

REPUBLIC OF KENYA



*Enhancing Accountability*

## REPORT

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DATE: **10 JUNE 2023** WEDNESDAY

TABLED BY: **HON. OWEN BATA, MP**  
DEPUTY MAJORITY LEADER

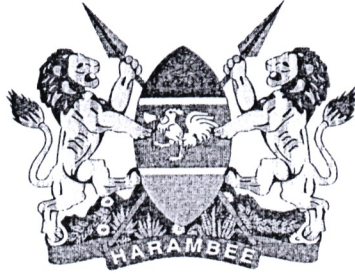
CLERK AT THE TABLE: **FINLAY** ON

**KENYA SPECIAL PROJECT ON BRSM  
AND SAICM (GRANT/CREDIT NUMBER:  
SPECIAL PROGRAMME 2<sup>ND</sup> ROUND  
APPROVAL PROJECT 01)**

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

**STATE DEPARTMENT OF  
ENVIRONMENT AND CLIMATE CHANGE**





**PROJECT NAME: Kenya Special Project for BRSM and SAICM**

**IMPLEMENTING ENTITY: STATE DEPARTMENT  
OF ENVIRONMENT AND CLIMATE CHANGE**

**PROJECT GRANT/CREDIT NUMBER: Special Programme 2<sup>nd</sup> Round Approval Project  
01**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2023**

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

*Kenya Special project for BRSM and SAICM*  
*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
Comparative FY	Financial year preceding the current financial year.
SAICM	Kenya Special Project for BRSM and SAICM

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

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

#### **Name**

Support to chemical and waste MEAS and SAICM Implementation in Kenya

#### **Objective**

The objective of the Project is to support country-driven institutional strengthening at the national level, in the context of an integrated approach to address the financing of the sound management of chemicals and wastes, taking into account the national development strategies, plans and priorities of each country, to increase sustainable public institutional capacity for the sound management of chemicals and wastes throughout their life cycle.

#### **Address**

The project headquarters offices are at Nairobi, Kenya.

The address of its registered office is:

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

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

Telephone: +254-(0) 202730808/9

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

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

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

**2.2 Project Information**

Project Start Date:	The project start date is 16 July 2018
Project End Date:	The project end date is 30 <sup>th</sup> September 2022
Project Manager:	Mr. Cyrus Mageria
Project Sponsor:	THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP)

**2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment and Forestry.
Project number	File no. 2015-39790
Strategic goals of the project	<p>The strategic goals of the project are as follows: The overall goal is to put in place structures, institution and legislations to enable Kenya implement its obligations under the four chemicals and waste MEAs and SAICM.</p> <ol style="list-style-type: none"> <li>1. Established Chemical Unit in the Department of MEAs</li> <li>2. Inter-ministerial and inter-sectoral coordinating committee established</li> <li>3. A functioning chemical and waste database established in a selected institution and the network operational</li> <li>4. Promoting Responsible Care among the members of the Kenya Association of Manufacturers <ol style="list-style-type: none"> <li>(i) Ratification of the Minamata Convention on Mercury</li> </ol> </li> </ol>
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"> <li>(i) The project facilitates coordination mechanism to meet 2020 goal. The establishment of a chemical unit within the department of Multisectoral Environmental Agreement, will follow up on the scientific and technical elements of SAICM implementation. The project established a Multisectoral committee</li> </ol>

	<p>on sound chemical management which is key in articulating issues that require cross sectorial coordination to help remove barriers, promote development of physical incentive and disincentives and share data information on SAICM. The project will also develop chemical database and receive data nationally and from the SAICM and MEAS portals. The project will also promote the responsible care among all participating industries which will be led by the Kenya Association of Manufacturers and help fast-track the ratification of Minamata Convention on Mercury</p>
<p>Other important background information of the project</p>	<p>The project did not start as expected during 2018/2019 financial year (F/Y) but begun in 2019/2020 F/Y. The Project Cooperation Agreement was amended. The purpose of this Amendment is to inform of changes in the work plan, timelines and budget of the project, as reflected in the revised implementation plan and budget (Annex 1 and 2 to this amendment, respectively). There is no change in the amount of the donor funding for this project and remains at US\$ 250,000</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> <li>1. Promote better access of chemical safety data, environmentally sound practise and techniques needs through technical assistance programs and projects.</li> <li>2. Ensure that the private sector is kept abreast with development of chemicals and waste policy in Kenya</li> <li>3. Ensure that Kenya protects itself from the dumping of obsolete and internationally rejected chemicals.</li> <li>4. The importance of data in precautionary and reactive measure to chemical and waste disposal.</li> <li>5. To encourage lead enterprise to show the way by taking voluntary responsible actions.</li> </ol>
<p>Project duration</p>	<p>project started on 16<sup>th</sup> July 2018 and is expected to run until 30 September 2022</p>

**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the current year:

- (i) Central Bank of Kenya

**2.5 Independent Auditor**

The project is audited by the Auditor General (OAG).

**2.6 Roles and Responsibilities**

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

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Eng.Festus K.Ng'eno	Principal Secretary	Msc Environmental &Biosystems Engineering	Accounting Officer
Mr. Cyrus Mageria (Tel: 0727640589)	Ag Director MEAs	Masters in Natural Resource and management	Overall coordination of the project
Melau William (Tel: 0723170732)	Project Officer	Masters of Arts in Project Planning and Management	Project Assistant

**2.7 Funding summary**

The project is for duration of 3 years from 2018 to 2022 with an approved budget of USD 250,000 equivalent to 25 million as highlighted below

## Project information and overall performance (continued)

Below is the funding summary:

## A. Sources of Funds

Source of funds	Donor Commitment		Amount received to date – (30 <sup>th</sup> June 2023)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
UNEP	250,000.00	25,000,000.00	245,055.30	24,505,531.70	4,944.70	494,468.30
Insert name of donor	250,000.00	25,000,000.00	245,055.30	24,505,531.70	4,944.70	494,468.30
(ii) Loan						
(iii) Counterpart funds						
Government of Kenya						
<b>Total</b>	<b>250,000.00</b>	<b>25,000,000.00</b>	<b>245,055.30</b>	<b>24,505,531.70</b>	<b>4,944.70</b>	<b>494,468.30</b>

