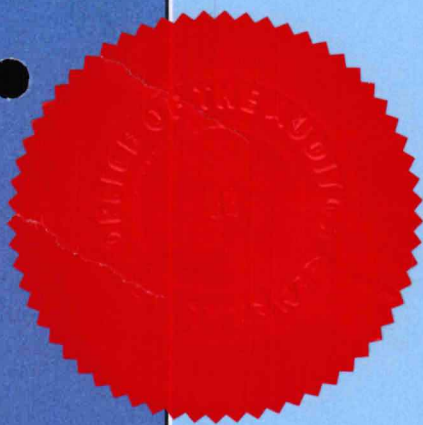


REPUBLIC OF KENYA



*Enhancing Accountability*



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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**SOUND CHEMICALS AND WASTE  
MANAGEMENT PROJECT  
(GRANT NO. 2023/M99/M1-32CML)**

**FOR THE YEAR ENDED  
30 JUNE, 2025**

**STATE DEPARTMENT FOR ENVIRONMENT  
AND CLIMATE CHANGE**

100





**PROJECT NAME: SOUND CHEMICALS AND WASTE MANAGEMENT PROJECT**

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR ENVIRONMENT AND  
CLIMATE CHANGE (SDECC)**

**PROJECT GRANT NUMBER: 2023/M99/M1-32CML**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2025**

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**Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of Accounting  
Method under the International Public Sector Accounting Standards (IPSAS)**

*Sound Chemicals and Waste Management Project*  
*Annual Report and Financial Statements for the Financial Year ended June 30, 2025*

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*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended June 30, 2025*

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**1. Acronyms and Definition 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
CT	County Treasury
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.
MEAs	Multilateral Environmental Agreements
UNEP	United Nations Environment Programme
SMC	Sound Management of Chemicals
POPs	Persistent Organic Pollutants
PRTR	Pollutant Release and Transfer Register

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

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

**Name:** The project's official title is: Sound Chemicals and Waste Management Project.

**Objective:** Mainstreaming sound management of chemicals and waste into key chemicals management institutions' development agenda through strengthening chemicals and waste legislations and framework structures.

**Address:** The project headquarter office is located in Nairobi City County, Kenya.

The address of its registered office is:  
Ministry of Environment, Climate Change and Forestry  
SHA Building, 12<sup>th</sup> Floor-Upper Hill  
P.O. Box 30126 - 00100  
Nairobi.

Telephone: 254-20-2730808/9, Ext. 1213

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

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

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

Telephone: (254) 02 2730808/9 Ext. 1318

E-mail: [lindakosgei@gmail.com](mailto:lindakosgei@gmail.com)/[ledamameshack@gmail.com](mailto:ledamameshack@gmail.com)

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

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended June 30, 2025*

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

**2.2 Project Information**

Project Start Date:	21 <sup>st</sup> March, 2024
Project End Date:	21 <sup>st</sup> March, 2027
Project Manager:	The project Manager/Coordinator is Mr. Meshack Ledama
Project Sponsor:	The project sponsor is UNEP

**2.3 Project Overview**

Line Ministry/State Department of the project	<p>The project is under the supervision of the State Department for Environment and Climate Change 2023/M99/M1-32CML The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> <li>(i) Mainstream sound management of chemicals and waste into key chemicals management institutions' development agenda at national and county levels to prevent and control environmental and health concerns.</li> <li>(ii) Increase collaboration in the domestication and implementation of chemicals and waste MEAs and SAICM Post 2020 and managing a national Pollutant Release and Transfer Register (PRTR), participating and outlining the UNEP Global Monitoring Plans for Persistent Organic Pollutants POPs, Implementing Kenya's Monitoring Protocol to promote national engagement in science to policy and the linkages to human health and environment.</li> <li>(iii) Strengthen key institutions established such as the National Multisectoral Committee on Sound Chemicals Management, Responsible Care – Kenya, Chemicals Portal among others for the sound management of chemicals and wastes.</li> <li>(iv) Help in the reporting of BRS&amp;M conventions and other MEAs.</li> </ul>
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**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the current year:

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

**2.5 Independent Auditor**

The project is audited by the Auditor-General,  
Office of Auditor-General  
Anniversary Towers, University way  
P.O. Box 30084, 00100,  
**NAIROBI, KENYA.**

**2.6 Roles and Responsibilities**

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>
Dr. Eng. Festus K. Ng'eno	Principal Secretary State Department for Environment and Climate Change	Doctor of Philosophy (PhD.) in Environmental and Biosystems Engineering  Master of Science (MSc.) in Environmental and Biosystems Engineering	Accounting Officer
Meshack Ledama	Coordinator	-M.Sc. in Biochemistry (Ongoing)  -B.Sc. (Biochemistry)	1. Prepare work, procurement and financial plans and submit them to the Head, MEAs; 2. Plan activities of the project and monitor progress against the approved workplan;

**Sound Chemicals and Waste Management Project**  
**Annual Report and Financial Statements for the Financial Year ended June 30, 2025**

