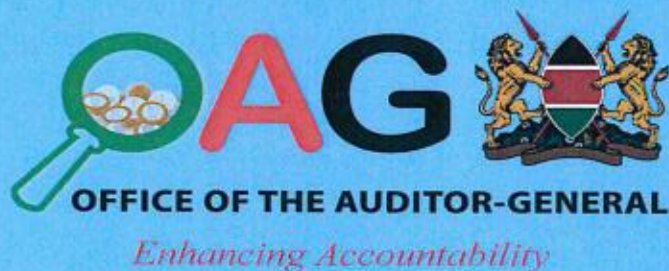


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**GREEN GROWTH AND EMPLOYMENT
THEMATIC PROGRAMME(GGETP) –
DANISH EMBASSY FILE NO.2015-39790**

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

**MINISTRY OF ENVIRONMENT AND
FORESTRY**

| | |
|--------------------------------------|---|
| THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 11 APR 2023 | |
| DAY: TUESDAY | |
| TABLED BY: | Hon. Owen Banya, MP Deputy leader - majority |
| CLERK AT THE TABLE: | Esther Ngumjo |



PROJECT NAME: Green Growth and Employment Thematic Programme (GGETP)

IMPLEMENTING ENTITY: Ministry of Environment and Forestry (MEF)

PROJECT GRANT/CREDIT NUMBER: Danish Embassy File No. 2015-39790

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

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1. Project Information and Overall Performance

Name: The project's official Name is: Green Growth and Employment Thematic Programme (GGETP).

Objective: The key objective of the project is: Enhanced enabling environment for green growth and sustainable natural resources management.

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

The address of its registered office is:

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

The project does not have any other offices/branches.

Contacts: The following are the project contacts

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

Project information and overall performance (continued)

1.1 Project Information

| | |
|----------------------------|--|
| Project Start Date: | The project start date is 1 st January 2016 |
| Project End Date: | The project end date is 31 st October, 2021 |
| Project Manager: | The project manager is Mr Augustine K. Kenduiwo |
| Project Sponsor: | The project sponsor is DANIDA |

1.2 Project Overview

| | |
|---|---|
| Line Ministry/State Department of the project | The project is under the supervision of the Ministry of Environment and Forestry. |
| Project number | File no. 2015-39790 |
| Strategic goals of the project | <p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> (i) Improved public policy environment for private sector engagement in green growth, sustainable environment and natural resources management (ii) Green procurement of goods and services undertaken by public entities (iii) Green growth integrated into County Integrated Development Plans (CIDPs) by counties (iv) Improved use of weather and climate data in economic planning and disaster risk mitigation |
| Achievement of strategic goals | <p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) The project engages the private sector to reach, through dialogue, green growth relevant policy decisions such as tax rebates for less polluting industries. Such dialogue is complemented by media awareness and campaigns for wider outreach and uptake. (ii) The project will also build the capacity of counties to integrate green growth into their CIDPs. (iii) An engagement with the Public Procurement |

| | |
|--|--|
| | <p>Regulatory Authority will result in green procurement guidelines that will inform the public sector's procurement of green products and services.</p> <p>(iv) The project will ensure enhanced provision of accurate weather and climate information and disseminated to various end users, thereby enabling knowledge-based decision-making among farmers, pastoralists and health workers.</p> |
| Other important background information of the project | <p>The project was expected to end on 30th June, 2021 but the finalisation of some consultancies was delayed by the outbreak of Covid-19 pandemic, necessitating a no-cost extension to 31st October, 2021 in order to accommodate a defect liability period, if at all applicable, and ample room to finalize outstanding financial transactions.</p> |
| Current situation that the project was formed to intervene | <p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> (i) A shift towards a green and circular economy for Kenya, including better waste management practices promoted (ii) Efficient utilization of natural resources, hence ensuring sustained economic growth (iii) Provide a long-term solution for addressing climate change (iv) Support communities to plan for climate change adaptation more effectively. |
| Project duration | <p>The project started on 1st January 2016 and was expected to run until 30th June 2021. A no-cost extension to 31st October, 2021 was approved by the Danish Embassy in their communication F2: 2015-39790 dated 25th March, 2021.</p> |

Project Information and Overall Performance (Continued)

1.3 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya

1.4 Auditors

The project is audited by the Auditor General (OAG). However, Danish Embassy is obliged to send their external auditors if need arises which is Deloitte Firm of Auditors.