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

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2023)		Cumulative amount paid to date – (30 <sup>th</sup> June 2023)		Unutilised balance to date (30th June 20)	
	Donor currency (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant						
UNEP	175,039.50	24,505,531.70	166,281.50	23,279,403.35	8,758.10	1,226,128.35
	<b>175,039.50</b>	<b>24,505,531.70</b>	<b>166,281.50</b>	<b>23,279,403.35</b>	<b>8,758.10</b>	<b>1,226,128.35</b>
(i) Loan						
(ii) Counterpart funds						
<b>Total</b>	<b>175,039.50</b>	<b>24,505,531.70</b>	<b>166,281.50</b>	<b>23,279,403.35</b>	<b>8,758.10</b>	<b>1,226,128.35</b>

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

### **2.8 Summary of Overall Project Performance:**

- Budget performance against actual amounts for current period and for cumulative to-date,
  - The project has not performed as expected. There was delay in starting up the project emanating from the opening of relevant accounts both operational and deposit accounts. The project recruited a project assistant in March this year just few days before the corona pandemic paralysed most operations. However, the project is now back on course and donor confidence is restored.

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

The launch of the Multisectoral Committee on Sound Chemical Management was officially done on 15<sup>th</sup> Feb 2021.

An additional of three key stakeholders were nominated to the committee, that is; Pest Control Products Board (Basel Technical), University of Nairobi (Academia- Chemicals), and the Kenya Revenue Authority (Customs).

The Multisectoral Committee is discussing SAICM Agenda post 2020. Currently the committee is including SAICM issues and Chemical MEAs in the Road Map 2021-2022.

The Road Map provide a good plan on how the SAICM and the Chemical MEAs will be update and implemented.

The Members of the Multisectoral Committee on Sound Chemical Management are currently developing an action plan for the implementation of the Chemicals and Waste in Kenya. The plan is in line with the gaps identified (in the MCSCM 2020 Forum) under the Chemicals MEAs and SAICM implementation Plan.

A subcommittee is constituted to fine-tune the MCSCM National Action Plan on Chemicals and Waste document before being finalized. The Committee comprise of National Environmental Management Authority, Government Chemist, Ministry of Environment and Forestry, Pest Control Product Board, The Kenya Association of Manufacturers and the Centre for Environmental Justice

### **The Chemicals Database Development**

The project organised stakeholder's forum on Database, where they highlighted the existing policies and legislations supporting the development of the database, the existing gaps, identified relevant organizations with the database, discussed the content of the database and drafted the actionable areas towards realization of the database. Among the issues identified was the policy/legal issues and the issues of confidentiality.

**On BRSM Reporting,**

A forum held to identify the status of the Kenya reporting obligations under the BRS secretariat. It was identified that Kenya is lagging behind in the reporting obligations. For example; on Stockholm Convention the last time reporting was in 2010 and for the Basel Convention, 2009. The report by the BRS secretariat indicated that Kenya reporting rate for Basel Convention is 11%, Stockholm Convention 25% and The Minamata Convention on Mercury is at 0%. As a result, to this, the Special Project SAICM constituted a multi-stakeholder team to discuss on how the trend can be reversed. Among the Stakeholders are: Ministry of Environment and Forestry, National Environmental Management Authority, Kenya Bureau of Standards, Pest Control and Products Board and Kenya Association of Manufacturers and representative of the Civil Society Organization. The 2018 reports for both the Stockholm convention and the Basel Convention were generated and awaiting approval before submitting to the BRS Secretariat. In accordance with paragraph 9 or article 8 of the Basel convention, the Persistent Organic Pollutants Review Committee, the Kenyan Government adopted a final response to ban the production sell and use of Dicofol in Kenya.

**On responsible Care Program,**

There is an established Responsible Care Steering Committee in Kenya. The committee comprise of the representatives of the OSHA Chemicals Industries, Paint Association, BASF East Africa, Dow Chemical's East Africa and the Kenya Chemical Society.

Necessary documents were developed in this regard for example:

- Responsible Care Global Charter
- Development of Responsible Care Guidelines Kenya Chapter
- Development of Responsible Care Structure (leadership)

**On the ratification of Minamata Convention on Mercury**

A Member of the MCSCM is a member of the expert group to review Annex A and B. The outcome of the Intersessional group was communicated back to the MCSCM during June meeting. Through the Special project, the Country registered to attend the Joint BRS COPS in July 2021. A preparatory meeting will be held in Mid-July.

Preparatory meetings were held. As a result, the necessary documentations including the parliament Memo, the National Assembly Presentations were completed and the date concurrence was arrived.

- Comment on value-for-money achievements,
  - With the amount of money disbursed and the amount of work delivered, there has been phenomenal value for money witnessed.
- List the implementation challenges and recommended way forward.

**Challenges:** COVID 19 Pandemic.

**2.9 Summary of Project Compliance:**

- There was no case of non-compliance during the financial year

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

#### **Introduction**

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

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

key development objectives of the project's 2018-2022 plan are to:

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

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

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
SP SAICM	Structures, institutions and legislation in place to enable Kenya to implement its obligations under the four chemicals and waste MEAs and SAICM.	Draft chemical Policy. Report on implementation of Basel and Stockholm Convention submitted to the BRS Secretariat	i. Adoption of the Stockholm Convention compliant institutional and regulatory framework covering management and reporting of POPs [Baseline: 0; Target: 1]  ii. Policy document developed which demonstrates that the sound management of chemicals is mainstreamed into decision making processes and national planning [Baseline: 0; Target: 1].  iii. Reports highlighting the advancement of the implementation	Draft National Chemical Policy in Place  Basel and Stockholm reports are being drafted and will be submitted to BRS secretariat.

