

REPORT

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THE AUDITOR-GENERAL

ON

**KFS - CAPACITY DEVELOPMENT PROJECT
FOR SUSTAINABLE FOREST
MANAGEMENT IN THE REPUBLIC
OF KENYA**

**FOR THE YEAR ENDED
30 JUNE, 2020**

KENYA FOREST SERVICE



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

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CAPACITY DEVELOPMENT PROJECT FOR SUSTAINABLE FOREST
MANAGEMENT IN THE REPUBLIC OF KENYA
KENYA FOREST SERVICE

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 June, 2020

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





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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name:

Kenya Forest Service- Capacity Development Project for Sustainable Forest Management in the Republic of Kenya

Objective:

The key objective of the project is sustainable forest management activities are promoted in Kenya towards achievement of the national forest cover target of 10%

Address:

The project headquarters offices are Kenya Forest Service, Nairobi , Kenya.

The address of its registered office is:

Capacity Development Project for Sustainable Forest Management in the Republic of Kenya
Kenya Forest Service Headquarters
P.O Box 30513 00100
Nairobi

The project also has no other offices/branches

Contacts:

The following are the project contacts

Telephone: (254) 020-2020285

E-mail:info@kenyaforestservice.org

Website: www.kenyaforestservice.org

1.2 Project Information

Project Start Date:	The project start date is May-2016
Project End Date:	The project end date is May,2021
Project Manager:	The project Manager is Mr. Peter NgugiNduati
Project Sponsor:	The project sponsor is Government of Japan through JICA and the Government of Kenya(GOK) which will supplement the activities not covered by the donor.

1.3 Project Overview

Line Ministry	The project is under the supervision of the Ministry of Environment and Forestry
Project number	22
other important background of the Project	About 80% of the country is arid or semi-arid area in Kenya. Within the country, forest area is approximately 7.8% according to the FRA 2015 and use of fuel wood and conversion of the forests for agricultural use are problems that continue to devastate forest resources. Moreover, Kenya is considered one of the countries that could be more susceptible to climate change, considering that it is located in the Sub-Saharan African region. Therefore, promoting Reducing Emissions of greenhouse gases from Deforestation and Forest Degradation (REDD+) and developing capacity for sustainable forest management are important issues for the development from the aspect of increasing forest area and mitigating climate change. In this situation, the national government of Kenya set a goal to increase the forest covers rate from 7.2% (as measured in 2010) to 10% by 2030 in its national constitution established in 2010 and the “Vision 2030” (2008) which is a national development plan.
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> I. Implement and monitor capacities of forest-related policies/strategies at the national level are enhanced. II. Build Capacities of public and private sectors, and NGOs/CBOs to promote tree growing in ASALs are enhanced through forestry extension activities. III. Technical capacities for REDD+ readiness activities and forest monitoring for sustainable forest management in KFS are strengthened. IV. The capacity of breeding techniques for drought tolerant trees (<i>Meliavolkensii</i> and <i>Acacia Tortilis</i>) in KEFRI is improved. V. Enhancement of regional cooperation in matters of reduction of extreme drought conditions in the horn of Africa region is intensified by promoting knowledge sharing and transfer of technologies for strengthening the resilience to climate change and drought in Sub-Saharan Africa.
Project Duration	The project started on 1 st July 2016 and is expected to run until 30 th June 2021

1.4 Bankers

The following are the bankers for the current year:

Co-operative Bank
Stima Plaza Branch,
P.O. Box 38764 – 00100
Nairobi

Capacity Development Project for Sustainable Forest Management in the Republic of Kenya
shillings account number 01141532868703



*KFS-Capacity Development Project for Sustainable Forest Management in the Republic of Kenya
Reports and Financial Statements
For the financial year ended June 30, 2020*

1.5 Auditors

The project is audited by Office of the Auditor General

1.6 Roles and responsibilities

Names	Title	Key Qualification	Responsibilities
Peter NgugiNduati	Program Coordinator	B.Sc Forestry (Hons), MSc Environmental Science	Coordination of the day to day activities of the Program.
Annastasia N. Muasya	Manager Finance & accounting	CPA(K) BCOM(Finance)	Implementation of Finance and accounting functions of the program
John Mburu	Ag. Principal Procurement Officer	Procurement expert	Responsible for the Management of the procurement process of goods and services and safety of assets
Keter K. Thomas	Project Accountant	BCOM (Finance) CPA	Implementation of Finance and accounting functions of the program
Peter Sirayo	Assistant conservator of forest	B.Sc Forestry	Implementation of REDD+ and Climate Change & FFS Methodology
Diana Kishiki	Assistant conservator of forest	B.Sc Forestry	Implementation of REDD+ and Climate Change&FFS Methodology
Amina Osman Guyo	Assistant conservator of forest	B.Sc Natural Resource Management	Implementation of FFS Methodology
Katsuro Saito	JICA	Forest Extension Epert	Coordination of the day to day activities of the Program

