

REPUBLIC OF KENYA



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THE AUDITOR-GENERAL

ON

**KENYA INSTITUTIONAL
STRENGTHENING PROJECT PHASE XI
(NO.UNEP/KEN/SEV/80/INS/63)**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**MINISTRY OF ENVIRONMENT AND
FORESTRY**

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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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Project Name: Kenya Institutional Strengthening Project Phase XI

Implementing Entity: Ministry of Environment and Forestry (MEF)

PROJECT GRANT/CREDIT NUMBER: UNEP/KEN/SEV/80/INS/63

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

TABLE CONTENTS

| | |
|---|------|
| 1. PROJECT INFORMATION AND OVERALL PERFORMANCE | ii |
| 2. STATEMENT OF PERFORMANCE AGAINST PROJECT’S PREDETRMINED OBJECTIVES | ix |
| 3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING..... | xi |
| 4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES | xii |
| 5. REPORT OF THE INDEPENDENT AUDITORS ON KENYA INSTITUTIONAL STRENGTHENING PROJECT PHASE XI..... | xiii |
| 6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021. | 1 |
| 7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021..... | 3 |
| 8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021 | 4 |
| 9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS | 6 |
| 10. SIGNIFICANT ACCOUNTING POLICIES | 7 |
| 11. NOTES TO THE FINANCIAL STATEMENTS | 15 |
| 12. OTHER IMPORTANT DISCLOSURES | 30 |
| 13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS..... | 33 |
| 14. ANNEXES..... | 35 |
| 15. APPENDICES..... | 37 |

PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official title is: Kenya Institutional Strengthening Project Phase XI.

Objective: The objective of the project is to strengthen institutional capacity for the implementation of country programme (CP) on the phasing out of Ozone Depleting Substances (ODS).

Address: The project headquarters offices are located in, Nairobi County, Kenya.

The address of its registered office is:

National Ozone Unit
Ministry of Environment and Forestry
NHIF Building, Upper Hill,
P.O. Box 30126 - 00100
Nairobi

Telephone: 254-20-2730808/9, Ext. 1318, 1302

E-mail: psoffice@environment.go.ke

Website: www.environment.go.ke

Contacts: The following are the project contacts

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

E-mail: marindanykirui@yahoo.com

Website: www.environment.go.ke

1.2 Project Information

| | |
|---------------------|--|
| Project Start Date: | The project start date was 23 rd August, 2019 |
| Project End Date: | The project end date is 22 nd August, 2021 |
| Project Manager: | The project manager/Coordinator is Mr. Marindany Kirui |
| Project Sponsor: | The project sponsor is UNEP |

1.3 Project Overview

| | |
|--|--|
| Line Ministry/State Department of the project | The project is under the supervision of the Ministry of Environment and Forestry |
| Project number | KEN/SEV/80/INS/63 |
| Strategic goals of the project | The strategic goals of the project are as follows: (i) Gradual reduction and eventual elimination of Ozone Depleting Substances (ii) Build and strengthen capacity to implement the requirements of the Montreal Protocol on Substances that Deplete the Ozone Layer. |
| Achievement of strategic goals | The project management aims to achieve the goals through the following means: (i) Training of customs officers, and Refrigeration and Air Conditioning Technicians (ii) Adoption of ozone friendly technologies and alternatives (iii) Ratification of Kigali amendment that was adopted to phase down Hydro-fluorocarbons (HFCs) |
| Other important background information of the project | The project was formed to intervene in the following areas: (i) Stopping release of Ozone Depleting Substances (ODS) into the atmosphere, thus phase out of ODS (ii) Protect Human Life and environment |
| Current situation that the project was formed to intervene | The project phase XI started on 23 rd August, 2019 and is expected to run until 22 nd August, 2021 and beyond on extension of the project. Now the project has been renewed to phase XII. SSFA already signed. |
| Project duration | 24 Months |

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya

1.5 Auditors

The project is audited by the Office of the Auditor General (OAG)

1.6 Roles and Responsibilities

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

| Names | Title designation | Key qualification | Responsibilities |
|--------------------|---------------------------------|--|--|
| Marindany L. Kirui | Coordinator, NOU | -M.Sc. in Environmental Pollution Control -B.Sc.(Hons) –Chemistry | -Oversee the implementation of the National Ozone Unit activities -Prepare project budgets and work plans - prepare project’ financial and progress reports - Conduct monitoring visits to project under Montreal Protocol -Coordinate Ozone Depleting Substances phase out activities in the country in consultation with the Ministry, Donor Agencies and key stakeholders - Organize public awareness and educational programmes on ozone depleting substances - Organize training workshops on ODS phase out targeted on key stakeholders -Coordinate data collection on ODS consumption in the country - coordinate and provide advice to the ministry on matters related to compliance to the requirements of the Protocol |
| Rose Wanga | Programme Assistant / Secretary | Secretarial Training and Management (Certificate) | - Arrange appointments and meetings and schedule meeting venues - Assist in preparation of meetings on Institutional |

*Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021*

| | | | |
|------------------|-----------------|--|---|
| | | | <p>Strengthening Project activities and liaise with lead/implementing agencies and other stakeholders</p> <ul style="list-style-type: none"> - Disseminate information about meetings, provide secretarial services to meetings and circulate minutes and reports - Disseminate reports generated after the meetings and other events -Coordinate the input of ODS data -Preparation of salaries for staff - Supervision of the Office Messenger on handling incoming and outgoing mails - In charge of NOU equipment |
| Consolata Ameyia | Clerk/Messenger | | <ul style="list-style-type: none"> - Keep record of all project files - Facilitate dispatch of letters - Carry out cleaning of the office - Photocopying - File of letters - Prepare office tea |

1.7 Funding Summary

The Project duration is 2 years (from 23rd August, 2019 to 22nd August, 2021) with an approved budget of US\$ 194,134 equivalents to Kshs19,704,601 using a dollar rate of 101.50 as highlighted in the table below:

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

| Source of funds | Donor Commitment- | | Amount received to date – (30. 06. 2021) | | Undrawn balance to date | |
|-------------------------------|--------------------|-------------------|--|-------------------|-------------------------|------------|
| | Donor currency USD | KShs | Donor currency USD | KShs | Donor currency USD | KShs |
| (i) Grant | | | | | | |
| UNEP | USD 194,134 | 19,704,601 | USD 194,134 | 20,707,800 | - | Nil |
| (ii) Counterpart funds | | | | | | |
| Government of Kenya | | | | | | |
| 10% of Donor | \$10,000 | 1,000,000 | \$5,277 | 535,600 | - | 464,400 |
| Total | \$204,134 | 20,704,601 | \$199,411 | 21,243,400 | - | Nil |

