

REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 25 FEB 2021

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Thursday

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Hairina Guleman

**THE AUDITOR-GENERAL**

**ON**

**FINANCING LOCALLY-LED CLIMATE  
ACTION PROGRAM (PREPARATION  
ADVANCE No. IDA V319-KE)**

**FOR THE THREE (3) MONTHS  
PERIOD ENDED 30 JUNE, 2020**

**THE NATIONAL TREASURY**



**THE NATIONAL TREASURY AND PLANNING**

**FINANCING LOCALLY- LED CLIMATE ACTION PROGRAM**

**PROGRAM IMPLEMENTATION UNIT**

**PROGRAM CREDIT NO: V 319 – KE (P173065)**

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**REPORT AND FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS PERIOD FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE, 2020**

**ISSUED ON: SEPTEMBER 30, 2020**

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

**FINANCING LOCALLY – LED CLIMATE ACTION PROGRAM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE, 2020**

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FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE 2020**

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**1. PROGRAM INFORMATION AND OVERALL PERFORMANCE**

**1.1 Name and registered office**

**Name:** Financing Locally-Led Climate Action Program.

**Objective:** The key objective of the program is to strengthen local resilience to the impact of climate change, natural hazards, and other shocks/stressors by building local capacity to plan, budget, implement and monitor resilience investments in a way that promotes collaborative partnerships between communities, national and county governments.

**Address:** The program headquarters/ offices are situated in 7th Floor, Kenya Reinsurance Plaza, Taifa Road/ Agha Khan Walk Nairobi County, Kenya.

The address of its registered office is:

P. O. Box 30007-00100.  
Nairobi  
Kenya  
Email:  
ps@treasury.go.ke  
Phone:  
+254 020 2252299  
Fax:  
+254 020 2252299

**1.2 Program Information**

Program Start Date:	The program start date is <b>20<sup>th</sup> March, 2020</b>
Program End Date:	The program end date is <b>28<sup>th</sup> February, 2021</b>
Program Coordinator:	The program coordinator is <b>Mr Peter O. Odhengo</b>
Program Sponsor:	The program sponsor is <b>World Bank , International Development Association ( IDA)</b>

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**1.3 Program Overview**

Line Ministry/State Department of the program	The program is under the supervision of the <b>National Treasury and Planning Ministry</b> .
Program Number	PROGRAM ID V 319 – KE ( P173065)
Strategic goals of the program	The strategic goal of the program is as follows: <b>The program development objective is to strengthen local resilience to the impact of climate change, natural hazards, and other shocks/stressors by building local capacity to plan, budget, implement and monitor resilience investments in a way that promotes collaborative partnerships between communities, national and county governments.</b>
Achievement of strategic goals	The program management aims to achieve the goals through the following means: <ul style="list-style-type: none"> <li>• Mobilizing resources for climate finance – including leveraging private sector support</li> <li>• Architecture of climate finance – decentralized climate finance</li> <li>• Linking national and county institutions to climate finance sources</li> <li>• Readiness to support the MDA’s and County Governments</li> <li>• County Climate Change funds (incentives)</li> <li>• Climate Finance Data Tracking and Reporting.</li> </ul>
Other important background information of the program	The program focuses on capitalizing the National and County Climate Change Funds; building county level capacity for planning, budgeting, reporting and implementation of local climate actions in partnership with communities; and strengthening of national level capacity for coordination, monitoring and reporting. The program will be implemented by the National Government in collaboration with County Governments.
Current situation that the program was formed to intervene	The program was formed to intervene in the following areas: a) Establish a national climate finance mechanism (a Climate Change Fund) b) Augment the mandate of the National Climate Change Council to provide an overarching national climate change coordination mechanism, through development and setting up of an integrated platform to support the mobilization, coordination, access to, and tracking of climate finance in Kenya, including both domestic and international sources. c) Work with the National Climate Change Council and the ministry responsible for climate change affairs to develop regulations for duties relating to climate change, within the legal framework established in the Climate Change Act, 2016. d) Foster strong national and county financial systems for climate finance building upon principles of the Public Finance Management Act, 2012 (as Amended 2014) while identifying and coding climate change expenditure within the national budget to aid in transparency and accountability of climate finance.

