

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY



**OAG**



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

## REPORT

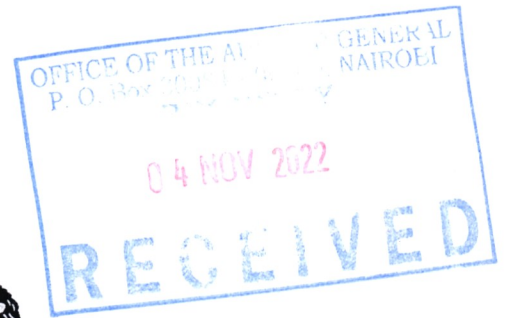
THE NATIONAL ASSEMBLY PAPERS L A T D	
OF	
DATE: 20 APR 2023	DAY: Thursday
TABLED BY:	Hon Owen Baya, MP Deputy leader, majority Moses Lemuna
THE AUDITOR-GENERAL	

ON

**KENYA SPECIAL PROJECT ON BRSM  
AND SAICM**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**MINISTRY OF ENVIRONMENT  
AND FORESTRY**



**Project Name: Kenya Special Project for BRSM and SAICM**

**Implementing Entity: Ministry of Environment and Forestry (MEF)**

**Project Grant/Credit Number: Special Programme 2<sup>nd</sup> Round Approval Project 01**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

---

***Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022***

---

**(Leave this page blank)**

<b>Table Contents</b>	<b>page</b>
1. Project Information and overall performance.....	iv
2. Statement of Performance against Project's Predetermined Objectives .....	xi
3. Environmental and Sustainability Reporting .....	xiv
4. Statement of Project Management Responsibilities .....	xv
5. Report of the Independent Auditor on (SAICM Project).....	xvii
6. Statement of Receipts and Payments for the year ended 30th June 2022. ....	1
7. Statement of Financial Assets as at 30 <sup>th</sup> June 2022.....	3
8. Statement of Cashflow for the year ended 30 <sup>th</sup> June 2022 .....	4
9. Statement of Comparison of Budget and Actual amounts for the year ended 30 <sup>th</sup> June 2022.....	6
10. Significant Accounting Policies.....	7
11. Notes to the Financial Statements .....	14
12. Other Important Disclosures .....	30
13. Progress On Follow Up Of Prior Year Auditor's Recommendations .....	35
14. Annexes .....	37

## 1. PROJECT INFORMATION AND OVERALL PERFORMANCE

### 1.1 Name and registered office

**Name:** Support to chemical and waste MEAS and SAICM Implementation in Kenya

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

**Address:** The project headquarters offices are at Nairobi, Kenya.

The address of its registered office is:

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

The project does not have any other offices/branches.

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

Telephone: +254-(0) 202730808/9  
E-mail: [psoffice@environment.go.ke](mailto:psoffice@environment.go.ke)  
Website: [www.environment.go.ke](http://www.environment.go.ke)

### 1.2 Project Information

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

**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	File no. 2015-39790
Strategic goals of the project	<p>The strategic goals of the project are as follows:                      The overall goal is to put in place structures, institution and legislations to enable Kenya implement its obligations under the four chemicals and waste MEAs and SAICM.</p> <ol style="list-style-type: none"> <li>1. Established Chemical Unit in the Department of MEAs</li> <li>2. Inter-ministerial and inter-sectoral coordinating committee established</li> <li>3. A functioning chemical and waste database established in a selected institution and the network operational</li> <li>4. Promoting Responsible Care among the members of the Kenya Association of Manufacturers</li> <li>5. Ratification of the Minamata Convention on Mercury</li> </ol>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:                      The project facilitates coordination mechanism to meet 2020 goal. The establishment of a chemical unit within the department of Multisectoral Environmental Agreement, will follow up on the scientific and technical elements of SAICM implementation. The project established a Multisectoral committee on sound chemical management which is key in articulating issues that require cross sectorial coordination to help remove barriers, promote development of physical incentive and disincentives and share data information on SAICM. The project will also develop chemical database and receive data nationally and from the SAICM and MEAS portals. The project will also promote the responsible care among all participating industries which will be led by the Kenya Association of Manufacturers and help fast-track the ratification of Minamata Convention on Mercury</p>
Other important background information of the project	<p>The project did not start as expected during 2018/2019 financial year (F/Y) but begun in 2019/2020 F/Y.                      The Project Cooperation Agreement was amended. The purpose of this Amendment is to inform of changes in the workplan, timelines and budget of the project, as reflected in the revised implementation plan and budget (Annex 1 and 2 to this amendment, respectively). There is no change in the amount of the donor funding for this project and remains at US\$ 250,000</p>
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"> <li>1. Promote better access of chemical safety data, environmentally sound practise and techniques needs through technical assistance programs and projects.</li> </ol>

	<ol style="list-style-type: none"> <li>2. Ensure that the private sector is kept abreast with development of chemicals and waste policy in Kenya</li> <li>3. Ensure that Kenya protects itself from the dumping of obsolete and internationally rejected chemicals.</li> <li>4. The importance of data in precautionary and reactive measure to chemical and waste disposal.</li> <li>5. To encourage lead enterprise to show the way by taking voluntary responsible actions.</li> </ol>
Project duration	The project started on 16 <sup>th</sup> July 2018 and is expected to run until 30 September 2022.