1.5 Roles and Responsibilities

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

| Names | Title designation | Key qualification | Responsibilities |
|---|---|--|---------------------------------------|
| Augustine K. Kenduiwo (Tel: 0792100263) | Deputy Director | Masters in Environmental Planning and Management | Overall coordination of the project |
| Lars Moller (Tel: 0799748078) | Senior Technical Advisor | Masters in Biology | Advisory services |
| Kennedy Olwasi | Assistant Director | Masters in Agronomy | Responsible for Goal 1 of the project |
| Peter Ndungu (Tel: 0720178689) | Quality assurance officer (PPRA) | Degree in Procurement | Responsible for Goal 2 of the project |
| Molu Wato (Tel: 0722589310) | Deputy Director, Governance and Coordination, Kenya Water | Masters in Environment | Responsible for Goal 3 of the project |

Green Growth and Employment Thematic Programme (GGETP)
Annual Report and Financial Statements for the financial year ended June 30, 2022

| | | | |
|----------------|-------------------------------|------------------------|---------------------------------------|
| | Towers Agency | | |
| Benson Lubanga | Senior Meteorological officer | Masters in Meteorology | Responsible for Goal 4 of the project |
| Enock Maticha | Project Accountant | B.COM (Finance), CPA K | Financial Management |

1.6 Funding summary

The Project is for duration of 5 years from 2016 to 2021 with an approved budget of DKK 20Million (use donor currency) equivalent to Kshs 300 Million as highlighted in the table below:

Below is the funding summary:

Project information and overall performance (continued)

A. Source of Funds

| Source of funds | Donor Commitment- | | Amount received to date – (30. 06. 2022) | | Undrawn balance to date | |
|------------------------|--------------------|-------------|--|-------------|-------------------------|-------------|
| | Donor currency DKK | KShs | Donor currency DKK | KShs | Donor currency DKK | KShs |
| | (A) | (A') | (B) | (B') | (A)-(B) | (A)-(B) |
| (i) Grant | | | | | | |
| DANIDA | DKK 20,000,000 | 300,000,000 | DKK 9,766,667 | 146,500,000 | DKK 10,233,333 | 153,500,000 |
| | 20,000,000 | 300,000,000 | 9,766,667 | 146,500,000 | 10,233,333 | 153,500,000 |
| (ii) Counterpart funds | | | | | | |
| Government of Kenya | 10% of Donor | 24,756,444 | - | 24,756,444 | - | - |
| Total | - | 324,756,444 | - | 171,256,444 | - | 153,500,000 |

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

| Application of funds | Amount received to date – (30 st June, 2022) | | Cumulative Amount paid to date – (30 th June 2022) | Unutilised balance to date (30.06.2022) | |
|-----------------------|---|--------------------|---|---|-------------------|
| | Donor currency DKK | Kshs | | Donor currency DKK | Kshs |
| | (A) | (A') | (B') | (A)-(B) | (A')-(B') |
| (i) Grant | | | | | |
| DANIDA | 9,766,667 | 146,500,000 | 146,133,598.60 | 24,426.80 | 366,401.40 |
| (i) Counterpart funds | | | | | |
| Government of Kenya | - | 24,756,444 | 24,756,444.00 | - | - |
| Total | 9,766,667 | 171,256,444 | 170,890,042.60 | 24,426.80 | 366,401.40 |

Note:

1. Included in the cumulative payments to date of Ksh. 146,133,598.60 are expenditures totaling Ksh. 10,255,521 that should have been paid by GOK instead of donor (Danida). (See Annex 5)
2. The GOK also paid Ksh. 13,398,394 in the financial year 2018/2019 that should have been paid by GGEP (Danida). (See Annex 4)

Project information and overall performance (continued)

1.7 Summary of Overall Project Performance:

1. Budget performance against actual amounts for current period and for cumulative to-date,
 - The project has not performed as expected. There was delay in starting up the project and since then, the project has experienced budget challenges with regards to Donor commitments, as it repeatedly misses out in the final budget statement, forcing the management to continuously seek authority to incur expenditure from Treasury. This has slowed down absorption rates on donor funds.
2. Physical progress based on outputs, outcomes and impacts since project commencement.

Despite low donor funds absorption and challenges experienced with procurement, the project has made progress as indicated here below.

- Private sector has been mobilised into accepting circular economy principles and have already greened their 3rd National Business Agenda (NBA)
 - The project has engaged Public Procurement Regulatory Authority and the National Treasury towards promoting green procurement in public institutions and so far, Green Public Procurement Framework is being formulated
 - The project supported the Ministry to develop sustainable waste management Policy, Bill and Electronic waste strategy
 - Several participatory scenario planning meetings for mainstreaming climate data into planning at the counties have been done and farmers/pastoralists have been empowered to utilise climate information from meteorology in their planning.
3. Comment on value-for-money achievements,
 - With the amount of money disbursed and the amount of work delivered, there has been great value for money witnessed.
 4. List the implementation challenges and recommended way forward.