			<p>3. Prepare quarterly and annually project progress reports and submit them to Head, MEAs;</p> <p>4. Prepare and disseminate project reports to the National Multisectoral Committee on Sound Chemical Management (MCSCM) and other stakeholders for interrogation;</p> <p>5. Liaise with Head of MEAs, UNEP, National Multisectoral Committee on Sound Chemical Management (MCSCM), relevant government agencies, nongovernmental organizations, private sector and all project partners for effective coordination of all project activities;</p> <p>6. Oversee and ensure timely submission of the Project Implementation Reports, Technical reports, financial reports, and other reports as may be required by the Ministry and UNEP;</p> <p>7. Timely supervise and coordinate project outputs as per the project document;</p> <p>8. Coordinate communication with Head of MEAs, UNEP and project partners;</p> <p>9. Develop and prepare Terms of References (TORs) for key project services in consultation with Head MEAs and</p>
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**Sound Chemicals and Waste Management Project**  
**Annual Report and Financial Statements for the Financial Year ended June 30, 2025**

			UNEP i.e. sub-contractors, trainings and procurement and administer their supervision; 10. Administering project budget and funds availability in liaison to Finance and Accounts Departments; 11. Prepare documents in collaboration with Accounts, Finance and Procurement Departments for Internal and External Audits.
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**2.7 Funding summary**

The Project duration is 3 years (from 21<sup>st</sup> March, 2024 to 21<sup>st</sup> March, 2027) with an approved budget of **US\$ 250,000** equivalent to **Kshs 32,365,000.00** using a dollar rate of **129.46** as highlighted in the table below:

Below is a summary of funding

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

**A. Source of Funds**

Source of funds	Donor Commitment		Amount received to date – (30 <sup>th</sup> June 2025)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>						
UNEP FUNDS	250,000	32,365,000	86,854	11,244,175	163,146	21,120,825
<b>(ii) Loan</b>	-	-	-	-	-	-
<b>(iii) Counterpart funds</b>						
Government of Kenya	-	-	-	-	-	-
<b>Total</b>	<b>250,000</b>	<b>32,365,000</b>	<b>86,854</b>	<b>11,244,175</b>	<b>163,146</b>	<b>21,120,825</b>

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

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2025)		Cumulative amount paid to date – (30 <sup>th</sup> June 2025)		Unutilised balance to date (30 <sup>th</sup> June 2025)	
	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')- (B')
<b>(i) Grant</b>	86,854	11,244,175	86,455	11,192,484	399	51,655
UNEP						
<b>(i) Loan</b>	-	-	-	-	-	-
<b>(ii) Counterpart funds</b>						
Government of Kenya					-	-
<b>Total</b>	<b>86,854</b>	<b>11,244,175</b>	<b>86,455</b>	<b>11,192,484</b>	<b>399</b>	<b>51,655</b>

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

**2.8 Summary of Overall Project Performance:**

The programme has been able to achieve the following results:

- Developed Work Plans and Work Programs for the Multisectoral Coordination Committee for Sound Management of Chemicals and Wastes as a roadmap to guide the committee in spearheading all chemicals and wastes issues in the country.
- Supported and continuing to support the development and finalization of the National Chemicals Policy for sound management of chemicals and waste.
- Development of the Chemicals Strategy is in progress to enable smooth implementation of the objectives and activities of the National Chemicals Policy.
- Working with RC-Kenya, Kenya Association of Manufacturers and Industry to create awareness on chemicals impacts to the workers and environment for a responsible industry.

**2.9 Summary of Project Compliance:**

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

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

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

The key development objectives of the *project's 2024-2027* plan are to:

Kenya confirmed its commitment to implementing the United Nations Framework Convention on Climate Change and its Paris Agreement when it communicated an update of its Nationally Determined Contribution (NDC) in 2020. Kenya prioritizes actions for progress in the implementation of the NDC through the National Climate Change Action Plan in alignment with the development medium term plan. The reports being prepared under the project provides sectors with an opportunity to track progress in the execution of sector commitments in the context of sustainable development and eradication of poverty.

The key development objectives of the *project's 2024-2027* plan are to:

- a) Mainstream sound management of chemicals and waste in the government at National and County levels, industries, non-governmental organizations and the private sector.
- b) Development of sustainable and innovative approaches to environmental protection through industry led initiatives on sound management of chemicals and waste.
- c) Increase collaboration in the domestication and implementation of Global Framework on Chemicals (GFC) agenda, chemicals and waste MEAs, integrating PRTR, Global Monitoring Plans (GMP), Monitoring Protocol, promoting Science policy and developing the linkages to human health and environment.

#### **4. Environmental and Sustainability Reporting**

Sound Management of Chemicals and Waste Project is geared towards mainstreaming sound management of chemicals and waste into key chemicals management institutions' development agenda through strengthening chemicals and waste legislations and framework structures.

Kenya recognizes that sound management of chemicals (SMC) is an important way of protecting human health and the environment. SMC is addressed in eleven of seventeen Sustainable Development Goals (SDGs) hence it is critical in addressing BETA and the Kenya Vision 2030.

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

In line with this, Kenya has developed a set of chemicals and waste-related sectoral regulatory frameworks that govern the chemical life cycle and the sustainable management on waste which will be achieved through engaging relevant stakeholders to mainstream SMC and their waste into their policies, strategies and programs.