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	<p>e) Develop laws and regulations for tracking climate finance mobilisation and application, in line with guidelines to comply with reporting requirements of the Paris Agreement on financial, technology transfer capacity building support received by developing countries.</p> <p>f) Develop new legislative instruments to govern the terms and type of involvement of entities in GHG emission reduction initiatives and carbon market initiatives.</p> <p>g) Identify and implement fiscal, taxation, and other policy options (such as green bonds) in priority areas with high GHG emission abatement potential or high climate resilience benefits.</p> <p>h) Identify legal and regulatory barriers that discourage private sector and financial sector low-carbon and climate resilient investment and suggest solutions.</p> <p>i) Promote an enabling policy framework for investment and create business-friendly regulatory environments to encourage investment of climate finance in key areas such as renewable energy, efficient transport, clean manufacturing. Sustainable agriculture and drought management.</p> <p>J) Use policies, laws, and regulations to develop market-based and non-market-based mechanisms.</p> <p>k) Establish rules to determine the responsibility for paying costs and liability for taxes.</p> <p>l) Establish rules for the treatment of events in case of non-performance or disputes.</p>
Program duration	The program started on 20 <sup>th</sup> March, 2020, the PPA is planned to end by 28 <sup>th</sup> February 2021 and the main Program is expected to take 5 years from 1 <sup>st</sup> March, 2021 until 28 <sup>th</sup> February 2026.

**1.4 Bankers**

The following are the bankers for the current year:

Central Bank of Kenya  
Haile Selassie Avenue  
P.O Box 60000 – 00200, Nairobi, Kenya  
Tel: +254 20 286 0000  
**NAIROBI**

**1.5 Auditors**

The Program is Audited by:  
The Office of the Auditor General  
Anniversary Towers  
University Way,  
P.O. BOX 30084, 0100  
**NAIROBI**

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**1.6 Roles and Responsibilities**

The following are the responsible officers for the Program during the three months under review.

	<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
1.	Mr. Peter Odhengo	Program Coordinator	<ul style="list-style-type: none"> <li>• Masters of Science in Environmental Protection and Sustainable Development. (UNESCO International Technological University Paris, France and University of Chemical Technology and Metallurgy, Sofia Bulgaria)</li> <li>• Bachelor of Science in Chemistry &amp; Ecology, (Kenyatta University).</li> </ul>	The position is responsible for the overall and day-to-day management of the activities supported under the IDA-FLLoCA Program credit. The Program Coordinator heads the Program Implementation Unit (PIU). The Program Coordinator is the main operational link between the Program, the National Treasury and Planning and the World Bank.
2.	Dr. Maurice Pedo, Ph.D.	Program Manager – Finance & Strategy	<ul style="list-style-type: none"> <li>• Doctor of Philosophy in Project Management (Jomokenyatta University of Agriculture and Technology (JKUAT)</li> <li>• Master of Business Administration (MBA) in Finance (Kabarak University)</li> <li>• Bachelor of Commerce (B. Com) in Finance (KCA University)</li> <li>• Certified Public Accountant (CPA-K)</li> <li>• Certified Public Private Partnerships (CP3P)</li> <li>• Member –Institute of Certified Public Accountants of Kenya</li> </ul>	The position is responsible for all matters of finance, accounting, internal control, financial, strategic and risk management functions within the PIU as well as supervision of the finance, procurement and M & E staff therein.

**Note: Recruitment of Program Implementation Staff is in progress and is expected to be concluded by the 1<sup>st</sup> quarter of FY 2020/2021. However, the current staff are being supported by a team from both Accounts and Procurement Units of the National Treasury.**

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**1.7 Funding summary**

The Program Preparatory Advance (PPA) commenced on 20<sup>th</sup> March, 2020 and is planned to run until 28<sup>th</sup> February, 2021. The main program is expected to commence on 1<sup>st</sup> March, 2021 to run for a period of 5(five) years. The PPA approved budget is US\$. 3,181,500 equivalent to Kshs. 318,150,000 as highlighted in the table below:

Source of funds	Donor Commitment-		Amount received to June 30, 2020		Undrawn balance to June 30, 2020	
	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
<b>Loan</b>						
International Development Association ( IDA)	3,181,500	318,150,000	455,000	48,584,900	2,736,500	269,565,100
<b>Total</b>	<b>3,181,500</b>	<b>318,150,000</b>	<b>455,000</b>	<b>48,584,900</b>	<b>2,736,500</b>	<b>269,565,100</b>

**1.8 Summary of Overall Program Performance**

The PPA is for a duration of 1 year from 20<sup>th</sup> March, 2020 to 28<sup>th</sup> February, 2021. The approved budget of US\$ 3.181 Million equivalent to KSh. 318.15 Million on 100% IDA (World Bank) funding.