Challenges:

- Slow disbursement of funds between Ministry and Treasury
- Similar naming of projects at both Ministry headquarters and SAGA
- Inadequate staff to run the project
- Slow/delayed procurement processes
- Stringent donor conditions, especially affecting flexibility on funds utilisation

Recommendations;

- Open a separate bank account for the project to ensure prompt payment of project activities

- Provide distinct names for separate projects. GGETP headquarter project is usually omitted in the budget because already Treasury had captured GGETP as a NEMA project, since the same project is also in NEMA but with different goals. GGETP NEMA started earlier than the GGETP Ministry headquarters
- The project should budget for additional staff other than relying on the Ministry staff that are already constraint. However, this would be against the Danish Government's sustainability strategy, according to which the Kenyan Government must provide all staff. If the donor pays staff, this staff will likely disappear the moment donor funding stops. Thus much of the built capacity would leak.
- Donor funds should be made more flexible like to allow for payment of staff per diems instead of strictly adhering to procurement only. At times GoK counterpart funds get exhausted early and the project wants to send a few staff to attend a stakeholder workshop at the Counties. This becomes a challenge as the donor funds can't meet such expenses. However, like above this is against the Danish Government's sustainability strategy. The donor does not see the payment of what is perceived as very high per diem sustainable in the long run.

1.8 Summary of Project Compliance:

1. Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
 - The project has been compliant with applicable laws and regulations
 - However, the project was non-compliance in provision of adequate staff to run the project as provided for in the signed agreement between the donor and the Ministry. This was as a result of acute staff shortage at the Ministry headquarters.
 - Non-compliant in not opening a separate project account as provided for in the agreement.
2. Include consequences suffered on account of non-compliance or likely to be suffered
 - Slow execution of planned activities as the project has to depend on staff from both outside and within the Ministry who already have their other assignments to execute
 - Risk of donor withdrawal or reduction of budget
 - Delayed payments for project activities adversely affecting project reputation with stakeholders. This further leads to negative project credibility and credit worthiness
 - Risk that MEF could lose out on support from many donors due to poor performance and absorption.
3. Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance
 - The project has tried as much as possible to align activities of various departments and agencies towards delivery of desired project goals. This has enabled the staff

in those departments/agencies to dedicate time in delivering on the planned project activities.

- Frequent follow up on project activities in relevant departments/agencies
- Appointment of a dedicated procurement staff to handle project procurement activities

2. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objectives of the *project's agreement/* plan are to:

- (i) Overall development goal: Creating an Enabling Environment for Green Growth and sustainable natural resource management.
- (ii) Component One: Improved public policy environment for the private sector's engagement in green growth and sustainable environment and natural resources management
- (iii) Component Two: Green procurement of goods and services undertaken by public entities (through an engagement with the Public Procurement and Regulatory Authority).
- (iv) Component Three: Green growth and sustainable environment and natural resource management mainstreamed by counties through the County Integrated Development Plans (CIDPs) and other county plans
- (v) Component Four: Improved use of climate data in economic planning and disaster risk mitigation (through Kenya Meteorological Department (KMD)).

Progress on attainment of strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

| Project | Objective | Outcome | Indicator | Performance |
|--|--|--|--|--|
| Green Growth and Employment Thematic Programme (GGETP) | Component One: Improved public policy environment for the private sector's engagement in green growth and sustainable environment and natural resources management | Creating an Enabling Environment for Green Growth. | Number of green growth policy-related decisions published to support implementation. ► Particularly policies supporting implementation of the GESIP, especially where this reinforces the work of other GGETP DEs: e.g. tax exemptions on green products, energy efficiency use, media coverage on green growth, and use / manufacture of environmental friendly products, etc. | The target is: 8 green growth policy-related decisions published. Considered as on track 88%. : 7 out of eight targeted decisions has been made: 1. High level P4G appointments and support / engagement: decision made and implemented by appointing the Cabinet Secretary Treasury as the P4G representative on the Global Board of P4G, appointing Principal Secretary of Treasury as the co-convenor of the National P4G Platform, assigning the Vision 2030 Secretariat as the P4G Technical Secretariat. 2. Waste Management Policy 2021 3. Waste Management Act, 2022 4. Electronic / e-waste Strategy |

