

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PARLIAMENT	
DATE: 17 FEB 2022	DAY: Thurs
REPORT BY: LDM	
CLERK OF THE REPORT: C. Ndintu	

THE AUDITOR-GENERAL

ON

**SOUND CHEMICALS MANAGEMENT
MAINSTREAMING AND UPOPS REDUCTION
IN KENYA (GRANT NO.P0099820)**

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

**MINISTRY OF ENVIRONMENT AND
FORESTRY**



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**Project Name: Sound Chemicals Management Mainstreaming and UOPS Reduction
in Kenya**

Implementing Entity: Ministry of Environment and Forestry

PROJECT GRANT/CREDIT NUMBER: P0099820

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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Reports and Financial Statements
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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is **Sound Chemicals Management Mainstreaming and UPOPs Reduction in Kenya**,

Objective

The key objective of the project is to protect human health and environment,

Address:

The project headquarters offices are Nairobi city, Nairobi County, Kenya.

The address of its registered office is

UPOPS Project unit

Ministry of Environment and Forestry

NHIF Building, Upper Hill,

P.O. Box 30126 - 00100

Nairobi

Contacts: The following are the project contacts

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

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 Acting project manager is Mr Francis Kihumba
Project Sponsor:	The project sponsor is GEF through UNDP Kenya

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment and Forestry Ministry.
Project number	00099820
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> 1. Sound Management of Chemicals <ol style="list-style-type: none"> a. Improve the country legislation on chemicals, with the objective to assist the environmentally sound management of hazardous chemical, define quality and technical standards for disposal processes; b. Increase the knowledge and awareness of risks related to chemicals with a life cycle perspective, promoting alternatives to POPs and other hazardous substances, preventing the use of materials that may generate / release POPs as a consequence of their improper disposal, ensuring the proper disposal of chemicals to avoid their release in the environment; c. Ensure that the country has the capacity to monitor the presence of POPs in the relevant environmental media, with specific focus on air quality, atmospheric emissions and specific waste streams. 2. Health-care waste management <ol style="list-style-type: none"> a. Increase segregation and minimisation of waste; b. Improvement of HCW disposal technology and increased centralisation of waste disposal. c. Therefore, the strategy of the project is to rank project facilities in 3 categories: <ol style="list-style-type: none"> (i) Small facilities where no treatment or disposal plant will be installed under the project. In these facilities, the project assistance aims instead at ensuring minimization of waste production, proper segregation, and safe storage/transportation. Basic waste disposal equipment will be provided to these hospitals (bags, bins, carts,

		<p>sharp boxes).</p> <p>(ii) Large or medium size facilities currently equipped with out of order or sub-standard incinerators, which can be replaced under the project by non-incineration equipment for the treatment of waste, generated by the same facility or by the small facilities in point (1) above. It is envisaged that under the project a maximum number of 4 medium size non-incineration equipment composed by shredders and non-combustion equipment will be deployed to these facilities. In these facilities, the project will provide training and technical assistance, basic waste disposal equipment, and the waste treatment equipment.</p> <p>(iii) A large or medium size HCF currently equipped with a working double-chamber incinerator, which can be used to dispose waste generated by the same facility or by the small facilities in previous point 1. In this facility, after proper technical and financial feasibility study, the incinerator will be upgraded by installing a complete APCM train which may include quencher, bag-filter, neutralizer, and an activated charcoal column. The upgraded incinerator will be used for disposing only the hazardous waste which cannot be processed differently. The incinerator will dispose therefore the hazardous waste generated by the hospital itself or by the HCF listed under the previous point (2) after steam disinfection. Please note that this still synergizes with the activities described below as part of the “Clean Teach East Africa” initiative, as the latter will focus on the Nairobi area and this project can focus on another geographic area</p> <p>3. Municipal Waste</p> <p>a. Creation of alternative approaches to composting in pilot counties;</p> <p>b. Support to the development of a new stream of recycling for plastics in these counties;</p> <p>c. Development of emergency measures in one priority site, particularly to avoid accidental or voluntary burning of wastes.</p>
Achievement of strategic goals	of	<p>The project management aims to achieve the goals through the following means:</p> <p>(i) Streamlining sound management of chemicals and waste into national and county development activities through capacity building of MOEF, MOH, county governments of Nairobi, Kisumu, Nakuru and Mombasa and the NGOs;</p> <p>(ii) Introducing environmentally sound management of health care waste in selected healthcare facilities; policy and strategic plans to prepare them to adopt BAT and BEP disposal;</p> <p>(iii) Demonstration of sound healthcare waste disposal technologies in a selected number of healthcare facilities in each the county;</p> <p>(iv) Minimizing releases of unintentionally produced POPs from open burning of waste; and</p>

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	(v) Monitoring, learning, adaptive feedback, outreach and evaluation.
Other important background information of the project	Kenya is a party to the Stockholm Convention on Persistent Organic Pollutants (POPs), having ratified the Convention in September 2004. The country subsequently developed its National Implementation Plan (NIP) in 2007. Like other signatories to the Convention, Kenya completed the process of updating the NIP in accordance with the provisions of Article 7 of the Convention and in view of the amendments made to the convention since ratification. Through this process, Kenya developed and amended in a systematic and participatory manner, priority policy and regulatory reforms as well as capacity building needs and required investment programs for POPs since 2004. The process also enabled Kenya to establish inventories of products/articles containing POPs, industrial processes using them and to provide useful information on the concentration levels and distribution of POPs across the country.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Health care Waste (ii) Municipal Waste to reduce open burning of wastes
Project duration	The project started on May 2016 and is expected to run until May 2021

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

1. Central Bank of Kenya 1000407867-Special Deposit Account up to date
2. Central Bank of Kenya 1000392387- Project operating account- up to date

1.5 Auditors

The project is audited by the office of the Auditor General

1.6 Roles and Responsibilities

The project organization structure has Project Steering Committee as the overall oversight and decision-making body. It is consisted of members from the Ministry of Environment and Forestry, the principle secretary being the executive with a co-chair from UNDP. Other members are The National Treasury and senior beneficiaries of Ministry of Health and NEMA

Names	Title designation	Key qualification	Responsibilities
Dr. Chris Kiptoo, CBS	Principal Secretary	Doctorate in International Macroeconomics Finance Specialization	-Oversight and accounting officer
Mr. Cyrus Mageria	Ag. Director MEAs	Master of Science in Natural Resource Management and Public Resource Management	-National Project Director implementation and oversight
Mr. Francis Kihumba	Ag. Project Manager	Masters of Applied Sciences (BSc), Environmental Chemistry	-Prepare and update project work plans. -Coordinate the Project Management Unit (PMU) Coordinate quarterly work planning and progress reporting meetings with the NPC, PMU, and UNDP; - Ensure that all agreements with implementing agencies are prepared, negotiated and agreed upon. -TORs Preparations
Ms. Mercy Kimani	Project Assistant	Bachelor of Arts, Counselling Psychology; Higher	-Provide necessary assistance in the operational management of the project according to the

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		Diploma in Public Relations and Personnel Management	project document and the NEX procedures. -Draft correspondence on administrative and program matters pertaining to the Project Office responsibilities;
			-Provide support in preparing project events, including workshops, meetings (monthly, quarterly and annual), study tours, trainings, etc., as required. This also includes preparation of background materials for use in discussions and briefing sessions on project matter; -Logistical arrangements. This includes visa, transportation, hotel bookings for project staff, consultants and invited guests coming for project activities; -Be responsible for project filing system. This includes setting up the filing, numbering of all incoming and outgoing correspondence. -Prepare regular list of events for sharing of information within project staff and outside; vii. Assist with project communication activities, including publications;
Nancy Narasha	Finance and Administration Officer	Masters of applied economics	Operation management of the project
		BCOM Finance	Procurement TORs Preparations Prepare quarterly advance requests as required to get advance funds from UNDP Handle incoming requests for funds from Responsible Parties and prepare them for input and approval by NPM and NPC Project budget monitoring and project budget revision

1.7 Funding summary

The Project is for duration of 5 years from 2016 to 2021 with an approved budget of US\$ 4,515,000 (use donor currency) equivalent to Kes 451,500,000 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 June 2021)		Undrawn balance to date	
	USD	KShs	USD	KShs	USD	KShs
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
UNDP- KENYA	4,515,000	451,500,000	2,599,439	280,655,605	1,915,561	170,844,395
(ii) Counterpart funds						
Government of Kenya						
Cash/Gok	451,500	45,150,000	42,546	4,594,136	408,954	40,555,864
In-Kind-GoK	8,128,653	812,865,300	8,124,454	812,210,864	4,199	654,436
Sub-total	8,580,153	858,015,300	8,167,000	816,805,000	413,153	41,210,300
In-kind Private /Bilateral	12,428,650	1,242,865,000	2,792,000	308,236,800	9,636,650	934,628,200
Total Counterpart fund	20,557,303	2,100,880,300	10,959,000	1,125,041,800	10,049,803	975,838,500
Total	25,523,803	2,552,380,300	13,558,439	1,405,697,405	11,965,364	1,146,682,895

Note: The project document description for Government counterpart funding includes co-financing as part of Government of Kenya and private/bilateral Contribution towards the project output. This includes, related works by the Ministry and infrastructure provided to enable implementation of the project. This has been captured here and a schedule attached as appendix iii.