**Budget Utilization**

During the three months under review, the program received an amount of KSh.48, 584,900 and incurred a cumulative expenditure of KSh.17, 497,709.

**Receipts Utilization**

The program received KSh. 48,584,900 during the three months under review against a budget of KSh.50,000,000. This represented utilization of 97%.

**Payment Utilisation**

The program paid KSh. 17,497,709 during the three months against a budget of KSh. 50,000,000. This represented utilization of 35%.

**Challenges Encountered**

The following were the challenges reported during the period under review:

- The emergence of Covid-19 pandemic resulting in a slow work flow and change in working system; a number of workshops and conferences were cancelled while others conducted via virtual platform;
- Slow procurement process for ICT Equipment and Furniture due to delay in secondment of procurement staff;
- Short period for implementation due to the fact that the Program secured the funding during Supplementary 11 budget cycle that was only approved in May, 2020.

**1.9 Summary of Program Compliance**

There were no cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

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**2. STATEMENT OF PERFORMANCE AGAINST PROGRAM’S PREDETERMINED OBJECTIVES**

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

The Program is at the Preparatory Advance Stage from 20<sup>th</sup> March, 2020 to 28<sup>th</sup> February, 2021 during which the key development objectives of the program are to support operations and consultancies for the development of critical preliminary program documents among them: organizing consultative forums with Council of Governors (CoG), Governors, County Executive Committee Members, County Assemblies and other national level stakeholders; training of county officials and staff to build capacity for achievement of the program's minimum conditions and performance measures; development of the Program Operations Manual (POM); assessment of counties readiness actions and any other studies or activity that may be proposed by the program preparatory team . These activities therefore form the eligible expenditure areas for the PPA program financing.

**Progress on attainment of Strategic development objectives**

The Program being in the Preparatory Advance stage has not developed attendant indicators to be identified for reasons of tracking progress and performance measurement for attaining the Program objectives. The Indicators will therefore be available during the main program.

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**3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

The Program exists to enhance understanding of the global climate change regime through-active participation in the negotiation process, international agreements, policies and processes and most importantly to position Kenya’s needs in order to maximize beneficial effects of climate change; assess the evidence and impacts of climate change in Kenya; recommend robust adaptation and mitigation measures needed to minimize risks associated with climate change while maximizing opportunities; enhance understanding of climate change and its impacts nationally and in local regions; undertake vulnerability assessments, impact monitoring and capacity building framework needs as a response to climate change; undertake research and technological needs to respond to climate change impacts, and avenues for transferring existing technologies; ensure a conducive and enabling policy, legal and institutional framework to combat climate change, and provide a concerted action plan coupled with resource mobilization plan and robust monitoring and evaluation plan to combat climate change.

**1. Sustainability strategy and profile**

Program sustainability will be achievable through:

- Capacity building framework to strengthen sector wide capacity building focusing on the individual, institutions and systems that address climate change challenges. Addressing the needs at these different levels calls for a multi-pronged approach that enhances co-ordination, collaboration, coherence while at the same time address sustainability;
- Inculcate sustainability into all aspects of community level actions (planning, budgeting, implementation & monitoring).

**2. Environmental performance**

The National Climate Change Action Plan (NCCAP) 2018-2022 aims to further Kenya’s development goals by providing mechanisms and measures to achieve low carbon climate resilient development in a manner that prioritizes adaptation. This plan builds on the first Action Plan (2013-2017) and provides a framework for Kenya to deliver on its Nationally Determined Contribution (NDC) under the Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC). NCCAP 2018-2022 guides the climate actions of the National and County Governments, the private sector, Civil Society, and other actors as Kenya transitions to a low carbon climate resilient development pathway.