1.7 Funding summary

The Project is for duration of five years from 2016 to 2021 with an approved budget of equivalent to KShs 400,000,000 annually as highlighted in the table below:

Below is the funding summary:

Source of funds	Commitment-	Amount received to date 30-Jun-20	Undrawn balance to date 30-Jun-20
	<i>KShs</i>	<i>KShs</i>	<i>KShs</i>
	(A')	(B')	(A')-(B')
(i) Grant			
Government of Japan	1,550,000,000	1,091,007,785	458,992,215
(ii) Counterpart funds			
Government of Kenya	320,000,000	106,000,000	214,000,000
Total	1,870,000,000	1,197,007,785	672,992,215

1.8 Summary of Overall Project Performance:

○ Donor Contribution

- The project is sponsored by Japan International Corporation Agency (JICA) whose contribution is mainly in kind. Donor Funds are not remitted to Kenya Forest Service.
- During the Financial year 2019/2020 donor expenditure amounted to Kshs225,007,785 Donor contributions in kind

○ Government of Kenya Contribution

- During the year under review, the Project received KShs 32,000,000.00 and incurred a cumulative expenditure of KShs105,581,677as Government of Kenya counterpart funding



1.9 Summary of Project Compliance:

- The Program has ensured that all its activities carried out are within the laws of the Republic of Kenya and that all regulations and procedures have been followed. Among the regulations include the Environmental and Social Impact Assessment (ESIA) for which authority was issued for the implementation of the project.
- The Project's governance framework requires the stakeholders to uphold the highest professional, ethical, moral and legal standards. This is achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Act, 2012, the Project Design Report, the Implementation Manual and the Finance and Procurement Manuals.

1. The Project Joint Coordinating Committee (JCC)

This Committee is responsible for overseeing the implementation of the Project, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies.

2. The Parent Ministry- Ministry of Environment and Forestry

The parent ministry ensures that the Project's budget is captured in its development projects and disburses the government counterpart funding. The ministry reviews and tracks the Project's annual work plan and budget against the set targets and makes the approvals. The parent ministry also oversees the execution of the project coordinating team.

3. The Auditor

The Supreme Audit Institution in Kenya, that is, the Office of the Auditor General, is mandated by the Constitution of Kenya Chapter 12, Part 6, Article 229 which establishes the Office of the Auditor General. Chapter 15, Article 248, Section 3 and Article 249, Section 2 (a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.

The Auditor General is mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament. This facilitates the submission of the audited report to the project's sponsors by 31 December each year.

4. County Project Coordinating :

Based in two county offices, this committee is responsible for facilitating and harmonizing the implementation of the Project at the county level. The roles of the technical heads of departments include coordinating of the project programs in line with the sectorial priorities in the respective counties, coordinating, guiding and participating in the development of action plans by participatory identification of the projects to be financed under Capacity Development Project For Sustainable Forest Management In The Republic of

Kenya Project, carrying out monitoring and evaluation of project's activities in the counties and offering oversight in the implementation of the project activities.

5. Project Coordinating Team (PCT)/Joint coordinating Committee

Joint coordinating committee is chaired by the principal secretary of MENRRDA to provide guidance to the project management unit and to facilitate inter-organizational coordination. JCC will be held at least once a year and whenever deemed necessary to carry out the following task:

- a. Approve the annual work plan
- b. Review overall progress of the project
- c. Conduct evaluation of the project
- d. Exchange opinion on major issues arising during its implementation

This team is based in Nairobi and is responsible for the project management and coordination functions. The PCT comprises of the Project Coordinator and a team of Technical Officers. The PCT is also supported by other administrative staff.

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 KFS-Capacity Development 2018-2021 plan are to:

- a) Promote Sustainable Forest Management activities in Kenya towards attainment of 10% National Forest cover target.

Purpose

National capacity at the national and county levels for Sustainable Forest Management activities is strengthened.

a) By rehabilitating of degraded natural forest areas, develop and conserve all public natural forests

- Implementing forest and landscape restoration climate change mitigation strategies for forests and landscape restoration through promotion of growing improved *Meliavolkensii* tree species especially in ASALS.
- Setting and developing a baseline of assessing carbon emissions known as Forest Reference Level FRL.
- Designing , developing and implementing the National Forest Monitoring System NFMS for the forest sector
- Supporting and facilitating the preparation and writing of Participatory Forest Management Plans PFMPs in Embu and TaitaTaveta counties.
- Supporting and facilitating the signing of Forest Management Agreements FMA between CFAs and County Governments.

b) By increasing forest cover outside public forest areas by Sourcing, packaging and dissemination of appropriate technologies and germplasm for farm and dryland forestry.