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

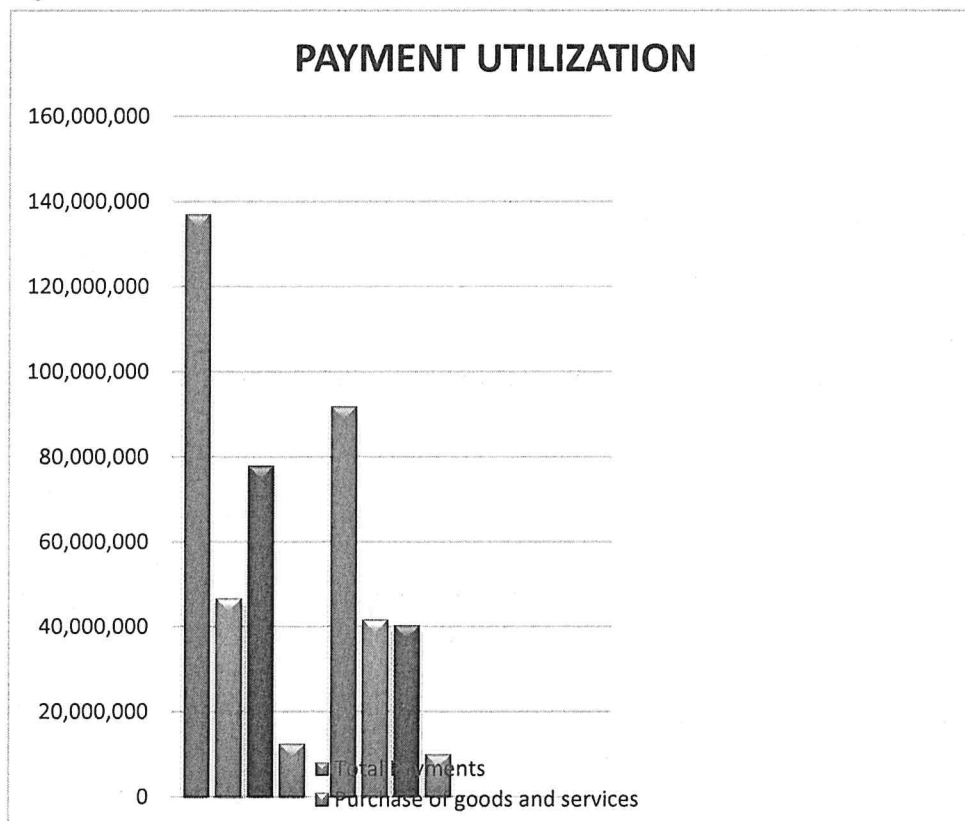
Application of funds	Amount received to date – (30 th June 2021)	Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 th June 2021)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')	(A)-(B)	(A')-(B')
(i) Grant				
UNDP	2,599,439	280,655,605	21	2,275
ii) Counterpart funds from Government of Kenya				
In-Cash GoK	42,546	4,594,136	0	0
In-Kind (Co-finance)GoK	8,124,454	812,210,864	0	0
Sub-total GoK	8,167,000	816,805,000	0	0
In-Kind Private /Bilateral	2,792,000	308,236,800		0
Total Counterpart funds	10,959,000	1,125,041,800	0	0
Total	13,558,439	1,405,697,405	21	2,275

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for current year and for cumulative to-date,

Payments Utilisation



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

The project had 37 targets to be completed before the project end. A summary of the targets is provided here below.

Output	Indicator	Target	% completion
Outcome 1.1			
1.1.1: Overall policy framework and specific regulatory measures covering environmentally sound management of chemicals in general and POPs in particular through chemicals life cycle management developed and implemented.	<ul style="list-style-type: none"> • Availability of a completed and comprehensive gap analysis. Annex 1 • Availability of a nationally endorsed roadmap for improving the existing regulations. Annex2 • Number of new or reviewed regulatory acts to take into account in a consistent manner the current provisions of the SC convention on POPs, with respect to the overall number of relevant regulatory norms to be reviewed identified in the gap analysis. Annex3 	<p>Target 1</p> <ul style="list-style-type: none"> • Gap analysis completed within 12 months from the project start. • A policy and legislation review roadmap approved within 24 months from project start. <p>Target 2</p> <p>The identified policies and legislation regulation/s or their associated norms are amended for compliance with the SC requirements.</p>	100
1.1.2: Key institutions have knowledge and skills to formulate and implement necessary chemicals and waste environmental policies, consistent with sound chemicals management principles and obligations under international agreements	<p>Availability of capacity building needs assessment report. Annex 4</p> <p>Existence of a Training Institution on Chemical Management. Annex 4</p>	<p>Target 3</p> <ul style="list-style-type: none"> • Capacity building needs assessment for central and local institutions in charge of chemical management completed within 12 months from project start. <p>Target 4</p> <ul style="list-style-type: none"> • Training materials tailored to the Kenyan situation, developed on POPs management, POPs monitoring, chemical emergency response and 3R of waste. <p>Target 5</p> <ul style="list-style-type: none"> • At least 200 staff coming from all Kenyan counties and affiliated to governmental institutions, chemical industry and waste management companies selected and trained 	100

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Output	Indicator	Target	% completion
1.1.3: Key institutions have incorporated sound management of chemicals and wastes, including POPs, in their activities.	Number of POPs units at local and central environmental authorities trained and established. Availability of guidance documents on POPs and chemical management for local and central authorities. Availability of inspection reports. Annex 5	<p>Target 6</p> <ul style="list-style-type: none"> Guidance and procedures for the integration of POPs issues in: chemical management, environmental permitting, waste management are developed for the local and central environmental authorities. <p>Target 7</p> <ul style="list-style-type: none"> Units on POPs management are trained and established in key local and central institutions. 	100
1.1.4: National coordinating meetings on POPs held regularly (4 times per year) without GEF financial support	Availability of the formal act for the establishment of the National Chemical Management Coordination Office (NCMCO). Annex 6 Number of coordination meetings held. Annex 6	<p>Target 8</p> <ul style="list-style-type: none"> A National Chemical Management Coordination Office (NCMCO) established at the Ministry of Environment, composed by representatives of relevant Ministries. 	100
1.2.1: At least 70% of laboratory analyses in research and monitoring institutions required to monitor the implementation of national policy on hazardous chemicals and wastes being carried out on a cost recovery basis	Availability of a national plan for monitoring of POPs which establishes a market-based mechanism. Annex 7	<p>Target 9</p> <p>Coordination Meetings of the National Chemical Management Coordination Office</p> <p>Target 10</p> <ul style="list-style-type: none"> Capacity building and equipment upgrading needs identified. 	100
1.2.3: PRTR Database and reporting system in place.	Regulatory tool for the implementation and enforcement of POPs / PTS reporting and PRTR established. Annex 8	<p>Target 11</p> <p>National plan for environmental and industrial monitoring, which identifies POPs monitoring obligations for key industrial and waste management activities developed and implemented.</p> <p>Target 12</p> <ul style="list-style-type: none"> By the end of the project, a circular drafted and submitted to GoK for approval related to implementation and enforcement of POPs monitoring and PRTR system to ensure sustainability of the PRTR related 	100

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Output	Indicator	Target	
Outcome 2.1		Target 13	100%
2.1.1: Procedures and guidelines for the assessment and implementation of hazardous waste management at healthcare facilities built on lessons and examples from the application of the I- RAT tool under the GEF4 /UNDP Global projects and on the WHO blueprint "Safe Management of Wastes from Health-care Activities" developed and adopted	<ul style="list-style-type: none"> Evidence that the guidelines for the Environmentally Sound Management of HCW, including rapid assessment based on the I-RAT tool, have been developed and officially adopted. Annex 9 	<ul style="list-style-type: none"> Revision/development of HCWM guidelines based on the last edition of the WHO blueprint (tailored to various facility types) which include tool and procedures for rapid assessment of HCWM. 	100%
		Target 14	80
		<ul style="list-style-type: none"> The above guidelines are officially adopted by all the pre-selected HCFs. 	80
2.1.2 A national healthcare waste handbook containing guidelines for HCWM drafted and adopted by the MOH, including introduction of non-mercury devices in the HCFs	Availability of the healthcare waste management handbook and documentary evidence that it has been officially adopted	Target 15 Development of technical regulations for HCWM equipment and supplies.	100
2.2.1: Hospital personnel at all levels trained on the implementation of the above procedures	Number of staff from the project HCFs trained. Annex 11	Target 16 <ul style="list-style-type: none"> All the staff of the HCF will receive training on HCWM. 	50
		Target 17 At least 200 staff from the project HCFs trained	100
2.2.2: Baseline assessment of each healthcare facility based on the assessment procedures developed in 2.1.1 carried out, and waste management plans based on the baseline assessment level drafted and implemented	Baseline assessments conducted for all project facilities Annex 12	Target 18 <ul style="list-style-type: none"> I-RATs conducted for each of the HCFs participating / benefitting from the project. 	100
		Target 19 UPOPs releases before implementation of BAT/BEP determined for each project facility.	100
2.2.3: ESM management of healthcare waste (based on WHO blueprint) implemented in 4 facilities in each county (12 facilities in total) including replacement of mercury devices with non-mercury	<ul style="list-style-type: none"> All the project HCFs have introduced BEP in a satisfactory manner. Annex 13 	Target 20 <ul style="list-style-type: none"> Memoranda of Understanding (MoUs) signed with all project (13) HCFs.¹ 	75
		Target 21 <ul style="list-style-type: none"> HCWM committees of all 13 HCFs strengthened or established where missing. HCWM policies, procedures and plans developed and implemented at each project HCF. 	100

