

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

NATIONAL ASSEMBLY
PAPERS LAID

DATE: 14 MAR 2024

DAY

OF

TABLED
BY:

TITUS
Hon Naomi Wago, mg
Deputy Majority Whip
A. Shibuska

THE AUDITOR-GENERAL

ON

**KENYA GOLD MERCURY FREE ASGM
PROJECT NUMBER GEF/UNDP/GOK-00108253**

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

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

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KENYA GOLD MERCURY FREE ASGM PROJECT
MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY
GEF/UNDP/GOK-00108253

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

*Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
GOLD	Global Opportunities for Long Term Development
ASGM	Artisanal & Small Scall Gold Mining
GEF	Global Environmental Facility
UNEP	United Nations Environmental Program
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
KIBT	Kenya Institute of Business Training
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name

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

Objective

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

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

Address

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

The address of its registered office is:

NHIF Building, Ragati Road, Upperhill

NAIROBI, KENYA

The project has no other offices/branches

Contacts: The following are the project contacts

P.O. Box: 30126-00100, Nairobi

Telephone: 254-020 – 2730808/9

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

Website: www.environment.go.ke

Project information and overall performance (continued)

2.2 Project Information

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

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

	<p>loans for mercury free processing equipment</p> <p>III. Increasing capacity for mercury-free ASGM through provision of technical assistance, technology transfer and support for formalization; and</p> <p>(i) Monitoring and Evaluation, awareness raising, capturing and disseminating experiences, lessons-learned and best practices.</p>
Other important background information of the project	<p>The project supports seven sites in Kenya (Roasterman and Ikolomani in Kakamega County, Masara, Osiri and Kehancha in Migori County, Lolgorian in Narok County and one in Vihiga County) to reduce mercury use in gold processing by 0.5 metric tonnes per year resulting in a total of 1.5 tonnes of mercury avoided over the duration of the five (5) year project.</p>
Areas that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) To build/enhance the capacity of government entities in order to improve their capacity to assess, plan, and implement sustainable and mercury-free interventions in the ASGM sector;</p> <p>(ii) Development of new/improved financial products/mechanisms (including women friendly financial products) established for the ASGM sector;</p> <p>(iii) Total mercury use/releases from ASGM avoided by 1.5 tonnes; and,</p> <p>(iv) Awareness raised of 54,600 people (16,380 female and 38,220 male) on the dangers of mercury and ways to reduce its use in ASGM.</p>
Project duration	<p>The project started on 1st July 2019 and is expected to run until 30 June 2024.</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following is the banker for the current year:

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

2.5 Independent Auditor

The project is audited by:

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

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. A table should be provided showing the role, their positions, and their contact information.

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Names	Title designation	Key qualification	Responsibilities
Eng. Festus K. Ng'eno	Principal Secretary	MSc. Environmental & Water system Engineering PGD. Leadership & Corporate Governance	Project Executive, Chair project board and approves all the project expenditures
Ms. Agnes Yobterick, OGW	Director of Projects Programmes & Strategic Initiatives	MSc. in Forestry & leadership skills in project and programs	Oversight and supervise the project implementation.
Mayiani Saino	Project Manger	MSc. Environmental Engineering.	Oversee the day-to-day project implementation
Convine Omondi	Chief Technical Advisor	MSc Geology	Responsible for implementing Mercury Free technologies
Kiprono Patrick	Finance Officer	C.P.A, Bachelors of Commerce in Finance.	Project Financial Reporting and Administration
Sharon Chelangat	Project Assistant	Bachelors degree in Environmental Planning and Management	Coordination & administration of project Activities
Ruth Epwoka	Communication Officer	M.A Communication & Media	Provide lead role in knowledge management & Communication aspect of the project
Kathy Njuguna	Gender Officer	Bachelor of Arts Gender	Ensure gender mainstreaming with the project interventions

2.7 Funding summary

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

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
UNDP (1USD=KES 110)			995,031	109,453,385		
(ii) Direct Payments						
Direct Payments by UNDP	4,200,000	462,000,000	526,599	57,925,933	2,678,370	294,620,682
Total	4,200,000	462,000,000	1,521,630	167,379,318	2,678,370	294,620,682

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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – 30 th June 2023		Cumulative amount paid to date – 30 th June 2023		Unutilised balance to date 30 th June 2023	
	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
UNDP (1USD=KES 110)	995,030.78	109,453,385.00	990,902.96	108,999,325.00	4,127,.82	454,060.00
(ii) Direct Payments						
Direct Payments by UNDP	526,599.00	57,925,933.00	526,599.00	57,925,933.00	0.00	0.00
Total	1,521,629.78	167,379,318	1,517,501.96	166,925,258	4,127,.82	454,060.00

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

The project during the reporting period received a total of KES 109,453,385.00 under the direct cash transfer modality and utilized KES 108,999,325.00 (equivalent to 99.5% absorption) to implement the project activities including review and validation of draft guidelines, training of government officers, development of training material, site assessment and sharing of experience and lessons learned with various stakeholders. In addition, under direct payment, the project received a total of KES 57,925,933.00 from UNDP for the purposes of attaining project goals during this reporting period. The project was able to attain the following goals:

- Development and Validation of guidelines by the project and State Department for mining.
- Staff performance appraisal
- Development of a national guideline on sound management of chemicals and waste in gold mining by the project and NEMA
- Gender Action plan reviewed
- Standardization of training materials by the project and KIBT
- Development of training modules by the project and KIBT
- Engagements with Financial institutions of design and roll out of financial products.