<p>Inter-ministerial and inter-sectoral coordinating committee established</p>	<p>M1 A well representative interministerial committee of experts in sustainable sound chemicals management has been appointed by the key institutions</p>	<ul style="list-style-type: none"> <li>•</li> </ul>	<p>of chemicals related MEAs and voluntary instruments [Baseline: 4; Target: 10].</p>	
<p>A functioning chemical and waste database established in a selected institution and the network operational</p>	<ul style="list-style-type: none"> <li>• Two meetings of the inter-ministerial committee and three meetings of the inter-sectoral coordinating committee convened per year [Baseline: 0; Target: 15]</li> <li>• Endorsed SAICM implementation plan [Baseline: 0; Target: 1]</li> <li>• Endorsed BRS Conventions implementation plans [Baseline: 0; Target: 1]</li> </ul>	<p>The inter-ministerial Committee is in Place.</p>		

	<ul style="list-style-type: none"> <li>• Chemical policies reviewed [Baseline: 0; Target: 1]</li> <li>• National policy on sustainable sound chemical management, SAICM and MEAs with Emerging issues in BRSM addressed developed [Baseline: 0; Target: 1]</li> </ul>			
<p>Promoting Responsible Care among the members of the Kenya Association of Manufacturers</p>	<ul style="list-style-type: none"> <li>• Chemicals and waste database developed [Baseline: 0; Target: 1]</li> <li>• Outstanding reports to the Basel Convention Submitted [Baseline: 0; Target: 3]</li> <li>• Outstanding reports to the Stockholm Convention Submitted [Baseline: 0;</li> </ul>	<p>Relevant structures for the Chemical Database being developed</p>	<p>Responsible Care group is formed, information sharing forums and capacity building forums done</p>	

	<p>Target: 3]</p> <ul style="list-style-type: none"><li>• Number of research documents uploaded [Baseline: 0; Target: 10]</li><li>• Relevant Protocols Developed Baseline 0 Target 2</li></ul>			
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<p>Ratification of the Minamata Convention</p>	<p>Support in the ratification of Minamata Convention on Mercury</p>	<ul style="list-style-type: none"> <li>• #of participatory meetings on the Minamata Convention (Conference of Parties meetings and other meetings) Baseline: 0 Target: 4</li> <li>• High level meeting with the parliamentarians held Baseline: 0 Target: 1</li> <li>• Stakeholders Forum on domestication of the convention held Baseline: 0 Target: 1</li> </ul> <p>Deposit of the instrument of ratification of the Minamata Convention Baseline: 0 Target: 1</p>	<p>The ratification in in the advanced stages. National Assembly MEMOs drafted. The Country participated in the COP 4 preparatory meetings.</p>	
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#### 4. Environmental and Sustainability reporting

This project seeks to strengthen and facilitate coordination mechanism to meet 2020 goal of sound chemical management for human and environmental protection

##### **Sustainability strategy and profile**

The project is promoting environmentally sustainable in the context of sustainable development through provision of legal and regulatory frameworks and promotion of resource efficiency and circular economy pathways.

##### **1. Environmental performance**

The project promotes and advances strategic approach to sound management of chemical throughout the life cycle while safeguarding environmental sustainability and resources efficiency

##### **2. Employee welfare**

The project promotes responsible care program among Kenya enterprises dealing while chemicals across the value chain

##### **3. Market place practices-**

The project embraces and promote public private participation of industry in environmental pollution control through development of guidance policy and environmentally friendly technologies including incentives and zero rating duties

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

*Explain how the project maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.*

##### **b) Responsible ethical practices**

*outline efforts to maintain ethical and anti- corruption practices and responsible political involvement.*

##### **c) Regulatory impact assessment**

*Safeguard citizen and stakeholder 's rights.*

##### **4. Community Engagements**

The government has been working very closely with the Kenya Association of Manufacturers on the issues of chemicals and waste, specifically on production and safety. The project will focus on implementing the gender mainstreaming in accordance to the provisions of the chemicals and wastes MEAs. The project will mainstream gender by involving women in project implementation both at the National and community levels. This will be achieved by: -

1. Giving consideration to women during implementation of the project.
2. Considering women experts in the development and management of the database
3. Involving women in responsible Care activities along with the private sector.

Other community groups are in artisanal gold mining, solid waste recycling or plastic containers recycling also groups involved in the health of children will be involved to ensure that national implementation plans reflect the health priorities and needs.

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

The Principal Secretary for the State Department of Environment and Climate Change and the Project Coordinator for Kenya Special project for BRSM and SAICM

Project is responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2023.

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

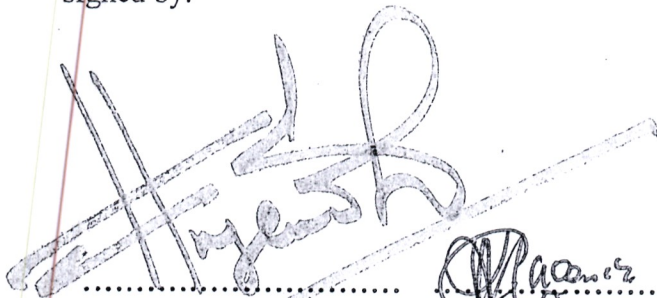
The Principal Secretary for State Department of Environment and Climate Change and the Project Coordinator for Kenya Special project for BRSM and SAICM project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using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

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

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

### Approval of the Project Financial Statements

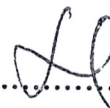
The Project financial statements were approved by the Principal Secretary for the State Department of Environment and Climate Change and the Project Coordinator for Kenya Special project for BRSM and SAICM project on 15/09/ 2023 and signed by:



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



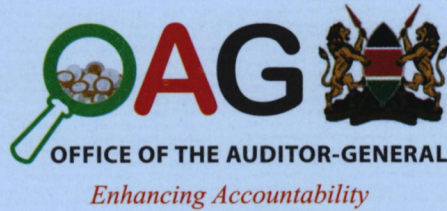
.....  
Cyrus Mageria  
Project Coordinator