- Two tree seed orchards established in Kitui and Kibwezi to provide quality seed and seedlings of *Meliavolkensii* tree species and a seed stand for *Acacia tortilis*.
- Target farmers in Kitui, Embu, TharakaNithi, Embu, Makueni, TaitaTaveta, Kilifi and Kwale to promote planting of improved *Melia*. 60,000 seedlings have been planted by these farmers.
- Running and managing about fifty farmers field schools FFS where over one thousand farmers have graduated after undergoing a one year FFS methodology program.



Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Forestry extension in ASALs through public,private sectorsto promote tree growing in ASALs .	<ol style="list-style-type: none"> Participatory Forest Management Plans PFMP. Farmer Field schools FFS and other tools for forestry extension are applied Collaboration between public and private sectors , NGOs/CBOs is enhanced to promote tree growing in ASALs Seminars and trainings 	<ul style="list-style-type: none"> Four PFMPs completed and officially approved. Forest Management Agreements officially signed . Over fifty Farmer Field Schools established and conducted MOU/MOA signed between KOMAZA/KEFRI /CADEP Guidelines to on farm Meliavolkensii growing in the dry land areas of Kenya prepared both in English and Kiswahili Selected target farmers and actual areas planted with improved Meliavolkensii Training/seminar workshops conducted 	<ul style="list-style-type: none"> Approved PFMPs Signed FMAs Graduation of farmers lists and certificates of participation Printed copies of guidelines workshop/seminar/training reports 	98% achievement
Technical capacities for REDD+ readiness activities and forest monitoring for sustainable forest management are strengthened.	<ul style="list-style-type: none"> Methodology for NFMS is established and documented Forest Information platform as a data base management function is developed FRL is established in consultation with other stakeholders and technical working group members and submitted to UNFCCC Creation Of Land Use/Land Cover Map 	<ul style="list-style-type: none"> Development of national forest monitoring system(NFMS) Establishment of Forest Reference Level FRL Designed and operational Forest Information Platform Complete Land Use/Land Cover maps FRL submission to UNFCCC report FRL technical Assessment Report from UNFCCC 	<ul style="list-style-type: none"> FRL report and documents maps FIP design NFMS document 	95% achievement
The capacities of breeding techniques for drought tolerant trees in KEFRI is improved	Promote social forestry, research and development of breeding for drought tolerant varieties.	Improved meliavolkensii	Establishment of Breeding of improved meliavolkensii in kitui	Distribution and Planting of improved MeliaVolkensii
Create 2020 land cover/land use maps	Create 2020 land cover/land use maps	<ul style="list-style-type: none"> Improvement of guidance material for land cover/land use maps Creation of land cover/land use maps 2020 Analysis of land cover/land use change base Setting up of Forest Reference Level(FRL) for Kenya Revision of newly created Forest Reference Level(FRL) for Kenya 	2020 land cover/land use maps created	Improvement of FRL based on technical assessment of UNFCCC

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT / SUSTAINABILITY

Project Capacity Development Project for Sustainable Forest Management 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 three 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 Service has aligned its operations with the new Global Development Agenda 2030 with its 17 Sustainable Development Goals (SDGs) and, Bonn Challenge among others. The Sustainable Development Goals succeeded the Millennium Development Goals as the international development agenda from 2016. The Service recognizes the importance of forests and trees in conserving biodiversity (SDG 15), tackling climate change (SDG 13), improving urban habitats (SDG 11), providing safe drinking water (SDG 6), supporting food security (SDG 2), reducing inequalities (SDG 10) and ending poverty (SDG 1), among other Sustainable Development Goals (SDGs). The Service has continued to realize positive trends, such as increasing awareness on forest preservation and increasing sustainable forest practices.

2. Environmental performance

- Promoting the REDD+ Readiness by setting and developing a National Forest Reference Level FRL and Designing, developing and implementing a National Forest Monitoring System.
- Developing capacity for sustainable forest management activities and developing aspect of increasing forest area and mitigating climate change through supporting the preparation and writing of Participatory Forest Management Plans PFMPs and conducting Farmer Field Schools FFS methodology, promotion of growing *Meliavolkensii*.
- Establishment of two *Meliavolkensii* seed orchards and one seed stand for *Acacia tortilis* to provide quality seeds and seedlings for planting by farmers .

3. Employee welfare

The Projects Policies guiding the hiring process are Kenya Forest Service Human Resource policy and procedure manual together with a disability policy and a gender policy.

The Project recognizes its human capital to be strategic to the achievement of its objectives and has implemented as part of its policy. It also ensures staff carries out their duties in an ethical manner.

The Project continuously provides opportunity to build human capital capacities in terms of knowledge and skills improvement, attitude change and enhancing teamwork to all staff. This has been achieved by sponsoring staff for local and international training programs.

4. Market place practices-

The project is supporting basic market research for *Melia* products

5. Community Engagements-

During the year under review, there was no budget for community engagement on charitable, Community Social Investment and any other forms of corporate social responsibility (CSR).