¹¹¹ Four central facilities signed

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Output	Indicator	Target	
		<p>Target 22</p> <ul style="list-style-type: none"> • HCFs supported in minimizing waste streams, improving segregation and introducing recycling activities.² 	75
		<p>Target 23</p> <ul style="list-style-type: none"> • Each HCF evaluated to verify introduction of BEP practices. 	100
		<p>Target 24</p> <p>At least 2000 mercury devices replaced by non-mercury devices and safely stored pending disposal</p>	NA
3.1.1: Feasibility study and terms of reference for non-combustion or low-U-POPs emission technologies for healthcare waste disposal in selected hospitals or waste management facilities drafted.	<ul style="list-style-type: none"> • Availability of feasibility study. • Availability of cost- effectiveness analysis. Annex 14 	<p>Target 25</p> <ul style="list-style-type: none"> • Cost-effectiveness and feasibility analysis of centralized treatment facilities in comparison with the current situation (one small treatment facility for each HCF) carried out. 	100
		<p>Target 26</p> <ul style="list-style-type: none"> • Technical specifications for HCW treatment technologies drafted and approved. 	100 ³
		<p>Target 27</p> <p>Technical specification for APCs and for the upgrading of a recent double chamber incinerator to be compliant with the SC drafted and approved.</p>	100
		<p>Target 28</p> <ul style="list-style-type: none"> • Non-incineration technologies procured, installed and tested servicing at least 11 HCFs. 	30 ⁴
		<p>Target 29</p> <ul style="list-style-type: none"> • Procurement of an initial set of HCWM related supplies for at least 12 HCFs. 	100
		<p>Target 31</p> <ul style="list-style-type: none"> • Agreements between CTFs and PFs drafted and signed for each PFs served by a CTF. 	50
Output	Indicator	Target	

² Recycling has not been achieved

³ Specifications for ashpit, bottle and glass crusher, biomedical vehicle

⁴ Two microwaves being procured

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Output	Indicator	Target	
4.1.1: Awareness raising activities for the communities and the municipalities aimed at enhancing 3Rs of waste	<ul style="list-style-type: none"> Level of awareness on 3Rs of different stakeholders as from interviews and questionnaires significantly raised. Annex 16 	<p><u>Target 32</u></p> <ul style="list-style-type: none"> Awareness raising materials (printed or broadcasted) on 3Rs of materials which, if wasted, can generate U-POPs and toxic substances, developed and published for the 3 municipalities of Mombasa, Kisumu and Nakuru. 	100
		<p><u>Target 33</u></p> <ul style="list-style-type: none"> At least 3 awareness raising workshops on 3Rs dedicated to the representatives of environmental authorities performed. 	100
		<p><u>Target 34</u></p> <p>At least 3 awareness raising event for the public at large in the 3 regions of Mombasa, Nakuru and Kisumu carried out.</p>	100
4.1.2: Regulatory framework for the recovery of waste materials (glass, organic, plastic) and for licensing of the recovery activity at county and central levels improved to integrate SC requirements	<ul style="list-style-type: none"> Availability of improved regulatory framework which includes rules for 3Rs and preventing U-POPs emissions through cessation of open burning Annex 17 	<p><u>Target 35</u></p> <ul style="list-style-type: none"> Waste management regulation and its enforcement improved to facilitate the reduce, recycle and recovery approach with special reference to waste which may generate toxic substances when burnt. 	100
4.1.3: Counties provided with training manuals, and technical assistance for the management of solid wastes.	<ul style="list-style-type: none"> Availability of training manuals tailored for counties. Number of staff from counties who received technical assistance. 	<p><u>Target 36</u></p> <ul style="list-style-type: none"> At least 6 field training initiatives for communities and 3 training- for-trainer initiatives for municipalities in Mombasa, Kisumu and Nakuru, aimed at enhancing 3Rs of specific waste streams waste on the basis of the 3R approach performed. 	100
		<p><u>Target 37</u></p> <p>At least 50 people trained for each training initiative.</p>	100

- iii) Comment on value-for-money achievements,

The project uses government procedures to incur expenses and due diligence is done before a contract is issued. The goods and services are acquired through competition to obtain better quality of goods or services in more suitable quantities, just in time when needed, from better suppliers at prices that continue to improve.

- iv) Indicate the absorption rate for each year since the commencement of the project.

Absorption rate

2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
66%	77%	88%	61%	67%

The least performing year was 2019/2020 which the project experienced recurring changes in ministry's executive and in addition, the project was affected by restrictions imposed due to COVID 19 pandemic.

- v) List the implementation challenges and recommended way forward.

The project has encountered the following implementation challenges

No	Challenges	Way forward
1	a) Two interruptions of End of Financial Year for the donor and GoK means the project loses 4 months in a year	Proper planning
2	a) The IFMIS closure of requisition window means that the project is unable to capture its commitments in good time hence affecting expenditure levels which intern affects funds disbursement and this leads to budget cuts with UNDP	Donor funded project should not be subjected to IFMIS closure
3	Turnover of employee	Project was allowed to retain interns to enable project implementation to run smoothly
4	High turnover of executive and management within the Ministry of environment	Political goodwill

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1.9 Summary of Project Compliance:

- i) The project has complied with all the relevant laws and procedures.
 - ii) Consequences suffered on account of non- compliance or likely to be suffered **Not applicable**
-
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance **Not applicable**
-

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Sound chemicals Management Mainstreaming and UPOPS Reduction Project is Grant from GEF through UNDP. The project uses Grant Revenue and Grant Appropriation In Aid financed modalities of cash transfer. The project attained 67% absorption rate and met its objectives for the 2020/21FY. The remaining objectives are held up in procurement processes and continuous Monitoring and evaluation is being done to ensure that the project meets all its targets.

Background

Kenya is party to Multilateral Environmental Agreements for instance the Stockholm Convention on Persistent Organic Pollutant which requires Kenya to put in place measures to safeguard the Environmental Health of its people through safe disposal of waste. The Ministry of Environment being the focal point of these MEAs is implementing the Sound Chemicals Management Mainstreaming and UPOPS reduction project to achieve the objective of safe health and environment. In this regard, the project has put in place measures to achieve these objectives.

The key development objectives of the project's 2016-2021 plan are to:

- a) Streamlining sound management of chemicals and waste into national and county development activities through capacity building of institutions and county governments of Nairobi, Kisumu, Nakuru and Mombasa.

This objective involves developing chemical laws for example policies and regulations on safe management of chemicals in the country.

- b) Introduce environmentally sound management of health care waste in selected healthcare facilities; policy and strategic plans to prepare them to adopt best alternative Technologies and Best Environmental Practices disposal.
- c) Personnel of hospital facilities and control authorities at central and county levels have enough capacity guidance and equipment to manage healthcare waste in an Environmental Sound Manner
- d) Demonstration of sound healthcare waste disposal technologies in a selected number of healthcare facilities in each county
- e) Minimizing releases of unintentionally produced persistent organic Pollutants from open burning of waste.

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Progress on attainment of strategic development objectives

Project	Objective	Outcome	Indicator	Performance
Sound Chemicals Management Mainstreaming and UPOPS reduction	The project intends to protect human health and the environment by managing the risks posed by production, use, import and export of chemicals and reducing / preventing the release of U-POPs and toxic compounds originating from the unsafe management of waste in Health Care Waste and Municipal Waste.	<ul style="list-style-type: none"> -Policy and legal framework -Institution strengthening -Medical Waste - Management -Municipal Waste Management 	<ul style="list-style-type: none"> Number of Policy and regulations put in place Number of trainings done Consultancy and Medical Waste commodities purchased 3Rs upscaling and Awareness creation 	<ul style="list-style-type: none"> In FY 19/20 we developed a Chemicals Regulations Policy, Revised Hazardous Medicals Waste Policy and Reviewed the Pest Control Products Act. Training of Ministry of Health staff on IRAT tool. Best Environmental Practices encouraged and Healthcare Waste Commodities for 13 facilities were purchased. -100 metric tonnes of POPS eliminated due to the concerted efforts done.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The Sound Chemicals Management Mainstreaming and UPOPS Reduction project objectives is on development of policies in waste management that will help the country in Managing the wastes coming out from Medical wastes as well as Municipal waste in a sound manner. The project has put in place the following measures to ensure continuity of the objectives.