#### 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 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
Dr. Chris Kiptoo	Principal Secretary	Doctorate in International Macroeconomics- Finance Specialization	Accounting Officer
Mr. Cyrus Mageria (Tel: 0727640589)	Ag Director MEAs	Masters in Natural Resource and management	Overall coordination of the project
Melau William (Tel: 0723170732)	Project Officer	Masters of Arts in Project Planning and Management	Project Assistant

#### 1.7 Funding summary

The Project is for duration of 3 years from 2018 to 2022 with an approved budget of USD 250,000 (use donor currency) equivalent to Kshs 25 Million as highlighted in the table below:

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (30. 06. 2022)		Undrawn balance to date	
	Donor currency USD	KShs	Donor currency USD	KShs	Donor currency USD	KShs
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
UNEP	USD 250,000	25,000,000	USD 195,510.78	19,551,078.70	USD 54,489.22	5,448,921.30
	<b>250,000</b>	<b>25,000,000</b>	<b>195,510.78</b>	<b>19,551,078.70</b>	<b>54,489.22</b>	<b>5,448,921.30</b>
(ii) Counterpart funds						
Government of Kenya 10% of Donor			-		-	-
<b>Total</b>	<b>\$250,000</b>	<b>25,000,000</b>	<b>\$195,510.78</b>	<b>19,551,078.70</b>	<b>\$54,489.22</b>	<b>5,448,921.30</b>

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2022)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2022)	Unutilised balance to date (30. 06. 2022)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Grant					
UNEP	\$195,510.78	19,551,078.70	17,726,927.80	\$18,241.50	1,824,150.90
			-	-	-
(i) Counterpart funds					
Government of Kenya	-			-	-
<b>Total</b>	<b>\$195,510.78</b>	<b>19,551,078.70</b>	<b>17,726,927.80</b>	<b>\$18,241.50</b>	<b>1,824,150.90</b>

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

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

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

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

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

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

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

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

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

#### **The Chemicals Database Development**

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

#### **On BRSM Reporting,**

A forum held to identify the status of the Kenya reporting obligations under the BRS secretariat. It was identified that Kenya is lagging behind in the reporting obligations. For example; on Stockholm Convention the last time reporting was in 2010 and for the Basel Convention, 2009. The report by the BRS secretariat indicated that Kenya reporting rate for Basel Convention is 11%, Stockholm Convention 25% and The Minamata Convention on Mercury is at 0%.

As a result, to this, the Special Project SAICM Constituted a multi-stakeholder team to discuss on how the trend can be reversed. Among the Stakeholders are: Ministry of Environment and Forestry, National Environmental Management Authority, Kenya Bureau of Standards, Pest Control and Products Board and Kenya Association of Manufacturers and representative of the Civil Society Organization. The 2018 reports for both the Stockholm convention and the Basel Convention were generated and awaiting approval before submitting to the BRS Secretariat. In accordance with paragraph 9 or article 8 of the Basel convention, the Persistent Organic Pollutants Review Committee, the Kenyan Government adopted a final response to ban the production sell and use of Dicofol in Kenya.

**On responsible Care Program,**

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

Necessary documents were developed in this regard for example:

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

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

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

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

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

**Challenges:**

- COVID 19 Pandemic.

**1.9 Summary of Project Compliance:**

Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

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

## **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 2018-2022* plan are to:

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

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

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-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:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>SP SAICM</b>	Structures, institutions and legislation in place to enable Kenya to implement its obligations under the four chemicals and waste MEAs and SAICM.	Draft chemical Policy. Report on implementation of Basel and Stockholm Convention submitted to the BRS Secretariat	<ul style="list-style-type: none"> <li>i. Adoption of the Stockholm Convention compliant institutional and regulatory framework covering management and reporting of POPs [Baseline: 0; Target: 1]</li> <li>ii. Policy document developed which demonstrates that the sound management of chemicals is mainstreamed into decision making processes and national planning [Baseline: 0; Target: 1].</li> <li>iii. Reports highlighting the advancement of the implementation of</li> </ul>	Draft National Chemical Policy in Place  Basel and Stockholm reports are being drafted and will be submitted to BRS

			chemicals related MEAs and voluntary instruments [Baseline: 4; Target: 10].	secretariat.
	Inter-ministerial and inter-sectoral coordinating committee established	M1 A well representative interministerial committee of experts in sustainable sound chemicals management has been appointed by the key institutions	<ul style="list-style-type: none"> <li>• Two meetings of the inter-ministerial committee and three meetings of the inter-sectoral coordinating committee convened per yer [Baseline: 0; Target: 15]</li> <li>• Endorsed SAICM implementation plan [Baseline: 0; Target: 1]</li> <li>• Endorsed BRS Conventions implementation plans [Baseline: 0; Target: 1]</li> <li>• Chemical policies reviewed [Baseline: 0; Target: 1]</li> <li>• National policy on sustainable sound chemical management, SAICM and MEAs with Emerging issues in BRSM addressed developed [Baseline: 0; Target: 1]</li> </ul>	The inter-ministerial Committee is in Place.
	A functioning chemical and waste database established in a selected institution and the network operational	Database established	<ul style="list-style-type: none"> <li>• Chemicals and waste database developed [Baseline: 0; Target: 1]</li> <li>• Outstanding reports to the Basel Convention Submitted [Baseline: 0; Target: 3]</li> <li>• Outstanding reports to the Stockholm Convention Submitted [Baseline: 0; Target: 3]</li> <li>• Number of research documents uploaded [Baseline: 0; Target: 10]</li> </ul>	Relevant structures for the Chemical Database being developed