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2020, and of the Project's financial position as at that date. The Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

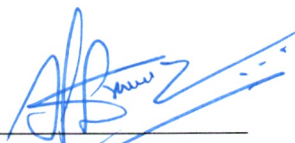
The Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Chief Conservator of Forests and the Project Coordinator for Capacity Development Project for Sustainable Forest Management in the Republic of Kenya project on 28th August, 2020 and signed by them.



Chief Conservator of Forests
Name: Julius Kamau



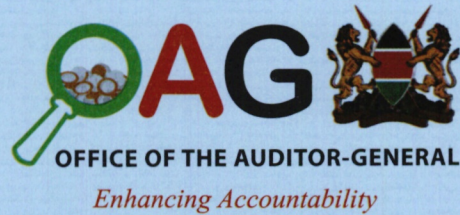
Project Coordinator
Name: Peter Nduati



Project Accountant:
Name: Keter K. Thomas

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KFS - CAPACITY DEVELOPMENT PROJECT FOR SUSTAINABLE FOREST MANAGEMENT IN THE REPUBLIC OF KENYA FOR THE YEAR ENDED 30 JUNE, 2020 - KENYA FOREST SERVICE

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Capacity Development Project for Sustainable Forest Management in the Republic of Kenya set out on pages 3 to 22, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Capacity Development Project for Sustainable Forest Management in the Republic of Kenya as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No.5543-KE between the Government of Japan through JICA and the Government of Kenya dated 20 November, 2015.

Basis for Opinion

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

Key Audit Matters

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

Report of the Auditor-General on KFS-Capacity Development Project for Sustainable Forest Management in the Republic of Kenya for the year ended 30 June, 2020-Kenya Forest Service

Other Matter

Budget Control and Performance

The statement of comparative budget and actual amounts reflect final budget on proceeds from foreign grant (Contribution in Kind) of Kshs.320,000,000 against actual receipts of Kshs.225,007,785 or 70% resulting into an under collection of Kshs.94,992,215 or 30%. The receipts under collection of Kshs.94,992,215 may have negatively affected the planned activities for the year. Further, the statement of comparative budget and actual amounts reflects a final budget of Kshs.32,000,000 on purchase of goods and services against the actual expenditure of Kshs.34,329,606 resulting into over expenditure of Kshs.2,329,606 which Management explained was a result of bills committed in 2018/2019 financial year but paid in the current year.

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 overall 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 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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them 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 Project's 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 sustainability of services basis 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 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 services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

28 December, 2020

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 JUNE 2020

	Note	FY 2019/20	FY 2018/19	Cumulative to Date
		Receipts and Payments controlled by the KFS Capacity Development	Receipts and Payments controlled by the KFS Capacity Development	
		Kes	Kes	Kes
RECEIPTS				
Receipts from Government of Kenya	10.3	32,000,000	30,000,000	106,000,000
Receipts from Government of Japan	10.4	225,007,785	176,000,000	1,091,007,785
TOTAL RECEIPTS		257,007,785	206,000,000	1,197,007,785
PAYMENTS				
Purchase of Goods and Services Gok	10.5	34,329,606	27,543,030	105,300,772
Direct Purchase of Goods and Services Donor	11.3.2	200,807,785	101,000,000	991,807,785
Acquisition of non-financial assets-GOK	10.6	-	-	390,678
Acquisition of non-financial assets-JICA	11.3.1	24,200,000	75,000,000	99,200,000
TOTAL PAYMENTS		259,337,391	203,543,030	1,196,699,235
SURPLUS(DEFICIT)		(2,329,606)	2,456,970	308,550.20

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



Chief Conservator of Forests

Name: Julius Kamau



Project Coordinator

Name: Peter N. Nduati



Project Accountant:

Name: Keter K. Thomas

7. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2020

	Note	FY 2019/2020	FY2018/2019
		Kes	Kes
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.7	308,550	2,638,156
Total Cash and Cash Equivalents			2,638,156
Accounts receivables – Imprest and Advances	10.9	-	-
TOTAL FINANCIAL ASSETS		308,550.20	2,638,156
REPRESENTED BY			
Fund balance brought forward	10.1 0	2,638,156	181,186
Surplus/Deficit for the year		(2,329,606)	2,456,970
NET FINANCIAL POSITION		308,550	2,638,156

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 7th September, 2020 and signed by:



Chief Conservator of Forests
 Name: Julius Kamau



Project Coordinator
 Name: Peter N. Nduati



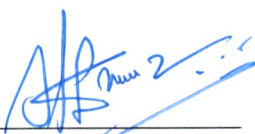
Project Accountant:
 Name: Keter K. Thomas