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

| Application of funds | Amount received to date – (30 th June 2021) | | Cumulative Amount paid to date – (30 th June 2021) | Unutilised balance to date (30. 06. 2021) | |
|-----------------------|---|-------------------|---|--|----------------|
| | Donor currency | Kshs | | Donor currency | Kshs |
| (i) Grant | (A) | (A') | (B') | (A)-(B) | (A')-(B') |
| UNEP | \$194,134 | 20,707,800 | 20,047,649 | \$6,188.8 | 660,151 |
| (i) Counterpart funds | | | | | |
| Government of Kenya | \$5,277 | 535,600 | 535,600 | - | - |
| Total | \$199,411 | 21,243,400 | 20,583,249 | \$6,188.8 | 660,151 |

1.8 Summary of Overall Project Performance:

The programme has been able to achieve the following results:

- Collaborated with the UN Agencies (UNEP and UNIDO) and Bilateral Agencies (France through GIZ Proklima) in formulating strategies and/or investment projects to support Kenya to be in compliance with the Montreal Protocol requirement.
- Continued to demonstrate the efficacy, ease of application, commercial availability, and economic viability of the alternatives to ODS and HFC's prior to their adoption
- Continued to train refrigeration service technicians from refrigeration and air-conditioning (RAC) sectors on good practices during repair and maintenance of refrigeration and air conditioning equipment.
- Continued to train customs Officers and other enforcement Officers, on control measures of controlled Substances (ODS & HFC's).
- Acquired and distributed refrigeration tools to some Government training institutions
- Approximately 85% of ODS already phased out.

1.9 Summary of Project Compliance:

There were no issues of noncompliance. Kenya is in compliance with the Montreal protocol provision.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the *project's 2018-2023* plan are to:

Ensure the efficient operation of the National Ozone Unit during the project period, to facilitate compliance with the Montreal Protocol provisions, including the approval and adoption of the legal acts and implementation of the new legislation on Ozone Depleting Substances (ODS), the strengthening of national capacities in support of Montreal Protocol implementation, the monitoring and control of ODS imports and use of Hydro-chlorofluorocarbons (HCFCs) , access to and use of ODS alternatives and technologies, training of Refrigeration and Air Conditioning (RAC) servicing technicians , customs officers and other enforcement officers including environment inspectors as well as the management of other projects

The key development objectives of the *project's 2018-2023* plan are to:

- a) Ensure the efficient operation of the National Ozone Unit during the project period
- b) Facilitate compliance with the Montreal Protocol provisions
- c) Strengthening of national capacities in support of Montreal Protocol implementation
- d) Monitor and control of ODS imports and use of Hydro-chlorofluorocarbons (HCFCs)
- e) Facilitate access to and use of ODS alternatives and technologies
- f) Training of Refrigeration and Air Conditioning (RAC) servicing technicians
- g) Training of customs officers and other enforcement officers
- h) Management of other projects on phase out activities

Progress on attainment of Strategic development objectives

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

| Project | Objective | Outcome | Indicator | Performance |
|---|--|--|---|---|
| Institutional Strengthening Phase XI | To facilitate compliance with the Montreal Protocol provisions | Compliance with the Montreal Protocol reduction targets in phase out | % of adoption of ozone and climate friendly technologies and alternatives | In FY 19/20, the National Ozone Unit (NOU) coordinated the phase out of 85% of ODS Further in the same |

*Kenya Institutional Strengthening Project Phase XI
 Reports and Financial Statements
 For the financial year ended June 30, 2021*

| | | | | |
|--|--|---|---|--|
| | | <p>activities of ODS, leading to adoption of ozone and climate friendly technologies resulting in clean and healthy environment</p> <p>Capacity building for RAC Technicians to deal with ODS and Customs Officers to effectively enforce ODS Regulations</p> | <p>Number of trained RAC technicians and Customs Officers</p> | <p>Financial Year 19/20, over 50 RAC technicians and 15 custom officers were trained.</p> |
| | | | | |

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kenya Institutional Strengthening Project Phase XI exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on Ozone pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The Montreal Protocol on substances that Deplete the Ozone Layer, supports sustainable economic growth by stimulations the transition to greener technologies across industrial sector country wide

2. Environmental performance

Section 56 of the Environment Management and Coordination Act (1999) deals with the protection of the Ozone Layer. In 2007, Environmental Management and Coordination (Controlled Substances) Regulations, 2007 were put in place. The main aim of these Regulations is to control importation and exportation of Ozone Depleting Substances (ODS) through licensing and monitoring. The Regulations were currently reviewed to cover Hydro-fluorocarbons (HFC's) and are in the process for approval.

3. Employee welfare

Funding provided by the Montreal Protocol's Multilateral Fund has facilitated transition to greener technologies in the country and by supporting training of refrigeration and air conditioning (RAC) technicians has helped create safe and secure working environment for all workers. This is as per the Social Development Goal number 8: Decent Work and Economic Growth

4. Market place practices-

*To reach a wide catchment for RAC technicians to be trained on good practices during repair and maintenance of RAC equipment, an advert is supposed to be placed on local daily paper. In respect to this, local daily papers are normally informed of a scheduled advert so that they can competitively tender for an opportunity to carry out advert on RAC training
This also applies when a supplement is required to be carried out during the World Ozone Day, normally commemorated on 16 September every year*

5. Community Engagements-

Normally, every year when World Ozone Day is being celebrated, there is community engagement in terms traditional dancers, acrobats, tree planting, bands, among others where groups are given cash as tokens for participating in the celebrations.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI – Ministry of Environment and Forestry** 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 period ended on *June 30th, 2021*. 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.

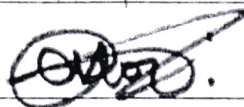
The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI** 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 period ended June 30th, 2021, and of the Project's financial position as at that date. The *Principal Secretary* for Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI** 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* for the Ministry of Environment and Forestry and the *Project Coordinator* for **Kenya Institutional Strengthening Project Phase XI** on 28/10 2021 and signed by them.



Principal Secretary

Name Dr. Chris Kiptoo



Project Coordinator

Name Cyrus MAREEA



Project Accountant:

Name: EWING MATLITA

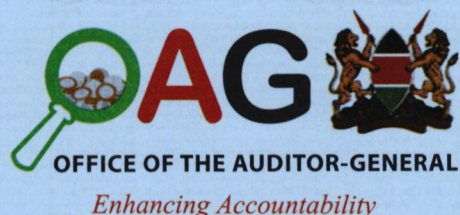
ICPAK Member Number

23310

**5. REPORT OF THE INDEPENDENT AUDITORS ON KENYA INSTITUTIONAL
STRENGTHENING PROJECT PHASE XI**

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTIONAL STRENGTHENING PROJECT PHASE XI (NO.UNEP/KEN/SEV/80/INS/63) FOR THE YEAR ENDED 30 JUNE, 2021 - MINISTRY OF ENVIRONMENT AND FORESTRY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Institutional Strengthening Project Phase XI (No.UNEP/KEN/SEV/80/INS/63) set out on pages 1 to 36 which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, 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 Kenya Institutional Strengthening Project Phase XI as at 30 June, 2021, 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 Funding Agreement No.UNEP/KEN/SEV/80/INS/63 between United Nations Environment Programme and the Government of Kenya dated 23 August, 2019 and the Public Finance Management Act, 2012.