**Kenya Special project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

			<ul style="list-style-type: none"> <li>• Relevant Protocols Developed Baseline 0 Target 2</li> </ul>	
	Promoting Responsible Care among the members of the Kenya Association of Manufacturers	Formation of Responsible Care group within KAM	<ul style="list-style-type: none"> <li>• Number of information sharing forums on Responsible Care [Baseline: 0; Target: 3]</li> <li>• Number of awareness raising workshops on the Responsible Care implementation guidelines [Baseline: 0; Target: 3]</li> </ul>	Responsible Care group is formed, information sharing forums and capacity building forums done
	Ratification of the Minamata Convention	Support in the ratification of Minamata Convention on Mercury	<ul style="list-style-type: none"> <li>• #of participatory meetings on the Minamata Convention (Conference of Parties meetings and other meetings) Baseline: 0 Target: 4</li> <li>• High level meeting with the parliamentarians held Baseline: 0 Target: 1</li> <li>• Stakeholders Forum on domestication of the convention held Baseline: 0 Target: 1</li> </ul> <p>Deposit of the instrument of ratification of the Minamata Convention Baseline: 0 Target: 1</p>	The ratification in the advanced stages. National Assembly MEMOs drafted. The Country participated in the COP 4 preparatory meetings.

### **3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

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

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

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

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

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

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

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

#### **4. Market place practices-**

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

#### **5. Community Engagements-**

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

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

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

#### **4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *SAICM* 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, 2022.

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

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *SAICM* *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 *SAICM project* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Environment and Forestry and the *Project Coordinator* for *SAICM project* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *SAICM 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

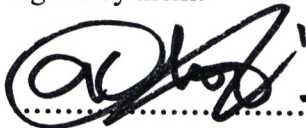
***Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022***

---

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 ..... and the *Project Coordinator* for SAICM on 30/9/ 2022 and signed by them.



Dr. Chris Kiptoo  
Principal Secretary

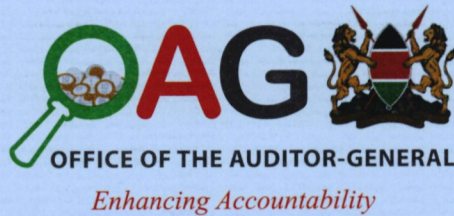


Cyrus Mageria  
Project Coordinator



Enock Maticha  
Project Accountant  
ICPAK Member No: 23310

# REPUBLIC OF KENYA



Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA SPECIAL PROJECT ON BRSM AND SAICM FOR THE YEAR ENDED 30 JUNE, 2022 - 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, gazette 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 controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 Special Project for BRSM and SAICM set out on pages 1 to 36, which comprise of the statement of financial assets

---

*Report of the Auditor-General on Kenya Special Project on BRSM and SAICM for the year ended 30 June, 2022 - Ministry of Environment and Forestry*

as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, 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 Special Project for BRSM and SAICM as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement between the United Nations Environment Programme (UNEP) and the Ministry of Environment and Forestry dated 17 July, 2018 as well as amendment dated 26 April, 2021 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 the Kenya Special Project for BRSM and SAICM 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.

### **Other Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects total revenue budget of Kshs.15,000,000 against actual receipts of Kshs.9,320,883 resulting to under-funding of Kshs.5,679,116 or 38% of the budget. Similarly, the statement reflects approved expenditure budget of Kshs.15,000,000 against actual expenditure of Kshs.10,292,266 resulting to under-expenditure of Kshs.4,707,733 or 31% of the budget.

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

## 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.

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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

In preparing the financial statements, the Project Management is responsible for assessing the Project's ability to continue to sustain its 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 to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, the Project Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements 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 Project's financial reporting process, reviewing the effectiveness of how Project Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Projects 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 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 controls 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 Gatundu, CBS  
AUDITOR-GENERAL

**Nairobi**

**18 November, 2022**

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

**6. Statement of Receipts and Payments for the year ended 30th June 2022.**

	Note	2021-2022		2020-2021		Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		Kshs.	Kshs.	Kshs.	Kshs.					
<b>Receipts</b>										
Transfer from Government entities	1	-	-	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants	2	9,320,883.35	-	9,320,883.35	-	10,230,195.35	-	-	10,230,195.35	19,551,078.70
Loan from external development partners	3	-	-	-	-	-	-	-	-	-
Miscellaneous receipts	4	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>		<b>9,320,883.35</b>	<b>-</b>	<b>9,320,883.35</b>	<b>-</b>	<b>10,230,195.35</b>	<b>-</b>	<b>-</b>	<b>10,230,195.35</b>	<b>19,551,078.70</b>
<b>Payments</b>										
Compensation to employees	5	721,935.50	-	721,935.50	-	1,045,160.00	-	-	1,045,160.00	1,767,095.50
Purchase of goods and services	6	9,570,331.00	-	9,570,331.00	-	5,575,001.30	-	-	5,575,001.30	15,145,332.30
Social security benefits	7	-	-	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	-	-	814,500	-	-	814,500	814,500
Transfers to other government entities	9	-	-	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	-	-	-
<b>Total payments</b>		<b>10,292,266.50</b>	<b>-</b>	<b>10,292,266.50</b>	<b>-</b>	<b>7,434,661.30</b>	<b>-</b>	<b>-</b>	<b>7,434,661.30</b>	<b>17,726,927.80</b>
<b>Surplus/ (deficit)</b>		<b>(971,383.15)</b>	<b>-</b>	<b>(971,383.15)</b>	<b>-</b>	<b>2,795,534.05</b>	<b>-</b>	<b>-</b>	<b>2,795,534.05</b>	<b>1,824,150.90</b>