1. Capacity Building

In the last 4 years, the project has trained officers from different institution, Water Resources Authority officers, NEMA, CBO's, County Government and Health Care Waste Management workers on their core skills when it comes to MEAs, waste management and sound disposal. The knowledge transfer will go a long way in developing the institution memory.

2. Institution Strengthening

Institutions were identified for strengthening in terms of hardware and software, the WRA Central Water Testing Laboratory elevated and equipped to provide referral services to other regional laboratories on water.

The project has involved and supported the Universities to develop a curriculum that teaches Multilateral Environmental Agreements to students. This will help in knowledge transfers and development on short courses.

The project also supported the development and validation of the Environment Management and Coordination Regulations 2018. The regulation provides for proper chemicals management through its life-cycle which shall be enforced. The regulation will support -Environment, Safety and Health, Hazard and Toxic Chemicals, Ecotoxicology of chemicals used, Management, safety, handling and storage, Obsolete chemicals and Chemicals banned in other countries.

3. BEP and BAT

The project has encouraged the use of Best Environmental Practices and Best Alternative Technology in the management of Chemicals and Waste in the Medical Waste Sector. The project identified model health care facility and replicated this in the 4 counties where waste will be disposed well. This will reduce the number of dioxins and furans Chemical pollutants released into the environment. The process of retrofitting incinerators in two hospitals is underway.

4. Market place practices-

The project in the procurement of goods and services

- a) Uses the Ministry's procedures in procurement fully and in compliance with public procurement and Asset Disposal Act 2015. This ensures that proper guidelines and processes have been followed to enable smooth operations of the project, competitiveness and value for money is achieved.
- b) Vulnerable groups of Youth, Women and Disables have been incorporated in the quotations and tendering processes of the project.

5. Community Engagements-

The project involves county governments and Civil Society in trainings of members of the community in 3R's circular economy. The project has identified CBOS that need to be supported through NEMA and County Governments to be able to benefit directly by providing equipment for recycling

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UOPS Reduction Project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021.

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

The *Principal Secretary* for the Ministry of the Ministry of Environment and Forestry and the *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UOPS Reduction 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 *Principal Secretary* for the Ministry of the Ministry of Environment and Forestry and the *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UOPS Reduction 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 ended June 30, 2021, and of the Project's financial position as at that date. The *Principal Secretary* for the Ministry of Environment and Forestry and the *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UOPS Reduction Project* further confirm the completeness of the accounting records maintained for the Project, which

***Sound Chemicals Management Mainstreaming and UPOPS Reduction Project
Reports and Financial Statements
For the financial year ended June 30, 2021***

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 *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UPOPS Reduction Project* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

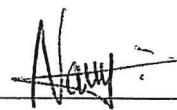
The Project financial statements were approved by the *Principal Secretary* for the Ministry of Environment and Forestry and the *Ag. Project Manager* for *Sound Chemicals Management Mainstreaming and UPOPS Reduction Project* on 18/11 () 2021 and signed by them.



Principal Secretary
Dr. Chris Kiptoo, CBS



Ag. Project Manager
Francis Kihumba



Project Accountant:
Nancy Narasha
ICPAK Member Number:

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 SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UPOPS REDUCTION IN KENYA (GRANT NO.P0099820) FOR THE YEAR ENDED 30 JUNE, 2021 - MINISTRY OF ENVIRONMENT AND FORESTRY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya set out on pages 1 to 21 which comprise the statement of financial assets as at 30 June, 2021, the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.P0099820 dated 21 July, 2016 between the United Nations Development Programme (UNDP) and the Government of Kenya (GOK) 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 Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there were no key audit matters to communicate in my report.

Other Matter

1. Budget Control and Performance

The statement of comparative budget and actual amounts for the year ended 30 June, 2021 reflects actual receipts of Kshs.91,213,752 against budgeted receipts of Kshs.137,000,000 resulting in a short fall of Kshs.45,786,248 or 33 % of the total budget. Further, actual expenditure for the year amounted to Kshs.91,849,502 against the final budgeted expenditure of Kshs.137,000,000 resulting to under absorption of

Report of the Auditor-General on Sound Chemicals Management Mainstreaming and UPOPS Reduction in Kenya (GRANT NO.P0099820) for the year ended 30 June, 2021 - Ministry of Environment and Forestry

Kshs.45,150,498 for which the management attributed to IFMIS disruptions, non-responsive tenders and Covid-19 pandemic.

2. Pending Bills

Note 12(1) and (2) to the financial statements reflects pending bills amounting to Kshs.4,161,550 for supply of goods and services and a further Kshs.631,875 for unremitted statutory deductions relating to PAYE, NHIF and NSSF as at 30 June, 2021.

The project is at risk of incurring significant interest costs and penalties with the continued delay in payments.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are

applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 December, 2021

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

	Note	2020/2021			2019/2020			Cumulative to-date (From inception)
		Receipts and payments- controlled by Ministry of Environment and Forestry	Payments made by UNDP	Total	Receipts and payment- controlled Ministry of Environment and Forestry	Payments made by UNDP	Total	
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	1	875,500	-	875,500	792,000		792,000	4,594,136
Proceeds from domestic and foreign grants	2	31,280,297	59,057,955	90,338,252	39,334,180	43,266,378	82,600,558	280,655,605
TOTAL RECEIPTS		32,155,797	59,057,955	91,213,752	40,126,180	43,266,378	83,392,558	285,249,741
PAYMENTS								
Compensation of employees	3	8,917,117	1,037,450	9,954,567	12,717,786	3,018,357	15,736,143	55,749,066
Purchase of goods and services	4	23,874,427	17,757,105	41,631,532	33,341,336	40,248,021	74,509,357	178,526,836
Social security benefits	5	-	0	-	-	-	-	3,124,800
Acquisition of non-financial assets	6	-	40,263,400	40,263,400	503,600	-	503,600	47,846,765
TOTAL PAYMENTS		32,791,545	59,057,955	91,849,502	46,562,722	43,266,378	90,749,100	285,247,467
SURPLUS/ (DEFICIT)		(635,748)	-	(635,748)	(6,436,542)	-	(6,436,542)	2,275

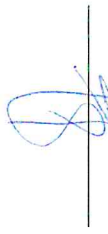
**Sound Chemicals Management Mainstreaming and UPOPS Reduction Project
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For the financial year ended June 30, 2021**

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



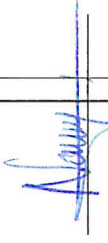
Principal Secretary

Dr. Chris Kiptoo, CBS



Ag. Project Manager

Francis Kihumba



Project Accountant

Nancy Narasha

ICPAK Member Number:

*Sound Chemicals Management Mainstreaming and UOPS Reduction Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

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

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.A	2,275	638,022
Cash Balances		-	-
Cash Equivalents (short-term deposits)		-	-
Total Cash and Cash Equivalents		2,275	638,022
TOTAL FINANCIAL ASSETS		2,275	638,022
REPRESENTED BY			
Fund balance b/fwd.	8	638,022	708,322
Prior year adjustments	9	-	6,366,243
Surplus/(Deficit) for the year		(635,748)	(6,436,542)
NET FINANCIAL POSITION		2,275	638,022

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 18/11/ 2021 and signed by:



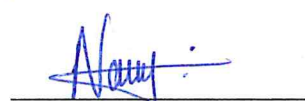
Principal Secretary

Date



Ag. Project Manager

Date 18/11/2021



Project Accountant

Date 18/11/2021

ICPAK Member No.

Sound Chemicals Management Mainstreaming and UOPS Reduction Project
Reports and Financial Statements
For the financial year ended June 30, 2021

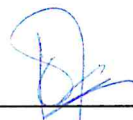
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	1	875,500	792,000
Proceeds from domestic and foreign grants	2	90,338,252	39,334,180
Payments from operating activities			
Compensation of employees	3	9,954,567	(12,717,786)
Purchase of goods and services	4	41,631,532	(33,341,336)
Social security benefits	5	-	-
Adjustments during the year			
Prior Year Adjustments	9	-	6,366,243
Net cash flow from operating activities		39,627,652	433,300
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	40,263,400	503,599
Net cash flows from Investing Activities		(40,263,400)	(503,599)
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(635,747)	(70,299)
Cash and cash equivalent at BEGINNING of the year	7	638,022	708,320
Cash and cash equivalent at END of the year	7	2,275	638,022

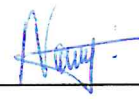
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 18/11/ 2021 and signed by:



Principal Secretary
Dr. Chris Kiptoo, CBS



Ag. Project Manager
Francis Kihumba



Project Accountant
Nancy Narasha
ICPAK Member No:

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on- Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	20,000,000	-	20,000,000	875,500	19,124,500	4%
Proceeds from domestic and foreign grants	117,000,000	-	117,000,000	90,338,252	26,661,748	77%
Total Receipts	137,000,000	-	137,000,000	91,213,752	45,786,248	67%
Payments						
Compensation of employees	12,480,000	-	12,480,000	9,954,567	2,525,433	78%
Purchase of goods and services	46,633,660	-	46,633,660	41,631,532	5,002,128	88%
Social security benefits	-	-	0	0	0	-
Acquisition of non-financial assets	77,886,340	-	77,886,340	40,263,400	37,622,940	52%
Total Payments	137,000,000		137,000,000	91,849,499	45,150,501	67%

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



Principal Secretary

Dr. Chris Kiptoo, CBS



Ag. Project Manager

Francis Kihumba



Project Accountant

Nancy Narasha

ICPAK Member No:

***Sound Chemicals Management Mainstreaming and UPOPS Reduction Project
Reports and Financial Statements
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10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the Project Sound Chemicals Management Mainstreaming and UPOPS Reduction under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

h) Accounts receivable

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

enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

i)Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

j) Contingent Assets

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

k) Pending bills

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

l)Budget

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

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

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third party's column in the statement of receipts and payments.

