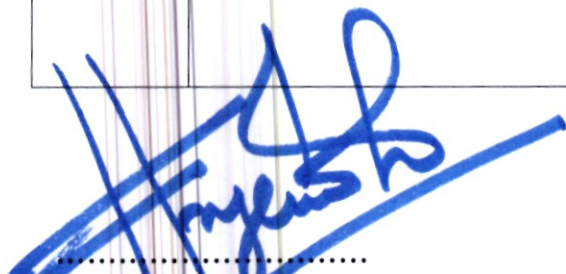
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
		financial statements. Arrangements are being made with the National Treasury to have the same factored during supplementary budget to enable us to capture the direct expenditure.	
990.	<p><b>Unsupported University Scholarships</b></p> <p>The African Institute set aside US\$ 50,000 for a scholarship programme. The Project Assistant and other three (3) staff other implementing agencies benefited from scholarship studies at the University of Cape Town. However, the amount of scholarship and details for the programme have not been provided for review or disclosed in the financial statements.</p>	<p>As a way of capacity building, the ChemObs project in partnership with the University of Cape Town awarded 4 scholarships to four Kenyans to pursue course in chemicals risks management. As explained the amount of 50,000 USD set aside for the scholarship is directly paid to the University of Cape Town and Kenya does not receive any funds. The University of Cape Town deducts the fees from the scholarship budget with approval from the Africa</p>	Not solved

**Chemobs Project**

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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)
	In the circumstances, the accuracy and completeness of the total payments of US \$ 50,000 for the scholarship programme could not be confirmed.	Institute. However, we have taken note of your concerns and have requested the University of Cape Town to provide us with fee payment receipts so that we can include the costs in the statement of receipts and payments. We are yet to get feedback from the University of Cape Town but are still pursuing the matter.		

  
 .....  
 Eng. Festus Ngeno  
 Principal Secretary

  
 .....  
 Cyrus Mageria  
 Project Coordinator

*Chemobs Project*

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities	-	-	-	-	-
Proceeds from domestic and foreign grants	12,500,000.00	5,252,850.00	7,247,150.00	42%	Exchequer underfunding
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
<b>Total Receipts</b>	<b>12,500,000.00</b>	<b>5,252,850.00</b>	<b>7,247,150.00</b>	<b>42%</b>	
<b>Payments</b>					
Compensation of employees	1,000,000.00	917,419.35	82,580.65	91.7%	
Purchase of goods and services	11,500,000.00	6,306,108.00	5,193,892.00	54.8%	Exchequer underfunding
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
<b>Total payments</b>	<b>12,500,000.00</b>	<b>6,306,108.00</b>	<b>6,193,892.00</b>	<b>50.4%</b>	

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**Annex 3: Reconciliation of inter-entity transfers**

<b>Project Name:</b>		<b>CHEMOBS PROJECT</b>		
<b>Break down of transfers from the State Department of Environment, Climate Change and Forestry</b>				
<b>a.</b>	<b>Government Counterpart funding</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		23/08/2022	5,252,850.00	2022/2023 FY
			-	
		<b>Total</b>	<b>5,252,850.00</b>	<b>2022/2023 FY</b>
<b>B.</b>	<b>Direct payments</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		<b>Total</b>	<b>-</b>	
<b>C.</b>	<b>Others</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		<b>Total</b>	<b>-</b>	
		<b>Total (A+B+C)</b>	<b>5,252,850.00</b>	

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

Project Coordinator  
CHEMOBS Project

Sign 

Head of Accounting Unit  
State Department for Environment and Climate Change

Sign 

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**Annex 4a: Analysis of Pending Bills**

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

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**Annex 4b: Analysis of Pending: Staff Bills**

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

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**Annex 4c: Analysis of other Pending Payables**

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

**Annex 5: Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2022/2023	Donations in form of assets (KShs) 2022/2023	*Purchases/ Additions in the Year (KShs) 2022/2023	**Disposals in the Year (KShs) 2022/2023	Transfers in/(out) 2022/2023	Closing Cost 2022/2023
	(a)	(b)	(c)	(d)	(d)	(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						
<b>Total</b>						

**Note:**

There were no fixed assets acquired by CHEMOBS project during the year

**Annex 6: Contingent Liabilities Register**

	<b>Nature of contingent liability</b>	<b>Remarks</b>
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

**Annex 7: Reporting of Climate Relevant Expenditures**

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

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

**Annex 8: Reporting Disaster Management Expenditure**

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

**Annex 9: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance



**AFRICAN CHEMOBS PROJECT**  
**STATEMENT OF SPECIAL DEPOSIT ACCOUNT RECONCILIATION**  
**FOR THE YEAR ENDED 30 JUNE 2023**  
**PART B: ACCOUNT RECONCILIATION**

Credit No. UNEP

Bank Account No. 1000390058 CENTRAL BANK OF KENYA

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

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: 24.08.2023



## SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2023	
Account No.	1000390058	
Depository Bank	CENTRAL BANK OF KENYA.	
Address	CENTRAL BANK OF KENYA.	
Related Loan	AFR/CHEMOBS PROJECT/C/07-2017	
Credit Agreement		
Currency	USD	

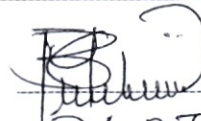
A/C CLOSED

### Part A - Account Activity

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

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

SIGNATURE:

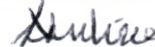


DATE

24.07.2023

**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

SIGNATURE:



DATE

24.08.2023

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



MINISTRY OF ENVIRONMENT AND FORESTRY

CHEMOBS-1108 (ME&F) 2022/2023

Account number : 1000490098

BANK RECONCILIATION STATEMENT AS AT 30.06.2023

Kshs.

Balance as per bank certificate				640,211.85
Less				
1. Payments in cashbook not yet recorded in bank statement				98,766.70
2. Receipts in bank statement not yet recorded in cashbook				-
Add				
3. Payments in bank statement not yet recorded in casbook				-
4. Receipts in cashbook not yet recorded in bank statement.				-
Balance as per the cashbook.....				541,445.15

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

*[Signature]*  
Signature

DAG  
Designation

15/07/23  
Date

(All schedules are attached herewith)

Prepared by: *[Signature]*

Signature *[Signature]*



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C CHEMOBS-1108 (ME&F) 2022/2023			
Account number : 1000490098			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
30/06/2023	NSSF	200.00	
30/06/2023	Paye	10,383.35	
30/06/2023	Paye	33,609.15	
30/06/2023	Edward KAMAU	49,416.65	
30/06/2023	Paye	5,157.55	
	<b>TOTAL</b>	<b>98,766.70</b>	



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



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C CHEMOBS-1108( ME&F) 2022/2023			
Account number : 1000490098			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 3)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	<b>TOTAL</b>	<b>NIL</b>	



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C CHEMOBS-1108 (ME&F) 2022/2023			
Account number : 1000490098			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT(SCHEDULE 4)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	<b>TOTAL</b>	<b>NIL</b>	