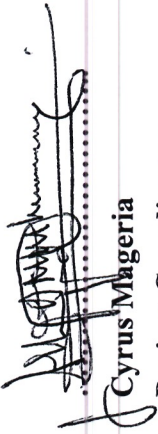
**Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

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



.....  
Dr. Chris Kiptoo

Principal Secretary



.....  
Cyrus Mageria

Project Coordinator



.....  
Enock Maticha

Project Accountant

ICPAK Member No: 233/0

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

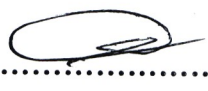
**7. Statement of Financial Assets as at 30<sup>th</sup> June 2022**

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash equivalents</b>			
Bank Balances	11.A	1,824,150.90	2,795,534.05
Cash Balances	11. B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
<b>Total Cash and Cash equivalents</b>		<b>1,824,150.90</b>	<b>2,795,534.05</b>
Imprests and Advances	12	-	-
<b>Total Financial Assets</b>		<b>1,824,150.90</b>	<b>2,795,534.05</b>
<b>Financial Liabilities</b>			
Deposits and Retention monies	13	-	-
<b>Net Assets</b>		<b>1,824,150.90</b>	<b>2,795,534.05</b>
<b>Represented By</b>			
Fund Balance B/fwd.	14	2,795,534.05	-
Prior Year adjustments	15	-	-
Surplus/(Deficit) for the Year		(971,383.15)	2,795,534.05
<b>Net Financial Position</b>		<b>1,824,150.90</b>	<b>2,795,534.05</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/9/2022 and signed by:

  
.....  
Dr. Chris Kiptoo  
Principal Secretary

  
.....  
Cyrus Mageria  
Project Coordinator

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

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

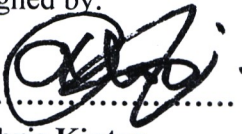
**8. Statement of Cashflow for the year ended 30<sup>th</sup> June 2022**

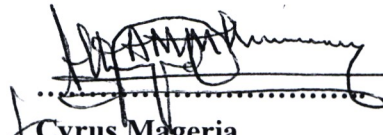
<b>Description</b>	<b>Notes</b>	<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Cashflow from operating activities</b>			
<b>Receipts</b>			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	9,320,883.35	10,230,195.35
Miscellaneous receipts	4	-	-
<b>Total receipts</b>		<b>9,320,883.35</b>	<b>10,230,195.35</b>
<b>Payments</b>			
Compensation of employees	5	721,935.50	1,045,160.00
Purchase of goods and services	6	9,570,331.00	5,575,001.30
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
<b>Total Payments</b>		<b>10,292,266.50</b>	<b>6,620,161.30</b>
<b>Adjustments during the year</b>			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
<b>Net cash flow from operating activities</b>		<b>(971,383.15)</b>	<b>3,610,034.05</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	8	-	814,500
<b>Net cash flows from investing activities</b>		<b>(971,383.15)</b>	<b>2,795,534.05</b>
<b>Cash flow from financing activities</b>			-
Proceeds from foreign borrowings	3	-	-
<b>Net cash flow from financing activities</b>		-	-


*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Net increase in cash and cash equivalents		(971,383.15)	2,795,534.05
Cash and cash equivalent at beginning of the year	11	2,795,534.05	-
Cash and cash equivalent at end of the year	11	1,824,150.90	2,795,534.05

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/2022 and signed by:

  
.....  
Dr. Chris Kiptoo  
Principal Secretary

  
.....  
Cyrus Mageria  
Project Coordinator

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

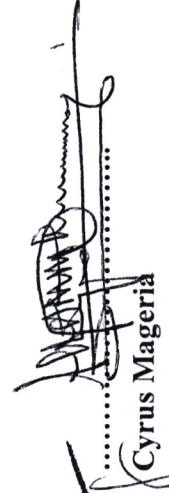
**Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

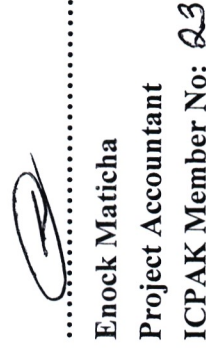
**9. Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June 2022**