| | | | | |
|--|---|--|--|--|
| | | | | <p>5. Ban of single use plastics in protected areas</p> <p>6. Extended Producer Responsibility Regulations</p> <p>7. Integration of GG / GE into the KEPSA's 3rd National Business Agenda</p> |
| | <p>Component Two:</p> <p>Green procurement of goods and services undertaken by public entities</p> | <p>Creating an Enabling Environment for Green Growth</p> | <p>Green public procurement (GPP) framework, regulations and circulars in place and green procurement by public entities started. ("Public Entity" means MDA or County).</p> | <p>Target: Engagement with PPRA, GPP framework in place, Circulars and agreements in place, GPP started by 50 public entities.</p> <p>1. Mostly on Track: Achievement is pegged at 81%.</p> <p>2. Greening Public Procurement Using Voluntary Sustainability Standards workshop in November 2018 by 2 Int Trade Centre consultants contributed to capacity building of PPRA staff</p> <p>3. ITC Trade for Sustainable Development (T4SD) Hub in Kenya can help SMEs to comply to green standards and open export opportunities.</p> <p>4. T4SD workshop on T4SD's global platform Sustainability Map and</p> |

| | | | | |
|--|--|--|--|--|
| | | | | <p>how to help public procurers to "green" their procurement practices.</p> <p>5. Capacity building of Public Procurement Regulatory Authority (PPRA) key staff and stakeholders through workshops and training key staff.</p> <p>Consultancy to develop Green Procurement framework was prepared and advertised. No international consultants responded and the consultancy was awarded to the national consultants. ■ The Consultant IMAP International was engaged and has submitted the Final report, which has been discussed with PPRA and theGGETP-MEF management</p> |
| | <p>Component Three:</p> <p>Green growth and sustainable environment and natural resource management</p> | <p>Creating an Enabling Environment for Green Growth</p> | <p>1.Number of counties mainstreaming specific national environmental policies into county operations. (Disaggregated by policy / instrument).</p> | <p>Target1: 8 pilot counties integrating County Environmental Policy Guides into Annual Development Plans (ADPs).</p> <p>1.Nakuru and Mombasa counties had their plans informed by GESIP. This</p> |

| | | | |
|--|---|---|--|
| | mainstreamed by counties through the County Integrated Development Plans (CIDPs) and other county plans | | <p>had been done in collaboration with GIZ and UN Environment. However, traction not satisfactory and strategy will change to close cooperation with NEMA to influence CDPs.</p> <p>2.Had some meetings with NEMA to work out how to cooperate. Agreed that NEMA should come to MEF to present suggestion on how to work together. But meeting did not materialise due to lack of funding at MEF.</p> <p>Target 2: Engagement with KWT and Counties.</p> <p>1. Engage consultant to support NRM planning with KWT & Counties.</p> <p>2. Draft plan & public consultations done.</p> <p>3. Final plan produced and presented, and learning documented.</p> <p>1. Engaged with Kenya Water Towers Agency (KWT) and selected Marmanet Water Tower for the development of integrated sustainable NRM plan.</p> <p>2. Started engagements with the adjacent counties but not sufficiently.</p> <p>3. Contracted University of</p> |
| | | 2.One pilot multi-county integrated sustainable natural resources management plan for one Water Tower developed, and policy-related learning documented to inform the Water Tower Policy. | |

| | | | | |
|--|--|--|--|---|
| | | | | <p>Nairobi Enterprise Services (UNES) to develop the plan in collaboration with the Counties.</p> <p>4. Focal Point for this output did 5week training at the Danish Technical University (DTU).</p> <p>Final Sustainable water tower management plan submitted by UNES and adopted by the Board of Kenya Water Towers Agency. The plan will form the basis for sustainable management of Kenya's water towers.</p> |
| | <p>Component</p> <p>Four: Improved use of climate data in economic planning and disaster risk mitigation</p> | <p>Creating an Enabling Environment for Green Growth</p> | <p>Number of end-users reached with relevant downscaled climate data and information to support decisions making for their operations. (Disaggregated by type and gender of end-user).</p> | <p>Target: Total 17,500 users of which 15,700 small scale farmers, 1,250 health practitioners, 450 pastoralists.</p> <p>Has been good progress.</p> <p>1. New Focal Point appointed (Benson): has completely redesigned the Output in line with Mid-Term Review team.</p> <p>2. Have developed and are rolling out "Participatory Scenario Planning" (PSP) system to downscale (to 5 km² cells, using FATFIT and GeoCLIM tools) and, disseminate locally understandable climate</p> |