The National Policy on Climate Finance aims to: enhance and streamline the implementation of public finance management in relation to climate financing; establish mechanisms to mobilise internal and external climate finance; track, monitor, account for, evaluate and report on sources, applications and impacts of climate finance; enhance the capacity of the country to mobilise climate change finance to support sustainable development; and encourage and facilitate private sector participation in climate relevant financing opportunities. The guiding principles of this policy are based on the Constitution of Kenya, Kenya Vision 2030 and its Medium Term Plans (MTPs), Climate Change Act 2016, Public Finance Management (PFM) Act 2012 as amended 2014), various sectoral policies and international treaties and obligations.

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**3. Employee welfare**

The program staff are hired as per the GoK employment procedures that takes into account the gender ratio, and in close consultation with the World Bank. The Program is yet to train its staff or make any staff appraisal. The Program ensures the safety, health and welfare of all its employees at work working in his/her workplace in compliance with the policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

**4. Market place practices**

During the year/period under review, the program maintained required practices on responsible competition practice; responsible supply chain and supplier relations; responsible marketing and advertisement.

**5. Community Engagements**

The program though is yet to engage with the communities including charitable activities whether in cash, material, community social investment or any other forms of community support. However, it will be financing locally- led climate actions at the community level and therefore will have direct community engagement in future.

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**4. STATEMENT OF PROGRAM MANAGEMENT RESPONSIBILITIES**

The *Principal Secretary* for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program are responsible for the preparation and presentation of the Program’s financial statements, which give a true and fair view of the state of affairs of the Program for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Program; (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 Program; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

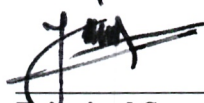
The *Principal Secretary* for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program accept responsibility for the Program’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program are of the opinion that the Program’s financial statements give a true and fair view of the state of Program’s transactions during the period ended June 30, 2020, and of the Program’s financial position as at that date. The *Principal Secretary* for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program further confirm the completeness of the accounting records maintained for the Program, which have been relied upon in the preparation of the Program financial statements as well as the adequacy of the systems of internal financial control.

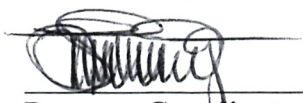
The *Principal Secretary* for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program confirm that the Program has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Program funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Program financial statements**

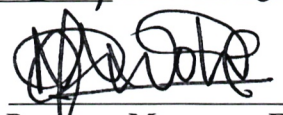
The Program financial statements were approved by the *Principal Secretary* for the for the National Treasury, the *Program Coordinator* and the *Program Manager-Finance & Strategy* for Financing Locally – Led Climate Action Program on 30<sup>th</sup> September, 2020 and signed by them.



**Principal Secretary/NT  
Julius Muia, PhD, CBS**



**Program Coordinator  
Peter Odhengo**



**Program Manager –Fin & Strgy  
Maurice Pedro, PhD  
ICPAK NO. 4037**

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**5. REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCING LOCALLY-  
LED CLIMATE ACTION PROGRAM**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM (PREPARATION ADVANCE No. IDA V319-KE) FOR THE THREE (3) MONTHS PERIOD ENDED 30 JUNE, 2020 - THE NATIONAL TREASURY**

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of Financing Locally-Led Climate Action Program (Preparation Advance No. IDA V319-KE) set out on pages 12 to 25, which comprise the statement of financial assets as at 30 June, 2020, and statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Financing Locally-Led Climate Action Program as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Credit Facility Agreement No. IDA V319-KE between the International Development Association and the Republic of Kenya dated 20 March, 2020 and the Public Finance Management Act, 2012.

Further, the special account statement presents fairly, transactions for the period, and the closing balance has been reconciled with the books of account of the project.

#### **Basis for Opinion**

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

## **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the International Development Association (IDA) and Credit Facility Agreement No. IDA V319-KE dated 20 March, 2020, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project financial statements are in agreement with the accounting records and returns.