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 %
<b>Receipts</b>						
Transfer from Government entities						
Proceeds from domestic and foreign grants	15,000,000	-	15,000,000	9,320,883.35	5,679,116.65	62%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
<b>Total Receipts</b>	<b>15,000,000</b>	<b>-</b>	<b>15,000,000</b>	<b>9,320,883.35</b>	<b>5,679,116.65</b>	<b>62%</b>
<b>Payments</b>						
Compensation to employees	720,000	-	720,000	721,935.50	( 1,935.50 )	100.26%
Purchase of goods and services	14,280,000	-	14,280,000	9,570,331.00	4,709,669	67%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
<b>Total Payments</b>	<b>15,000,000</b>	<b>-</b>	<b>15,000,000</b>	<b>10,292,266.50</b>	<b>4,707,733.50</b>	<b>68.6%</b>
<b>Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(971383.15)</b>	<b>971,383.15</b>	<b>-</b>

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

  
.....  
Dr. Chris Kiptoo  
Principal Secretary

  
.....  
Cyrus Mageria  
Project Coordinator

  
.....  
Enock Maticha  
Project Accountant  
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 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.

### **10.2 Reporting entity**

The financial statements are for Kenya Special Project for BRSM and SAICM under the Ministry of Environment and Forestry. The financial statements are for the reporting entity (Project xxx) as required by Section 81 of the PFM Act, 2012 .

### **10.3 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.

### **10.4 Recognition of receipts**

Kenya Special project for BRSM and SAICM recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

#### **i) Transfers from the Exchequer**

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

#### **ii) External Assistance**

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

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

#### **iii) Other receipts**

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

#### **iv) Donations and grants**

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

#### **v) Proceeds from borrowing**

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

#### **vi) Undrawn external assistance**

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

### **10.5 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 to employees**

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

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

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

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

### **10.6 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)**

### **10.7 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.

### **10.8 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.

### **10.9 Imprests and Advances**

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

### **10.10 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:

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

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

**Annex 5** of this financial statement is a register of the contingent liabilities in the year.

#### **10.11 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.

#### **10.12 Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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

#### **10.13 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*.

#### **10.14 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, Kshs.... being grant disbursements were received in form of direct payments from third parties.

#### **10.15 Exchange rate differences**

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

**Significant Accounting Policies (Continued)**

**10.16 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.

**10.17 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, 2022.

**10.18 Prior period adjustments**

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

## 11. Notes to the Financial Statements

### 1. Transfers from Government entities

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

Description	KShs	KShs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Counterpart funding through Ministry of Environment and Forestry</i>			
Counterpart funds Quarter 1	-	-	-
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
<b>Total (See Annex 2)</b>	-	-	-
<i>Other transfers from government entities</i>			
Ministry	-	-	-
Ministry	-	-	-
Total	-	=	=
Appropriations-in-Aid	-	-	-
<b>Total</b>	=	=	=

*Note: There were no GOK counterpart funds received during the financial year.*

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2022, 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	
						2021-2022 Kshs	2020-2021 Kshs
Grants Received from Bilateral Donors (Foreign Governments)							
UNEP	9/12/2021	-	7,000,000		-	7,000,000.00	10,230,195.35
UNEP	27/5/2022	-	2,320,883.35			2,320,883.35	-
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							
<b>Total</b>	-		<b>9,320,883.35</b>	-	-	<b>9,320,883.35</b>	<b>10,230,195.35</b>

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

**3. Loan from External Development Partners**

During the financial period to 30 June 2022, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash Kshs	Loans received as direct payment* Kshs	Total amount in Kshs	
					2021-2022	2020-2021
Loans received from bilateral Donors (Foreign Governments)						
Insert name of foreign Government	-	-	-	-	-	-
Insert name of foreign Government	-	-	-	-	-	-
Loans received from Multilateral Donors (International Organizations)						
Insert name of international organization	-	-	-	-	-	-
Insert name of international organization	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

*Kenya Special project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

	2021-2022			2020/2021	Cumulative to-date (from inception) Kshs
	Receipts controlled by the entity in Cash Kshs	Receipts controlled by third parties Kshs	Total receipts Kshs	Total receipts Kshs	
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties, and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

*Note: There were no miscellaneous receipts during the financial year.*

Notes to the Financial Statements (Continued)

5. Compensation to Employees

	2021/2022			2020/2021	
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	721,935.50	-	721,935.50	1,045,160	1,767,095.50
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
<b>Total</b>	<b>721,935.50</b>	<b>-</b>	<b>721,935.50</b>	<b>1,045,160</b>	<b>1,767,095.50</b>

**Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

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

**6. Purchase of Goods and Services**

	2021/2022			2020/2021	Cumulative to-date Kshs
	Payments made in Cash Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	-	-	-	-	-
Domestic travel and subsistence	8,436,997	-	8,436,997	-	8,436,997
Foreign travel and subsistence	108,284	-	108,284	-	108,284
Printing, advertising, and information supplies	-	-	-	-	-
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	5,040,500.00	5,040,500.00
Hospitality supplies and services	885,100	-	885,100	534,501.30	1,419,601.30
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	-	-
Other operating payments	139,950	-	139,950	-	139,950
Routine maintenance – vehicles and other transport equipment	-	-	-	-	-
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
<b>Total</b>	<b>9,570,331</b>	<b>=</b>	<b>9,570,331</b>	<b>5,575,001.30</b>	<b>15,145,332.30</b>