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- Participation in COP 4 Minamata Convention
- Training of government officers on sustainable ASGM
- Participation in the planetGOLD Annual programme meeting
- Public participation on guidelines by the project and State Department for mining
- Selection of mercury free technologies
- Selection and registration of mining groups and associations
- Held Project Steering Committee meeting
- Participate in Basel, Stockholm and Rotterdam Conference of parties
- Held Technical Advisory committee meetings for the project

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

- Constant review of the project progress reports against the set targets with project RTA;
- Recruitment of 3 additional project team staff: (Gender expert, Chief Technical Advisor and Governance Policy Expert).
- Facilitating partners to implement some project activities; and,
- The internal controls put in place by the ministry to ensure transactions conforms to the ministry Standard Operating Procedures.

Implementation challenges and recommended way forward.

- Challenges in Funds flow from Donor to Government. Delays in processing advances in grant revenue

- The differences in the donor and government financial years makes synchronization of operations a little difficult; and,
- The frequent closure of IFMIS system affects project procurements delaying the delivery of the project targets. To address this, the project would request that system closure should consider donor timelines and targets to support the project achieve its objectives in the given timelines.

2.9 Summary of Project Compliance:

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

3. Statement of Performance against Project's Predetermined Objectives

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

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

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

The project has developed three draft guidelines and two have been subjected to public participation. The project has also supported the development of Terms of Reference for Mine, health and environment regulations. The draft documents are as below;

1. Draft guidelines for designation areas for ASM and the draft consents forms for various land tenures;
2. Draft mine health, safety and Environment for Artisanal Mining operations;
3. Draft TOR for Mine, health and environment regulations; and,
4. Draft national guideline on sound management of chemicals and waste in gold mining.

The project carried out various baseline surveys and is implementing its recommendations.

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

The project identified and shortlisted the financial institutions and micro finance institutions that are able to develop financial product for ASGM. A Prototype was developed with SMEP Micro Finance Bank but could not be rolled out for lack of a guarantee fund. The project and SMEP have reached out to miners informing them of the various finance products in the market.

Estimated process is: 40%

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

The project has developed a mercury free technology handbook and identified various technologies that can support mercury reduction to small scale miners.

The counties have given land for establishment of mercury free gold processing sites awaiting installation of the equipment by the project.

The project is procuring the equipment for mercury free gold process with the help of UNDP.

There has been no record of gold produced without mercury.

Estimated process is: 25%

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

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

The project has documented common practices in the sector that need to be improved. Estimated process is: 30%

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Below we provide the progress on attaining the stated objectives:

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

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				<p>below;</p> <ol style="list-style-type: none"> 1. Draft guidelines for designation areas for ASM and the draft consents forms for various land tenures; 2. Draft mine health, safety and Environment for Artisanal Mining operations; and, 3. Draft TOR for Mine, health and environment regulations <p>Estimated process is: 70%</p>
<p>Establishing financing lending arrangements to provide loans for mercury free processing equipment.</p>	<p>To established 2 new financial product/mechanism (including women friendly financial products) for the ASGM sector.</p>	<p>2 new/improved financial products/mechanisms (including women friendly financial products) established for the ASGM sector.</p>	<p>The number of financial products/mechanisms improved (including women friendly financial products) for the ASGM sector.</p>	<ul style="list-style-type: none"> • No financial product has been developed, however, the consultancy baseline report recommends consideration for Asset financing and working capital facility to support the sector; • The project identified and

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

4. Environmental and Sustainability reporting

The Ministry of Environment Climate Change and Forestry mission is to promote and facilitate good governance in the protection, restoration, conservation, development and management of environment and forestry resources for equitable and sustainable development. The ministry is committed to its sustainability plans and prioritizes the following areas;

1. Sustainability strategy and profile

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

2. Environmental performance

The right to a clean and healthy environment is enshrined in Article 42 of the Constitution of Kenya, and Article 70 on the Enforcement of Environmental Rights. The sound management of mercury to prevent acts or emissions that affect the health and wellbeing, not only of people but of the environment, is therefore an obligation of the State. Kenya is party to Minamata Convention on Mercury having ratified the convention in July 2023. In addition to the Minamata Convention, Kenya is a signatory to the Basel Convention on the Transboundary Movement of Hazardous Waste Disposal, which it ratified on 1st June, 2000, and the Rotterdam Convention which it ratified on 3rd February, 2005, as a demonstration of its commitment to address threats posed by pollutants such as mercury.