During the year **Kshs 58,655,055** being grant disbursements were received in form of direct payments from UNDP.

n) Exchange rate differences

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

o) Comparative figures

Where necessary comparative figures for the previous financial year/period have been amended or ~~reconfigured to conform to the required changes in financial statement presentation.~~

p) Subsequent events

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

q) Errors

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

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	
	KShs	KShs	Cumulative to-date (from inception)
<i>Counterpart funding through Ministry of Environment and Forestry</i>			
Counterpart funds Quarter 1		88,400	88,400
Counterpart funds Quarter 2	775,500	299,800	1,075,300
Counterpart funds Quarter 3	0	403,800	3,330,436
Counterpart funds Quarter 4	100,000		100,000
Total (See Annex 2)	<u>875,500</u>	<u>792,000</u>	<u>4,594,136</u>
Total	<u>875,500</u>	<u>792,000</u>	<u>4,594,136</u>

The project received payment of services through the development account as counterpart funding from the Ministry of Environment and Forestry amounting to Ksh 875,500 being payment for conference venue and intern's salary for June 2021.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

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

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grant Received in Kind	Total amount in KShs	
						2020/21	2019/20
			KShs	KShs	KShs	KShs	KShs
Grants Received from Multilateral Donors (International Organizations)							
UNDP	22 nd August 2019		-	-	-		23,500,000
UNDP	16 th January 2020		-	-	-		6,088,500
UNDP	27 th May 2020		-	-	-		9,745,680
UNDP	23-Sep-20		15,923,134	-	-	15,923,134	-
UNDP	30-Nov-20		-	23,866,300	-	23,866,300	-
UNDP	3-Mar-21		15,357,163	0	-	15,357,163	-
UNDP	30-Jun-21		-	35,191,655	-	35,191,655	-
Total			31,280,297	59,057,955	-	90,338,252	39,334,180

* The project during 2020/21FY received direct payment of Kshs. 59,057,955 payment for Assets, consultancies and Workshops, daily subsistence allowances as well as conference venue payment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	
	Payments made by MOEF	Payments made by UNDP	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
Net Salaries of permanent Employees	5,812,639	1,037,450	6,850,090	12,166,930	49,075,737
Net salary of temporary Employees	1,137,840	-	1,137,840	468,464	1,606,304
PAYEE, NSSF and NHIF	1,966,638	-	1,966,638	3,100,749	5,067,387
Total	8,917,117	1,037,450	9,954,567	15,736,143	55,749,067

Employees of the project were paid net salaries in Dec 2020 and June 2021 due to end of Financial

4. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	-	-	-	65,000	1,093,532
Communication, supplies and services	-	-	-	204,000	675,200
Domestic travel and subsistence	3,400,530	3,431,472	6,832,002	9,161,225	27,261,351
Foreign travel and subsistence	292,050	-	292,050	1,564,496	8,166,164
Printing, advertising and information supplies	2,032,000	-	2,032,000	-	2,032,000
Training payments	111,500	4,809,653	4,921,153	1,446,000	36,563,003
Hospitality supplies and services	1,603,403	1,786,400	3,389,803	1,520,106	12,554,259
Other operating payments: Vehicle Fuel	50,000	-	50,000	397,824	3,670,254
Consultancy	6,169,244	7,052,780	13,222,024	-	15,103,666
PAYE special force	-	-	-	-	369,100
Routine maintenance – vehicles and other	-	-	-	599,902	599,902

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	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
transport equipment					
Refunds to Development account (GOK)	-	-	-	6,366,243	6,336,243
Monitoring and Evaluation	10,215,700	676,800	10,892,500	12,016,540	23,854,141
HCWM commodities	-	-	-	10,931,708	10,931,708
AIA DSA regularization	-	-	-	29,316,313	29,316,313
Total	23,874,427	17,757,105	41,631,532	73,589,357	178,526,836

Note: During 2017/18 Financial year, transactions worth Kes 141,478 that were adjusted in the bank balance and same transactions were erroneously omitted from deduction in domestic travel and subsistence cumulative to date is now adjusted to reflect the double entry.

5. SOCIAL SECURITY BENEFITS

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KSh
Gratuity	0	0	0	0	3,124,80
Total	000	0	0	0	3,124,80

Gratuity for the project management unit was paid from Donor account in 2018/19FY. It was then decided that gratuity to be charged at government of Kenya emolument budget line.

6. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Purchase of vehicles FORD RANGER-DOUBLE CAB GKB 999T		-	-	-	3,961,800
Purchase of office furniture & general equipment	-	-	-	503,600	3,621,565
Lab Equipment	-	23,463,400	23,463,400		23,463,400
Waste Management Shredders and Balers	-	16,800,000	16,800,000		16,800,000
Total		40,263,400	40,263,400	503,600	47,846,765

During the year, 2020/21FY, the project bought Lab equipment for Water Resources Authority for Kisumu Laboratory (lab works and accessories) and GCMS equipment for Nairobi Central Laboratory at Industrial Area

7. CASH AND CASH EQUIVALENTS

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During the year, 2020/21FY, the project bought Lab equipment for Water Resources Authority for Kisumu Laboratory (lab works and accessories) and GCMS equipment for Nairobi Central Laboratory at Industrial Area

7. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 11A)	2,275	638,022
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
Total	<u>2,275</u>	<u>638,022</u>

The project has three number of project accounts spread within the project implementation area and 2 special deposit accounts managed by the National Treasury as listed below:

Project Bank Accounts

1. Central Bank of Kenya 1000288547-Special Deposit Account (not active)
2. Central Bank of Kenya 1000407867-Special Deposit Account
3. Central Bank of Kenya 1000392387- Project operating account

7. A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
<u>Special Deposit Accounts</u>		
Central Bank of Kenya [A/c No1000288547]	1000	1000
Central Bank of Kenya [A/c No 1000407867]	0.80	0.80
Total <u>Special Deposit</u> balances	1000.8	<u>1000.8</u>
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No1000392387]	2,275	638,022
Total local currency balances	<u>2,275</u>	<u>638,022</u>
Total bank account balances	<u>2,275</u>	<u>638,022</u>

30, 2021

DISCLOSURES

to the GoK account amounting to Kes 6,366,243 that were not reflected in

TABLE (See Annex 3A)

Balance b/f FY 2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Kshs	Kshs	Kshs	Kshs
2,032,000	0	2,032,000	0
2,946,787	4,161,550	2,946,787	4,161,550
4,978,787	4,161,550	4,978,787	4,161,550

30th June 2021 are not included in the
s and are yet to be drawn into the

which shows the flow of funds that
s/ grants received in the year under the

LES (See Annex 3B)

Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Kshs	Kshs	Kshs	Kshs
282,625	336,150	0	618,775
1,700	10,200	0	11,900
0	1,200	0	1,200
284,325	347,550	0	631,875

FY 2020/21	FY 2019/20
Kshs	KShs
1000	1000
-	-
-	-
<u>1000</u>	<u>1000</u>
0.80	00
1,280,296.90	39,334,180.80
1,280,296.90	39,334,180.00
<u>0.80</u>	<u>0.80</u>

	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
s	31,280,297	39,334,180
	00	00
as payment	59,057,955	43,266,378
	<u>90,338,252</u>	<u>82,600,558</u>

and grants

	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
	00	00
	00	00
	<u>00</u>	<u>00</u>

s (have) been attached as Appendix v

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b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		Kshs	Kshs
Undrawn external assistance - loans	N/A	0	00
Undrawn external assistance - grants	Procurement of incinerator, Microwave and trainings, Trainings and Monitoring and Evaluation	170,844,395	261,182,647
Total		170,844,395	261,182,647

c) classes of providers of external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Multilateral donors	90,338,252	82,600,558
Bilateral donors	00	00
International assistance organization	00	00
NGOs	00	00
National Assistance Organization	00	00
Total	90,338,252	82,600,558

External Assistance given was to meet the objective of in protecting human life and the environment from harmful releases of unintentionally persistent organic pollutants from medical wastes and municipal wastes through banning open burning of waste

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OTHER IMPORTANT DISCLOSURES (Continued)

d. non-monetary external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Goods	00	00
Services	00	00
Total	00	00

e Purpose and use of external assistance

Payments Made by Third Parties	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Compensation of Employees	1,037,450	3,018,357
Use of goods and services	17,757,105	40,248,021
Acquisition of Assets	40,263,400	00
TOTAL	59,057,955	43,266,378

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.