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

**7. Social Security Benefits**

	2021-2022			2020-2021	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	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	2021-2022		2020-2021		Cumulative to date
			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	-	-	-	-	814,500	814,500	814,500
Purchase of specialised plant, equipment and machinery	-	-	-	-	-	-	-
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-	-	-

**Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

	Payments made in Cash	Payments made by third parties	2021-2022		Total payments 2020-2021	Cumulative to date
			Total payments	Total payments		
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-	-
Acquisition of land	-	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-	-
<b>Total</b>	=	=	=	=	<b>814,500</b>	<b>814,500</b>

*Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2022, we transferred funds to reporting government entities as shown below:

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs	Kshs	Kshs	2021-2020	Kshs
Transfers to National Government entities					
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	-	-	-	-	-----
Transfers to County Governments					
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	=	=	=	=	=

*Note: There were no transfers made during the year*

**Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

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

**10. Other Grants, Transfers and Payments**

	Payments made in Cash	Payments made by third parties	2022-2021		2020-2021		Cumulative to-date
			Kshs	Kshs	Kshs	Kshs	
Grants for scholarships	-	-	-	-	-	-	-
Transfers to lower levels of government e.g. schools	-	-	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-

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

**11. Cash And Cash equivalents**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts (Note 8.13A)	1,824,150.90	2,795,534.05
Cash in hand (Note 8. 13B)	-	-
Cash equivalents (short-term deposits) (Note 8.13C)	-	-
<b>Total</b>	<b>1,824,150.90</b>	<b>2,795,534.05</b>

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

**11. A Bank Accounts**

**Project Bank Accounts**

<b>Details</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
<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> )		
<b>Total Foreign Currency balances</b>		
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.1000410817]	1,824,150.90	2,795,534.05
Kenya Commercial Bank [A/c No.....]		
Co-operative Bank of Kenya [A/c No.....]		
Others ( <i>specify</i> )		
<b>Total local currency balances</b>	<b>1,824,150.90</b>	<b>2,795,534.05</b>
<b>Total bank account balances</b>	<b>1,824,150.90</b>	<b>2,795,534.05</b>

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

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2022 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>(i) A/C Name [A/c No.....]</b>		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	=	=
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	=	=
<b>(ii) A/c Name [A/c No.....]</b>		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	=	=
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	=	=

*(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix .. support these closing balance.*

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

**11 B Cash in hand**

Description	2021-2022	2020-2021
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations ( <i>specify</i> )	-	-
<b>Total cash in hand balances</b>	<b>=</b>	<b>=</b>

[Provide a cash count certificate for each location above]

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

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

[Provide short appropriate explanations as necessary]

**12. Imprests and Advances**

Description	2021-2022	2020-2021
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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

**12b: Breakdown of Imprests and Advances**

<b>Name of Officer or Institution</b>	<b>Amount Taken</b>	<b>Due Date of Surrender</b>	<b>Amount Surrendered</b>	<b>Balance 2022</b>	<b>Balance 2021</b>
	Kshs	Kshs	Kshs	Kshs	Kshs
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Total</b>	=	=	=	=	=

**13. Deposits and Retention Monies**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	Kshs	Kshs
Retention	-	-
Deposits	-	-
<b>Total</b>	-	-

**14. Fund Balance Brought Forward**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	Kshs	Kshs
Bank accounts	2,795,534.05	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
<b>Total</b>	<b>2,795,534.05</b>	-

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

**15. Prior Year adjustment**

	<b>Balance b/f FY (2020/2021 audited financial statements)</b>	<b>Adjustments</b>	<b>Adjusted balance b/f FY 2020/2021</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
Total	-	-	-

*(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)*

**16. Changes in Receivable**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Opening Receivables as at 1 <sup>st</sup> July 2021	-	-
Closing account receivables as at 30 <sup>th</sup> June 2022	-	-
Change in Receivables	-	-

**17. Changes in Accounts Payable**

<b>Description</b>	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 2021	-	-
Closing accounts payables as at 30 <sup>th</sup> June 2022	-	-
Change in payables	-	-

**Kenya Special Project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**12. Other Important Disclosures**

**1. Pending Accounts Payable**

	<b>Balance b/f FY 2020/2021</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-	-	-
Construction of civil works	-	-	-	-
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2. Pending Staff Payables (See Annex 3a)**

	<b>Balance b/f FY 2020/20 21</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2021/2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Senior management	-	-	-	-
Middle management	300,000	-	300,000	-
Union employees	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>	<b>-</b>

**Note:** The above pending staff payables were paid and cleared during 2021/2022 financial year

*Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

**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 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	--
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
<b>Total</b>	-	-	-	-

**4. External Assistance**

	2021-2022	2020-2021
Description	Kshs	Kshs
External assistance received as grants	9,320,883.35	10,230,195.35
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	<b>9,320,883.35</b>	<b>10,230,195.35</b>

*a). External assistance relating loans and grants*

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	9,320,883.35	10,230,195.35
<b>Total</b>	<b>9,320,883.35</b>	<b>10,230,195.35</b>

**Kenya Special Project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Other Important Disclosures (Continued)**

*b) Undrawn external assistance*

	Purpose for which the undrawn external assistance may be used	FY 2021/2022	FY 2020/2021
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		5,448,921.30	-
<b>Total</b>		<b>5,448,921.30</b>	<b>-</b>