3. Employee welfare

The Ministry continuously ensures that the hiring process is guided by the employment Act of Kenya which takes into account the gender ratio and stakeholder engagement. The amendments of the employment Act of 2007 by the employment (amendment) Act 2021 which come into force on 15th April, 2021 takes into consideration changes in the employment sector including provision on pre-adoptive leave. Training programs are also arranged by the Ministry through the project to build and enhance capacity for the staff while the Ministry also ensures compliance with Occupational Safety and Health Act of 2007, (OSHA)

4. Market place practices-

a) Responsible Supply chain and supplier relations-

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

b) Responsible ethical practices

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

c) Regulatory impact assessment

Integrated Sound Management of Mercury in Kenya's ASGM Project is geared towards improving the production practices and work environment of artisanal and small-scale mines which is aimed at demonstrating a pathway to cleaner and more efficient small-scale mining practices that benefit everyone, from mine to market. While engaging with the project stakeholders, the ministry through the project ensures that it adheres to the constitution of Kenya, the Mining Act of 2016 and any other laws and regulations relevant to the ASGM sector.

5. Community Engagements

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

5. Statement of Project Management responsibilities

The *Principal Secretary* for the State Department for Environment & Climate Change and the *Project Manager* for *Kenya GOLD Mercury Free ASGM project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended June 30, 2023.

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

The *Principal Secretary* for the State Department for Environment & Climate Change and the *Project Manager* for *Kenya GOLD Mercury Free ASGM project* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis of Financial Reporting, using appropriate accounting policies in accordance with the International Public Sector Accounting Standards.

The *Principal Secretary* for the State Department for Environment & Climate Change and the *Project Manager* for *Kenya GOLD Mercury Free ASGM project* are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2023, and of the Project's financial position as at that date. The *Principal Secretary* for the State Department for Environment & Climate Change and the *Project Manager* for *Kenya GOLD Mercury Free ASGM project* further confirm the completeness of the accounting records maintained for the Project and that they have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

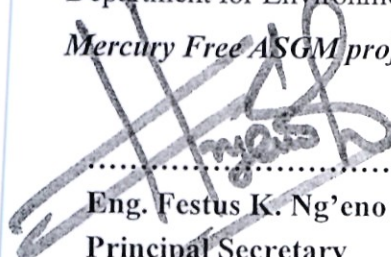
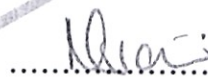

The *Principal Secretary* for the State Department for Environment & Climate Change and the *Project Manager* for *Kenya GOLD Mercury Free ASGM project* confirm

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Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the *Principal Secretary* for Department for Environment & Climate Change and the *Project Manager* for *Kenya Mercury Free ASGM project* on 16/11 2023 and signed by

		
.....
Eng. Festus K. Ng'eno Principal Secretary	Mayiani Saino Project Manager	Kiprono Patrick Project Accountant ICPAK Member N

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA GOLD MERCURY FREE ASGM PROJECT NUMBER GEF/UNDP/GOK-00108253 FOR THE YEAR ENDED 30 JUNE, 2023 - MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Gold Mercury Free ASGM Project set out on pages 1 to 37, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of

cash flows and the statement of comparison of budget and actual amounts for the year then ended 30 June, 2023, and a summary of significant accounting policies and 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, are necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Gold Mercury Free ASGM Project as at 30 June, 2023, its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and compliance with the Financing Agreement between United Nations Development Programme (UNDP) and the Government of the Republic of Kenya dated 5 July, 2019 and the Public Finance Management Act, 2012.

Basis Opinion

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts and actual on comparable basis of Kshs.87,000,000 and Kshs.47,238,697 respectively, resulting to under-funding of Kshs.39,761,303 or 46% of the budget. Similarly, total expenditure of Kshs.48,718,181 out of the budgeted amount of Kshs.87,000,000 resulting to under-expenditure of Kshs.38,281,819 or 44% of the budget.

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

2. Pending Bills

As disclosed in Note 1 under other important disclosures and Annex 4(a), the project has pending accounts payables totalling to Kshs.212,700 as at 30 June, 2023. These bills remained outstanding as at the time of audit in October, 2023. Management has explained why the bills were not settled during the year when they occurred. For

Project is at risk of incurring significant interest costs and penalties with their continued delay in payment.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unfulfilled Project Objectives

As reported in the last financial year 2021-2022 and reviewed in 2022-2023, the statement of performance against Project's predetermined objectives reflected underperformance in attaining the objectives of the Project as analyzed below: -

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

The project objectives ought to be at least at 75 % while three (4) years have already lapsed since inception and one (1) years remaining to achieve 100% project objectives.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain 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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of this report I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis of Conclusion

Unresolved Long Outstanding Error in the Bank Reconciliation

The statements financial assets and as disclosed in Note 11 to the financial statements includes is cash and cash equivalents amounting to Kshs.454,060, however the bank reconciliation statement revealed payments in the bank statement not in the statements amounting to Kshs.100,550 which includes an unexplained erroneous amount of Kshs.75,150 which has been outstanding for more than a year.

In the circumstances, the effectiveness of internal controls over bank reconciliation was not confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit so as to obtain 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 Management and those Charged with Governance

The Project 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 material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, the Project Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as appropriate, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or its operations.