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

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
National government	00	00
Multilateral donors	59,057,955	43,266,378
Bilateral donors	00	00
International assistance organization	00	00
NGOs	00	00
National Assistance Organization	00	00
Total	59,057,955	43,266,378

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

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

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status:	Timeframe:
Paragraph 998 of 2019/2020 Audit Report	Budget under- absorption	Delay in procurement of goods and services due to non-responsiveness of tenders floated and COVID 19 pandemic	ongoing	October 2021
Paragraph 999 of 2019/2020 Audit Report	Non-payment of bills amounting to 5,263,112.00	Pending bills were as a result of delayed release of donor funds and lack of GoK counterpart funding due to lack of exchequer	Partly Resolved	October 2021

Guidance 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


Principal Secretary
Dr. Chris Kiptoo, CBS

Date

18/11/21


Ag. Project Manager
Francis Kihumba

Date

18/11/2021

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14. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

		Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
		a	b	c=a-b	d=b/a %	
Receipts						
Transfer from Government entities		20,000,000	875,500	19,124,500	4%	i)
Proceeds from domestic and foreign grants		117,000,000	90,338,255	26,661,745	77%	ii)
Total Receipts		137,000,000	91,213,755	45,786,245	67%	
Payments						
Compensation of employees		12,480,000	9,954,567	2,525,433	80%	iii)
Purchase of goods and services		46,633,660	41,631,532	5,002,128	89%	iv)
Social security benefits		0	0	0	0	
Acquisition of non-financial assets		77,886,340	40,263,400	37,622,940	52%	v)
Total payments		137,000,000	91,849,499	45,150,501	67%	vi)

- i. The GoK funding were tied to procurement of spray races and troughs and tanks that were not completed on time
 - ii. Proceeds from foreign grants experienced funds disbursement issues due to low absorption of previous funds caused by recurring IFMIS interruptions. The requisition window was closed for most part of the year.
 - iii. Compensation of employees' payment was not fully utilized since the project manager resigned from the project hence part of her budgeted salary was not absorbed.
 - iv. Some of the payment for goods and services resulted into pending bills due to lack of funds caused by fund disbursement issues.
 - v. Assets to be bought by the project were affected by non-responsiveness to tenders hence a repeat of the process.
 - vi. COVID 19 pandemic also affected delivery of already issued contracts.
- The project implementation has been affected by IFMIS interruptions, non-responsiveness of tenders and COVID 19 pandemic

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ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:				
Break down of Transfers from counterpart funding Ministry of Environment and Forestry				
a.	Government Counterpart Funding			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	Mombasa Beach Invoice payment		775,500	2019/2020
	Interns June 2021 Salary to Equity bank		94,800	2020/2021
	PAYE		1000	2020/2021
	NSSF		800	2020/2021
	NHIF		3400	
		Total	875,500	
		TOTAL (a+b+c)	875,500	

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

Ag. Project Manager
UPOPS Project

Sign

Head of Accounting Unit
Ministry of Environment and Forestry

Sign

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ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
Supply of Goods						
4. Orivam Agencies Ltd	2,032,000		2,032,000	0	2,032,000	PAID
Sub-Total	2,032,000		2,032,000	0	2,032,000	
Supply of services						
5. Hill and Knowlton E.A Ltd	1,464,444		1,464,444	0	1,464,444.00	PAID
6. Pago Airways Travel Agency	292,050		292,050.00	0	292,050.00	PAID
						PAID
7. Lake Naivasha Simba Lodge	296,000		290,896.55	0	290,896.55	
8. Naivasha county Hotel	122,000		119,896.55	0	119,896.55	PAID
9. Mombasa Beach Hotel	775,500		775,500.00	0	775,500.00	PAID
10. KEMSA	413,810		0	413,810	0	Under payment process
11. Kenya Broadcasting Corporation	1,378,080		0	1,378,080	0	Under payment process
12. Burch Resort	164,500		0	164,500	0	Under payment process
13. Rhamu Services Limited	205,700		0	205,700	0	Under payment process
14. National Oil	152,400		0	152,400	0	Under payment process
15. Kefri	20,000		0	20,000	0	Under payment process
16. Mustral General traders	207,060		0	207,060	0	Under payment process
17. Jimka Consultants Ltd	1,620,000		0	1,620,000	0	Under payment process
Sub-Total	7,111,544		2,942,787.1	4,161,550	2,942,787.10	
Grand Total	7,685,544		3,145,987.10	4,161,550	3,145,987.10	

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ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted ^d	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Permanent Employees - Management	N/A						
Permanent Employees - Others	N/A						
Temporary employees	N/A						
Grand Total N/A							

ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Contracted	Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Amounts due to Third Parties		a	b		c	d=a-c		
1. NHIF	Statutory deductions	11,900	31 Oct 2019, Dec 2020, June 2021		0	11,900	1700.00	Direct payment of PMU net salaries
2. PAYEE	Statutory deductions	618,775	28th Feb 2020 Dec 2020, June 2021		0	618,775	282,625	Direct payment of PMU net salaries
3. NSSF	Statutory deductions	1,200	Dec 2020, June 2021			1,200	0	Direct payment of PMU net salaries
Sub-Total						631,875	284,325	
Grand Total						631,875	284,325	

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ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/21	**Disposals in the Year (KShs) 2020/21	Transfers in/(out) KShs 2020/21	Closing Cost (KShs) 2020/21 (e)= (a)+ (b)+c)- (d)+ (-)d
Office equipment, furniture and fittings	1,055,965	-	-	-	-	1,055,965
ICT Equipment,	2,565,600	-	-	-	-	2,565,600
Ford Ranger -Double Cab GKB 999T	3,961,800	-	-	-	-	3,961,800
Lab Equipment	-	-	23,463,400	-	-	23,463,400
Waste Management Shredders and Balers	-	-	16,800,000	-	-	16,800,000
Total	7,583,365		40,263,400			47,846,765

Notes

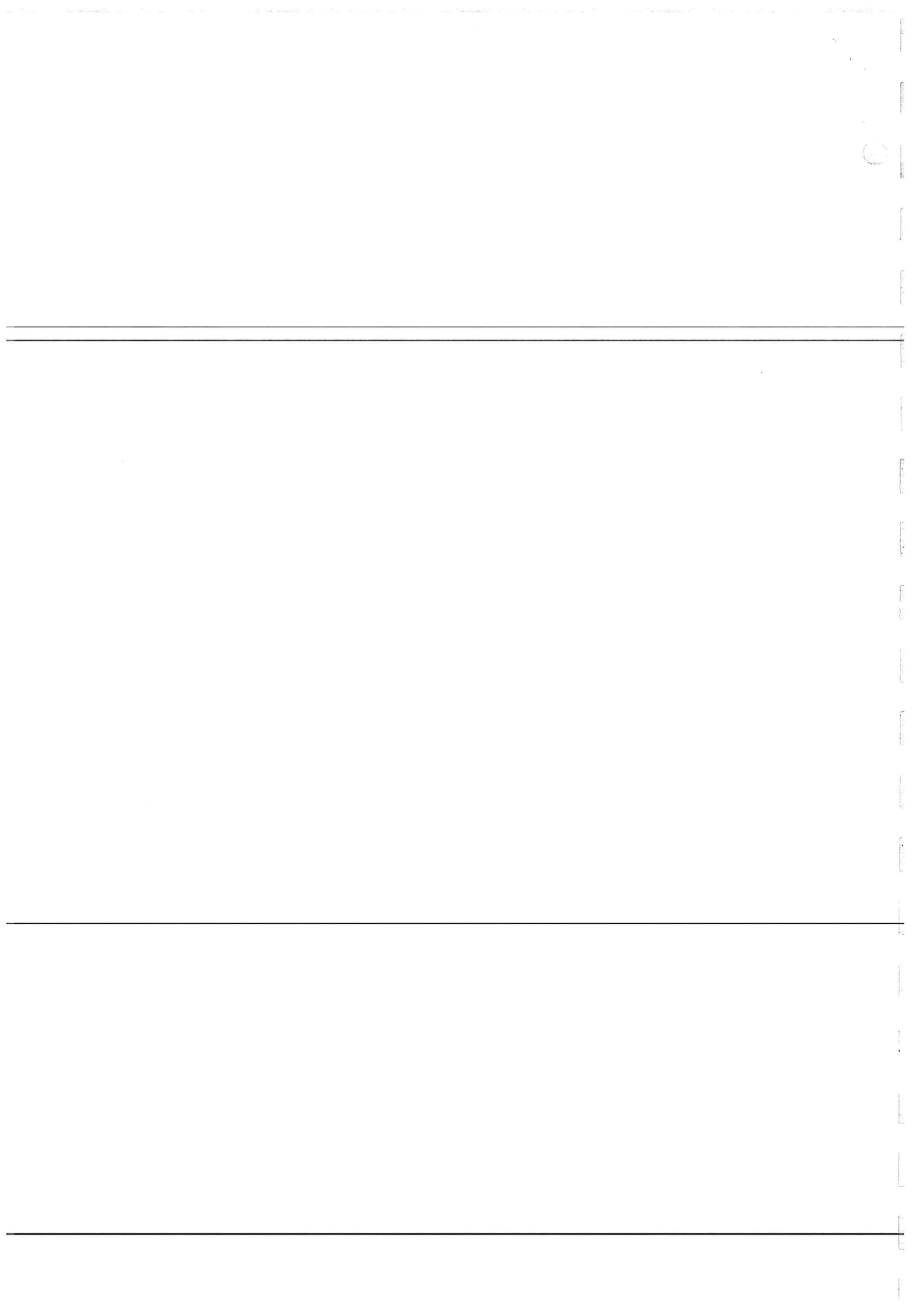
During the year, the project purchased Lab equipment for Water Resources Authority in Kisumu and at the Central Laboratory in Nairobi. In addition, the project bought 12 shredders and 12 balers for the county of Nairobi, Mombasa, Kisumu and Nakuru (each getting 3 shredders and 3 balers)