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

# REPUBLIC OF KENYA

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Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON KENYA SPECIAL PROJECT ON BRSM AND SAICM (GRANT/CREDIT NUMBER: SPECIAL PROGRAMME 2<sup>ND</sup> ROUND APPROVAL PROJECT 01) FOR THE YEAR ENDED 30 JUNE, 2023 - STATE DEPARTMENT OF ENVIRONMENT AND CLIMATE CHANGE

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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

#### Qualified Opinion

I have audited the accompanying financial statements of Kenya Special Project for BRSM and SAICM set out on pages 1 to 37, which comprise of the statement of financial assets

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*Report of the Auditor-General on Kenya Special Project on BRSM and SAICM (Grant/Credit Number: Special Programme 2<sup>nd</sup> Round Approval Project 01) for the year ended 30 June, 2023 - State Department of Environment and Climate Change*

as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Special Project for BRSM and SAICM as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement between the United Nations Environment Program (UNEP) and the Ministry of Environment, Climate Change, and Forestry dated 17 July, 2018 as well as amendment dated 26 April, 2021, and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Unsupported Payments on Domestic Travel**

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects purchase of goods and services expenditure of Kshs.5,175,056. Included in this amount is Kshs.3,141,100 spend on domestic travel and subsistence allowances which further included Kshs.846,400 spent during Minamata Convention held in Migori between 19 - 24 September, 2022. However, the list of approved participants to be paid indicated an amount of Kshs.385,000 resulting in expenditure of Kshs.461,400 that was not supported with approvals.

Further Kshs.614,600 was paid to participants during the support to chemicals and waste implementation in Kenya between 21 - 25 November, 2022. However, the expenditure could not be matched with the activity planned for under the project. It was noted that the expenditure was to be funded by Government of Kenya contribution and not the Project.

In the circumstances, the propriety, completeness and accuracy of expenditure totalling to Kshs.1,076,000 included under use of Goods and Services expenditure of Kshs.5,175,056 on could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.15,000,000 and Kshs.4,954,453 respectively resulting to underfunding of Kshs.10,045,547 or 67% of the budget. Similarly, the statement reflects approved expenditure budget of Kshs.15,000,000 against actual expenditure of Kshs.5,552,476 resulting to under expenditure of Kshs.9,447,524 or 63% of the budget.

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

## **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**

#### **Unauthorized Extension of Project Duration**

The project period for the completion of activities was 31 March, 2022 while the Project Cooperation Agreement was up to 30 September, 2022. Examination of imprest warrants, cashbook, payment vouchers, and bank statements revealed that Project activities continued to 30 June, 2023 without extension of the project cooperation period. Further, the final project progress report as at 31 March, 2022 as stipulated in the amendment No.1 was not provided for audit verification.

In the circumstances, the Project Management was in breach of project cooperation agreement.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance in all material respects, with the authorities

that govern them. I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, 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 for Conclusion**

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

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, the Project Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply 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 reporting process, reviewing the effectiveness of how 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 audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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


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

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

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

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

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

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

**Nairobi**

**17 November, 2023**

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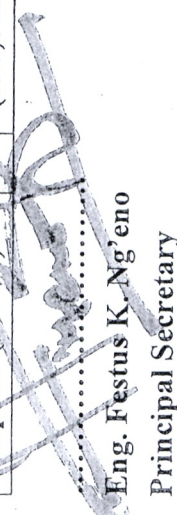
*Report of the Auditor-General on Kenya Special Project on BRSM and SAICM (Grant/Credit Number: Special Programme 2<sup>nd</sup> Round Approval Project 01) for the year ended 30 June, 2023 - State Department of Environment and Climate Change*

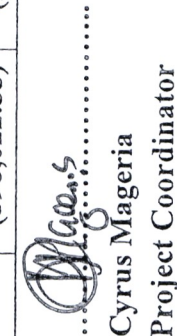
7. Statement of Receipts and Payments for the year ended 30th June 2023.

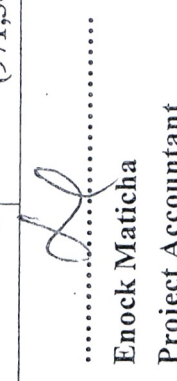
Receipts	Not e	FY 2022/2023		FY 2021/2022		Total	Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties		
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Transfer from Government entities	1						
Proceeds from domestic and foreign grants	2	4,954,453.00	-	9,320,883.35	-	9,320,883.35	24,505,531.70
Loan from external development partners	3						
Miscellaneous receipts	4						
<b>Total receipts</b>		<b>4,954,453.00</b>	<b>-</b>	<b>9,320,883.35</b>	<b>-</b>	<b>9,320,883.35</b>	<b>24,505,531.70</b>
<b>Payments</b>							
Compensation to employees	5	377,419.35	-	721,935.50	-	721,935.50	2,144,514.85
Purchase of goods and services	6	5,175,056.20	-	9,570,331.00	-	9,570,331.00	20,320,388.20

*kenya special project for DADMI unu SAIUM*  
*Annual Report and Financial Statements for the financial year ended June 30, 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)
Social security benefits	7					-	-	-
Acquisition of non-financial assets	8		-			-	-	814,500.00
Transfers to other government entities	9		-			-	-	-
Other grants and transfers /payments	10					-	-	-
<b>Total payments</b>		<b>5,552,475.55</b>	<b>-</b>	<b>5,552,475.55</b>	<b>10,292,266.50</b>	<b>-</b>	<b>10,292,266.50</b>	<b>23,279,403.35</b>
<b>Surplus/ (deficit)</b>		<b>(598,022.55)</b>	<b>-</b>	<b>(598,022.55)</b>	<b>(971,383.15)</b>	<b>-</b>	<b>(971,383.15)</b>	<b>1,226,128.35</b>

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

.....  
  