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

Kenya recognizes that sound management of chemicals (SMC) is an important way of protecting human health and the environment. SMC is addressed in eleven of seventeen Sustainable Development Goals (SDGs) hence it is critical in addressing BETA and the Kenya Vision 2030. The industry will participate fully to promote sustainable and innovative approaches to environmental protection through implementation of extended producer regulations and organizations as well as industry initiatives on SMC and wastes. In addition, there will be an increased collaboration in the domestication and implementation of chemicals and waste MEAs and Global Framework on Chemicals and managing a national Pollutant Release and Transfer Register (PRTR), participating and outlining the UNEP Global Monitoring Plans for Persistent Organic Pollutants (POPs), implementing Kenya's Monitoring Protocol to promote national engagement in science to policy and the linkages to human health and environment.

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

The Sound Management of Chemicals and Waste Project has a progressive career guideline which includes capacity building of staff through formal and on-the-job trainings to develop new skills and optimize their performance. The project also allows for flexible working hours for its staff thus contributing to work-life balance and higher job satisfaction. The State Department for Environment/ Sound Management of Chemicals and Waste Project is working on safety policy, which will be in compliance with Occupational Safety and Health Act of 2007, (OSHA).

##### **4. Marketplace practices-**

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

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

**b) Responsible ethical practices**

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

**c) Regulatory impact assessment**

The Sound Management of Chemicals and Waste Project aims to ensure every Kenyan enjoys their constitutional right of enjoying a clean and healthy environment.

**5. Community Engagements**

The Sound Management of Chemicals and Waste Project **aligns with the Constitution of Kenya and the Convention of Biological Diversity in embracing inclusiveness across community strata and pacifically the IPLCS who are key biodiversity custodians.**

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

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for **Sound Chemicals and Waste Management Project*** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on 30<sup>th</sup> June, 2025. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for **Sound Chemicals and Waste Management Project*** accept responsibility for the Project's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for **Sound Chemicals and Waste Management Project*** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended 30<sup>th</sup> June, 2025, and of the Project's financial position as at that date. The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for **Sound Chemicals and Waste Management Project*** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

### **Approval of the Project financial statements**

The Project financial statements were approved by the *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for **Sound Chemicals and Waste Management Project*** on .....2025 and signed by them.

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

  
Project Director  
Linda Kosgei

# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON SOUND CHEMICALS AND WASTE MANAGEMENT PROJECT (GRANT NO. 2023/M99/M1-32CML) FOR THE YEAR ENDED 30 JUNE, 2025 - STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE

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### PREAMBLE

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

- A. Report on 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 the 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of Sound Chemicals and Waste Management Project set out on pages 1 to 30, which comprise of the statement of

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*Report of the Auditor-General on Sound Chemicals and Waste Management Project (Grant No. 2023/M99/M1-32CML) for the year ended 30 June, 2025 - State Department for Environment and Climate Change*

financial position as at 30 June, 2025, and the statement financial performance, statement of changes in net assets, 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, the financial statements present fairly, in all material respects, the financial position of Sound Chemicals and Waste Management Project as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Project Cooperation Agreement dated 21 March, 2024 between the United Nations Environment Programme (UNEP) and the Government of the Republic of Kenya and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sound Chemicals and Waste Management Project's 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 opinion.

### **Emphasis of Matter**

#### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.12,000,000 and Kshs.11,244,175 respectively, resulting to under-funding of Kshs.755,825 or 6% of the approved budget. However, the Project spent an amount of Kshs.11,192,484 against actual receipts amount of Kshs.11,244,175 resulting to an under-utilization of Kshs.51,691 of the actual receipts.

The under-funding and under-utilization may have affected the planned activities and may have impacted negatively on delivery of services to the public.

#### **2. Undisclosed Special Deposit Account Balance**

The Project's special deposit account maintained at the Central Bank of Kenya reflects an amount of USD 87,000 (Kshs.11,244,750) that was withdrawn from the account to finance project activities. However, the amount is reflected in the statement under amounts withdrawn not yet claimed as at 30 June, 2025. Further, the project did not recognize the special deposit account balance of Kshs.1,682,980 (USD 13,000) in the statement of financial position as both an asset and a liability contrary to the requirement of International Public Sector Accounting Standard (IPSAS) No.23 – revenue from non-exchange transactions.

My opinion is not modified in respect of these matters.

### **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 Information**

The Management is responsible for the other information set out on page iii to xvi which comprise of Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives for the year, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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**

#### **Delay in Commencement of Project Activities**

The Financing Agreement for the Project was signed on 21 March, 2024 and provided that the first instalment of USD 75,000 was to be released 60 days after signing, on 22 May, 2024, and the second instalment was to be due on 31 December, 2024. However, the first instalment was received in November 2024, five (5) months later while the second instalment had not been received as at 30 June, 2025.