8. STATEMENT OF CASHFLOW FOR THE PERIOD 30 June 2020

		2019/20	2018/19
	Notes		Kes
Receipts for operating activities			-
Transfer from Government entities	10.3	32,000,000	30,000,000
Proceeds from domestic and foreign grants	10.4	225,007,785	176,000,000
Total Receipts for operating activities		257,007,785	206,000,000
Payments for operating activities			-
Purchase of goods and services	10.5	34,329,606	27,543,030.00
Transfers to other government entities	11.3.2	200,807,785	101,000,000
Total Payments for operating activities		235,137,391	128,543,030
Changes in receivables	10.9		14,650
Net cash flow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES		21,870,394	77,471,620
Acquisition of Assets	10.6	-	-
Acquisition of Assets-Donation in kind by JICA	11.3.1	24,200,000	75,000,000
Net cash flows from Investing Activities		24,200,000	75,000,000.
CASHFLOW FROM FINANCING ACTIVITIES			
Proceeds from Foreign Borrowings			
Net cash flow from financing activities			-
NET INCREASE IN CASH AND CASH EQUIVALENT		-2,329,606	2,471,620
Cash and cash equivalent at BEGINNING of the year		2,638,156	166,536
Cash and cash equivalent at END of the year	10.7	308,550	2,638,156

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 7nd September, 2020 and signed by:


 Chief Conservator of Forests
 Name: Julius Kamau


 Project Coordinator
 Name: Peter N. Nduati


 Project Accountant:
 Name: Keter K. Thomas

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Original Budget A	Adjustments B	Final Budget c=a+b	Actual on Comparable Basis D	Utilisation Variance e=c-d	% of Utilisati on f=d/c %
RECEIPTS						
Transfer from Government entity	80,000,000	-48,000,000	32,000,000	32,000,000		100%
Proceeds From Foreign Grant(Contribution in Kind)	320,000,000	-	320,000,000	225,007,785	94,992,215	70%
Total Receipts	400,000,000	48,000,000	352,000,000	257,007,785	94,992,215	73%
PAYMENT						
Purchase of Goods And Services	80,000,000	-48,000,000	32,000,000	34,329,606	-2,329,606	100%
Donation in Kind By Jica	320,000,000	-	320,000,000	225,007,785	94,992,215	70%
Acquisition of Non Financial Assets	-	-	-	-	-	-
Total Payments	400,000,000	-48,000,000	352,000,000	259,337,391	92,662,609	74%

Note:

- The project is co- sponsored by Japan International Corporation Agency (JICA) and The Government of Kenya .The Donor contribution is mainly Donation in kind. Donor Funds are not remitted to Kenya Forest Service.
- The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.



Chief Conservator of Forests
 Name: Julius Kamau



Project Coordinator
 Name: Peter N. Nduati



Project Accountant:
 Name: Keter K. Thomas

10. NOTES TO THE FINANCIAL STATEMENTS

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

10.1 Basis of Preparation

10.1.1 Statement of compliance and basis of preparation

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

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

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

10.1.2 Reporting entity

The financial statements are for the Project KFS Capacity Development Project For Sustainable Forest Management in the Republic of Kenya under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

10.1.3 Reporting currency

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

10.2 Significant Accounting Policies

a) Recognition of receipts

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

Transfers from the Exchequer

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

External Assistance.

External assistance is received through grants from Japan Technical Cooperation Agency(JICA)

a) Recognition of receipts Donations and Grants

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

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the 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.

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

Other receipts

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

b) Recognition of payments

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

Compensation of employees



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

Use of goods and services

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

b) Recognition of payments (continued)

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.

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

c) In-kind donations

In-kind contributions are donations that are made to Kenya Forest Service -Capacity Development project in the form of actual goods and services rather than in money or cash terms. These donations include vehicles, equipment or personnel services. The financial value received for in-kind contributions by the project cannot 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 in kind is not recorded in Kenya Forest Service Books of accounts.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, 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 Co-operative bank of Kenya 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

e) Accounts receivable

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

10.0 NOTES TO THE FINANCIAL STATEMENTS (continued)

10.2 Significant Accounting Policies (Continued)

f) 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 Capacity Development 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.

g) 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.

h) 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 there were no receipts in form of direct payments from third parties.

i) 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

10.0 NOTES TO THE FINANCIAL STATEMENT (continued)

10.2 Significant Accounting Policies (Continued)

j) 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.

k) 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, 2020.

l) 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.

10.3 Receipts from Government of Kenya

These represent counterpart funding as follows:

Counterpart funding through State Department for Natural Resources	2019/20 Kshs	2018/19 Kshs	Cumulative to Date Kshs
Counterpart funds Quarter 1	15,000,000	10,000,000	60,000,000
Counterpart funds Quarter 2	5,000,000	-	5,000,000
Counterpart funds Quarter 3	12,000,000	10,000,000	24,000,000
Counterpart funds Quarter 4	-	10,000,000	17,000,000
TOTAL	32,000,000	30,000,000.00	106,000,000

10.0 NOTES TO THE FINANCIAL STATEMENTS (continued)

10.4 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

JICA	2019/20	2018/19	Cumulative to Date
	Kshs	Kshs	Kshs
Grant Received From JICA	225,007,785	176,000,000	1,091,007,785
TOTAL	225,007,785	176,000,000	1,091,007,785

This were direct payment grant (Donation In Kind) represent the payment of goods and service done directly by the donor on behalf of Capacity Development Project and no supporting document presented to support this grant

10.0 NOTES TO THE FINANCIAL STATEMENTS (continued)

10.5 Purchase of Goods and Services

These comprise the total value of goods and services consumed by the Government of Kenya.