 Cyrus Mageria  
 Project Coordinator


.....  
  
 Enoch Maticha  
 Project Accountant  
 ICPAK Member No: 233/0

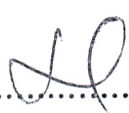
8. Statement of Financial Assets as at 30<sup>th</sup> June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	1,226,128.35	1,824,150.90
Cash Balances	11. B		
Cash equivalents (Short-term deposits)	11.C		
<b>Total Cash and Cash equivalents</b>		<b>1,226,128.35</b>	<b>1,824,150.90</b>
Imprests and Advances	12		
<b>Total Financial Assets</b>		<b>1,226,128.35</b>	<b>1,824,150.90</b>
<b>Financial Liabilities</b>			
Third party Deposits and Retention	13	-	-
<b>Net Assets</b>		<b>1,226,128.35</b>	<b>1,824,150.90</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	1,824,150.90	2,795,534.05
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(598,022.55)	(971,383.15)
<b>Net Financial Position</b>		<b>1,226,128.35</b>	<b>1,824,150.90</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 15/09/2023 and signed by:

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

  
.....  
Cyrus Mageria  
Project Coordinator

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

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2023*

**9. Statement of Cashflow for the year ended 30<sup>th</sup> June 2023**

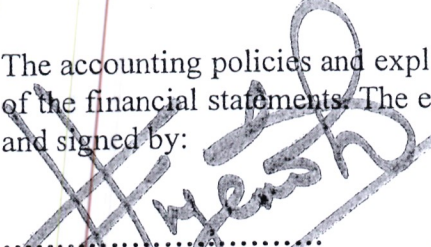
Description	Notes	FY 2022-2023	FY 2021-2023
		Kshs	Kshs
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	4,954,453.00	9,320,883.35
Miscellaneous receipts	4	-	-
<b>Total receipts</b>		<b>4,954,453.00</b>	<b>9,320,883.35</b>
<b>Payments</b>			
Compensation of employees	5	377,419.35	721,935.50
Purchase of goods and services	6	5,175,056.20	9,570,331.00
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
<b>Total Payments</b>		<b>5,552,475.55</b>	<b>10,292,266.50</b>
<b>Net receipts/(payments)</b>			
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>(598,022.55)</b>	<b>(971,383.15)</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	8	-	-
<b>Net cash flows from investing activities</b>		<b>(598,022.55)</b>	<b>(971,383.15)</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	3	-	-

Kenya Special project for BRSM and SAICM

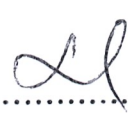
Annual Report and Financial Statements for the financial year ended June 30, 2023

Description	Notes	FY 2022-2023	FY 2021-2023
		Kshs	Kshs
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(598,022.55)	(971,383.15)
Cash and cash equivalent at beginning of the year	11	1,824,150.90	2,795,534.05
Cash and cash equivalent at end of the year	11	1,226,128.35	1,824,150.90

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 15/09/2023 and signed by:

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

  
.....  
Cyrus Mageria  
Project Coordinator

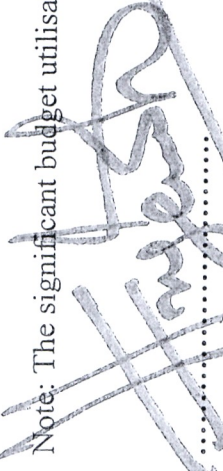
  
.....  
Enock Maticha  
Project Accountant  
ICPAK Member No: 93310


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

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities						
Proceeds from domestic and foreign grants	15,000,000.00	-	15,000,000.00	4,954,453.00	10,045,547.00	33%
Proceeds from borrowings	-	-	-	-		
Miscellaneous receipts	-	-	-	-		
<b>Total Receipts</b>	<b>15,000,000.00</b>		<b>15,000,000.00</b>	<b>4,954,453.00</b>	<b>10,045,547.00</b>	<b>33%</b>
<b>Payments</b>						
Compensation to employees	720,000.00	-	720,000.00	377,419.35	342,580.65	52.4%
Purchase of goods and services	14,280,000.00	-	14,280,000.00	5,175,056.20	9,104,943.80	36.2%
Social security benefits	-	-	-	-		
Acquisition of non-financial assets	-	-	-	-		
Transfers to other government entities	-	-	-	-		
Other grants and transfers	-	-	-	-		
<b>Total Payments</b>	<b>15,000,000.00</b>	<b>-</b>	<b>15,000,000.00</b>	<b>5,552,475.55</b>	<b>9,447,524.45</b>	<b>37%</b>
<b>Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(598,022.55)</b>	<b>598,022.55</b>	

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

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

  
 .....  
 Enock Maticha  
 Project Accountant

ICPAK Member No: 233/0

## 11. Significant Accounting Policies

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

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

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

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

### b) Reporting entity

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

### c) Reporting currency

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

### d) Recognition of receipts

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

#### i) Transfers from the Exchequer

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

#### ii) External Assistance

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

**Significant Accounting Policies (continued)**

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing.**

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

**vi) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation to employees**

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

**Significant Accounting Policies (continued)**

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

**iv) Repayment of borrowing (principal amount)**

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

**v) Acquisition of fixed assets**

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

**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.

**h) Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct

### **Significant Accounting Policies (Continued)**

use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

#### **i) Imprests and Advances**

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

#### **j) Contingent Liabilities**

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

#### **k) Contingent Assets**

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

**Significant Accounting Policies (Continued)**

**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 financial year/period under review has been included in an annex to these financial statements.