### **Responsibilities of 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the 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 Management either intends to 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, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the 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 Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

  
Nancy Gathungu  
**AUDITOR-GENERAL**

**Nairobi**

**30 December, 2020**

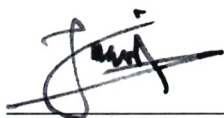
**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
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**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE, 2020**

	Notes	2019/2020 Receipts and payments controlled by the entity  Ksh.
<b>RECEIPTS</b>		
Loan from external development partners	10.3	48,584,900
<b>TOTAL RECEIPTS</b>		----- <b>48,584,900</b>
<b>PAYMENTS</b>		
Compensation of employees	10.4	5,706,480
Purchase of goods and services	10.5	11,791,229
<b>TOTAL PAYMENTS</b>		----- <b>17,497,709</b>
<b>SURPLUS/(DEFICIT ) FOR THE PERIOD</b>		----- <b>31,087,191</b> =====

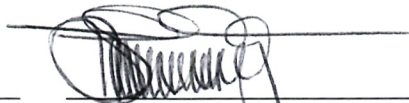
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.



**Principal Secretary/NT  
Julius Muia, PhD, CBS**

30.9.2020

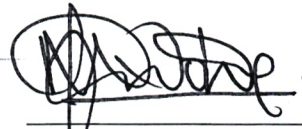
Date



**Program Coordinator  
Peter Odhengo**

30<sup>th</sup> Sept. 2020

Date



**Program Manager –Fin & Strgy  
Maurice Pedro, PhD  
ICPAK NO. 4037**

30<sup>th</sup> September, 2020

Date

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
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**7. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT JUNE 30, 2020**

	Notes	2019/2020
		KSh.
<b>FINANCIAL ASSETS</b>		
<b>Cash and Cash Equivalents</b>		
Bank Balances	10.6	31,087,191
<b>Total cash and Cash Equivalents</b>		<b>31,087,191</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>31,087,191</b>
<b>REPRESENTED BY:</b>		
Surplus/(Deficit) for the period		31,087,191
<b>NET FINANCIAL POSITION</b>		<b>31,087,191</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 30<sup>th</sup> Sept 2020 and signed by:



Principal Secretary/NT  
Julius Muia, PhD, CBS

Date

30/9/2020



Program Coordinator  
Peter Odhengo

Date

30<sup>th</sup> Sept 2020



Program Manager –Fin & Strgy  
Maurice Pedro, PhD  
ICPAK NO. 4037

Date

30<sup>th</sup> September, 2020

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
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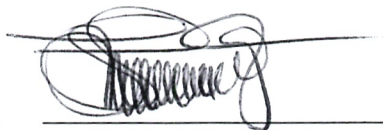
**8. STATEMENT OF CASH FLOW FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE, 2020**

	2019/2020
Note	KSh.
<b>PAYMENTS FOR OPERATING ACTIVITIES</b>	
Compensation of employees	10.4 (5,706,480)
Purchase of goods and services	10.5 (11,791,229)
	<b>(17,497,709)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>	
Proceeds from Foreign Borrowings	10.3 48,584,900
<b>Net cashflow from financing activities</b>	<b>48,584,900</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>31,087,191</b>
Cash and Cash Equivalent at the BEGINNING of the year	-
Cash and Cash Equivalent at the END of the year	<b>31,087,191</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> Sept, 2020 and signed by:



Principal Secretary/NT  
Julius Muia, PhD, CBS



Program Coordinator  
Peter Odhengo



Program Manager –Fin & Strgy  
Maurice Pedro, PhD  
ICPAK NO. 4037,

30/9/2020  
Date

30<sup>th</sup> Sept. 2020  
Date

30<sup>th</sup> September, 2020.  
Date

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
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**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**


Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c%
	KSh.	KSh.	KSh.	KSh.	KSh.	%
<b>RECEIPTS</b>						
IDA Loan	50,000,000	-	50,000,000	48,584,900	1,415,100	97%
<b>TOTAL RECEIPTS</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>48,584,900</b>	<b>1,415,100</b>	<b>97%</b>
<b>PAYMENTS</b>						
Compensation of employees	11,150,000	-	11,150,000	5,706,480	5,443,520	51%
Purchase of goods & services	18,850,000	-	18,850,000	11,791,229	7,058,771	63%
Acquisition of non-financial assets	20,000,000	-	20,000,000	-	20,000,000	-
<b>TOTAL PAYMENTS</b>	<b>50,000,000</b>	<b>-</b>	<b>50,000,000</b>	<b>17,497,709</b>	<b>32,502,291</b>	<b>35%</b>
<b>SURPLUS/( DEFICIT) FOR THE PERIOD</b>			<b>-</b>	<b>31,087,191</b>	<b>(31,087,191)</b>	