*c) Classes of providers of external assistance*

	FY 2021/2022	FY 2020/2021
Description	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*(Provide details of the reasons for external assistance e.g. Economic development or welfare objective, Emergency relief, Trading activities etc.)*

**Kenya Special Project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Other Important Disclosures (Continued)**

**d. Non-monetary external assistance**

	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods	-	-
Services	-	-
<b>Total</b>	-	-

*(This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B: Disclose the basis on which the value of goods and services were determined (This may be by: depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement).*

**e Purpose and use of external assistance**

<b>Payments made by third parties</b>	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation to employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to other Government entities	-	-
Other grants and transfers	-	-
Social Security benefits	-	-
Acquisition of assets	-	-
Finance Costs including loan interest	-	-
Repayment of principal on domestic and foreign borrowing	-	-
Other payments	-	-
<b>Total</b>	-	-

**Kenya Special Project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Other Important Disclosures (Continued)**

**f. External Assistance paid by third parties on behalf of (the Entity) by Source**

*This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity).*


	<b>FY 2021/2022</b>	<b>FY 2020/2021</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

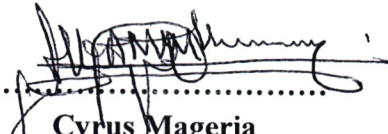
13. Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
25	<p><b>Budgetary Control and Performance:</b></p> <p>The statement of comparative budget and actual amounts for the year ended 30 June, 2021 reflects actual receipts of Kshs.10,230,195 against budgeted receipts of Kshs.15,000,000 resulting in a short fall of Kshs.4,769,805 or 32% of the total budget.</p> <p>In addition, actual expenditure for the year amounted to Kshs.7,434,660 against the final budgeted expenditure of Kshs.15,000,000</p>	<p>It is true that the statement of comparative budget and actual amounts for the year reflects actual receipts of Ksh. 10,230,195 against budgeted receipts of Ksh. 15,000,000 resulting to a shortfall of Ksh. 4,769,805. Further, the project under-absorbed the budgeted amount by Ksh. 7,565,340 in the financial year 2020/21. The reason for under collection of receipts and under expenditure are:</p> <ul style="list-style-type: none"> <li>• Late disbursement of funds from Donor affected the project implementation;</li> <li>• Some ordered equipment had not been delivered by the year end hence payment for the same could not be made;</li> <li>• Some activities were cancelled in the financial year 2020/21 as a result of the COVID -19 Pandemic.</li> </ul>	<p>Appeared before the Parliamentary Accounts Committee (PAC) and we are waiting for the PAC recommendation report.</p>	<p>Within six (6) months</p>

*Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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)
	resulting to under absorption of Kshs.7,565,340 for which Management attributed to late disbursement of funds and delayed procurement processes.			

  
 .....  
 Dr. Chris Kiptoo  
 Principal Secretary

  
 .....  
 Cyrus Mageria  
 Project Coordinator

*Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022*

**14. Annexes**

**Annex1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities	-	-	-	-	-
Proceeds from domestic and foreign grants	15,000,000	9,320,883.35	5,679,116.65	62%	Late disbursement of funds
Proceeds from borrowings	-				
Miscellaneous receipts	-				
<b>Total Receipts</b>	<b>15,000,000</b>	<b>9,320,883.35</b>	<b>5,679,116.65</b>	<b>62%</b>	
<b>Payments</b>					
Compensation of employees	720,000	721,935.50	(1,935.50)	100.26%	The 100.6% was due to the payment of salaries in arrears
Purchase of goods and services	14,280,000	9,570,331.00	4,709,669	67%	Late disbursement of funds
Social security benefits					
Acquisition of non-financial assets					
Transfers to other government entities					
Other grants and transfers					
<b>Total payments</b>	<b>15,000,000</b>	<b>10,292,266.50</b>	<b>4,707,733.50</b>	<b>68%</b>	

**Kenya Special Project for BRSM and SAICM**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

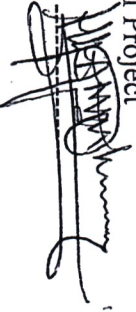
**Annex 2: Reconciliation of inter-entity transfers**

Project Name:	SAICM	
Break down of transfers from the State Department of Environment and Forestry		
<b>a. Government Counterpart funding</b>		
	Bank Statement Date	Amount (Kshs)
	09/12/2021	7,000,000.00
	27/05/2022	2,320,883.35
	<b>Total</b>	<b>9,320,883.35</b>
<b>B. Direct payments</b>		
	Bank Statement Date	Amount (Kshs)
		-
	<b>Total</b>	<b>-</b>
<b>C. Others</b>		
	Bank Statement Date	Amount (Kshs)
		-
	<b>Total</b>	<b>-</b>
	<b>Total (A+B+C)</b>	<b>9,320,883.35</b>