**n) Third party payments**

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

**o) Exchange rate differences**

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

**Significant Accounting Policies (Continued)**

**p) Comparative figures**

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

**q) Subsequent events**

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

**r) Prior period adjustments**

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

## 12. Notes to the Financial Statements

### 1. Transfers from Government entities

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

Description	FY 2022-202	FY 2021-2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Statement of Environment and Climate Change</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
<b>Total (See Annex 3)</b>	-	-	-
<i>Other transfers from government entities</i>			
Ministry xx	-	-	-
Ministry xy	-	-	-
Project zz	-	-	-
Agency xx	-	-	-
Total	=	=	=
Appropriations-in-Aid	-	-	-
<b>Total</b>	=	=	=

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	Amount received in donor currency	FY 2022-2023				FY 2021-2022		Cumulative to date
			Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount		
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-	-	-
UNEP	-	-	-	-	-	-	-	7,000,000.00	-
UNEP	07/09/2022		4,954,453.00			4,954,453.00		2,320,883.35	24,505,531.70
Grants Received from Multilateral Donors (International Organizations)	-	-	-	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-	-	-	-
Grants Received from Local Individuals and organizations	-	-	-	-	-	-	-	-	-
Insert name of individual or local organization	-	-	-	-	-	-	-	-	-
Total	-	-	4,954,453.00	-	-	4,954,453.00	-	9,320,883.35	24,505,531.70

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

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

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

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	FY 2022-2023			FY2021-2022	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts		
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere*	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

## 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	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
-	377,419.35	-	377,419.35	721,935.50	2,144,514.85	
Basic salaries of permanent employees	-	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-	-
Other personnel payments	-	-	-	-	-	-
<b>Total</b>	<b>377,419.35</b>	<b>-</b>	<b>377,419.35</b>	<b>721,935.50</b>	<b>2,144,514.85</b>	

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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	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-	-
Communication, supplies and services	-	-	-	-	-	-
Domestic travel and subsistence	3,141,100.00	-	3,141,100.00	8,436,997.00	11,578,097.00	
Foreign travel and subsistence	1,850,836.20	-	1,850,836.20	108,284.00	1,959,120.20	
Printing, advertising, and information supplies	-	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-	-
Training payments	-	-	-	-	5,040,500.00	
Hospitality supplies and services	183,120.00	-	183,120.00	885,100.00	1,602,721.30	
Insurance costs	-	-	-	-	-	-
Specialized materials and services	-	-	-	-	-	-
Other operating payments	-	-	-	139,950.00	139,950.00	
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-	-
<b>Total</b>	<b>5,175,056.20</b>	<b>≡</b>	<b>5,175,056.20</b>	<b>9,570,331.00</b>	<b>20,320,388.50</b>	

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		
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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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 Kshs.	Payments made by third parties Kshs.	Total payments Kshs	Total payments Kshs	
Purchase of buildings	-	-	-	-	Kshs
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	-	-	-	-	814,500
Purchase of specialised plant, equipment and machinery	-	-	-	-	
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	

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Description	FY 2022-2023			FY 2021-2022	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments		
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>814,500.00</b>

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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 Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	Total payments Kshs	
Transfers to National Government entities						
Ministry ABC	-	-	-	-	-	-
Project XYZ	-	-	-	-	-	-
Transfers to County Governments						
County ABC	-	-	-	-	-	-
County XYZ	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

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	
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g. schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Bank accounts (Note 11A)	1,226,128.35	1,824,150.90
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<b>1,226,128.35</b>	<b>1,824,150.90</b>

SAICM has one number of project accounts spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.1000410817]	1,226,128.35	1,824,150.90

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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 1000410817]	1,226,128.35	1,824,150.90
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others ( <i>specify</i> )	-	-
Total local currency balances	<b>1,226,128.35</b>	<b>1,824,150.90</b>
Total bank account balances	<b>1,226,128.35</b>	<b>1,824,150.90</b>

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

**Special Deposit Accounts**

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

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

**Special Deposit Accounts Movement Schedule**

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
<b>(i) A/c Name [A/c No.....]</b>		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	-	-
<b>(ii) A/c Name [A/c No.....]</b>		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	-	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	-	-

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

**11 B Cash in hand**

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

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

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

**12. Imprests and Advances**

<b>Description</b>	<b>FY2022-2023</b>	<b>FY 2021-2023</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests	-	-
Salary advances	-	-
<b>Total</b>	-	-

## 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	FY 2022-2023	FY2021-2022
	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	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Ageing analysis:</b>	<b>2022-2023 FY</b>	<b>% of the Total</b>	<b>2021-2022FY</b>	<b>% of the Total</b>
Under one year	-	%-	-	%
1-2 years	-	%-	-	%
2-3 years	-	%-	-	%
Over 3 years	-	%-	-	%
<b>Total</b>	-	%-	-	%

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**14. Fund Balance Brought Forward**

<b>Description</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	1,824,150.90	2,795,534.05
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
<b>Total</b>	<b>1,824,150.90</b>	<b>2,795,534.05</b>

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

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

16. Changes in Imprests and Advances

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

17. Changes in Accounts Deposits and Retention

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

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**Other Important Disclosures**

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

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

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

	Balance b/f from Compa rative FY	Additions for the year	Paid during the year	Balance c/f for Current FY
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	-	-	-	-

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

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

Other Important Disclosures (Continued)

4. External Assistance

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External assistance received as grants	4,954,453	9,320,883.35
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	<b>4,954,453</b>	<b>9,320,883.35</b>

a). External assistance relating loans and grants

	FY 2022-2023	FY 2021-2022
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	4,954,453	9,320,883.35
<b>Total</b>	<b>4,954,453</b>	<b>9,320,883.35</b>

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2022-2023	FY 2021-2022
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		494,468.30	5,448,921.30
<b>Total</b>		<b>494,468.30</b>	<b>5,448,921.30</b>

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**Other Important Disclosures (Continued)**

*c) Classes of providers of external assistance*

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

*d. Non-monetary external assistance*

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

**Other Important Disclosures (Continued)**

*e Purpose and use of external assistance*

<b>Payments made by third parties</b>	<b>FY 2022-2023</b>	<b>FY 2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
<b>Total</b>	-	-

*f. External Assistance paid by third parties on behalf of SAICM Project) by Source*