Basis of Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Institutional Strengthening Project Phase XI in Kenya 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. I have determined that there were no key audit matters to communicate in my report.

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.

Responsibilities of Management and those Charged with Governance

The 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 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 is aware of the intention to terminate the Project or cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 December, 2021

Report of the Auditor-General on Kenya Institutional Strengthening Project Phase XI (No.UNEP/KEN/SEV/80/INS/63) for the year ended 30 June, 2021 - Ministry of Environment and Forestry

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

| | Note | 2020/2021 | | | 2019/2020 | | | Cumulative to-date (From inception) |
|---|------|--|--------------------------------|-------------------|---|--------------------------------|------------------|-------------------------------------|
| | | Receipts and payments controlled by the entity | Payments made by third parties | Total | Receipts and payment controlled by the entity | Payments made by third parties | Total | |
| RECEIPTS | | KShs | KShs | KShs | KShs | KShs | KShs | KShs |
| Transfer from Government entities | 1 | - | - | - | 535,600 | - | 535,600 | 535,600 |
| Proceeds from domestic and foreign grants | 2 | 13,207,800 | - | 13,207,800 | 7,500,000 | - | 7,500,000 | 20,707,800 |
| Loan from external development partners | 3 | - | - | - | - | - | - | - |
| Miscellaneous receipts | 4 | - | - | - | - | - | - | - |
| TOTAL RECEIPTS | | 13,207,800 | - | 13,207,800 | 8,035,600 | - | 8,035,600 | 21,243,400 |
| PAYMENTS | | | | | | | | |
| Compensation of employees | 5 | 5,438,636 | - | 5,438,636 | 6,389,738 | - | 6,389,738 | 11,828,374 |
| Purchase of goods and services | 6 | 6,239,675 | - | 6,239,675 | 1,979,600 | - | 1,979,600 | 8,754,875 |
| Social security benefits | 7 | - | - | - | - | - | - | - |
| Acquisition of non-financial assets | 8 | - | - | - | - | - | - | - |
| Transfers to other government entities | 9 | - | - | - | - | - | - | - |
| Other grants and transfers and payments | 10 | - | - | - | - | - | - | - |
| TOTAL PAYMENTS | | 11,678,311 | - | 11,678,311 | 8,369,338 | - | 8,369,338 | 20,583,249 |

**Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021**

| | Note | 2020/2021 | | | 2019/2020 | | | Cumulative to-date (From inception) |
|-----------------------|------|--|--------------------------------|-----------|---|--------------------------------|-----------|-------------------------------------|
| | | Receipts and payments controlled by the entity | Payments made by third parties | Total | Receipts and payment controlled by the entity | Payments made by third parties | Total | |
| SURPLUS/ (DEFICIT) | | 1,529,489 | - | 1,529,489 | (333,738) | - | (333,738) | 1,195,751 |

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



Principal Secretary

Name: *Dr. Cms Kiptoo*



Project Coordinator

Name:



Project Accountant

Name: *Endac MATHICHA*
ICPAK Member Number: *23310*

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

| | Note | 2020-2021 | 2019-2020 |
|--|-------|------------------|----------------|
| | | KShs | KShs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 11.A | 1,817,615 | 288,126 |
| Cash Balances | 11. B | - | - |
| Cash Equivalents (short-term deposits) | 11.C | - | - |
| Total Cash and Cash Equivalents | | 1,817,615 | 288,126 |
| Accounts Receivables | 12 | - | - |
| TOTAL FINANCIAL ASSETS | | 1,817,615 | 288,126 |
| FINANCIAL LIABILITIES | | | |
| Payables- Deposits and Retentions | 13 | - | - |
| NET ASSETS | | - | - |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 14 | 288,126 | 621,864 |
| Prior year adjustments | 15 | | - |
| Surplus/(Deficit) for the year | | 1,529,489 | (333,738) |
| NET FINANCIAL POSITION | | 1,817,615 | 288,126 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/10/21 2021 and signed by:



Principal Secretary

Date 28/10/21



Project Coordinator

Date



Project Accountant

Date 28/10/21

ICPAK Member No.

23310

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

| | | 2020-2021 | 2019-2020 |
|---|------|------------------|------------------|
| | Note | KShs | KShs |
| CASHFLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from operating activities | | | |
| Transfer from Government entities | 1 | - | 535,600 |
| Proceeds from domestic and foreign grants | 2 | 13,207,800 | 7,500,000 |
| Miscellaneous receipts | 4 | - | - |
| Payments from operating activities | | | |
| Compensation of employees | 5 | 5,438,636 | 6,389,738 |
| Purchase of goods and services | 6 | 6,239,675 | 1,979,600 |
| Social security benefits | 7 | - | - |
| Transfers to other government entities | 9 | - | - |
| Other grants and transfers | 10 | - | - |
| Adjustments during the year | | | |
| Prior Year Adjustments | 15 | - | - |
| Decrease/(Increase) in Accounts Receivable | 16 | - | - |
| Increase/(Decrease) in Accounts Payable: | 17 | - | - |
| Net cash flow from operating activities | | 1,529,489 | (333,738) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Assets | 8 | - | - |
| Net cash flows from Investing Activities | | - | - |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from Foreign Borrowings | 3 | - | - |
| Net cash flow from financing activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,529,489 | (333,738) |
| Cash and cash equivalent at BEGINNING of the year | 11 | 288,126 | 621,864 |
| Cash and cash equivalent at END of the year | 11 | 1,817,615 | 288,126 |

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 28/10/21 2021 and signed by:



Principal Secretary

Date 28/10/21



Project Coordinator

Date



Project Accountant

Date 28/10/21

ICPAK Member No:

23310

Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| Receipts/Payments Item | Original Budget a | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilization Difference e=c-d | % of Utilization f=d/c % |
|---|----------------------|------------------|-----------------------|---------------------------------------|--|--------------------------------|
| Receipts | | | | | | |
| Transfer from Government entities | 1,000,000 | - | 1,000,000 | - | 1,000,000 | - |
| Proceeds from domestic and foreign grants | 15,000,000 | - | 15,000,000 | 13,207,800 | 1,792,200 | 88% |
| Proceeds from borrowings | - | - | - | - | - | - |
| Miscellaneous receipts | - | - | - | - | - | - |
| Total Receipts | 16,000,000 | | 16,000,000 | 13,207,800 | 2,792,200 | 83% |
| Payments | | | | | | |
| Compensation of employees | 5,500,000 | - | 5,500,000 | 5,438,636 | 61,364 | 99% |
| Purchase of goods and services | 10,500,000 | - | 10,500,000 | 6,239,675 | 4,260,325 | 59% |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of non-financial assets | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Total Payments | 16,000,000 | | 16,000,000 | 11,678,311 | 4,321,689 | 73% |

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.