	FY 2019/20	FY 2018/19	Cumulative to date
	Kshs	Kshs	Kshs
Communication, supplies and services	20,000	35,000	119,648
Domestic travel and subsistence	26,471,167	19,527,263	78,568,137
Travel cost- international	-	-	792,504
Training expenses	5,903,400	5,914,560	18,430,970
Refined fuel	1,050,000	1,664,880	3,714,880
Hospitality supplies and services	100,000	19,992	151,116
Office and general supplies and services	50,000	51,400	371,910
Maintenance of building-non residential	223,640	279,800	681,240
Other operating expenses	318,420	21,135	1,426,175
Routine maintenance – vehicles and other transport equipment	192,979	29,000	1,325,097
Total	34,329,606	27,543,030	105,581,677

Utilities, supplies and services include payments for water and electricity. Domestic travel and subsistence are payments made in relation to monitoring and management of the implementation of the Project. Other routine expenses include sundry payments made by the Project, including bank charges, routing office maintenance and office supplies.

10.0 NOTES TO THE FINANCIAL STATEMENTS (continued)

10.6 ACQUISITION OF NON FINANCIAL ASSETS

		FY 2018/19	Cumulative To Date
	Payment Made By The Entity In cash	Payment Made by The Entity In cash	
	Kshs	Kshs	Kshs
Purchase of Office Furniture's and General Equipment	-	-	390,678
Total	-	-	390,678

10.7 CASH AND CASH EQUIVALENT

Local Currency Accounts	FY 2019/20	FY 2018/19
Bank Account: Co-operative Bank of Kenya [A/c No: 01141532868703]	308,550	2,638,156
Total local currency balances	308,550	2,638,156

10.8

10.0 NOTES TO THE FINANCIAL STATEMENTS (continued)

10.9 Outstanding Imprest and Advances

Name of the officer	Amount taken	Due Date Of Surrender	Amount Surrendered	Balance for FY 2018/19	Balance for FY 2017/18

10.10 Fund Balance Brought Forward

	FY 2019/20	FY 2018/19
	Kshs	Kshs
Bank Accounts at the beginning of financial year	2,638,156	181,186
Cash in Hand	-	-
Cash and Cash Equivalent (short Term Deposits)	-	-
Outstanding Imprest and advances	-	-
Total	2,638,156	181,186

11.0 OTHER IMPORTANT DISCLOSURES

11.1 PENDING ACCOUNTS PAYABLE

These schedules of pending bills are provided for disclosure purposes since the financial statements are prepared on cash basis. These comprise of unpaid bills that the Project had incurred as a result of contracted goods and services as at the end of the FY 2019/2020 as shown below.

	PAYEE	DATE PAID	AMOUNT
1.	NziokaGeoginaMueni	30 th June 2020	119,441
2.	Paymaster General	30 th June 2020	51,207
	Total		170,648

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11.0 OTHER IMPORTANT DISCLOSURES(continued)

11.2.0 PRIOR YEARS ASSETS-DONATION IN KIND BY DONOR (JICA)

Name of Equipment	Specification	Manufacturer	Qty	Situation	COST
Workstation	<p>OS: Windows 10 Pro Edition 64 bit (English) CPU: Intel® Xeon® Processor ES-1620, 3.7GHz Turbo or higher, 12M L3, 5.86GT/s or higher Memory: 16 GB or more HardDisk: at least 2TB totally, SATA (No RAID) or more DVD Super Multi Drive Graphic Card: 1G NVIDIA Quadro K600 (1DP and 1DVI) (1DP-DVI and 1DVI-VGA adapter) or higher Wireless network USB adapter (support 11n/11a/11g/11b) 29inch Wide Monitor .Microsoft Office 2016 (Home & Business) Security software (24 months). System Recovery media. Auto Ranging (100V- 240V) UPS 650 (650VA - 400 Watts). Input 230V / Output 230V at least one year warranty</p>	HP	3	Delivered	4,500,000
Workstation	<p>OS: Windows 10 Pro Edition 64 bit (English) CPU: Intel® Xeon® Processor ES-1620, 3.7GHz Turbo or higher, 12M L3, 5.86GT/s or higher Memory: 16 GB or more, HardDisk: at least 2TB totally, SATA (No RAID) or more DVD Super Multi Drive Graphic Card: 1G NVIDIA Quadro K600 (1DP and 1DVI) (1DP-DVI and 1DVI-VGA adapter) or higher. Wireless network USB adapter (support 11n/11a/11g/11b) 29inch Wide Monitor Microsoft Office 2016 (Home & Business) Security software (24 months). System Recovery media. Auto Ranging (100V- 240V) UPS 650 (650VA - 400 Watts). Input 230V / Output 230V and at least one year warranty</p>	HP	3	Delivered	4,500,000
Handy GPS	<p>- Capture more positions and increased accuracy in tough GNSS environments</p>	Trimble	4	Delivered	4,000,000