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

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**Other Important Disclosures (Continued)**

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

*5.1 Classification by Source*

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

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

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

**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:**

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

**7. Contingent Liabilities**

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

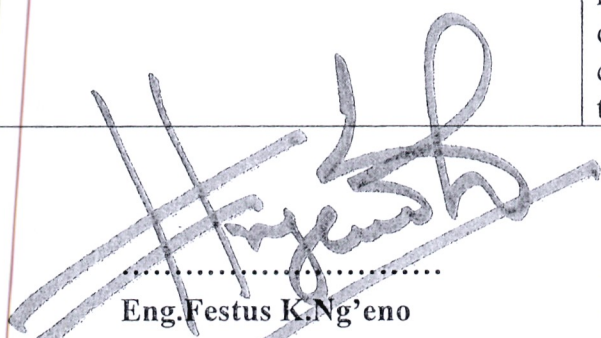
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13. Annexes

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 )	Timeframe: (Put a date when you expect the issue to be resolved)
1026	<p><b>Budgetary Control and Performance</b></p> <p>The Statement of comparison of budget and actual amounts reflects total revenue budget of Kshs. 15,000,000 against actual receipts of Kshs. 9,320,883 resulting to revenue shortfall of Kshs. 5,679,116 or 38% of the budget. Similarly, the statement reflects approved</p>	<p>It is true that the project budgeted for 15,287,500 for the FY 2021/2022. It also true that the project received 9,320,883 resulting to a shortfall of 5,966,617 of the budgets. The project estimated receipt from the donor of Ksh. 10,287,500 and Ksh. 5,000,000 from GOK. The shortfall from the donor estimates is Ksh. 966,617 which is 0.09% of the budget. GOK amount</p>	Not resolved	To appear before PAC at a later date

	<p>expenditure budget of Kshs. 15,000,000 against actual expenditure of Kshs. 10,292,266 resulting to budget under performance of Kshs. 4,707,733 or 31% of the budget. The under-funding and under expenditure affected the planned activities of the Project and may have impacted negatively on service delivery to the public</p>	<p>was not remitted to the project due to inadequate exchequer funding from the treasury.</p>		
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 .....  
 Eng. Festus K. Ng'eno  
 Principal Secretary

  
 .....  
 Cyrus Mageria  
 Project Coordinator

*Kenya Special project for BRSM and SAICM  
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**Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Receipts	a	b	c=a-b	d=b/a %	
Transfer from Government entities	-	-	-	-	
Proceeds from domestic and foreign grants	15,000,000.00	4,954,453.00	10,045,547.00	33%	Late Disbursement of funds
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
<b>Total Receipts</b>	<b>15,000,000.00</b>	<b>4,954,453.00</b>	<b>10,045,547.00</b>	<b>33%</b>	Late Disbursement of funds
<b>Payments</b>					
Compensation of employees	720,000.00	377,419.35	342,580.65	52.4%	Late Disbursement of funds
Purchase of goods and services	14,280,000.00	5,1175,056.20	9,104,943.80	36.2%	Late Disbursement of funds
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
<b>Total payments</b>	<b>15,000,000.00</b>	<b>5,552,475.55</b>	<b>9,447,524.45</b>	<b>37%</b>	

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

Project Name:			
Break down of transfers from the State Department of Environment and Climate Change			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
<b>a. Government Counterpart funding</b>			
	07/09/2022	4,954,453.00	FY 2022/2023
		-	
		-	
	<b>Total</b>	<b>4,954,453.00</b>	
<b>B. Direct payments</b>			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	<b>Total</b>	-	
<b>C. Others</b>			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	<b>Total</b>	-	
	<b>Total (A+B+C)</b>	<b>4,954,453.00</b>	

The above amounts have been communicated to and reconciled with the State Department of Environment and Climate Change  
Project Coordinator  
SAICM Project

Sign 

Sign   
Head of Accounting Unit  
State Department of Environment and 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 c=a-b	Outstanding Balance FY 2021-2022	Comments
		a	b			
Construction of buildings	-	-	-	-	-	-
1.	-	-	-	-	-	-
2.	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-
Construction of civil works	-	-	-	-	-	-
3.	-	-	-	-	-	-
4.	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-
Supply of goods	-	-	-	-	-	-
5.	-	-	-	-	-	-
6.	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-
Supply of services	-	-	-	-	-	-
7.	-	-	-	-	-	-
8.	-	-	-	-	-	-
<b>Sub-Total</b>	-	-	-	-	-	-
<b>Grand Total</b>	-	-	-	-	-	-

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

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
Permanent Employees - Management							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Permanent Employees - Others							
3.	-	-	-	-	-	-	-
4.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Temporary employees							
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Others ( <i>specify</i> )							
7.	-	-	-	-	-	-	-
8.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Grand Total	-	-	-	-	-	-	-

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

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2022-2023	Outstanding Balance FY 2021-2022	Comments
Amounts due to National Govt Entities							
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Amounts due to County Govt Entities							
3.	-	-	-	-	-	-	-
4.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Amounts due to Third Parties							
5.	-	-	-	-	-	-	-
6.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-
Others ( <i>specify</i> )							
7.	-	-	-	-	-	-	-
8.	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-

**Kenya Special project for BRSM and SAICM  
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**Annex 5: Summary of Fixed Assets Register**

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

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**Annex 6: Contingent Liabilities Register**

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

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

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Annex 8: Reporting Disaster Management Expenditure

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

**Annex 9: Other Support Documents**

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

Date: ...27<sup>TH</sup> JULY, 2023

Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF ENVIRONMENT AND FORESTRY (SAICM 1108) A/c 1000410817 as at the close of business on 30<sup>th</sup> June, 2023

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

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

Assembled at the CASH OFFICE- MINISTRY HQs

At ..... 10 a.m. (time) on the 27<sup>TH</sup> JULY 2023

and the following cash was produced

Notes	NIL
Silver	NIL
Copper	NIL
Cheques (as per details on reverse)	NIL
	<u>NIL</u>

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

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

The Cash Book reflected the following balances as at the close of business on the ..... 30<sup>TH</sup> JUNE, 2023

Cash on hand	Sh: NIL
Bank balance	Sh: 1,226,128.35
	<u>1,226,128.35</u>

The Bank Certificate of Balance showed a sum of Sh... ONE MILLION, TWO HUNDRED AND TWENTY SIX THOUSAND, ONE HUNDRED AND TWENTY EIGHT SHILLINGS AND THIRTY FIVE CENTS ONLY. .... (Sh. 1,226,128...cts 35.....)