Principal Secretary

Date 28/10/21



Project Coordinator

Date



Project Accountant

Date 28/10/21

ICPAK Member No:

23310

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 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.

10.3 Reporting entity

The financial statements are for the **Kenya Institutional Strengthening Project Phase XI** under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) 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.

ii) External Assistance

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

iii) Other receipts

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

b) 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.

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

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.

h) 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.

Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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

j) 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.

Significant Accounting Policies (Continued)

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project 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.

l) Budget

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

m) 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.

During the year Kshs13,207,800 being grants disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) 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.

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

q) 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.

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

| | 2020/21 | 2019/20 | Cumulative to-date (from inception) |
|---|----------|----------------|-------------------------------------|
| | KShs | KShs | |
| <i>Counterpart funding through Ministry of Environment and Forestry</i> | | | |
| Counterpart funds Quarter 1 | - | | - |
| Counterpart funds Quarter 2 | - | 535,600 | 535,600 |
| Counterpart funds Quarter 3 | - | - | - |
| Counterpart funds Quarter 4 | - | - | - |
| Total (See Annex 2) | = | | |
| <i>Other transfers from government entities</i> | | | |
| Ministry ... | - | - | - |
| Ministry ... | - | - | - |
| Project ... | - | - | - |
| Appropriations-in-Aid | - | - | - |
| Total | = | 535,600 | 535,600 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

| Name of Donor | Date received | Amount received in donor currency | Grants received in cash | Grants received as direct payment* | Grants received in kind | Total amount in KShs | |
|---|---------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|----------------------|------------------|
| | | | | | | 2020/21 | 2019/20 |
| | | | KShs | KShs | KShs | KShs | KShs |
| Grants Received from Bilateral Donors (Foreign Governments) | | | | | | | |
| UNEP | 11/09/20 | | 2,500,000 | - | - | 2,500,000 | 7,500,000 |
| UNEP | 23/11/20 | | 5,707,800 | - | - | 5,707,800 | |
| UNEP | 04/05/21 | | 5,000,000 | - | - | 5,000,000 | - |
| Grants Received from Multilateral Donors (International Organizations) | | | | | | | |
| Insert name of international organization | - | | - | - | - | - | - |
| Grants Received from Local Individuals and organizations | | | | | | | |
| Insert name of individual or local organization | - | | - | - | - | - | - |
| Total | | | 13,207,800 | - | - | 13,207,800 | 7,500,000 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

| Name of Donor | Date received | Amount in loan currency | Loans received in cash | Loans received as direct payment* | Total amount in KShs | |
|--|---------------|-------------------------|------------------------|-----------------------------------|----------------------|---------|
| | | | KShs | KShs | 2020/21 | 2019/20 |
| Loans Received from Bilateral Donors (Foreign Governments) | | | | | | |
| Insert name of foreign Government | - | - | - | - | - | - |
| Loans Received from Multilateral Donors (International Organisations) | | | | | | |
| Insert name of international organization | - | - | - | - | - | - |
| Total | - | - | - | - | - | -- |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. MISCELLANEOUS RECEIPTS

| | 2020/21 | | | 20/19/2020 | Cumulative to-date (from inception) |
|---|---|--------------------------------------|----------------|----------------|-------------------------------------|
| | Receipts controlled by the entity in Cash | Receipts controlled by third parties | Total Receipts | Total Receipts | |
| | KShs | KShs | KShs | KShs | |
| Property income | - | | - | - | |
| Sales of goods and services | - | | - | - | |
| Administrative fees and charges | - | | - | - | |
| Fines, penalties and forfeitures | - | | - | - | |
| Voluntary transfers other than grants | - | | - | - | |
| Other receipts not classified elsewhere | - | | - | - | |
| Total | = | = | = | = | = |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. COMPENSATION OF EMPLOYEES

| | 2020/2021 | | | 2019/2020 | Cumulative to- date |
|---|-------------------------------------|--------------------------------|------------------|------------------|---------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | |
| | KShs | KShs | KShs | KShs | KShs |
| Basic salaries of permanent employees | 5,438,636 | - | 5,438,636 | 6,389,738 | 11,828,374 |
| Basic wages of temporary employees | - | - | - | - | - |
| Personal allowances paid as part of salary | - | - | - | - | - |
| Personal allowances paid as reimbursements | - | - | - | - | - |
| Personal allowances provided in kind | - | - | - | - | - |
| Pension and other social security contributions | - | - | - | - | - |
| Compulsory national social security schemes | - | - | - | - | - |
| Compulsory national health insurance schemes | - | - | - | - | - |
| Social benefit schemes outside government | - | - | - | - | - |
| Other personnel payments | - | - | - | - | - |
| Total | 5,438,636 | - | 5,438,636 | 6,389,738 | 11,828,374 |

*Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. PURCHASE OF GOODS AND SERVICES

| | 2020/2021 | | | 2019/2020 | Cumulative to- date |
|--|-------------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | |
| | KShs | KShs | KShs | KShs | |
| Utilities, supplies and services | - | - | - | - | |
| Communication, supplies and services | - | - | - | - | |
| Domestic travel and subsistence | 1,929,775 | - | 1,929,775 | 675,200 | 3,140,575 |
| Foreign travel and subsistence | - | - | - | - | |
| Printing, advertising and information supplies | - | - | - | 750,000 | 750,000 |
| Rentals of produced assets | - | - | - | - | |
| Training payments | 3,314,900 | - | 3,314,900 | - | 3,314,900 |
| Hospitality supplies and services | 965,000 | - | 965,000 | 554,400 | 1,519,400 |
| Insurance costs | - | - | - | - | |
| Specialized materials and services | - | - | - | - | |
| Other operating payments | 30,000 | - | 30,000 | - | 30,000 |
| Routine maintenance – vehicles and other transport equipment | - | - | - | - | |
| Routine maintenance- other assets | - | - | - | - | |
| Exchange rate losses/gains (net) | - | - | - | - | |
| Total | <u>6,239,675</u> | <u>-</u> | <u>6,239,675</u> | <u>1,979,600</u> | <u>8,754,875</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. SOCIAL SECURITY BENEFITS

| | 2020/21 | | | 2019/20 | Cumulative to- date KShs |
|---|--|---|---------------------------|---------------------------|--------------------------------|
| | Payments made by the Entity in Cash KShs | Payments made by third parties KShs | Total Payments KShs | Total Payments KShs | |
| Government pension and retirement benefits | - | - | - | - | - |
| Social security benefits in cash and in kind | - | - | - | - | - |
| Employer social benefits in cash and in kind | - | - | - | - | - |
| Total | - | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF NON-FINANCIAL ASSETS