The Project Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 10 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 the accuracy and completeness of the information used in the preparation of the financial statements.

Projects activities, financial transactions and information reflected in the financial statements are compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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, 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 financial reporting framework and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to provide services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 November, 2023

*Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2022-2023			2021-2022			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants-UNDP	2	39,850,585	-	39,850,585	39,583,800	-	39,583,800	109,453,385
Direct payments from external development partners- Grant UNDP	3	-	7,388,112	7,388,112	-	50,537,821	50,537,821	57,925,933
Miscellaneous receipts	4	-	-	-	-	-	-	-
Total receipts		39,850,585	7,388,112	47,238,697	39,583,800	50,537,821	90,121,621	167,379,318
Payments								
Compensation to employees	5	20,393,429	-	20,393,429	16,512,000	-	16,512,000	49,741,835
Purchase of goods and services	6	20,936,640	7,388,112	28,324,752	29,172,684	50,537,821	79,710,505	117,183,423
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	-	-	-	-	-
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	-
Total payments		41,330,069	7,388,112	48,718,181	45,684,684	50,537,821	96,222,505	166,925,258
Surplus/ (deficit)		(1,479,484)	-	(1,479,484)	(6,100,884)	-	(6,100,884)	454,060

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

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

.....
Mayiani Saino
Project Manager

.....
Kiprono Patrick
Project Accountant
ICPAK Member No:12541

*Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

*Kenya GOLD Mercury Free ASGM Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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

Description		2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	454,060	1,933,544
Cash Balances	11. B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
Total Cash and Cash equivalents		454,060	1,933,544
Imprests and Advances	12	-	-
Total Financial Assets		454,060	1,933,544
Financial Liabilities			
Third party Deposits and Retention	13	-	-
Net Assets		-	-
Represented By			
Fund Balance B/fwd.	14	1,933,544	8,034,888
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(1,479,484)	(6,100,344)
Net Financial Position		454,060	1,933,544

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 16/11 and signed by:

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

.....
Mayiani Saino
Project Manager

.....
Kiprono Patrick
Project Accountant
ICPAK Member No:

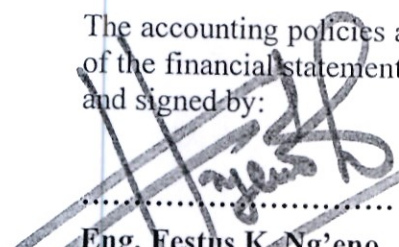
9. Statement of Cashflow for the year ended 30th June 2023

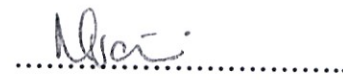
Description	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	39,850,585	39,583,800
Miscellaneous receipts	4	-	-
Total receipts		39,850,585	39,583,800
Payments			
Compensation of employees	5	20,393,429	16,512,000
Purchase of goods and services	6	20,936,640	29,172,684
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		41,330,069	45,684,684
Net receipts/(payments)		-	-
Adjustments during the year			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		(1,479,484)	(6,100,884)
Cashflow from investing activities			
Acquisition of non-financial assets	8	-	-
Net cash flows from investing activities		-	-
Cash flow from financing activities			
Proceeds from foreign borrowings	3	-	-

*Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Description	Notes	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Net cash flow from financing activities		-	
Net increase in cash and cash equivalents		(1,479,484)	(6,100,000)
Cash and cash equivalent at beginning of the year	11	1,933,544	8,000,000
Cash and cash equivalent at end of the year	11	454,060	1,933,544

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 16/11 and signed by:


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


.....
Mayiani Saino
Project Manager

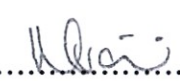

.....
Kiprono Patrick
Project Accountant
ICPAK Member No


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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	B	c=a+b	d	e=c-d	f=d/c %
Receipts						
Proceeds from domestic and foreign grants	70,000,000	11,000,000	81,000,000	39,850,585	41,149,415	50%
Direct Payments from UNDP	80,000,000	(74,000,000)	6,000,000	7,388,112	(1,388,112)	124%
Total Receipts	150,000,000	(63,000,000)	87,000,000	47,238,697	39,761,303	55%
Payments						
Compensation to employees	25,074,900	-	25,074,900	20,393,429	4,681,471	82%
Purchase of goods and services	44,925,100	11,000,000	55,925,100	20,936,640	34988460	38%
Direct Payments by UNDP	80,000,000	(74,000,000)	6,000,000	7,388,112	(1,388,112)	124%
Total Payments	150,000,000	(63,000,000)	87,000,000	48,718,181	38,281,819	56%
Surplus or Deficit	-	-	-	(1,479,484)	1,479,484	

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


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Eng. Festus K. Ng'eno
Principal Secretary


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Mayiani Saino
Project Manager


.....
Kiprono Patrick
Project Accountant
ICPAK Member No:12541

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 financial reporting under the cash basis of accounting, as prescribed by the PSA set out in the accounting policy note below. This cash basis of accounting is supplemented with accounting for; a) receivables that include imprests and salary and b) payables that include deposits and retentions. The financial statements conform 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 *the Kenya GOLD Mercury Free ASGM project* as presented to the State Department for Environment & Climate Change. The financial statements represent the reporting entity *Kenya GOLD Mercury Free ASGM project* as required by Section 10 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

The Kenya GOLD Mercury Free ASGM project recognises all receipts from all sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognised 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 are incurred 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 for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used in discharge of liability for at least twelve months after the reporting period. This cash is limited to use as required by stipulation. Amounts maintained in deposit bank accounts are not available for use in refunding third part deposits.