In the circumstances, slow disbursement of funds may lead to low absorption of funds and have a negative impact on the implementation of the planned activities.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 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 (Accrual 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, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

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

**Nairobi**

**09 October, 2025**

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2025*

**7. Statement of Financial Performance for the Year Ended 30<sup>th</sup> June 2025.**

	Notes	2024/2025
		Kshs
<b>Revenue</b>		
Revenue Transfers	6	11,244,175
Miscellaneous Revenue	7	-
<b>Total revenue</b>		<b>11,244,175</b>
<b>Expenses</b>		
Employee costs	8	1,035,484
Use of goods and services	9	10,157,000
Depreciation and amortization expense	10	-
Transfer to other Government Entities	11	-
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	-
<b>Total expenses</b>		<b>11,192,484</b>
<b>Other gains/(losses)</b>		
Gain/Loss on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
<b>Surplus</b>		<b>51,691</b>

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

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

.....  
Linda Kosgei  
*Project Director*

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

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2025*

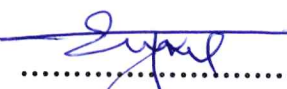
**8. Statement of Financial Position as at 30<sup>th</sup> June 2025**

	Note	2024/2025	1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	17	51,691	-
Receivables	18	-	-
Inventories	19	-	-
Prepayment	20	-	-
<b>Total Current Assets</b>		<b>51,691</b>	<b>-</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	21	-	-
Intangible Assets	22	-	-
<b>Total Non- Current Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>51,691</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	23	-	-
Third Party Deposits	24	-	-
Deferred Income	25	-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Assets</b>		<b>51,691</b>	<b>-</b>
<b>Represented By:</b>			
Accumulated Surplus		51,691	-
<b>Total Net Assets</b>		<b>51,691</b>	<b>-</b>

The financial statements were approved on \_\_\_\_\_ 2025 and signed by:

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

  
.....  
**Linda Kosgei**  
Project Director

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

**Sound Chemicals and Waste Management Project**  
**Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2025**


**9. Statement of Changes in Net Assets**

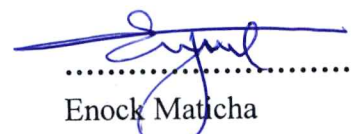
Description	Accumulated Surplus
	Kshs
<b>As at 30<sup>th</sup> June 2024 (Cash Basis)</b>	-
Adjustments:	
Asset Recognition	-
Liabilities recognition	-
<b>As at 1<sup>st</sup> July 2024</b>	-
Surplus for the year	51,691
<b>As at 30<sup>th</sup> June 2025</b>	<b>51,691</b>

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

The financial statements were approved on \_\_\_\_\_ 2025 and signed by:

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

  
 .....  
 Linda Kosgei  
 Project Director

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

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2025*

**10. Statement of Cashflow for the Financial Year ended 30<sup>th</sup> June 2025**

Description	Note	2024/2025
		<b>Kshs</b>
<b>Cashflow from operating activities</b>		
<b>Receipts</b>		
Revenue Transfers		11,244,175
Miscellaneous Revenue		-
<b>Total receipts</b>		<b>11,244,175</b>
<b>Payments</b>		
Employee costs		1,035,484
Use of goods and services		10,157,000
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		-
Certified Works		-
<b>Total payments</b>		<b>11,192,484</b>
<b>Net cash flow from operating activities</b>	26	<b>51,691</b>
<b>Cashflow from investing activities</b>		
Acquisition of non-financial assets		-
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
<b>Net cash flows from investing activities</b>		<b>-</b>
<b>Cash flow from financing activities</b>		
<i>Specify the activity</i>		-
<b>Net cash flow from financing activities</b>		<b>-</b>
Net increase in cash and cash equivalents		51,691
<b>Cash and cash equivalent at 1<sup>st</sup> July 2024</b>	17	<b>-</b>
<b>Cash and cash equivalent at end June 2025</b>	17	<b>51,691</b>

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**11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30<sup>th</sup> June 2025**

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	12,000,000	-	12,000,000	11,244,175	755,825	94%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>12,000,000</b>	<b>-</b>	<b>12,000,000</b>	<b>11,244,175</b>	<b>755,825</b>	
<b>Payments</b>						
Compensation to employees	1,800,000	-	1,800,000	1,035,484	764,515	58%
Purchase of goods and services	10,200,000	-	10,200,000	10,157,000	43,000	99%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
<b>Total Payments</b>	<b>12,000,000</b>	<b>-</b>	<b>12,000,000</b>	<b>11,192,484</b>	<b>807,515</b>	
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,691</b>	<b>-</b>	<b>-</b>

**Budget notes**

The underutilization of compensation to employees was occasioned by late commencement of the project activities i.e it started midway during the financial year 2024/2025.

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June, 2025*

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**Budget Reconciliation**

	<b>Description of Particulars</b>	<b>Amount in Kshs</b>
	Actual Surplus Amounts as per the statement of Budget	51,691
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>51,691</b>

**12. Notes to the Financial Statements**

**1. General Information**

**Sound Chemicals and Waste Management Project** is established by and derives its authority and accountability from the financing agreement. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is broadly explained on page (xi) of the financial statements.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

These financial statements were authorized for issue by the accounting officer on 30<sup>th</sup> June 2025

**3. Adoption of New and Revised Standards**

- i) *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p>

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Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

<b>Standard</b>	<b>Effective date and impact:</b>
	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

**ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025***

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard.