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

Mr. Cyrus Mageria  
 Project Coordinator  
 SAICM Project

Sign



Head of Accounting Unit  
 Ministry of Environment & Forestry

Sign



**Kenya Special Project for BRSM and SAICM  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Annex 3a - Analysis of Pending: Staff Bills**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2021-2022	Outstanding Balance 2020/21	Comments
<b>Permanent Employees - Management</b>							
1. William Melau - April, 2021		60,000		60,000	-		
2. Edward Njuguna- April, 2021		60,000		60,000	-		
3. William Melau- May, 2021		60,000		60,000	-		
4. Edward Njuguna- May, 2021		60,000		60,000	-		
5. Edward Njuguna- June, 2021		60,000		60,000	-		
6. William Melau - April- June 2022		180,000		-	180,000		Pending bills cleared during 2021/2022 Fy
<b>Sub-Total</b>		<b>480,000</b>		<b>300,000</b>	<b>180,000</b>	<b>-</b>	
<b>Permanent Employees - Others</b>							
7.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
8.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
9.							
<b>Sub-Total</b>							
<b>Grand Total</b>		<b>480,000</b>		<b>300,000</b>	<b>-</b>	<b>-</b>	

**Kenya Special Project for BRSM and SAICM**

**Reports and Financial Statements for the financial year ended June 30, 2022**

**Annex 4 – Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2021/22 (a)	Donations in form of assets (KShs) 2021/22 (b)	*Purchases/ Additions in the Year (KShs) 2021/22 (c)	**Disposals in the Year (KShs) 2021/22 (d)	Transfers in/(out) Kshs 2021/22 (d)	Closing Cost (KShs) 20xx (e)= (a)+ (b)+c-(d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,	814,500					814,500
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
<b>Total</b>	<b>814,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>814,500</b>

***Kenya Special Project for BRSM and SAICM  
Reports and Financial Statements for the financial year ended June 30, 2022***

**Annex 5: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2022
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance

REPUBLIC OF KENYA

DATE 1<sup>ST</sup> JULY 2022

Report of the Board of Survey on the Cash and Bank Balances of **MINISTRY OF ENVIRONMENT AND FORESTRY(SAICM 1108)** AS AT THE CLOSE OF BUSINESS ON 30<sup>TH</sup> JUNE, 2022.

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

RODNEY OMARI	-	CHAIRMAN
CAROLINE WAMBUA	-	MEMBER
	-	MEMBER

Assembled at the Cash office Ministry HQS.  
At.....10.00 A.M. ....(time) on the 13<sup>th</sup> JULY..., 2022

And the following cash was produced:

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

NIL

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

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

The Cash Book reflected the following balances as at the close of business on the 30<sup>th</sup> June .2022

Cash on hand	.. .. .	Sh. ...NIL
Bank balance	.. .. .	Sh 1,824,150.90
		<u>1,824,150.90</u>

The Bank Certificate of Balance showed a sum of Sh..TWO MILLION EIGHT HUNDRED AND SIXTEEN THOUSAND,SIX HUNDRED AND ELEVEN .Cts. NINETY CENTS only..... (Sh 2,816,611.90...)

Standing to the credit of the account on .....30<sup>th</sup> June, 2022.....

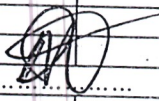
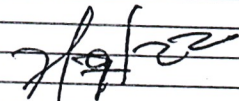
The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank reconciliation Statement (F.O.30) attached.

RODNEY OMARI :.....  
CHAIRMAN

JIMMY MUCHEKE:.....

CAROLINE WAMBUA .....  
MEMBERS OF THE BOARD

1<sup>ST</sup> JULY 2022  
Date .....

REPUBLIC OF KENYA		F.O 30
MINISTRY OF ENVIRONMENT AND FORESTRY		
SAICM-1108 (ME&F) 2021/2022		
Account number : 1000410817		
BANK RECONCILIATION STATEMENT AS AT 30.06.2022		
Balance as per bank certificate		Kshs. 2,816,611.90
Less		
1. Payments in cashbook not yet recorded in bank statement		992,461.00
2. Receipts in bank statement not yet recorded in cashbook		-
Add		
3. Payments in bank statement not yet recorded in casbook		-
4. Receipts in cashbook not yet recorded in bank statement.		-
Balance as per the cashbook.....		1,824,150.90
I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct		
	SDAG	
Signature	Designation	Date
(All schedules are attached herewith)		
Prepared by: <u>Simon Mbiti</u>		Signature: <u>[Signature]</u>

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2021/2022			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2022			
PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	William melau		
	William melau	11,550.00	
	patrick kamau	20,000.00	
	antony wainaina	52,500.00	
	jane kisutia	52,500.00	
	fred isaboke	52,500.00	
	jane oluoch	52,500.00	
	William melau	52,500.00	
	William melau	108,284.00	
	transfer of funds	187,000.00	
	William melau	340,127.00	
	TOTAL	63,000.00	
		992,461.00	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2021/2022			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2022			
RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 2)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	<b>TOTAL</b>	<b>NIL</b>	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108( ME&F) 2021/2022			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2022			
PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 3)			
DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	

REPUBLIC OF KENYA			
MINISTRY OF ENVIRONMENT AND FORESTRY			
A/C SAICM-1108 (ME&F) 2021/2022			
Account number : 1000410817			
BANK RECONCILIATION STATEMENT AS AT 30.06.2022			
RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT(SCHEDULE 4)			
C B DATE	PAYEE NAME	AMOUNT (Kshs.)	REMARKS
	TOTAL	NIL	