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorized 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's policy 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. 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 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, etc. The Entity does not recognize a contingent liability but discloses details of contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. There were no contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

The State Department for Environment & Climate Change does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the State Department for Environment & Climate Change in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

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 do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

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

the Project's actual performance against the comparable budget for the 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 operating 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 or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at 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 the year(s). There were no prior year adjustments during the year.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	FY 2022-2023	FY 2021-2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total (See Annex 3)	-	-	-
<i>Other transfers from government entities</i>			
Ministry xx	-	-	-
Ministry xy	-	-	-
Project zz	-	-	-
Agency xx	-	-	-
Total	-	-	-
Appropriations-in-Aid	-	-	-
Total	-	-	-

There was no transfer from Government entities during the financial year 2022/2023

*Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants;

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

Name of Donor	Date received	FY 2022-2023					FY 2021-2022	Cumulative to date
		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 Multilateral Donors (International Organizations)								
UNDP	Dec 15 th 2020	-	-	-	-	-	-	5,088,700
UNDP	Mar 3 rd 2021	-	-	-	-	-	-	9,555,100
UNDP	June 15 th 2021	-	-	-	-	-	-	15,375,200
UNDP	Sept 6 th 2022	-	17,273,200	-	-	17,273,200	19,831,000	37,104,200
UNDP	June 8 th 2023	-	22,577,385	-	-	22,577,385	19,752,800	42,330,185
Total		-	39,850,585	-	-	39,850,585	39,583,800	109,453,385

(* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that adequate support documents are requested from the donors to support this grant)

Notes to the Financial Statements (Continued)

3. Direct payments from External Development Partners

During the financial period to 30 June 2023, we received funding from development partners in form of direct payments as detailed in the table below:

Description		FY 2022-2023				FY 2021-2022	Cumulative to date
Name of Donor	Date received	Amount in donor currency	Amount received in actual cash	Amount received as direct payment	Total amount in Kshs	Total amount in Kshs	
			Kshs	Kshs	Kshs	Kshs	
Direct Payments from Multilateral Donors-UNDP)	June 30 th 2023	-	-	7,388,112	7,388,112	50,537,821	57,925,933
Total		-	-	7,388,112	7,388,112	50,537,821	57,925,933

*Kenya GOLD Mercury Free ASGM project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

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

There were no miscellaneous receipts during the financial year 2022/2023

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	FY 2022-2023			FY 2021-2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	16,314,743	-	16,314,743	13,224,000	39,750,949
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	4,078,686	-	4,078,686	3,288,000	9,990,886
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	20,393,429	-	20,393,429	16,512,000	49,741,835

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

6. Purchase of Goods and Services

Description	FY 2022-2023			FY 2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	2,848,500	-	2,848,500	5,307,800	8,156,300
Communication, supplies and services	-	-	-	2,957,081	2,957,081
Domestic travel and subsistence	11,897,000	1,030,656	12,927,656	20,509,622	33,437,278
Foreign travel and subsistence	235,219	-	235,219	-	235,219
Printing, advertising, and information supplies	292,106	-	292,106	2,166,473	2,458,579
Rentals of produced assets	-	-	-	-	-
Training payments	4,674,015	2,604,392	7,278,407	13,872,683	21,151,090
Purchase of Equipment	989,800	-	989,800	-	989,800
Insurance costs	-	-	-	-	-
Specialized services-Consultancy cost	-	3,753,064	3,753,064	34,896,846	38,649,910
Other operating payments	-	-	-	-	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	<u>20,936,640</u>	<u>7,388,112</u>	<u>28,324,752</u>	<u>79,710,505</u>	<u>108,035,257</u>

Notes to the Financial Statements (Continued)

7. Social Security Benefits

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

There was no payment for social Security Benefits during the Financial Year 2022/2023

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Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

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

Description	FY 2022-2023			FY 2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	-	-	-	-	-

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

*Kenya GOLD Mercury Free ASGM Project
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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	FY 2022-2023			FY 2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	-	-	-	-	-
Transfers to County Governments	-	-	-	-	-
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

There were no transfers to other Government entities

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

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

There was no other Grants, Transfers and Payments.