**Sound Chemicals and Waste Management Project  
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Standard	Effective date and impact:
	The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<b>Applicable 1<sup>st</sup> January 2026</b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**iii) Early adoption of standards**

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

**ii) Revenue from exchange transactions**

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the National Assembly in June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity recorded additional appropriations for the FY 2024/2025 budget following the Parliament approval. The entity's budget is prepared on a cash basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 of these financial statements.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is

***Sound Chemicals and Waste Management Project***  
***Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.***

recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Notes to the financial statements**

**d) Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**f) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**Notes to the financial statements**

**g) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the project's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

***Financial assets***

***Classification***

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Notes to the financial statements**

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 16*.

***Financial liabilities***

***Classification***

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**h) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

**Notes to the financial statements**

**Inventories (Continued)**

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

**i) Provisions**

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

***Contingent liabilities***

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.

***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.

**j) Nature and purpose of reserves**

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

**k) Changes in accounting policies and estimates**

The *Entity* recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**l) Employee benefits**

**Retirement benefit plans**

The *Entity* provides retirement benefits for its employees. The entity pays gratuity to project staff at the completion of the project. Gratuity is a lump-sum payment made by an employer to an employee when their service ends, often upon retirement, resignation or after expiry of a certain

***Sound Chemicals and Waste Management Project***  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

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period. Gratuity is often calculated based on the employee's last drawn salary, years of service worked, and the number of working days in a month, as outlined in the Remuneration Act.

**m) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

**n) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**o) Related parties**

The *Entity* regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

**p) Service concession arrangements**

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received

**q) 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.

**r) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Sound Chemicals and Waste Management Project**  
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**Notes to the financial statements**

**6. Revenue Transfers**

Description	2024/2025
	KShs
<b>Unconditional Transfers</b>	
GoK Counter Part funding	-
Transfers from Development partners	11,244,175
<i>Other unconditional transfers</i>	-
<b>Total Unconditional Transfers</b>	<b>11,244,175</b>
<b>Conditional Transfers</b>	
Transfers from Development partners 1	-
Transfers from Development partner 2	-
<i>Other conditional transfers</i>	-
<b>Total Conditional Transfers</b>	<b>-</b>
<b>Total Transfers for the Year</b>	<b>11,244,175</b>

**a) Details to Revenue Transfers**

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (2024/2025 FY)
	Kshs	Kshs	Kshs	Kshs
GOK Funding	-	-	--	
UNEP	11,244,175	-	-	11,244,175
Development Partner 2	-	-	-	-
<b>Subtotal</b>	<b>11,244,175</b>	<b>-</b>	<b>-</b>	<b>11,244,175</b>
Deferred Income realized	-	-	-	-
Transfers in Kind	-	-	-	-
<b>Total</b>	<b>11,244,175</b>	<b>-</b>	<b>-</b>	<b>11,244,175</b>

**7. Miscellaneous revenue**

Description	FY 2024/25
	Kshs
Interest Income	-
	-
<b>Total</b>	<b>-</b>

**Sound Chemicals and Waste Management Project**  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

**Notes to the financial statements**

**8. Employees Costs**

<b>Description</b>	<b>FY 2024/25</b>
	<b><u>Kshs</u></b>
Basic salaries of permanent employees	1,035,484
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	-
Others	-
<b>Total</b>	<b>1,035,484</b>

**9. Use of Goods and Services**

<b>Description</b>	<b>FY 2024/25</b>
	<b><u>Kshs</u></b>
Utilities, supplies and services	-
Bank charges	-
Communication, supplies and services	1,246,000
Domestic travel and subsistence	7,700,000
Foreign travel and subsistence	-
Fuel and lubricants	-
General office supplies	-
Stationery, Printing, advertising, and information supplies	-
Office rent	-
Training payments	-
Hospitality supplies and services	1,211,000
Insurance costs	-
Specialized materials and services	-
Other operating payments	-
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance- other assets	-
<b>Total</b>	<b>10,157,000</b>

**Sound Chemicals and Waste Management Project**  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

**10. Depreciation and Amortization expense**

<b>Description</b>	<b>FY 2024/25</b>
	<b>Kshs</b>
Property, Plant and Equipment	-
Intangible Assets	-
<b>Total</b>	<b>=</b>

**11. Transfer to Other Government Entities**

<b>Description</b>	<b>FY 2024/25</b>
	<b>Kshs</b>
Project	-
Project	-
<b>Total</b>	<b>-</b>

**12. Other Transfers/Subsidies/Grants**

<b>Description</b>	<b>FY 2024/25</b>
	<b>Kshs</b>
Transfers to Non-Government Organizations	-
Subsidies	-
<i>Others</i>	-
<b>Total</b>	<b>-</b>

**13. Certified Works**

<b>Description</b>	<b>FY 2024/25</b>
	<b>Kshs</b>
Road Works	-
Water Works	-
Energy Infrastructure	-
<i>Others</i>	-
<b>Total</b>	<b>-</b>

**Sound Chemicals and Waste Management Project**  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

**Notes to the financial statements**

**14. Gain/Loss on Sale of Assets**

Description	FY 2024/25
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
<b>Total gain/loss on sale of assets</b>	<b>-</b>