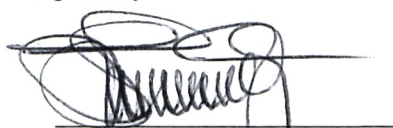
The deficit of actual expenditure over the budget is KSh. 31,087,191(65% under budget). The lower than projected expenditure is largely attributable to:


- Under expenditure on compensation of employees where an amount of KSh.5.4m was not spent due to changes in the hiring method for some of the program staff;
- Under expenditure on purchase of goods and services where an amount of Ksh. 7m allocated for ICT Equipment & furniture was unspent due to cancellation of the tender to comply with World Bank Procurement Regulations;
- Under expenditure on the acquisition of non-financial assets where an of KSh. 20m planned for purchase of motor vehicles that were to be done through “Request for Quotations” were changed to Tender to comply with the World Bank Procurement Regulation.

No significant budget utilisation/performance differences have been realised by the program to be disclosed in these financial statements.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The program’s financial statements were approved on 30<sup>th</sup> September, 2020 and signed by:

  
Principal Secretary/NT  
Julius Muia, PhD, CBS

  
Program Coordinator  
Peter Odhengo

  
Program Manager –Fin & Strgy  
Maurice Pedro, PhD  
ICPAK NO. 4037

30/9/2020  
Date

30<sup>th</sup> Sept. 2020  
Date

30<sup>th</sup> September, 2020.  
Date

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
REPORT AND FINANCIAL STATEMENTS  
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**10. NOTES TO THE FINANCIAL STATEMENTS**

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

**10.1 Basis of Preparation**

**10.1.1 Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

**10.1.2 Reporting entity**

The financial statements are for the **Financing Locally –Led Climate Action Program** under the National Treasury and Planning. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

**10.1.3 Reporting currency**

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

**10.2 Significant Accounting Policies**

**a) Recognition of receipts**

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

• **Transfers from the Exchequer**

Transfer from Exchequer is be 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.

• **External Assistance**

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donations and grants**

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

**Proceeds from borrowing**

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Program or any other debt the Program may take on will be treated on cash basis and recognized as a receipt during the year they were received.

**Undrawn external assistance**

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

• **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 recognised in the financial statements the time associated cash is received.

**b) Recognition of payments**

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

• **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.

• **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.

**c) In-kind donations**

In-kind contributions are donations that are made to the Program 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 Program 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.

**d) 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.

**Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Accounts receivable**

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

**f) 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 Program 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.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**g) Contingent Assets**

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

**h) 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

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

in the reporting period, they recorded as ‘memorandum’ or ‘off-balance’ items to provide a sense of the overall net cash position of the Program at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

**i) 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 Program’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 Programs 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 Program’s actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**j) 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.

**k) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Program 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) 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.

**m) 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/ period ended June 30, 2020.

**n) Errors**

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

**10.3. Loan from external development partners**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment	Total amount in KSh.	
					2019/2020	2019/2020
		USD	KSh.	KSh.	KSh.	KSh.
<b>Loans Received from Multilateral Donors (International Organizations)</b>						
International Development Association (IDA)	04.06.2020	455,000	48,584,900	-	48,584,900	48,584,900
		<b>455,000</b>	<b>48,584,900</b>	<b>-</b>	<b>48,584,900</b>	<b>48,584,900</b>

**10.4 Compensation of Employees**

**2019/2020**

**Payments made by the entity  
Ksh.**

Basic Salary for Contracted Staff

5,706,480

**5,706,480**

**10.5 PURCHASE OF GOODS AND SERVICES**

**2019/2020**

**Payments made by the entity  
Ksh.**

Training and workshop expenses

4,618,000

Other operating expenses

7,173,229

**11,791,229**

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**10.6. Cash and cash equivalents carried forward**

	<b>2019/2020</b>
	<b>Payments made by the entity</b>
	<b>Ksh.</b>
Bank accounts(Note 10.6A)	31,087,191
<b>Total</b>	<b>31,087,191</b>

**Reconciliation of Amounts Withdrawn and Not Claimed**

Balance as per DA Reconciliation in USD.	308,997
USD. Equivalent Operations Bank Account Balance( KSh. 31,087,191)	310,872
<b>Exchange rate variance</b>	<b>(1,875)</b>