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	<ul style="list-style-type: none"> - Compatible with existing and planned GNSS constellations to maximize - GNSS Systems: GPS, GLONASS, Galileo, BeiDou, QZSS - SBAS: WAAS, EGNOS, MSAS, GAGAN, SBAS+ - DGNSS accuracy: Horizontal 1cm to 100cm, Vertical 1.5cm to 100cm 				
Large-format printer	HP Design Jet T3500 production printer A0 with Scanner	HP	1	Sep-19	4,500,000
Business printer	HP colour LaserJet enterprise MFP m 577dn (b5146a)	HP	1	Sep-19	350,000
survey 123 for mobile mapping	subscription for 5 years	ESRI	14	Delivered	5,000,000
Mobile mapping devices	7inch tablet with WiFi and socket for SIM card	Samsung Galaxy Tab	5	Delivered	1,000,000
GPS Camera	16 mega pixel Optical 4 x zoom, Digital 7.2 x zoom (Combine 28.8 x zoom) Still image:JPEG(Exif Ver.2.3.DCF2.0.DPOF) Movie:MOV form(H.264/AVC,IMA-ADPCM sound(monaural) media:SD memory card.SDHCmemorycard.SDXC memory card GPS, English Instruction Manual, Universal Power Supply and at least one year warranty	RICHO	2	Delivered	3,000,000
Laptops	HP 17.3 touch screen, Intel core i7, 16GB memory, ITB Hard Drive windows 10 Microsoft Office 2016 (Home & Business)	HP	2	Sep-19	1,500,000
Laminating machine	double-sided A0 size Laminator, Auto Removing film reqinding paper, 600x300/min, Max Lamination width 1100mm	Model: SG-1100s Brand: CIGO	1	Sep-19	2,500,000
Database server software	SQL SERVER + 5 USER CALS	Microsoft	2	Delivered	2,000,000
Geo-information data base software with spatial data management	ArcGIS for Server Enterprise Standard, Portal for ArcGIS Level1	ESRI	1	Delivered	750,000
Image server software	ArcGIS Image Extension for Server Enterprise	ESRI	1	Delivered	500,000
Geo-information data base server	CPU: Intel® Xeon®E5-2640 v4 2.4GHz for 10 core, Memory: 32 GB HardDisk: 8 x SAS 3.84TB, or more, RAID 6	HP	2	Delivered	2,500,000

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	Rack type 2U server * Including VMwarevSphere Standard				
Data storage server	CPU: 1 x Intel® Xeon® E5-26xx v3 series, 1.9GHz. or more Memory 32 GB, HardDisk: 24 x SAS 2TB or more, RAID 6. with necessary software if need it Rack type 2U server	HP	1	Delivered	2,500,000
Rack for servers & Customized Accessories	Rack for servers • Size: 600 x 1075mm • Mount: 42U	HP	1	Delivered	750,000
UPS	Schneider Electric Smart-UPS XL 3000VA Rack Mount 200V	APC	2	Delivered	1,500,000
L3 Switching Hub	WS-C3650-24TS-L Rack mount Type Auto Ranging (100V- 240V with at least one year warranty)	Cisco	1	Delivered	1,000,000
Business printer for the Team	Laser jet hp	hp	1	Delivered	1,500,000
Laptops for the Team	HP COREI7	hp	1	Delivered	250,000
Integration and configuration for servers & workstation, etc.	Integration of H/W and configuration for software		1	Delivered	1,200,000
Back-up Device	DLT (Digital Linear Tape) Device, Software for backup and DLT 20 tapes &Media Tape	HPE	1	Delivered	1,500,000
Utility Vehicle	Toyota Land Cruiser V8		1	Delivered	12,000,000
Utility Vehicle	Toyota Prado		1	Delivered	6,000,000
Utility Vehicle	Toyota Prado		1	Delivered	6,000,000
Motorcycles	Honda Motor cycles With riding gea		12	Delivered	3,000,000
Desktop computers with color printers			6	Delivered	1,200,000
	Sub total				75,000,000