ANNEX 5 – CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1	N/A				
2					
3					

15. APPENDICES

- i. Bank Reconciliations statement as at 30th June 2021
- ii. Board of Survey Report
- iii. Co-finance Schedule
- iv. Special Deposit Account Reconciliation Statement
- v. GOK IFMIS comparison Trial Balance



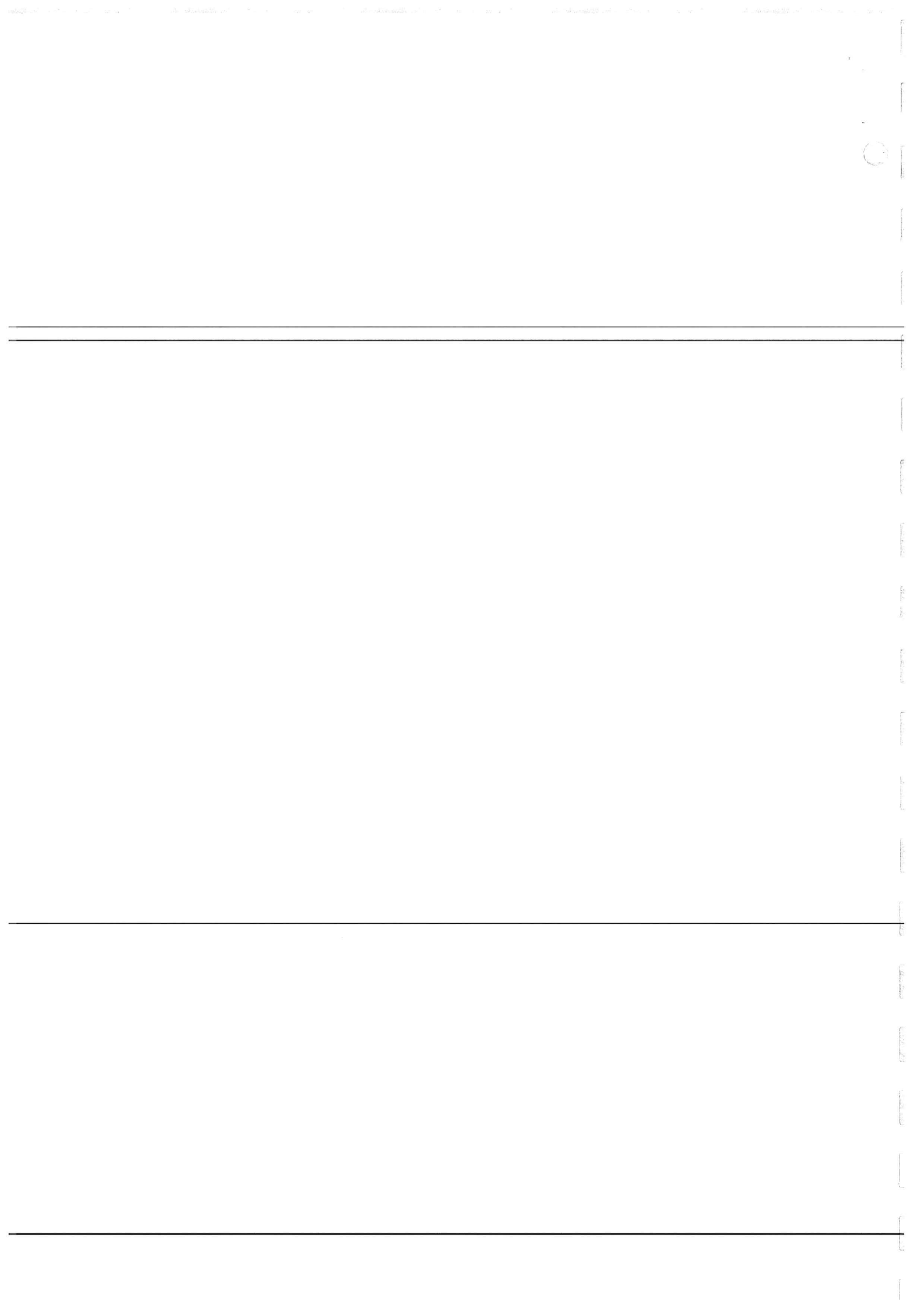
REPUBLIC OF KENYA				F.O 30	
MINISTRY OF ENVIRONMENT AND FORESTRY					
SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UPOPS REDUCTION PROJECT					
ACCOUNT NUMBER: 1000392387					
BANK RECONCILIATION STATEMENT AS AT 30TH JUNE 2021					
BANK CLOSING BALANCE				KES 2,874.90	
1. PAYMENT IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT		Description	KES		
PAYEE		Interns PAYEE for Dec 2020	600.00		
2. RECEIPT IN BANK STATEMENT NOT IN CASHBOOK			-		
TOTAL DEDUCTIONS				600.00	
3. PAYMENT IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK			-		
4. RECEIPTS IN CASHBOOK NOT YET RECORDED IN THE BANK STATEMENT			-		
BALANCE AS PER CASHBOOK				2,274.90	

I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct

Signature: *[Signature]* Enock Mwachia Designation: Acc Date: 21/7/2024

(all Schedules are attached herewith)

Prepared by: *[Signature]* Nancy Narasua Designation: FAC Date: 02/07/2024



Report of the Board of Survey on the Cash and Bank Balances of MINISTRY OF ENVIRONMENT AND FORESTRY (UPOPS 1108) AS AT THE CLOSE OF BUSINESS ON 30TH JUNE, 2021.

The Board, consisting of (names and official titles).

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

Assembled at the Cash office Ministry HQS.
At.....10.00 A.M.(time) on the 23th JULY..., 2021

And the following cash was produced:

Notes	ShNIL
Silver	ShNIL
Copper	NIL
Cheques (as per details on reverse)	-

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

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

The Cash Book reflected the following balances as at the close of business on the 30th June, 2017

Bank balance	Sh2274.90
		<u>2274.90</u>

The Bank Certificate of Balance showed a sum of TWO THOUSAND, EIGHT HUNDRED AND SEVENTY SIX AND NINETY CENTS ONLY
...Standing to the credit of the account on30th June, 2021.....

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

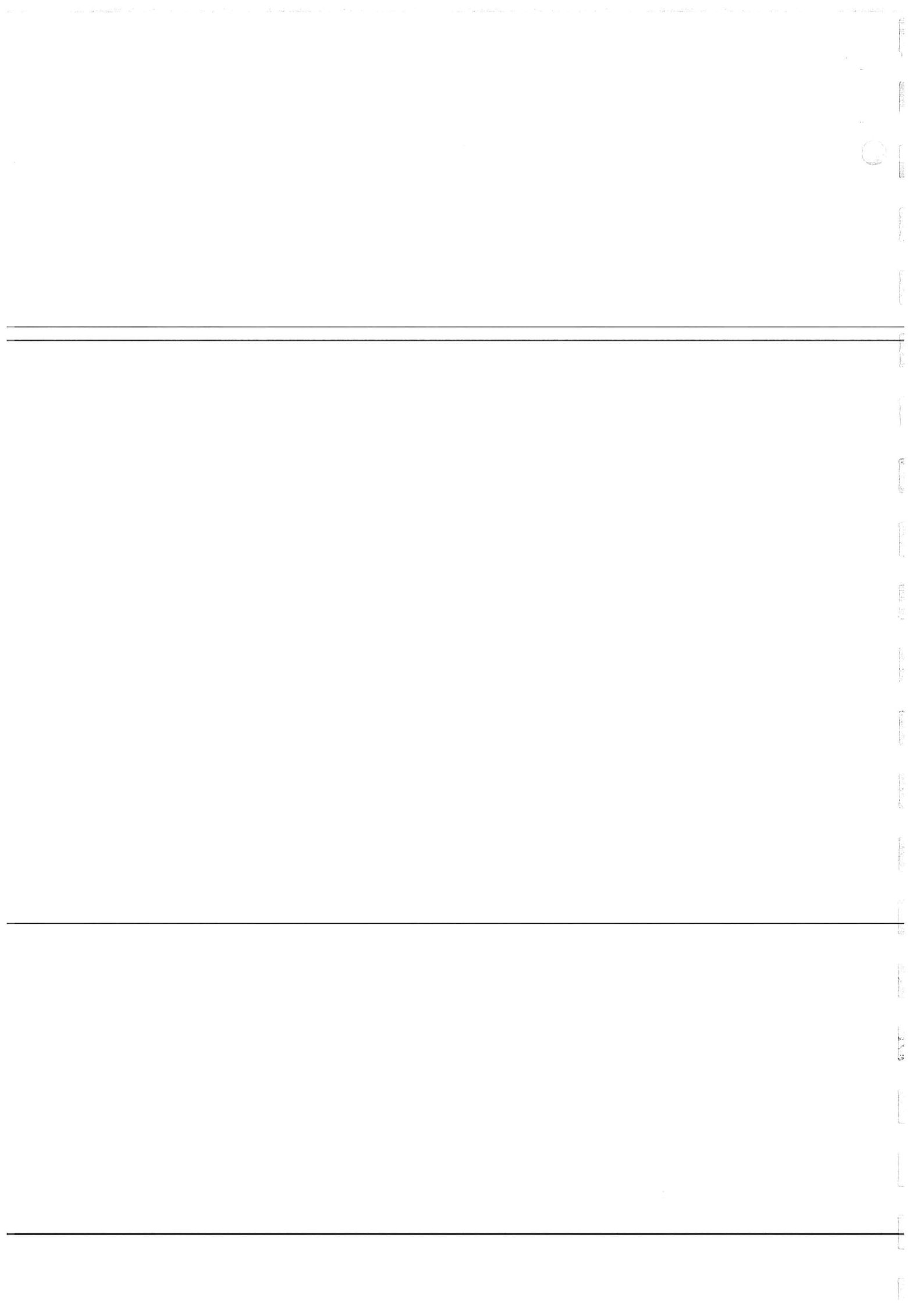
RODNEY OMARI :.....