| | 2020/21 | | | 2019/20 | Cumulative to-date |
|--|-------------------------------------|--------------------------------|----------------|----------------|--------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | |
| | KShs | KShs | KShs | KShs | KShs |
| Purchase of buildings | - | | - | - | |
| Construction of buildings | - | | - | - | |
| Refurbishment of buildings | - | | - | - | |
| Construction of roads | - | | - | - | |
| Construction of civil works | - | | - | - | |
| Overhaul & refurbishment of construction and civil works | - | | - | - | |
| Purchase of vehicles & other transport equipment | - | | - | - | |
| Overhaul of vehicles & other transport equipment | - | | - | - | |
| Purchase of household furniture & institutional equipment | - | | - | - | |
| Purchase of office furniture & general equipment | - | - | - | - | |
| Purchase of specialised plant, equipment and machinery | - | | - | - | |
| Rehabilitation & renovation of plant, equipment & machinery | - | | - | - | |
| Purchase of certified seeds, breeding stock and live animals | - | | - | - | |
| Research, studies, project preparation, design & supervision | - | | - | - | |
| Rehabilitation of civil works | - | | - | - | |
| Acquisition of strategic stocks | - | | - | - | |
| Acquisition of land | - | | - | - | |
| Acquisition of other intangible assets | - | | - | - | |
| Total | = | = | = | = | = |

Note: The project has not bought any asset since inception

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, no funds were transferred to other reporting government entities.

| | 2020/21 | | | 2019/20 | Cumulative to-date |
|---|-------------------------------------|--------------------------------|----------------|----------------|--------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | |
| | KShs | KShs | KShs | KShs | KShs |
| Transfers to National Government entities | | | | | |
| Ministry Environment & Forestry – Development A/C | - | - | | | |
| | - | - | - | | |
| Transfers to County Governments | | | | | |
| | | | | | |
| | - | - | - | - | |
| TOTAL | - | - | - | - | |

Note: There were no transfer to other Government entities during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER GRANTS AND TRANSFERS AND PAYMENTS

| | 2020/21 | | | 2019/20 | Cumulative to-date |
|---|-------------------------------------|--------------------------------|----------------|----------------|--------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | |
| | KShs | KShs | KShs | KShs | |
| Grants for scholarships | - | - | - | - | - |
| Transfers to lower levels of government e.g schools | - | - | - | - | - |
| Miscellaneous payments | - | - | - | - | - |
| Total | = | = | = | = | = |

Note: There were no other grants and transfers and payment during the year

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. CASH AND CASH EQUIVALENTS

| | 2020/21 | 2019/20 |
|---|---------------------|----------------|
| | KShs | KShs |
| Bank accounts (Note 11A) | 1,817,615.00 | 288,126 |
| Cash in hand (Note 11B) | - | - |
| Cash equivalents (short-term deposits) (Note 11C) | - | - |
| Total | 1,817,615.00 | 288,126 |

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

11. A Bank Accounts

Project Bank Accounts

| | 2020/21 | 2019/20 |
|---|---------------------|----------------|
| | KShs | KShs |
| <u>Foreign Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No.....] | | - |
| Kenya Commercial Bank [A/c No.....] | | - |
| Co-operative Bank of Kenya [A/c No.....] | | - |
| Others (<i>specify</i>) | | - |
| Total Foreign Currency balances | - | = |
| <u>Local Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No1000434236](Cash book) | 1,817,615.00 | 288,126 |
| Kenya Commercial Bank [A/c No.....] | | - |
| Co-operative Bank of Kenya [A/c No.....] | | - |
| Others (<i>specify</i>) | | - |
| Total local currency balances | 1,817,615.00 | 288,126 |
| Total bank account balances | 1,817,615.00 | 288,126 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

| | 2020/21 | 2019/20 |
|--|----------------|----------------|
| | KShs | KShs |
| (i) A/C Name [A/c No.....] | | |
| Opening balance | - | - |
| Total amount deposited in the account | - | - |
| Total amount withdrawn (as per Statement of Receipts & Payments) | = | = |
| Closing balance (as per SDA bank account reconciliation attached) | = | = |
| (ii) A/c Name [A/c No.....] | | |
| Opening balance (as per the SDA reconciliation) | - | - |
| Total amount deposited in the account | - | - |
| Total amount withdrawn (as per Statement of Receipts & Payments) | = | = |
| Closing balance (as per SDA bank account reconciliation attached) | = | = |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 B Cash In Hand

| | 2020/21 | 2019/20 |
|------------------------------------|----------|----------|
| | KShs | KShs |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| Other locations (<i>specify</i>) | - | - |
| Total cash balances | = | = |

11 C Cash equivalents (short-term deposits)

| | 2020/21 | 2019/20 |
|--|----------|----------|
| | KShs | KShs |
| Kenya Commercial Bank [A/C No.....] | - | - |
| Co-Operative Bank of Kenya [A/C No.....] | - | - |
| Others (<i>Specify</i>) | - | - |
| Total | = | = |

12. ACCOUNTS RECEIVABLES

| <i>Description</i> | 2020-2021 | 2019-2020 |
|---------------------|-----------|-----------|
| | Kshs | Kshs |
| Government Imprests | - | - |
| Salary advances | - | - |
| Total | - | - |

Note: There were no accounts receivables during the financial year

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ACCOUNTS PAYABLES

| Description | 2020-2021 | 2019-2020 |
|--------------------|------------------|------------------|
| | Kshs | Kshs |
| Retention | - | - |
| Deposits | - | - |
| Total | - | - |

Note: There were no accounts payables during the financial year

14. FUND BALANCE BROUGHT FORWARD

| | 2020/21 | 2019/20 |
|--|----------------|----------------|
| | KShs | KShs |
| Bank accounts | 288,126 | 621,864 |
| Cash in hand | - | - |
| Cash equivalents (short-term deposits) | - | - |
| Outstanding imprests and advances | - | - |
| Total | 288,126 | 621,864 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PRIOR YEAR ADJUSTMENT

| | Balance b/f FY 2019/2020 as per Financial statements | Adjustments | Adjusted Balance b/f FY 2019/2020 |
|---------------------------------|---|--------------------|--|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | - | - | - |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| Total | - | - | - |

There was no prior year adjustment during the year

16. CHANGES IN RECEIVABLE

| Description of the error | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | KShs | KShs |
| Opening Receivables as at 1 st July 2020 | - | - |
| Closing account receivables as at 30 th June 2021 | - | - |
| Change in Receivables | - | - |

There were no changes in accounts receivables during the financial year

17. CHANGES IN ACCOUNTS PAYABLE

| Description of the error | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Deposit and Retentions as at 1 st July 2020 | - | - |
| Closing accounts payables as at 30 th June 2021 | - | - |
| Change in payables | - | - |

There were no changes in accounts payables during the financial year

12. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE

| | Balance b/f FY 2019/2020 | Additions for the period | Paid during the year | Balance c/f FY 2020/2021 |
|-----------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Construction of buildings | | | | |
| Construction of civil works | | | | |
| Supply of goods | | | | |
| Supply of services | | | | |
| Total | | | | |