| | | | | |
|--|--|--|--|---|
| | | | | <p>forecast for long and short rains and support participatory response (short term adaptation).</p> <p>3. Use County Directors of Meteorology (CDM), local County leaders and local leaders / influential persons.</p> <p>4. Cascaded series of dissemination meetings at County, sub-County and local levels.</p> <p>5. KDM have other donors on board: e.g. Kenya Cereals Enhanced Prog., Kenya Climate-Smart Agriculture</p> <p>Good traction. Beginning to think about mobile tech but no clear strategy. KMD succeeded in engaging with the county governments to integrate PSPs into county plans for sustainability Although the target seems to have been surpassed, it is only on the number of end users reached which is measured. Institutionalization of downscaling, PSPs and bulk SMS dissemination has also been achieved. These are crucial avenues for effective dissemination of timely climate and weather information for improved production and disaster management.</p> |
|--|--|--|--|---|

3. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile

GGEP is promoting Sustainable development through provision of enabling policy environment to shift development pathway towards green growth and circular economy. The project supported the development of the Sustainable National Solid Waste Management Act, 2022 that emphasizes the transition to circular economy in the management of wastes.

2. Environmental performance

The program promotes sustainable resource use while safeguarding environmental performance. It supported the development of Sustainable/Green Public Procurement Framework (GPPF) that emphasizes the inclusion of environmental characteristics in public procurement, as a way of promoting sustainable production and consumption of goods and services.

3. Employee welfare

GGEP promotes capacity building of staff in green growth, circular economy and environmental sustainability. This is done while observing gender equality in nomination of the trainees.

4. Market place practices-

GGEP observes government regulations while undertaking procurement of consultants, suppliers and contractors while ensuring value for money is obtained

5. Community Engagements

GGETP supports dissemination of weather information to communities (Farmers and Pastoralists) so as to enable them plan effectively their farm operations. The program does not provide physical goods to the communities as it was not designed for that purpose.

Participatory Scenario Planning (PSP), implemented through GGETP/Danida project under component 4, is a process whereby community members interact and discuss weather and climate related issues through the workshops and become more sensitized to

climate change and hence become more adaptable, effective farmers in the face of the uncertainties of climate change. In the past, climate information has not been used effectively in planning for farming and related value chain activities and this contributed to higher drought and climate related losses. PSP workshops integrate scientific forecasts and local community knowledge to produce simple and locally relevant climate information that is shared throughout the community using local communication channels such as Sub County barazas, Media (radio), brochures/fliers and through extension workers. It is through the PSPs forums that facilitate better use of climate information to strengthen the ability of county community to make more informed livelihood decisions and cope with adverse climate change related disasters. PSP provides a multi-stakeholder learning platform that integrates into development planning and adaptation processes. Seasonal PSP processes facilitate flexible, weather-based planning using forecasts, and thus enables different actors to adapt to seasonal variability, while at the same time build evidence and capacity for long term adaptation planning. PSP therefore makes all stakeholders in different value chains to boost food security and income generation by climate change proofing.

On the sustainability related matters; the local community members, existing administrative and operational structures are incorporated in the process. The players form an important link between the source of climate information and consumers of the same. They form the interface between the Kenya Meteorological Department and the Value Chain (VC) players. PSPs is part of County Climate Change and hence is mainstreamed within the county structures and once becomes part of County Integrated Development Plans (CIDPs), the county allocate funds and forms the platform to disseminate weather and climate information in a more effective way.

4. Statement of Project Management Responsibilities

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *Green Growth and Employment Thematic Programme – Ministry of Environment and Forestry (GGETP-MEF)* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the period ended on June 30th, 2022. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *Green Growth and Employment Thematic Programme (GGETP)* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

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

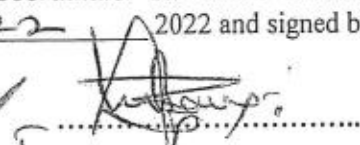
The *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *Green Growth and Employment Thematic Programme (GGETP)* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Environment and Forestry and the *Project Coordinator* for *Green Growth and Employment Thematic Programme (GGETP)* on 30/9/22 2022 and signed by them.