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

11. Cash And Cash equivalents

Description	FY 2022-2023	FY
	Kshs	
Bank accounts (Note 11A)	454,060	
Cash in hand (Note 11B)	-	
Cash equivalents (short-term deposits) (Note 11C)	-	
Total	<u>454,060</u>	

Kenya GOLD Mercury Free Project has only one project accounts within the project imple area and one foreign currency designated accounts managed by the National Treasury as lis

11. A Bank Accounts

Project Bank Accounts

Details	FY 2022-2023	FY20
	Kshs	F
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	
Kenya Commercial Bank [A/c No.....]	-	
Co-operative Bank of Kenya [A/c No.....]	-	
Others (<i>specify</i>)	-	
Total Foreign Currency balances	-	
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No. 1000434252 KES]	454,060	
Kenya Commercial Bank [A/c No.....]	-	
Co-operative Bank of Kenya [A/c No.....]	-	
Others (<i>specify</i>)	-	
Total local currency balances	<u>454,060</u>	
Total bank account balances	<u>454,060</u>	

Notes to the Financial Statements (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
(i) A/c Name [A/c No 1000425307]		
Opening balance	0	0
Total amount deposited in the account	39,850,585	39,583,800
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>39,850,585</u>	<u>39,583,800</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	<u>0</u>
(ii) A/c Name [A/c No 1000425307]		
Opening balance (as per the SDA reconciliation)	0	0
Total amount deposited in the account	39,850,585	39,583,800
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>39,850,585</u>	<u>39,583,800</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	<u>0</u>

The Special Deposit Account reconciliation statement) has been attached as Appendix 9 to support these closing balances.

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

11 B Cash in hand

Description	FY 2022-2023	FY2021-22
	Kshs	Kshs
Location 1	-	
Location 2	-	
Location 3	-	
Other locations (<i>specify</i>)	-	
Total cash in hand balances	-	

11 C Cash equivalents (short-term deposits)

Description	FY 2022-2023	FY2021-22
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]	-	
Co-Operative Bank of Kenya [A/C No.....]	-	
Others (<i>Specify</i>)	-	
Total	-	

12. Imprests and Advances

Description	FY 2022-2023	FY2021-22
	Kshs	Kshs
Government Imprests	-	
Salary advances	-	
Total	-	

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	Balance Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
Officer 1	-	-	-	-	-
Officer 2	-	-	-	-	-
Officer 3	-	-	-	-	-
Officer 4	-	-	-	-	-
Officer 5	-	-	-	-	-
Programme 1	-	-	-	-	-
Total	-	-	-	-	-

13. Deposits and Retention Monies

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Retention	-	-	-	-
Deposits	-	-	-	-
Total	-	-	-	-
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

*Kenya GOLD Mercury Free ASGM Project
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14. Fund Balance Brought Forward

Description	FY 2022-2023	FY2021-
	Kshs	Kshs
Bank accounts	1,933,544	
Cash in hand	-	
Cash equivalents (short-term deposits)	-	
Outstanding imprests and advances	-	
Deposits and retention	-	
Total	1,933,544	

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f FY 2021-2022	Adjustments	Adjusted b/f FY 2021-2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

There are no prior year adjustments.

16. Changes in Imprests and Advances

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Opening Receivables as at 1 st July 2022	-	-
Closing account receivables as at 30 th June 2023	-	-
Change in Imprests and advances	-	-

17. Changes in Accounts Deposits and Retention

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2022	-	-
Closing accounts payables as at 30 th June 2023	-	-
Changes in deposit and retention	-	-

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Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f from FY 2021- 2022	Additions for the year	Paid during the year	Bal F 202
Description	Kshs	Kshs	Kshs	
Construction of buildings	-	-	-	
Construction of civil works	-	-	-	
Supply of goods	-	-	-	
Supply of services	692,606.25	212,700	692,606.25	
Total	692,606.25	692,606.25	692,606.25	

2. Pending Staff Payables (See Annex 4b)

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

3. Other Pending Payables (See Annex 4c)

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

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

4. External Assistance

	FY 2022-2023	FY2021-2022
Description	Kshs	Kshs
External assistance received as grants	39,850,585	39,583,800
External assistance received as direct payment	7,388,112	50,537,821
Total	47,238,697	90,121,621

a). External assistance relating direct payments and grants

	FY 2022-2023	FY2021-2022
Description	Kshs	Kshs
External assistance received as loans	39,850,585	39,583,800
External assistance received as grants	7,388,112	50,537,821
Total	47,238,697	90,121,621

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2022-2023	FY2021-2022
Description		Kshs	Kshs
Undrawn external assistance – Direct Payments	Purchase of goods and services	41,149,415	29,462,179
Undrawn external assistance - grants	Payment of services, goods and personnel	(1,388,112)	30,416,200
Total		39,761,303	59,878,379

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Other Important Disclosures (Continued)

c) Classes of providers of external assistance

	FY 2022-2023	FY2021-2022
Description	Kshs	Kshs
Multilateral donors-UNDP	47,238,697	9,000,000
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	47,238,697	9,000,000

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

d. Non-monetary external assistance

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

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Other Important Disclosures (Continued)

e Purpose and use of external assistance

Payments made by third parties	FY 2022-2023	FY2021-2022
Description	Kshs	Kshs
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
Total	-	-

f. External Assistance paid by third parties on behalf of the Kenya GOLD Mercury Free ASGM project by Source