Note: There were no pending accounts payables during the year

2. PENDING STAFF PAYABLES

| | Balance b/f FY 2019/2020 | Additions for the period | Paid during the year | Balance c/f FY 2020/2021 |
|-----------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Senior management | | | | |
| Middle management | | | | |
| Unionisable employees | | | | |
| Others | | | | |
| Total | | | | |

Note: There were no pending staff payables during the year

OTHER IMPORTANT DISCLOSURES (Continued)

3. OTHER PENDING PAYABLES

| | Balance b/f FY 2020/2021 | Additions for the period | Paid during the year | Balance c/f FY 2020/2021 |
|---|-----------------------------|-----------------------------|-------------------------|-----------------------------|
| Description | Kshs | Kshs | Kshs | Kshs |
| Amounts due to National Government entities | | | | |
| Amounts due to County Government entities | | | | |
| Amounts due to third parties | | | | |
| Total | | | | |

There were no other pending payables during the year

4. EXTERNAL ASSISTANCE

| | FY 2020/2021 | FY 2019/2020 |
|---|-------------------|------------------|
| Description | Kshs | Kshs |
| External assistance received as grants | 13,207,800 | 7,500,000 |
| External assistance received as loans | - | - |
| External assistance received in kind- as payment by third parties | - | - |
| Total | 13,207,800 | 7,500,000 |

*Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021*

OTHER IMPORTANT DISCLOSURES (Continued)

a). External assistance relating loans and grants

| | FY 2020/2021 | FY 2019/2020 |
|--|---------------------|---------------------|
| Description | Kshs | Kshs |
| External assistance received as loans | | |
| External assistance received as grants | 13,207,800 | 7,500,000 |
| Total | 13,207,800 | 7,500,000 |

b) Undrawn external assistance

| | Purpose for which the undrawn external assistance may be used | FY 2020/2021 | FY 2019/2020 |
|--------------------------------------|--|---------------------|---------------------|
| Description | | Kshs | Kshs |
| Undrawn external assistance - loans | | | |
| Undrawn external assistance - grants | | - | 12,204,601 |
| Total | | - | 12,204,601 |

13.PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--------------------------------------|---|
| 1010 | <p>During the year under review, the Project funds were operated through the development account of the Ministry of Environment and Forestry. This is contrary to Regulation 76(1) of the Public Finance Management Regulations, 2015 which provides that for the purpose of disbursement of Project funds, there shall be opened and</p> | <p>The Institutional Strengthening of the Ozone Depleting Substances Project used to be operated within the Ministry's Development Bank Account as the Ministry awaited the National Treasury to open the Project Bank Account.</p> <p>Project's Excel Sheet Cashbook was maintained to control and monitor projects funds which used to be in Development</p> | Not Resolved | Awaiting to appear before PAC at a future date |

*Kenya Institutional Strengthening Project Phase XI
 Reports and Financial Statements
 For the financial year ended June 30, 2021*

| 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> |
|--|---|--|---|--|
| | <p>maintained a Project account for every project at the Central Bank of Kenya unless it is exempted by the Cabinet Secretary in writing, into which all funds shall be kept and such an account shall be known by the name of the Project for which it is opened and each Project shall maintain only one bank account.</p> <p>In the circumstance, the Project Management was in breach of law.</p> | <p>Bank Account.</p> <p>However, separate bank account for this project has since been opened in Central Bank of Kenya. (Appendix 1010)</p> | | |



 Principal Secretary

28/10/21

 Date



 Project Coordinator

 Date

Kenya Institutional Strengthening Project Phase XI
 Reports and Financial Statements
 For the financial year ended June 30, 2021

14. ANNEXES

ANNEXI - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

| | Final Budget | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization | Comments on Variance (below 90% and over 100%) |
|---|-------------------|----------------------------|-------------------------------|------------------|--|
| Receipts | a | b | c=a-b | d=b/a % | |
| Transfer from Government entities | 1,000,000 | - | 1,000,000 | - | Lack of GOK counterpart funding due to lack of exchequer funding |
| Proceeds from domestic and foreign grants | 15,000,000 | 13,207,800 | 1,792,200 | 88% | Reasons for variance is under exchequer issue |
| Proceeds from borrowings | - | - | - | - | |
| Miscellaneous receipts | - | - | - | - | |
| Total Receipts | 16,000,000 | 13,207,800 | 2,792,200 | 83% | |
| Payments | | | | | |
| Compensation of employees | 5,500,000 | 5,438,636 | 61,363 | 99% | |
| Purchase of goods and services | 10,500,000 | 6,239,675 | 4,260,325 | 59% | Under absorption was due late disbursement of funds |
| Social security benefits | - | - | - | - | |
| Acquisition of non-financial assets | - | - | - | - | |
| Transfers to other government entities | - | - | - | - | |
| Other grants and transfers | - | - | - | - | |
| Total payments | 16,000,000 | 11,678,311 | 4,321,688 | 73% | |

*Kenya Institutional Strengthening Project Phase XI
Reports and Financial Statements
For the financial year ended June 30, 2021*

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

| PROJECT NAME: | | Kenya Institutional Strengthening Project Phase XI | |
|--|---------------------|---|---|
| Break down of Transfers from Ministry of Environment and Forestry | | | |
| a. Government Counterpart | | | |
| | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| 1. | 11/9/2020 | 2,500,000 | 2020/2021 FY |
| | 23/11/2020 | 5,707,800 | 2020/2021 FY |
| | 04/05/21 | 5,000,000 | 2020/2021 FY |
| | Total | 13,207,800 | |
| b. Direct Payments | | | |
| | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| | | - | |
| | | - | |
| | Total | - | |
| c. Others | | | |
| | Bank Statement Date | Amount (KShs) | Indicate the FY to which the amounts relate |
| | | - | |
| | Total | - | |
| | TOTAL(a+b+c) | 13,207,800 | |

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator
Kenya Institutional Strengthening Project Phase XI



Sign

Head of Accounting Unit

Min. of Environment & Forestry


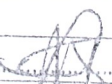


Sign

APPENDICES

- i. Bank Reconciliations statement as at 30th June 2021
- ii. Board of Survey Report
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. **GOK IFMIS comparison Trial Balance**

BANK RECONCILIATION STATEMENT AS AT 30.06.2021

| | | | Kshs. |
|--|-------------|--|--------------|
| Balance as per bank certificate | | | 2,899,585.50 |
| Less | | | |
| 1. Payments in cashbook not yet recorded in bank statement | | | 1,481,443.80 |
| 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. | | | 399,472.90 |
| Balance as per the cashbook..... | | | 1,817,614.60 |
| I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct | | | |
|  | SDAG | 9/7/2021 | |
| Signature | Designation | Date | |
| (All schedules are attached herewith) | | | |
| Prepared by: SAMARIS MALCEN | | Signature:  | |