Name Dr. Chris Kiptoo
Principal Secretary



Name Augustine Kenduiyo
Project Coordinator



Name Enock Maticha
Project Accountant
ICPAK Member No: 23310

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON GREEN GROWTH AND EMPLOYMENT THEMATIC PROGRAMME (GGETP) – DANISH EMBASSY FILE NO.2015-39790 FOR THE YEAR ENDED 30 JUNE, 2022 - MINISTRY OF ENVIRONMENT AND FORESTRY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Green Growth and Employment Thematic Programme (GGETP) – Danish Embassy File No.2015-39790 set out on pages

Report of the Auditor-General on Green Growth and Employment Thematic Programme (GGETP) – Danish Embassy File No.2015-39790 for the year ended 30 June, 2022 - Ministry of Environment and Forestry

1 to 26, which comprise of the statement of financial assets as at 30 June, 2022, the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Green Growth and Employment Thematic Programme (GGETP) as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Bilateral Financing Agreement between the Government of Kenya and the Danish Embassy dated 11 December, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Programme'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 Programme 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 Programme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2022


6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022.

| | Note | 2021-2022 | | | 2020-2021 | | | Cumulative to-date (From inception) KShs |
|---|------|---|-------------------------------------|--------------|---|-------------------------------------|------------|--|
| | | Receipts & payments controlled by the entity KShs | Payments made by third parties KShs | Total KShs | Receipts & payments controlled by the entity KShs | Payments made by third parties KShs | Total KShs | |
| RECEIPTS | | | | | | | | |
| Transfer from Government entities | 1 | 366,400 | - | 366,400 | - | - | - | 24,756,444.00 |
| Proceeds from domestic and foreign grants | 2 | - | - | - | 70,500,000 | - | 70,500,000 | 146,500,000.00 |
| TOTAL RECEIPTS | | 366,400 | - | 366,400 | 70,500,000 | - | 70,500,000 | 171,256,444.00 |
| PAYMENTS | | | | | | | | |
| Purchase of goods and services | 3 | 33,914,902 | - | 33,914,902 | 54,561,123 | - | 54,561,123 | 159,737,022.00 |
| Acquisition of non-financial assets | 4 | - | - | - | - | - | - | 11,153,020.00 |
| Transfers to other government entities | 5 | - | - | - | - | - | - | - |
| TOTAL PAYMENTS | | 33,914,902 | - | 33,914,902 | 54,561,123 | - | 54,561,123 | 170,890,042.00 |
| SURPLUS/(DEFICIT) | | (33,548,502) | - | (33,548,502) | 15,938,877 | - | 15,938,877 | 366,401.00 |

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

 Name Dr. Chris Kiptoo
Principal Secretary


 Name Augustine Kenduiyo
Project Coordinator

 Name Enock Maticha
Project Accountant
ICPAK Member No: 23310

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022

| | Note | 2021-2022 | 2020-2021 |
|--|------|-------------------|-------------------|
| | | KShs | KShs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 6.A | 366,401.40 | 33,915,104 |
| Cash Balances | 6.B | - | |
| Cash Equivalents (short-term deposits) | 6.C | - | |
| Total Cash and Cash Equivalents | | 366,401.40 | 33,915,104 |
| Accounts Receivables | 7 | - | - |
| TOTAL FINANCIAL ASSETS | | 366,401.40 | 33,915,104 |
| FINANCIAL LIABILITIES | | | |
| Payables- Deposits and Retentions | 8 | - | - |
| NET ASSETS | | 366,401.40 | 33,915,104 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 9 | 33,915,104 | 17,091,227 |
| Prior year adjustments | 10 | (200.60) | 885,000 |
| Surplus/(Deficit) for the year | | (33,548,502) | 15,938,877 |
| NET FINANCIAL POSITION | | 366,401.40 | 33,915,104 |

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



Name Dr. Chris Kiptoo
Principal Secretary



Name Augustine Kenduiyo
Project Coordinator

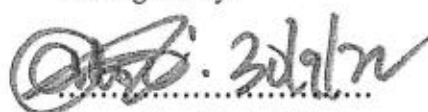


Name Enock Maticha
Project Accountant
ICPAK Member No: 23310

8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2022

| | | 2021-2022 | 2020-2021 |
|---|------|-----------------|------------|
| | Note | KShs | KShs |
| CASHFLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from operating activities | | | |
| Transfer from Government entities | 1 | 366,400 | - |
| Proceeds from domestic and foreign grants | 2 | - | 70,500,000 |
| Payments from operating activities | | | |
| Purchase of goods and services | 3 | 33,914,902 | 54,561,123 |
| Transfers to other government entities | 5 | - | |
| Adjustments during the year | | | |
| Prior Year Adjustments | 10 | 200.60 | 885,000 |
| Decrease/(Increase) in Accounts Receivable | 7 | - | |
| Increase/(Decrease) in Accounts Payable: | 8 | - | |
| Net cash flow from operating activities | | (33,548,702.60) | 16,823,877 |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of Assets | 4 | - | |
| Net cash flows from Investing Activities | | (33,548,702.60) | 16,823,877 |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Net cash flow from financing activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | (33,578,702.60) | 16,823,877 |
| Cash and cash equivalent at BEGINNING of the year | 6 | 33,915,104.00 | 17,091,227 |
| Cash and cash equivalent at END of the year | | 366,401.40 | 33,915,104 |