	FY 2022-2023	FY2021-2022
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

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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 to fund the operation of health or education program; a donor may pay directly for construction activity

5.1 Classification by Source

	FY 2022-2023	FY 2021-2022
Description	Kshs	
National government	-	
Multilateral donors	-	
Bilateral donors	-	
International assistance organization	-	
NGOs	-	
National Assistance Organization	-	
Total	-	

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

Payments made by third parties	FY 2022-2023	FY 2021-2022
Description	Kshs	
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	-	
Total	-	

Other Important Disclosures (Continued)

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The 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:

	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	-	-
Key Management Compensation others (specify)	-	-
Total Compensation to Key Management	-	-
Transfers to related parties		
Transfers to other government entities	-	-
Total Transfers to related parties	-	-
Transfers from related parties		
Transfers from the Ministry/ department	-	-
Payments made on behalf of the project by other govt. entities	-	-
(Insert any other transfers received)	-	-
Total Transfers from related parties	-	-

7. Contingent Liabilities

Contingent liabilities	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Court case xxx against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
Contingent liabilities arising from PPPs/ donor agreements	-	-
Total	-	-

There were no contingent liabilities during the year

*Kenya GOLD Mercury Free ASGM Project
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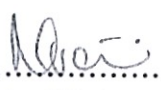
13. Annexes

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)
Page 2 (Other Matter)	Budgetary Control & Performance- The Statement of comparison of budget & actual amounts reflects final receipts budget & actual on comparable basis of Kshs 150,000,000 and Kshs 90,121, 621 respectively resulting to underfunding of Kshs 59,878,379 or 40% of the budget. Similarly, the project spends Kshs 96,222,505 out of the budget amount of Kshs 150,000,000 resulting to an under expenditure of Kshs 53,777,495 or 36% of the budget.	Delay in funds transfer, IFMIS closure	Not Resolved
Page 3 (Other Matter)	Pending Bills- Project had pending accounts payables totalling to Kshs 692,606 as at 30 th June, 2022. This amount remains outstanding as at the time of audit in the month of October 2022. Management had not explained why the bills were not settled during the year when they occurred.	Frequent IFMIS closure	Resolved
Page 3 (Conclusion)	Unfulfilled project Objectives-According to the statement of performance against project predetermined objectives as reflected in the financial statement, the objectives of the project may not be attained fully for a duration of 5 years (Component 2 at 40%, Component 3 at 15% & component 4 at 30%). Overall project objective ought to be atleast 50% while three (3) years have already lapsed since the inception & two (2) years remaining to achieve 100% objective.	Delay in the procurement of the Mercury free technologies	Resolved

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Eng. Restus K. Ng'eno
Principal Secretary

.....

Mayiani Saino
Project Manager

Kenya GOLD Mercury Free ASGM Project

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

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from domestic and foreign grants	81,000,000	39,850,585	41,149,415	50%	Delay of disbursement of funds from donor to the Ministry
Direct payments from UNDP	6,000,000	7,388,112	(1,388,112)	124%	Additional participants for training than planned hence additional costs
Total Receipts	87,000,000	47,238,697	39,761,303	55%	
Payments					
Compensation of employees	25,074,900	20,393,429	4,681,471	82%	One RPO resigned and the project is yet to replace and hire another RPO that have been budget for
Purchase of goods and services	55,925,100	20,936,640	34988460	38%	Delays in procurement process occasioned by IFMIS closure.
Direct Payments-UNDP	6,000,000	7,388,112	(1,388,112)	124%	Additional participants for training than planned hence additional costs
Total payments	87,000,000	48,718,181	38,281,819	56%	

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Annex 3: Reconciliation of inter-entity transfers

Project Name:			
Breakdown of transfers from the State Department of Environment and Climate Change			
a.	Government Counterpart funding		
		Bank Statement Date	Amount (Kshs)
		September 6 th 2022	17,273,200
		June 8 th 2023	22,577,385
		Total	39,850,585
			Indicate the FY to which the amounts relate
			FY 2022/2023
			FY 2022/2023
B.	Direct payments		
		Bank Statement Date	Amount (Kshs)
		June 30 th 2023	7,388,112
		Total	7,388,112
			Indicate the FY to which the amounts relate
			FY 2022/2023
C.	Others		
		Bank Statement Date	Amount (Kshs)
			-
			-
		Total	-
		Total (A+B+C)	47,238,697

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

Project Manager
Kenya GOLD Mercury Free ASGM project

Head of Accounting Unit
State Department for Environment & Climate Change

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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 FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
		a	b	c=a-b		
Supply of services						
Kenya Pipeline Company Limited	FY 2022-2023	212,700	None	212,700	None	Conference charges
Grand Total		212,700		212,700		

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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
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

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Annex 4c: Analysis of other Pending Payables

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

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Annex 5: Summary of Fixed Assets Register

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

Notes

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

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Annex 8: Reporting Disaster Management Expenditure

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

Annex 9: Other Support Documents

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

REPUBLIC OF KENYA

Date 3rd July, 2023

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF ENVIRONMENT, CLIMATE CHANGE & FORESTRY (RECURRENT 1108) AS AT THE CLOSE OF BUSINESS ON 30TH JUNE, 2023.