JIMMY MUCHEKE :.....
CAROLINE WAMBUA :.....
MEMBERS OF THE BOARD

23RD JULY 2021
Date

F. O. 51

Date: 5th July, 2013



SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UOPS REDUCTION PROJECT CO-FINANCE AS REPORTED IN THE PROJECT IMPLEMENTATION REVIEW IN USD							
Institution	Type of co-finance	CEO endorsement	Investment Mobilization	Materialized Co-finance	BAL		
1 MEF	IN-KIND	4,775,433.00	Recurrent	4,565,000.00	210,433.00		
3 MOH	IN-KIND	3,280,000.00		3,100,000.00	180,000.00		
4 NEMA	IN-KIND	274,720.00		272,000.00	2,720.00		
8 WRA	IN-KIND	250,000.00		230,000.00	20,000.00		
7 GBM	IN-KIND	1,387,556.00		980,000.00	407,556.00		
9 KAM	IN-KIND	1,500,000.00		1,350,000.00	150,000.00		
5 KDC	IN-KIND	122,500.00		12,000.00	110,500.00		
2 UON	IN-KIND	518,594.00		450,000.00	68,594.00		
6 JICA	LOAN	8,900,000.00		-	8,900,000.00		
TOTAL		21,008,803.00	-	10,959,000.00	10,049,803.00		
	Type of Institution	Endorsement as per Prodod		Materialized	Balance		
	GOK	8,580,153.00		8,167,000.00	413,153.00		
	Private Bilateral	12,428,650.00		2,792,000.00	9,636,650.00		
		21,008,803.00	-	10,959,000.00	10,049,803.00		

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**SOUND CHEMICALS MANAGEMENT MAINSTREAMING AND UOPS RED-
KENYA**

STATEMENT OF SPECIL DEPOSIT ACCOUNT RECONCILIATION

FOR THE YEAR ENDED 30TH JUNE 2021

PART B: ACCOUNT RECONCILIATIONS STATEMENT

Credit no. UNDP

Bank Account No. 1000407867 Held with Central Bank of Kenya

	Notes	KSHS
1. Amount advanced by UNDP		31,280,296.90
Less		0.00
2. Total amount Justified		
3. Outstanding amount advanced to Special Account		31,280,297.70
Represented by		
4. Ending Special Account Balance as at 30 th June 2021		0.80
5. Amount claimed but not credited		0.00
6. Amounts withdrawn and sent to Environment as Grant		31,280,296.90
7. Service charges(if not included in lines 5 and 6 above		0.00
8. Interest earning (if included in Special Account)		0.00
9. Total advance to Special Account year ended 30 th June 2021		31,280,296.90

Discrepancy between total appearing on lines 3 and 9

Notes:

1. No discrepancy between totals appearing on lines 3 and 9 above
2. Amount appearing in line 6 are eligible for financing as Grant Revenue

Signature

AUTHORIZED REPRESENTATIVE

RESOURCE MOBILIZATION DEVELOPMENT – TREASURY

DATE: 30.07.2021



UNDP- SUPPORT TO C. RECONCILIATIONS UPOP
STATEMENT OF SPECIL DEPOSIT ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2021

PART B: ACCOUNT RECONCILIATIONS STATEMENT

Credit no. UNDP

Bank Account No. **1000288547** Held with Central Bank of Kenya

	Notes	KSHS
1. Amount advanced by UNDP		0.00
Less		0.00
2. Total amount Justified		
3. Outstanding amount advanced to Special Account		1000
Represented by		
4. Ending Special Account Balance as at 30 th June 2021		1000
5. Amount claimed but not credited		0.00
6. Amounts withdrawn and sent to Environment as Grant		0.00
7. Service charges(if not included in lines 5 and 6 above		0.00
8. Interest earning (if included in Special Account)		0.00
9. Total advance to Special Account year ended 30 th June 2021		1000

Discrepancy between total appearing on lines 3 and 9

Notes:

1. No discrepancy between totals appearing on lines 3 and 9 above
2. Amount appearing in line 6 are eligible for financing as Grant Revenue



AUTHORIZED REPRESENTATIVE

RESOURCE MOBILIZATION DEVELOPMENT – TREASURY

DATE: 30-07-2021

9

VOTE D1108 MINISTRY OF ENVIRONMENT AND FORESTRY											
Development Expenditure VOTE BOOK STATUS REPORT - FOR THE PERIOD FROM JUL-20 TO JUN-21			TITLE AND DETAILS								
Head	Sub Head	ITEM-SOURCE-PROGRAMME- GEOGRAPHICAL	Printed Estimate	Reallocation/ Transfer	Supplementary Estimates	Approved Estimates (Net)	Cumulative Expenditure	Outstanding Commitments	Total Payment Commitments	Balance	
1025			Kes	Kes	Kes	Kes	Kes	Kes	Kes	Kes	
	01										
		Sound Chemicals Management Mainstreaming & UPOPs Reduction in Kenya	20,000,000	0	0	20,000,000	875,500				
		Other Capital Grants and Trans	47,000,000	0	0	47,000,000	31,280,296	3,805,664	875,502	19,124,498	
		2640503-11517107-1002019999-00000001	70,000,000	0	0	70,000,000	59,057,955	3	35,085,560	11,914,040	
		Other Capital Grants and Trans	137,000,000	0	0	137,000,000	91,213,752	3,805,669	59,057,958	10,942,042	
		1320202-12517107-1002019999-00000001	-70,000,000	0	0	-70,000,000	-59,057,955	0	95,019,421	41,980,579	
		Capital Grants from International Organizations	-70,000,000	0	0	-70,000,000	-59,057,955	0	-59,057,955	-10,942,045	
		Total Appropriations in Aid - - - - -	67,000,000	0	0	67,000,000	32,155,796	3,805,669	35,961,465	31,038,535	
		Net Expenditure Sub Head 102501 - - - - -	67,000,000	0	0	67,000,000	32,155,796	3,805,669	35,961,465	31,038,535	
		Net Expenditure Head 102500 - - - - -	67,000,000	0	0	67,000,000	32,155,796	3,805,669	35,961,465	31,038,535	
		Total Net Expenditure vote D1108	67,000,000	0	0	67,000,000	32,155,796	3,805,669	35,961,465	31,038,535	



REPUBLIC OF KENYA

P.O.25

JOURNAL VOUCHER

Copy to PLS MINISTRY OF GOVERNMENT SERVICES, P.O. BOX 20126-00100 NAIROBI Details of Transaction

Crediting an amount of KSh. 19,009,611.00 charged under UPDS PROJECT 9012 counterpart instead of use of Goods and Services for the Ministry Hqs.
Error now corrected

<p>ORIGINATED BY</p> <p> <i>Pres.</i></p> <p>Signature _____ Designation _____</p> <p>Date <u>30/06/2021</u></p>	<p>AUTHORIZED BY</p> <p> <i>SDAG</i></p> <p>Signature _____ Designation _____</p> <p>Date <u>30/6/2021</u></p>
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DEBIT ENTRY

Vote	Head/Subhead	Item
Δ 1108	1015-01	311104
Account No.	Vch. No.	Station
1-1015-01-311104		0101
Date	AMOUNT	
	Sh.	cfs.
	19,009,611	=

CREDIT ENTRY

Vote	Head/Subhead	Item
Δ 1108	1025-01	2640503
Account No.	Vch. No.	Station
1-1025-01-2640503		0101
Date	AMOUNT	
	Sh.	cfs.
	19,009,611	=

GPB

6012129