**15. Gain/Loss on foreign exchange transactions**

Description	FY 2024/25
	Kshs
Gain on foreign exchange transactions	-
Loss on foreign exchange transactions	-
<b>Total Gain/Loss</b>	<b>-</b>

**16. Impairment Loss**

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
<i>Others</i>	-
<b>Total Impairment Loss</b>	<b>-</b>

**17. Cash and Cash Equivalents**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Bank accounts	51,691	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
<b>Total</b>	<b>51,691</b>	<b>=</b>

**Sound Chemicals and Waste Management Project**  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**  
**Notes to the financial statements**

**Project Bank Accounts**

Details	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]		
Kenya Commercial Bank [A/c No.....]		
Co-operative Bank of Kenya [A/c No.....]		
Others		
Total Foreign Currency balances		
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.1000745975]	51,691	-
Kenya Commercial Bank [A/c No...]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others	-	-
<b>Total local currency balances</b>	<b>51,691</b>	<b>≡</b>
<b>Total bank account balances</b>	<b>51,691</b>	<b>≡</b>

*Sound Chemicals and Waste Management Project*  
**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

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

**18. Receivables**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Counter Part Funding	-	-
Contractor's Advance payments	-	-
<i>Other Receivables</i>	-	-
<b>Total Receivables</b>	-	-

**Ageing analysis for Receivables**

Description	2024/2025		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	-	%	-	%

**19. Inventories**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Consumable stores	-	-
Construction stores	-	-
<i>Other consumables</i>	-	-
Less: allowance for impairment	-	-
<b>Total inventories</b>	-	-

**20. Prepayments**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
<i>Others</i>	-	-
<b>Total inventories</b>	-	-

*Sound Chemicals and Waste Management Project*

**Annual Reports and Financial Statements for the Financial Year ended June 30, 2025.**

Notes to the financial statements

**21. Property, Plant and Equipment**

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other Assets (specify)	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Depreciation rate</b>	12.5%	12.5%%	30%%	12.5%		
<b>As At 1July 2025 (Opening balances)</b>	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals		-	-			
Transfers/Adjustments		-				
<b>As at 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-
<b>Depreciation And Impairment</b>						
<b>As at 1July 2025</b>					-	
Depreciation charge for the year					-	
Impairment loss					-	
Transfers/ Adjustments						
<b>As At 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-
<b>Net Book Values</b>						
<b>As at 1<sup>st</sup> July 2025</b>	-	-	-	-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	-	-	-	-	-	-

*Sound Chemicals and Waste Management Project*  
*Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025*

Notes to the financial statements

**22. Intangible Assets**

Description	1 <sup>st</sup> July 2025
	Kshs
<b>Cost</b>	
As at 1 <sup>st</sup> July 2025	-
Additions	-
As At 30 <sup>th</sup> June 2025	-
<b>Amortization and impairment</b>	
As at 1 <sup>st</sup> July 2025	-
Amortization	-
Impairment loss	-
As At 30 <sup>th</sup> June 2025	-
NBV as at 1 <sup>st</sup> July 2025	-
NBV as at 30 <sup>th</sup> June 2025	-

**23. Trade and Other Payables**

Description	2024/2025		1 <sup>st</sup> July 2025	
	Kshs		Kshs	
Trade payables	-		-	
Employee payables	-		-	
<i>Other payables</i>	-		-	
<b>Total trade and other payables</b>	-		-	
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (tie to above total)</b>	-		-	

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025*

Notes to the financial statements

**24. Third-Party Deposits**

Description	Insert Current FY		1 <sup>st</sup> July 2025	
	Kshs		Kshs	
Contractor's Retention	-		-	
Gratuity	-		-	
<i>Other deposits</i>	-		-	
<b>Total deposits</b>	-		-	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
<b>Under one year</b>		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
<b>Total</b>				

**25. Deferred Income**

Description	Insert Current FY	1 <sup>st</sup> July 2025
	Kshs	Kshs
Development partner 1		
Development partner 2		
<i>Others</i>		
<b>Total Deferred Income</b>		

**Deferred Income Movement Schedule**

	Development Partner 1	Development Partner 2	Others specify	Total
	Kshs	Kshs	Kshs	Kshs
Balance as at 1 <sup>st</sup> July 2025	-	-	-	-
Additions				
Transfers To Performance Statement as Revenue				
Balance as at 30 <sup>th</sup> June 2025	-	-	-	-

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025*

Notes to the financial statements

**26. Cash Generated from Operations**

Description	2024/2025
	Kshs
<b>Surplus for the year</b>	<b>51,691</b>
<b>Adjusted for:</b>	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
<b>Working capital adjustments</b>	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>51,691</b>

**27. Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 are not included in the Statement of Financial Assets since the line items 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 voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Sound Chemicals and Waste Management Project**  
**Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025**

---

Notes to the financial statements

**Special Deposit Accounts Movement Schedule**

Description	2024/2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>(i) A/C Name [A/c No.....]</b>		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	=	=
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b>=</b>	<b>=</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	=	=
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b>=</b>	<b>=</b>