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



Name Dr. Chris Kiptoo
Principal Secretary



Name Augustine Kenduiyo
Project Coordinator



Name Enock Maticha
Project Accountant
ICPAK Member No: 23310

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 | - | - | - | - | - | - |
| Proceeds from domestic and foreign grants | 33,914,903 | - | 33,914,903 | 33,914,903 | - | 100% |
| Proceeds from borrowings | - | - | - | - | - | - |
| Miscellaneous receipts | - | - | - | - | - | - |
| Total Receipts | 33,914,903 | - | 33,914,903 | 33,914,903 | - | 100% |
| Payments | | | | | | |
| Compensation of employees | - | - | - | - | - | - |
| Purchase of goods and services | 33,914,903 | - | 33,914,903 | 33,914,902 | 1 | 99.9% |
| Social security benefits | - | - | - | - | - | - |
| Acquisition of non-financial assets | - | - | - | - | - | - |
| Transfers to other government entities | - | - | - | - | - | - |
| Other grants and transfers | - | - | - | - | - | - |
| Total Payments | 33,914,903 | - | 33,914,903 | 33,914,902 | 1 | 99.9% |

Note: There is no significant budget utilisation/performance differences. The absorption rate was 99.9%.


Name Dr. Chris Kiptoo
Principal Secretary


Name Augustine Kenduiyo
Project Coordinator


Name Enock Maticha
Project Accountant
ICPAK Member No: 23310

10. Significant Accounting Policies

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

10.1 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 *Green Growth and Employment Thematic Programme (GGETP)* under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

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

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i) Contingent Liabilities

A contingent liability is:

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

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

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

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

j) Contingent Assets

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

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

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

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

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments. During the year Kshs70,500,000 being grant disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

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

q) Errors

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

11. Notes to the Financial Statements

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

| | 2021-2022 | 2020-2021 | |
|---|----------------|-----------|------------------------------------|
| | KShs | KShs | Cumulative to-date(from inception) |
| <i>Counterpart funding through Ministry of Environment and Forestry</i> | | | |
| Counterpart funds Quarter 1 | - | - | 24,756,444 |
| Counterpart funds Quarter 2 | - | - | - |
| Counterpart funds Quarter 3 | - | - | - |
| Counterpart funds Quarter 4 | - | - | - |
| Total | = | | 24,756,444 |
| <i>Other transfers from government entities</i> | | | |
| Ministry of Environment and Forestry | 366,400 | - | - |
| Ministry | - | - | - |
| Project | - | - | - |
| Appropriations-in-Aid | - | - | - |
| Total | 366,400 | = | 24,756,444 |

➤ The cumulative GOK contributions to date was adjusted as follows:

| | | |
|--|---|-----------------------|
| Amount reflected in financial statement 2020/2021 Fy | = | 30,000,000 |
| Add: Amount omitted in the financial statement for 2020/21 against figures of 2019/2020 Fy | = | 3,070,733 |
| | | 33,070,733 |
| 2. Under casted voucher paid in cash book for 2019/20 Fy | | 15,000 |
| (592,500 – 577,500) | | 33,085,733 |
| 3. An underpayment of Pv. No.10534 (Refer to Note 11, prior year adjustments) | | 200 |
| | | 33,085,933 |
| Less: | | |
| 1. Payment vouchers reflected as GOK whereas they were not in 2018/19 Fy | = | 3,824,951 |
| 2. Motor vehicle transfer/refunds for 2019/20 Fy | = | 4,504,538 (8,329,489) |
| | | 24,756,444 |
| Adjusted cumulative GOK contributions to date | = | 24,756,444 |

Receipt of Kshs366,900 comprises of Kshs336,900 and Kshs29,500

- *The Kshs336,900 was a refund to GGEP bank account for payment that had erroneously been paid in project bank account instead of development bank account while the Kshs29,500 was a refund of an over-payment made to Kenya Pipeline (Hotel Morendat) in the financial year 2018/2019. These are as below:*

| <i>Date</i> | <i>Payee</i> | <i>Purpose</i> | <i>Amount</i> |
|--------------|--|----------------------------------|-----------------------|
| 17.10.2020 | Augustine Kenduiyo | DSA to Migori County | 31,500 |
| 14.01.2021 | Meshack Odago | DSA to Naivasha | 50,400 |
| 11.01.2021 | Kisumu hotel | Provision of conference facility | 255,000 |
| 30.06.2022 | Refund of an over-payment to Kenya Pipeline for the financial year 2018/19 | | |
| | Payment voucher amount = 757,200 | | |
| Less: | Invoice amount | = <u>727,700</u> 29,500 | 29,500 |
| | Total | | <u>366,400</u> |