REPUBLIC OF KENYA
 MINISTRY OF FINANCE AND NATIONAL PLANNING
 NATIONAL BUREAU OF STATISTICS

PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)

| C B DATE | PAYEE NAME | AMOUNT (Kshs.) | REMARKS |
|------------|------------------------|---------------------|---------|
| 30.06.2021 | nhif consolata | 1,000.00 | |
| 30.06.2021 | nhif marindany | 1,700.00 | |
| 30.06.2021 | asili marindany | 3,200.00 | |
| 30.06.2021 | kenya pipeline vat | 4,577.60 | |
| 30.06.2021 | kenya safari lodge vat | 4,965.50 | |
| 30.06.2021 | nhif rose | 5,100.00 | |
| 30.06.2021 | paye consolata | 7,955.95 | |
| 30.06.2021 | asili consolata | 9,000.00 | |
| 28.06.2021 | asili sacco rose | 18,100.00 | |
| 28.06.2021 | paye rose | 18,251.60 | |
| 30.06.2021 | consolata amenya | 32,766.05 | |
| 30.06.2021 | paye rose | 54,754.80 | |
| 30.06.2021 | asili sacco rose | 63,900.00 | |
| 30.06.2021 | paye marindany | 80,639.75 | |
| 30.06.2021 | rose wanga | 134,927.40 | |
| 30.06.2021 | marindany kirui | 208,648.25 | |
| 30.06.2021 | kenya pipeline | 260,922.40 | |
| 30.06.2021 | kenya safari lodge | 283,034.50 | |
| 28.06.2021 | isaac barmao | 288,000.00 | |
| | TOTAL | 1,481,443.80 | |

July 13, 2021

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

Handwritten signatures and initials

CERTIFICATE OF BALANCES

Customer : 138667 MINISTRY OF ENVIRON AND FORESTRY

Balance

Date: 30-Jun-21

| Account No | Account Name | Currency | Balance |
|------------|-------------------------------------|----------|----------------|
| 1000383957 | REC-MIN OF ENVIRONMENT AND FORESTRY | KES | 35,947,525.25 |
| 1000383968 | DEV-MIN OF ENVIRONMENT AND FORESTRY | KES | 81,245,104.50 |
| 1000383976 | DEP-MIN OF ENVIRONMENT AND FORESTRY | KES | 27,105,390.55 |
| 1000383984 | CBK165-MIN OF ENVIRON AND FORESTRY | KES | 0.00 |
| 1000392387 | SOUND CHEM MNGNT MAINSTR UPOPS RED | KES | 2,874.90 |
| 1000392398 | NAT. ACT. PLAN PRI No.AFR/NAP ASGM | KES | 38,541.45 |
| 1000410353 | KENYA METEOROLOGICAL DEPT(KCSAP) | KES | 152,248,092.00 |
| 1000410817 | KENYA SPECIAL PRJ FOR BRSM, SAICM P | KES | 4,411,934.05 |
| 1000411716 | MIN. OF ENVIR, FORES.-GREEN GROWTH | KES | 26,707,147.00 |
| 1000434236 | INSTITUTIONAL STRENGTHENING PRJ -XI | KES | 2,899,585.50 |
| 1000434252 | KENYA GOLD MERCURY FREE ASGM PROJ | KES | 13,553,272.00 |
| 1000455519 | KENYA GOLD MERCURY FREE ASGM PROJEC | KES | 0.00 |
| 1000490098 | THE AFRICAN INST AFRICA CHEMOBS MEF | KES | 4,458,230.00 |
| 1000495898 | STENGTH.DROUGHT RESILIENCE IGAD RE | KES | 0.00 |

Handwritten signature of Lawrence Rweria

LAWRENCE RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Handwritten signature of Joyce Nasieku

JOYCE NASIEKU (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

REPUBLIC OFFICE

Date: 6TH JULY, 2021

(OZONE 1108) A/c 1000434236 as at the close of business on 30th June, 2021

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

- RODNEY OMARI ---- CHAIRMAN
- CAROLINE WAMBUA ---- MEMBER
- JIMMY MUCHEKE --- MEMBER

Assembled at the CASH OFFICE- MINISTRY HQs

At..... 10 a.m. (time) on the 12TH JULY 2021

and the following cash was produced

| | | |
|-------------------------------------|---------|-----------------|
| Notes | | NIL |
| Silver | | NIL |
| Copper | | NIL |
| Cheques (as per details on reverse) | | NIL |
| | | <hr/> NIL <hr/> |

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.....30TH JUNE, 2021

| | | |
|--------------|---------|--------------------------|
| Cash on hand | | Sh: NIL |
| Bank balance | | Sh: 1,817,614.60 |
| | | <hr/> 1,817,614.60 <hr/> |

The Bank Certificate of Balance showed a sum of Sh...ONE MILLION EIGHT HUNDRED AND SEVENTEEN THOUSAND SIX HUNDRED AND FOURTEEN AND SIXTY CENTS ONLY. (Sh. 1,817,614)

Standing to the credit of the account on 30th June, 2021.

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

: CAROLINE WAMBUA

: JIMMY MUCHEKE

MEMBERS OF THE BOARD

Date: 12TH JULY, 2021

VOTE D1108 MINISTRY OF ENVIRONMENT AND FORESTRY
Development Expenditure VOTE BOOK STATUS REPORT - FOR THE PERIOD FROM JUL-20 TO JUN-21
TITLE AND DETAILS

| J3 Item and Geographical | ITEM-SOURCE-PROGRAMME- GEOGRAPHICAL | Handoutures Other Capital Grants and Trans Other Capital Grants and Trans | Planned | Reallocation/ | Supplementary | Approved | Cumulative | Outstanding | Total | Balance |
|-----------------------------------|--|---|------------|---------------|---------------|-----------------|-------------|-------------|------------------------|-----------|
| | | | Estimate | Transfer | Estimates | Estimates (Net) | Expenditure | Commitments | Payment Commitments | |
| | | | Kes | Kes | Kes | Kes | Kes | Kes | Kes | Kes |
| 01 | 2640503-00001001-1002019999-000-00001 | | 1,000,000 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 1,000,000 |
| | 2640503-11521005-1002019999-000-00001 | | 15,000,000 | 0 | 0 | 15,000,000 | 11,676,311 | 0 | 11,676,311 | 3,321,689 |
| | | | 16,000,000 | 0 | 0 | 16,000,000 | 11,676,311 | 0 | 11,676,311 | 4,321,689 |
| | | Net Expenditure Sub Head 100601 | 16,000,000 | 0 | 0 | 16,000,000 | 11,676,311 | 0 | 11,676,311 | 4,321,689 |
| | | Net Expenditure Head 100600 | 16,000,000 | 0 | 0 | 16,000,000 | 11,676,311 | 0 | 11,676,311 | 4,321,689 |
| | | Total Net Expenditure vote-D1108 | 16,000,000 | 0 | 0 | 16,000,000 | 11,676,311 | 0 | 11,676,311 | 4,321,689 |