**28. Related Party Disclosures**

**Nature of related party relationships**

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**Government of Kenya**

The Government of Kenya is the principal owner of the *Entity*, holding 100% of the *Entity's* assets. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

***Sound Chemicals and Waste Management Project***  
***Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025***

**Notes to the financial statements**

**Other related parties include:**

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

Description	2024/2025
	Kshs
<b>Transactions with related parties</b>	
<b>a) Sales to related parties</b>	
Sales of electricity to govt agencies	
Rent income from govt. Agencies	
Others (specify) e.g. interest and bank charges	
<b>Total</b>	-
<b>B) purchases from related parties</b>	
Purchases of electricity from KPLC	
Purchase of water from govt service providers	
Rent expenses paid to govt agencies	
Others (specify)	
<b>Total</b>	-
<b>b) Grants /transfers from the government</b>	
Grants from national govt	
Grants from county government	
Donations in kind	
<b>Total</b>	-
<b>c) Expenses incurred on behalf of related party</b>	
Payments of salaries and wages for employees	-
Payments for goods and services	-
<b>Total</b>	
<b>d) Key management compensation</b>	
Directors' emoluments	
Compensation to key management	
<b>Total</b>	-

*Sound Chemicals and Waste Management Project*  
*Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025*

---

**Notes to the financial statements**

**29. Events after the Reporting Period**

There were no material adjusting and non-adjusting events after the reporting period.

**30. Ultimate and Holding Entity**

The Entity is a project under the State Department for Environment and Climate Change. Its ultimate parent is the Government of Kenya.

**31. Currency**

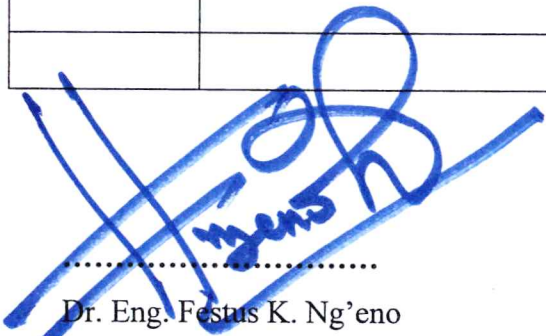
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

*Sound Chemicals and Waste Management Project  
Annual Report and Financial Statements for the financial year ended 30<sup>th</sup> June, 2025*

**13. Annexes**

**Annex 1: Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	There were no observations made	This is a new project	N/A	N/A

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

  
.....  
Linda Kosgei  
Project Director

**Annex 2: Reconciliation of inter-entity transfers**

Project Name:		Sound Chemicals and Waste Management Project		
Break down of transfers from the State Department for Environment and Climate Change				
<b>a.</b>	<b>Funding from Development Partners</b>			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		3/2/2025	3,236,720	2024/2025 FY
		3/3/2025	8,007,455	
		<b>Total</b>	<b>11,244,175</b>	2024/2025 FY
<b>B.</b>	<b>Direct payments</b>			
		Bank Statement Date	Amount (Kshs)	
			-	
		<b>Total</b>	-	
<b>C.</b>	<b>Others</b>			
		Bank Statement Date	Amount (Kshs)	
			-	
		<b>Total</b>	-	
		<b>Total (A+B+C)</b>	<b>11,244,175</b>	

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

Project Coordinator  
Sound Chemicals and Waste Management Project

Head of Accounting Unit  
State Department for Environment and Climate Change

Sign 



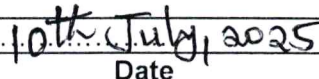
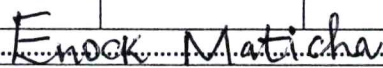
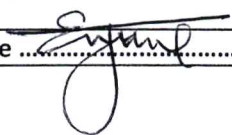
Sign 

**Annex 3: Fixed Asset Register**

Asset class	Opening Cost (KShs) 2024/2025 (a)	Donations in form of assets (KShs) 2024/2025 (b)	*Purchases/ Additions in the Year (KShs) 2024/2025 (c)	**Disposals in the Year (KShs) 2024/2025 (d)	Transfers in/(out) 2024/2025 (d)	Closing Cost 2024/2025 (e)= (a)+ (b)+c)- (d)+(-)d
Land	-					-
Buildings and structures						
Transport equipment	-					-
Office equipment, furniture and fittings						
ICT Equipment (Desktop & Laptops)	1,246,000	-	-	-	-	1,246,000
Other Machinery and Equipment						-
Heritage and cultural assets	-					
Biological assets						-
Infrastructure assets roads, rails	-					
Intangible assets						-
Work in Progress	-					
<b>Total</b>	<b>1,246,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,246,000</b>

**Annex 4: 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 2025
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)

		REPUBLIC OF KENYA	F.O 30
STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE			
SOUND MANAGEMENT AND CHEMICAL WASTE (SMC)			
ACCOUNT NUMBER: 1000745975			
BANK RECONCILIATION STATEMENT AS AT 30.06.2025			
		Kshs.	
Balance as per bank certificate			<b>3,984,349.85</b>
Less			
1. Payments in cashbook not yet recorded in bank statement			<b>3,932,658.80</b>
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.....			<b>51,691.05</b>
I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct			
			