**10.6A Bank Accounts**

**Project Bank Accounts**

**Local currency Account**

**Total Local currency balances**

	<b>2019/2020</b>
	<b>Payments made by the entity</b>
	<b>Ksh.</b>
CBK Bank Account No. 1000447575	31,087,191
	<b>31,087,191</b>

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**2019/2020**

**Payments made  
by the entity  
USD.**

**Foreign Currency Accounts**

**A/C Name ( FLLoCA DA - Ac No.1000446706)**

Opening Balance	-
Total Amount deposited in the account	646,003
Total Amount withdrawn (as per Statement of Receipts & Payments)	(455,000)
Closing balance as per SDA bank account reconciliation attached	191,003

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**11. APPENDICES BANK RECONCILIATIONS AND CERTIFICATES**

**THE NATIONAL TREASURY**  
 A/C NO 1000447575  
 F.O. 30

**BANK RECONCILIATION**  
 AS AT 30TH JUNE 2020

	Sh	Sh
Balance as per Bank Certificate		31,087,100.00
<b>Less -----</b>		
1 Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)		
2 Receipts in Bank Statement not yet recorded in Cash Book		
<b>Add -----</b>		
3 Payment in Bank Statement not yet recorded in Cash Book		
4 Receipts in Cash Book not yet Recorded in Bank Statement		
<b>Balance as per Cash Book</b>		<b>31,087,100.00</b>

I certify that I have verified the Bank balance in the Cash Book with the bank reconciliation Statement and that the above is correct.


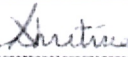
HAU NATIONAL TREASURY

Signature: \_\_\_\_\_

PREPARED BY C. N. KARIWENI	SIGN _____
	9/22/2020

COP TO  
 1. INTERNAL AUDITOR  
 2. AUDITOR GENERAL  
 3. D.G.A.S & Q.A.

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
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<b>SPECIAL ACCOUNT STATEMENT</b>	
For period ending	<b>30th JUNE, 2020</b>
Account No.	<b>1000446706</b>
Depository Bank	<b>CENTRAL BANK OF KENYA.</b>
Address	<b>CENTRAL BANK OF KENYA.</b>
Related Loan	<b>KENYA FINANCING CLIMATE ACTION PROG</b>
Credit Agreement	
Currency	<b>USD</b>
<b><u>Part A - Account Activity</u></b>	
Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	<b>0.00</b>
<b>Add:</b>	
Total Amount deposited by World Bank	<b>646,003.09</b>
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
<b>Deduct:</b>	
Total amount withdrawn	<b>455,000.00</b>
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2020	<b>191,003.09</b>
<b>AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA</b>	SIGNATURE: 
	DATE: <b>07-08-2020</b>
<b>AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY</b>	SIGNATURE: 
	DATE: <b>18-08-2020</b>

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE 2020**

**KENYA FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM  
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA LOAN CREDIT NO.V3190-KE (DA-Q)

Bank Account No.: 1000446706 Held with Central Bank of Kenya

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		663,866.91
	<b>Less:</b>		
2	Total amount documented		163,866.91
<b>3</b>	<b>Outstanding amount to be documented</b>		<b>500,000.00</b>
	<b>Represented by:</b>		
4	Ending Special account Balance as at 30 June 2020		191,003.09
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		308,996.91
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
<b>9</b>	<b>Total advance to Special Account Year ended 30 June 2020</b>		<b>500,000.00</b>

Discrepancy between total appearing on line 3 and 9 -

**Notes:**

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

**The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs**



**AUTHORISED REPRESENTATIVE  
RESOURCE MOBILISATION DEPARTMENT  
THE NATIONAL TREASURY**

DATE: 18-08-2020

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE 2020**

KENYA FINANCIAL LOCAL LED CLIMATE THE NATIONAL TREASURY  
A/c No./ 1000447575 REPUBLIC OF KENYA

F.O. 51  
Date 1.7.2020

Report of the Board of Survey on the Cash and Bank Balances of THE NATIONAL TREASURY  
MAIN CASH OFFICE as at the close of business on 30.6.2020