JOURNAL VOUCHER

Copy to

P/S Ministry of Environment & Forestry
no bot 3016-02100

Details of Transaction

Crediting an amount of KSh. 999,800.00
charged under 02000 GOR' counterpart instead of
use of Goods and Services for the ministry HQS.
Error now corrected

ORIGINATED BY

2

Signature

Proc. E

Designation

Date: *20/06/2021*

AUTHORIZED BY

[Signature]

Signature

SDAC

Designation

Date: *30/6/2021*

DEBIT ENTRY

| Vote | Head/Subhead | Item | AMOUNT | |
|--------------------------|----------------|----------------|--------|------------------|
| Account No. | Vch. No. | Station | Date | |
| | | | | Sh. cts. |
| <i>D 1108</i> | <i>1015-01</i> | <i>3111104</i> | | |
| <i>1-1015-01-3111104</i> | | <i>10101</i> | | <i>999,800 =</i> |

CREDIT ENTRY

| Vote | Head/Subhead | Item | AMOUNT | |
|--------------------------|--------------|----------------|--------|------------------|
| Account No. | Vch. No. | Station | Date | |
| | | | | Sh. cts. |
| <i>D 1108</i> | <i>1006</i> | <i>2640503</i> | | |
| <i>1-1006-01-2640503</i> | | <i>0101</i> | | <i>999,800 =</i> |

GPK

0012128

STATEMENT OF SPECIAL DEPOSIT ACCOUNT RECONCILIATION

STATE OF KENYA - NATIONAL TREASURY

| | NOTES | AMOUNT | AMOUNT |
|---|-------|--------|---------------|
| | | | KSHS |
| 1 | | | 23,028,085.50 |
| | | | |
| 2 | | | 23,028,085.50 |
| 3 | | | |
| | | | |
| | | | |
| 4 | | | 9,820,285.50 |
| 5 | | | |
| 6 | | | 13,207,800.00 |
| 7 | | | |
| 8 | | | |
| 9 | | | 23,028,085.50 |

Discrepancy between total appearing on line 3 and 9 - None

Note: Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover

- 1 ineligible expenditures paid from the Special/Designated Account)
- 2 expenditures



AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

30/6/2021
 DATE:

- h) Kenya Industry and Entrepreneurship Project – Statement Department for Industrialization;
- i) Independent Policing Oversight Authority;
- j) The Centre of Excellence Sustainable Agriculture and Agribusiness Management - Egerton University;
- k) Kenya Towns Sustainable Water Supply and Sanitation Programme - Kenya Valley Water Works Development Agency;
- l) Kenya Towns Sustainable Water Supply and Sanitation Program – Athi Water Works Development Agency;

- m) Integrated Health and Environment Observatories and Legal and Institutional Strengthening for the Sound Management of Chemicals in Africa – Ministry of Environment and Forestry;
- n) Water and Sanitation Services Improvement Project - Athi Water Works Development Agency;
- o) Mwea Irrigation Development Project – National Irrigation Authority;
- p) Nairobi Rivers Basin Rehabilitation and Restoration Program (Sewerage Improvement Project Phase II) - Athi Water Works Development Agency;
- q) National Action Plan on Artisanal Small-Scale gold Mining Project – Ministry of Environment and Forestry;
- r) Kenya-EU Partnership for the Implementation of the National Strategy to Counter Violent Extremism in Kenya – National Counter Terrorism Centre;
- s) Kenya Italy Debt for Development Programme – Ministry of Water, Sanitation and Irrigation;
- t) KFS-Capacity Development project for Sustainable Forest Management in Kenya – Kenya Forest Service;
- u) Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya – Ministry of Environment and Forestry;
- v) Kenya Institutional Strengthening Project Phase XI - Ministry of Environment and Forestry;
- w) East Africa Trade and transport Facilitation Project – Kenya National Highways Authority;
- x) Kenya Transport Sector Support Project - Kenya National Highways Authority;
- y) Arusha-Namanga-Athi River Road Development Project - Kenya National Highways Authority;

- z) Kenya Urban Water and Sanitation OBA Project Fund for Low Income Areas – Water Sector Trust Fund;
- aa) Mombasa-Nairobi-Addis Ababa Road Corridor Project Phase III - Kenya National Highways Authority;
- bb) Technical Assistance to Enhance the Capacity of the President’s Delivery Unit Project – State Department for Interior and Citizen Services;
- cc) Kenya Nairobi-Thika Highway Improvement Project (Lot 3) Government Concessional Loan Agreement - Kenya National Highways Authority; and
- dd) Multi-National Arusha-Holili/Taveta-Voi Road Corridor Development Project Phase I - Kenya National Highways Authority.

MEMO

**TO : DIRECTOR-AUDIT, APPROPRIATION AND OTHER
SELECT COMMITTEES SERVICES (NA)**

FROM : PRINCIPAL CLERK ASSISTANT

DATE : FEBRUARY 17, 2022

SUBJECT : PAPERS LAID

The following **Papers** were laid on the Table of the House on **Thursday, February 17, 2022**: -

1. Legal Notice No. 28 relating to the Traffic (Driving Schools, Driving Instructors and Driving Licences) Rules, 2020 from the Ministry of Transport, Infrastructure, Urban Development and Public Works and the following accompanying documents: -
 - a) The Explanatory Memorandum;
 - b) Nairobi High Court Judgement (Petition No. E251 of 2020);
 - c) Letter dated January, 2020 by the Principal Secretary, State Department of Transport on the Traffic (Driving Schools, Driving Instructors and Driving Licences) Rules, 2020; and
 - d) Notice to Members of the Public, Report on the Public Participation and List of Attendance of Members of the Publics to Public Participation Forums.
2. Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30th June, 2021 and the certificates therein:-
 - a) Combating Poaching and Illegal Wildlife Trafficking in Kenya Through an Integrated Approach Project - State Department for Wildlife;
 - b) Kenya Water Towers Project – Kenya Forest Service;
 - c) Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of vulnerable Communities in Kenya – National Environment Management Authority;
 - d) Northern Kenya Conservation Project – Kenya Wildlife Service;
 - e) Green Growth and Employment Thematic Programme – Ministry of Environment and Forestry;
 - f) International Partnership Programme – Kenya Forest Service;
 - g) GCF Readiness and Preparatory Support “Capacity Strengthening Programme Towards Accessing Climate Finance from Green Climate Fund” – National Environment Management Authority;

3. Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30th June, 2020 and the certificates therein:-
 - a) Kenya Accreditation Service; and
 - b) Tana and Athi Rivers Development Authority.

4. Reports of the Auditor-General and Financial Statements in respect of the following Institutions for the year ended 30th June, 2019 and the certificates therein:-
 - a) Siala Technical Training Institute; and
 - b) Kiambu Institute of Science and Technology.

Attached, please find the said Papers for your necessary action.

RACHEL KAIRU

Copy: Clerk of the National Assembly
Deputy Clerks
Director, Legislative & Procedural Services
Chief Librarian/Deputy Director, DDIRS