Signature		Designation	Date
(All schedules are attached herewith)			
Prepared by: 		Signature 	

REPUBLIC OF KENYA			
STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE			
SOUND MANAGEMENT AND CHEMICAL WASTE			
ACCOUNT NUMBER:100745975			
BANK RECONCILIATION STATEMENT AS AT 30.06.2025			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
30/6/2025	TRFS Payments	2,250.00	
30/6/2025	TRFS Payments	34,174.90	
30/6/2025	Withholding Tax	58.8	
30/6/2025	SOCIAL HEALTH INSURANCE FUND	4,125.00	
30/6/2025	NATIONAL SOCIAL SECURITY FUND	4,320.00	
30/6/2025	RENSON MWITI MIRITI - PV 5905	12,600.00	
30/6/2025	PATRICK MUNENE NDEKE	12,600.00	
30/6/2025	JULIUS NYERERE OWINO AGALLA	12,600.00	
30/6/2025	SILVIA KOIPANO KINGI	12,600.00	
30/6/2025	JOSEPH K WAINAINA	12,600.00	
30/6/2025	LILIAN NANEU TOROME	12,600.00	
30/6/2025	LUCY NAISENYA MATINKOE	22,400.00	
30/6/2025	JOYCE NJERI GATAMBU	22,400.00	
30/6/2025	FAITH NYOKABI WAMBUGU	22,400.00	
30/6/2025	SILVIA KOIPANO KINGI	25,200.00	
30/6/2025	CHESUSWA VINCENT LEKUMOK	25,200.00	
30/6/2025	MARY ANDESO MUKUNA	25,200.00	
30/6/2025	REGINA WANJIKU MWANGI	25,200.00	
30/6/2025	LILIAN NANEU TOROME	25,200.00	
30/6/2025	KAMAU NJUGUNA EDWARD	28,000.00	
30/6/2025	WILLIAM NTAKUKA MELAU	28,000.00	
30/6/2025	LINDA CHEBICHII KOSGEI	33,600.00	
30/6/2025	MESHACK LEDAMA SAWANI	35,087.10	
30/6/2025	FAITH NYOKABI WAMBUGU	44,800.00	
30/6/2025	BERNARD KIPKEMOI RONO	44,800.00	
30/6/2025	ENOCK MATICHA JOROMU	44,800.00	
30/6/2025	STELLAH KINANU KANYARU	44,800.00	
30/6/2025	WILLIAM NTAKUKA MELAU	56,000.00	
30/6/2025	ELIAZER MABWAI	56,000.00	
30/6/2025	JULIA MAYIANI SAINO	56,000.00	
30/6/2025	LINAH GAKII MEEME	56,000.00	
30/6/2025	JANE GESARE OBARE	56,000.00	
30/6/2025	LINDA CHEBICHII KOSGEI	67,200.00	
30/6/2025	EQUITY BANK LIMITED - PV 5731	70,043.00	
30/6/2025	JULIUS NYERERE OWINO AGALLA	169,200.00	
30/6/2025	MESHACK LEDAMA SAWANI	352,800.00	
30/6/2025	MESHACK LEDAMA SAWANI	800,800.00	

REPUBLIC OF KENYA			
STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE			
SOUND MANAGEMENT AND CHEMICAL WASTE			
<b>ACCOUNT NUMBER: 1000745975</b>			
BANK RECONCILIATION STATEMENT AS AT 30.06.2025			
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 2)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
<b>TOTAL</b>			





Report of the Board of Survey on the Cash and Bank Balances of STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE (SOUND MANAGEMENT 1331) A/c 1000745975 as at the close of business on 30<sup>th</sup> June, 2025

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

RODNEY OMARI	----	S. ASSISTANT SECRETARY	-	CHAIRMAN
CHARLES BETT	---	ASS. ACCOUNTANT GENERAL	-	MEMBER
ANTHONY RUTO	---	PRINCIPAL ECONOMIST	-	MEMBER

Assembled at the CASH OFFICE- MINISTRY HQs

At.....10 a.m. (time) on the 22<sup>ND</sup> JULY 2025

and the following cash was produced

Notes									NIL
	..	..	..	..	..	..	..	..	
Silver									NIL
	..	..	..	..	..	..	..	..	
Copper									
	..	..	..	..	..	..	..	..	
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, 2025

Cash on hand	..	..	..	..	..	..	..	Sh:.	NIL
Bank balance	..	..	..	..	..	..	..	Sh:	<u>51,691.05</u>
									51,691.05

The Bank Certificate of Balance showed a sum of Sh... THREE MILLIONNINE HUNDRED AND EIGHTY FOUR THOUSAND THREE HUNDRED AND FORTY NINE AND CENTS EIGHTY FIVE ..... (Sh. 3,984,349...cts 85.....)

Standing to the credit of the account on 30<sup>th</sup> June, 2025.

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

: RODNEY OMARI ..... 

CHAIRMAN

: CHARLES BETT ..... 

Date: 22<sup>ND</sup> JULY, 2025

: ANTHONY RUTO ..... 

MEMBERS OF THE BOARD