11.0 OTHER IMPORTANT DISCLOSURES(continued)

11.3. DONATION IN KIND BY DONOR (JICA) DURING THE FINANCIAL YEAR 2019-2020

11.3.1 ASSETS-DONATION IN KIND BY DONOR (JICA)

Laptops	HP 17.3 touch screen Intel core i7		2	Delivered	2,000,000
Laminatin Machine	Double sided A0 size laminator		1	Delivered	12,000,000
Back up devise	Digital Linear Tape	HPE	1	Delivered	5,000,000
Remote sensing software No.1 for desktop	ERDAS IMAGINE 2016 version	cisco	1	Delivered	1,200,000
L3 Switching Hub	Rack Mount Type	cisco	1	Delivered	2,000,000
UPS	Schneider Electric Smart UPS	APC	2	Delivered	2,000,000
					24,200,000

11.3.2 ASSETS OTHER DIRECT PURCHASES (DONATION IN KIND BY DONOR JICA)

Maintenance for Remote sensing software No.1	1-year maintenance	ERDAS	2	Delivered	2,500,000
Maintenance for Remote sensing software No.2 for desktop	eCognition 9.2 Developer Included 1-year maintenance	Trimble	1	Delivered	
GIS software for desktop	ArcGIS for desktop advanced 10.5 with spatial analyst, 3D analyst, geostatistics analyst, publisher	ESRI	1	Delivered	
Maintenance for GIS software for desktop	1-year maintenance for ArcGIS desktop advanced	ESRI	1	Delivered	
Maintenance for GIS software for desktop	ArcGIS for desktop standard 10.5 with spatial analyst, 3D analyst, geostatistics analyst, publisher	ESRI	1	Delivered	
Maintenance for GIS software for desktop	ArcGIS for desktop standard 10.5 with spatial analyst, 3D analyst, geostatistics analyst, publisher	ESRI	2	Delivered	
Maintenance for GIS software for desktop	1-year maintenance for ArcGIS desktop standard	ESRI	1	Delivered	
Windows server 2012 r2 software license or updated one	Windows server 2012 r2 software license	Micros oft	4	Delivered	



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Professional Service	Short term Contract to conduct FFS impact survey by JKUAT	Delivered	2,500,000
Professional Service	Short term Contract to review and revise the Growing of Melia Guidelines(Cost/benefit) analysis	Delivered	2,500,000
Professional Service	Refining and revising National Forest Reference Level Frl	Delivered	5,300,000
Professional Service	Short term contract on designing the model for assessing livelihood improvement	Delivered	5,000,000
Printing Advertising and Information Supplies Services	Facilitation of preparation, writing, approval, launching of PFMPs(Kiangombe&Kianjiru) in Embu and FMA signing	Delivered	20,000,000
Printing Advertising and Information Supplies Services	MbololoMwambinwa PFMP launch and signing of FMA	ongoing	12,000,000
Daily Subsistence Allowances	Running and Facilitation of 10 FFS in Embu& 5 FFS for one year in TaitaTavetaupto graduation	Delivered	10,000,000
Daily Subsistence Allowances	Improving and Refining the Forest Reference Level FRL - REDD+ TWG, Stakeholders workshops, UNFCCC Peer Reviewers. Contract to prepare the draft National FRL. Responses to preliminary questions and/or clarifications from Technical Assessment Team from UNFCCC. Modifying FRL and submission to UNFCCC.	Delivered	35,000,000
Salaries & Remuneration	JOFCA/PASCO /JICA shuttle consultants and experts(Salaries & Air tickets)		20,000,000
DSA	Developing and Operationalizing the National Forest Monitoring System NFMS(FIP)	Ongoing	15,000,000
Routine Maintenance-Vehicle and Others	Fuel, Maintenance, Insurance, of JICA vehicles, Motor cycles		17,000,000
Hospitality Supplies and Services	Conference facilities for various workshops		10,000,000
Printing Advertising and Information Supplies Services	Printing of calendars, magazines, Melia guidelines 9English & Kiswahili) and journals		5,000,000
Supplies for Production	Maintenance of seed orchards for Meliavolkensii and Acacia tortilisseedstands in TivaKitui and Kibwezi Maintenance of nine Meliavolkensii progeny sites spread across the country		12,000,000
Subsistence Allowances	Additional pilot inventory plots for FRL setting . Preparation of Land Cover/Land Use maps for year 2020.		5,000,000
Training Payments	Training 116 farmers from Embu, TharakaNithi, Makueni, Kitui, TaitaTaveta, Kwale, Kilifi in Kitui KEFRI Center and purchasing and delivering 26,700 seedlings of Meliavolkensii for earmarked farmers to plant in their farms.		7,007,785
Daily Subsistence Allowances	Signing of MOU/MOA between KOMAZA/KEFRI/CADEP		2,000,000
Administration Costs	Running office & administration, salaries for technical Interns		13,000,000
	Sub total		
	TOTAL		200,807,785

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k) FOLLOW UP OF AUDITOR 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	Focal Point person to resolve the issue (Name)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
					Completed.

Guidelines Notes

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Chief Conservator of Forests

Name : Julius Kamau



Project Coordinator

Name: Peter Nduati