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

RODNEY OMARI	-	CHAIRMAN
MARY RAGEN	-	MEMBER
ANTHONY RUTO	-	MEMBER

Assembled at the Cash office Ministry HQS.
At.....10.05 A.M. (time) on the 3RD JULY..., 2023

And the following cash was produced:

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

Shs Nil

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

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

The Cash Book reflected the following balances as at the close of business on
the 30th June 2023

Cash on hand	.. .. .	Sh Nil.
Bank balance	.. .. .	Sh 454,060.00
		<u>Sh 454,060.00</u>

The Bank Certificate of Balance showed a sum of FIVE MILLION, TWENTY-FOUR THOUSAND, ONE HUNDRED & EIGHTY-FOUR, NINETY CENTS ONLY. (Shs 5,024,184.90)

Standing to the credit of the account on30th June, 2023.....

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

RODNEY OMARI:

CHAIRMAN

MARY RAGEN:

ANTHONY RUTO:

MEMBERS OF THE BOARD

3RD JULY 2023

Date



CENTRAL BANK OF KENYA
BANKI KUU YA KENYA

STATEMENT OF ACCOUNT
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000 - 0200
NAIROBI

Rundate : 04/07/2023

Runtime : 13:05:31

Customer Number : 120373

Account Number : 1000425307

Account Name : KENYA GOLD MERCURY ASGM PROJECT(KES)

STATEMENT PERIOD: FROM 01/07/2022 TO 30/06/2023

Opening Balance : 0

No.	Txn Date	Value Date	Reference No	Txn Details	Dr Amt	Cr Amt	Balance
1	04/08/2022	04/08/2022	FT22216RI WN4	Inward RTGS Payment MT 103	0.00	17,273,200.00	17,273,200.00
				STANDARD CHARTERED BANK KENYA LIMIT			
				(RFB/Q3 22 NIM Adv/P 108253/IA 4060			
				UNDP Payment for Q3 22 NIM Adv/P 1			
				08253/IA 4060			

				Account Transfer	17,273,200.00	0.00	0.00
				TRANSFER OF UNDP REF.RMD/UNDP G			
				1000425307 DD 25082022			
3	23 05 2023	23 05 2023	FT23143M7L2H	Inward RTGS Payment MT 103	9.00	22,577,385.00	22,577,385.00
				STANDARD CHARTERED BANK KENYA LIMIT			
				ROC/ADVANCE FOR QUARTER 2			
				IMPLEMENTATION OF THE WORK			
				PLAN FOR THE IMKA GOLD PROJECT			
4	31/05/2023	31 05 2023	FT23151K3DJG	Account Transfer	22,577,385.00	0.00	0.00
				TRANSFER OF UNDP FUNDS DD 30052023			
				REF.RMD/UNDP/G/1000425307			
Totals					39,850,585.00	39,850,585.00	
Closing Balance							0.00

CENTRAL BANK OF KENYA
 P.O. Box 30000 - Nairobi, Kenya
 Telephone: (254) 20 22 22 22

July 24, 2023

CERTIFICATE OF BALANCES

Customer: 138667 MINISTRY OF ENVIRON AND FORESTRY
 Balance Date: 30-Jun-23

Account No	Account Name	Currency	Balance
1000383957	REC-MIN OF ENVIRONMENT AND FORESTRY	KES	7,635,532.60
1000383968	DEV-MIN OF ENVIRONMENT AND FORESTRY	KES	436,743,152.90
1000383976	DEP-MIN OF ENVIRONMENT AND FORESTRY	KES	34,849,368.35
1000383984	CBK165-MIN OF ENVIRON AND FORESTRY	KES	0.00
1000392387	SOUND CHEM MNGNT MAINSTR UPOPS RED	KES	26,286.30
1000392398	NAT. ACT. PLAN PRI No.AFR/NAP ASGM	KES	805,478.35
1000410353	KENYA METEOROLOGICAL DEPT(KCSAP)	KES	2,183,770.00
1000410817	KENYA SPECIAL PRJ FOR BRSM, SAICM P	KES	1,226,128.35
1000411716	MIN. OF ENVIR, FORES. -GREEN GROWTH	KES	366,401.40
1000434236	INSTITUTIONAL STRENGTHENING PRJ -XI	KES	2,542,790.30
1000434252	KENYA GOLD MERCURY FREE ASGM PROJ	KES	5,024,184.90
1000455519	KENYA GOLD MERCURY FREE ASGM PROJEC	KES	0.00
1000490098	THE AFRICAN INST AFRICA CHEMOBS MEF	KES	640,211.85
1000495898	STENGHTH.DROUGHT RESILIENCE IGAD RE	KES	28,152,915.55
1000561165	UNEP INTEG SC TOOLKIT IMPR TRA INFO	KES	16,404.30


Leonard Kipsanai
 Senior Manager
 Banking Services Division


Joyce Nasioku
 Authorised Signatory
 Banking Services Division