Standing to the credit of the account on 30<sup>th</sup> 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 .....  
 : MARY RAGEN .....  
 : ANTONY RUTTO .....

MEMBERS OF THE BOARD

Date: 27<sup>TH</sup> JULY, 2023



MINISTRY OF ENVIRONMENT AND FORESTRY
SAICM-1108 (ME&F) 2022/2023
Account number : 1000410817
BANK RECONCILIATION STATEMENT AS AT 30.06.2023

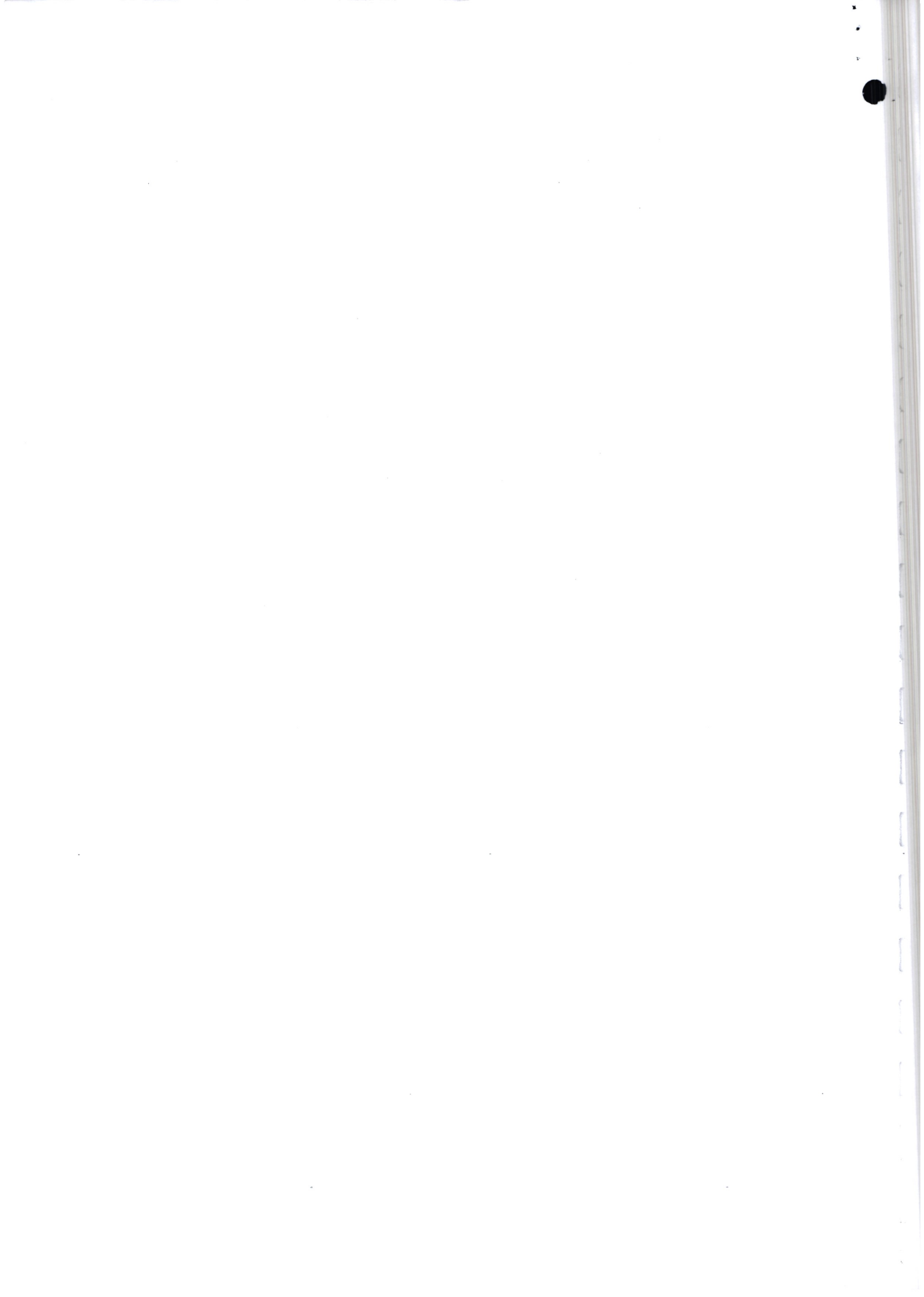
Balance as per bank certificate	Kshs. 1,226,128.35
Less	
1. Payments in cashbook not yet recorded in bank statement	
2. Receipts in bank statement not yet recorded in cashbook	-
Add	
3. Payments in bank statement not yet recorded in casbook	-
4. Receipts in cashbook not yet recorded in bank statement.	-
Balance as per the cashbook.....	1,226,128.35

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

<p><u><i>[Signature]</i></u> Signature</p>	<p><u>DAG</u> Designation</p>	<p><u>15/07/23</u> Date</p>
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(All schedules are attached herewith)

Prepared by: *Eunice Mottre* Signature *[Signature]*



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2022/2023			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	<b>TOTAL</b>	<b>NIL</b>	



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2022/2023			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.6.2023			
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 2)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108( ME&F) 2022/2023			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 3)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	



REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2022/2023			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2023			
RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT(SCHEDULE 4)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	

10/10/2010  
10/10/2010  
10/10/2010