The Board, consisting of (Names and official titles)-

ISAAC MUKOMAH - CHAIRMAN ..... *Isaac Mukomah*  
EDWARD AMIMO JEFA - MEMBER ..... *Edward Amimo Jefa*  
JOSEPH M. KOTHYA - MEMBER ..... *Joseph M. Kothya*

assembled at the office of .....  
at ..... (time) on the ..... 2020  
and the following cash was produced:

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

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 30.6.2020

Cash on hand ..... Sh. ....  
Bank Balance ..... Sh. 31,087,190.90  
31,087,190.90

The Bank Certificate of Balance showed a sum of Sh 31,087,190.90  
.....cts. .... (Sh. .... Cts.....)  
Standing to the credit of the account on .....20 .....

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

*Isaac Mukomah*  
Chairman

Date ..... *1.7.2020*

*Edward Amimo Jefa*  
Members of the Board,  
*Joseph M. Kothya*

INFRASTRUCTURE AND PRIVATE PARTNERSHIP THE NATIONAL TREASURY

**FINANCING LOCALLY –LED CLIMATE ACTION PROGRAM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE THREE MONTHS FROM 1<sup>ST</sup> APRIL TO 30<sup>TH</sup> JUNE 2020**

① C/cashier  
TNR  
13/7/2020

② D/ACCY  
TNR  
July 16, 2020  
13/7/2020

Part II  
of the  
Annual Report  
2019/2020

CENTRAL  
BANK OF  
KENYA

Head Office: 100000, ACC, 100  
PO Box 30000, 100000 Nairobi, Kenya  
Tel: 254 20 304000 Fax: 204000

**CERTIFICATE OF BALANCES**



Customer: 120373 / 100094  
Account Name: NATIONAL TREASURY  
Balance Date: June 30, 2020

ACCOUNT No.	ACCOUNT TITLE	AMOUNT
✓ 1000000977	✓ TREASURY BILLS ACCOUNT	0.00
✓ 1000000988	✓ TREASURY BONDS ACCOUNT	0.20
✓ 1000000996	✓ REVENUE DEPOSIT ACCOUNT	3,508,097,151.26
✗ 100004053	✗ TREASURY BONDS REDEMPTION	0.00
✗ 100004061	✗ TREASURY BONDS INTEREST	0.00
✗ 100004077	✗ GOVERNMENT TREASURY BILLS SUSP.	0.00
✗ 100004088	✗ TREASURY BILLS REDEMPTION SUSP.	0.00
✓ 1000181467	✓ REC-THE NATIONAL TREASURY	3,856,874,321.15
✓ 1000181664	✓ DEV-THE NATIONAL TREASURY	306,341,097.30
✓ 1000182137	✓ DEP-THE NATIONAL TREASURY	398,973,233.30
✗ 1000182528	✗ CBK165-THE NATIONAL TREASURY	0.00
✓ 1000187506	✓ MICRO FINANCE SEC SUP CR-CAP BLDG	90,491,999.30
✓ 1000201924	✓ VOLUNTARY PAY CUT	196,418,490.50
✓ 1000237872	✓ FINANCIAL SEC.SUPP.PRJ-IDA 56270-KE	168,366,732.05
✓ 1000268743	✓ AFRICAN INSTITUTE FOR REMITTANCES	40,493,100.30
✗ 1000204378	✗ REC-PUBLIC DEBT	2,256,630,562.22
✓ 1000204419	✓ REC-SALARIES ALLOWA MISC AND N555FC	18,415,523.45
✓ 1000205024	✓ PETROLEUM DEVELOPMENT LEVY FUND	860,399,391.60
✓ 1000221518	✓ KENYA PETROLEUM TECHNICAL ASS PROJ	12,555,239.10
✗ 1000349538	✗ PPP PROJECT FACILITATION FUND ACC.	20,000,000.00
✓ 1000409018	✓ INERAST FINANCE AND PPP-CAT. 2EEP	83,759,229.60
✓ 1000447575	✓ KEN. FINANCING LOCALLY LED CLIMATE	31,087,190.90
✓ 1000368632	✓ INFRASTRUCTURE FIN AND PUB PART PRJ	3,827,769.95

L. K. RWERIA  
AUTHORISED SIGNATORY  
BANKING SERVICES

P. S. LENKUME  
AUTHORISED SIGNATORY  
BANKING SERVICES