This figure is not included in the total cumulative receipts of transfer from Government entity because it was a refund of expenditure incurred not an additional funding.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

| Name of Donor | Date received | Amount received in donor currency | Grants received in cash | Grants received as direct payment* | Grants received in kind | Total amount in KShs | |
|---|---------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|----------------------|------------|
| | | | | | | 2021-2022 | 2020-2021 |
| | | | KShs | KShs | KShs | KShs | KShs |
| Grants Received from Bilateral Donors (Foreign Governments) | | | | | | | |
| DANIDA | | | | - | - | - | 35,000,000 |
| DANIDA | | | | - | - | - | 500,000 |
| DANIDA | | | | - | - | - | 35,000,000 |
| Grants Received from Multilateral Donors (International Organizations) | | | | | | | |
| Insert name of international organization | | | | - | - | - | - |
| Grants Received from Local Individuals and organizations | | | | | | | |
| Insert name of individual or local organization | | | | - | - | - | - |
| Total | | | | - | - | - | 70,500,000 |

Note: There were no grants received from the donor during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PURCHASE OF GOODS AND SERVICES

| | 2021/2022 | | | 2020/2021 | |
|--|-------------------------------------|--------------------------------|-------------------|-------------------|-----------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | Cumulative to-date |
| | KShs | KShs | KShs | KShs | KShs |
| Utilities, supplies and services | - | - | - | - | - |
| Communication, supplies and services | - | - | - | - | - |
| Domestic travel and subsistence | | - | | 81,900 | 24,606,368.60 |
| Foreign travel and subsistence | | - | - | | - |
| Printing, advertising and information supplies | | - | | 8,859,200 | 24,900,287 |
| Rentals of produced assets | | - | - | | |
| Training payments | | - | | 4,200,000 | 4,444,000 |
| Hospitality supplies and services | | - | | 9,041,300 | 33,283,741.40 |
| Insurance costs | | - | - | | |
| Specialized materials and services/Consultancy | 33,914,902 | - | 33,914,902 | 32,378,723 | 67,873,925.60 |
| Other operating payments | | - | - | - | 4,628,700 |
| Routine maintenance – vehicles and other transport equipment | | - | - | - | - |
| Routine maintenance- other assets | | - | - | - | - |
| Exchange rate losses/gains (net) | | - | - | - | - |
| Total | 33,914,902 | - | 33,914,902 | 54,561,123 | 159,737,022.60 |

➤ The amount for cumulative purchase of goods and services to date was adjusted as follows:

Cumulative amount received from donor (Danida) to date from 2017/2018 to 2021/22 fy = 146,500,000

Add:

Cumulative GOK contribution to date – Adjusted value (refer to note 1, pg. 13 of fs) = 24,756,444

Total 171,256,444

Less:

- | | |
|---|----------------|
| (i) Cumulated value of non-financial assets to-date (see note 4, pg.18 of fs) | = (11,153,020) |
| (ii) Cash book balance as at 30 th June, 2022 (refer to note 6, pg.20 of fs) | = (366,401.40) |

| | |
|---|-----------------------|
| Cumulative purchase of goods & services to date | <u>159,737,022.60</u> |
|---|-----------------------|

Note:2

During the financial year 2018/2019, The **GOK** paid for **DANIDA** activities totalling to **Ksh. 13,918,394** from Development bank account. However, this amount was not reflected in the GGEP financial statement of 2018/2019 Fy but was reflected in the Development financial statement for the same year. (Annex 4) Similarly, in the financial years 2018/2019 and 2019/2020, GOK activities were funded by DANIDA money to a tune of **Ksh. 10,255,521**. This amount was reflected in the GGEP financial statements of 2019/2020. (Annex 5)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. ACQUISITION OF NON-FINANCIAL ASSETS

| | 2021-2022 | | | 2020-2021 | |
|--|-------------------------------------|--------------------------------|----------------|----------------|--------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | Cumulative to-date |
| | KShs | KShs | KShs | KShs | KShs |
| Purchase of office furniture & general equipment | - | - | - | - | 11,153,020 |
| Total | = | = | = | | 11,153,020 |

See Annex 3

Note:

The accumulated value of acquisition of non-financial assets to date has been adjusted as follows:

| | |
|--|--------------------------|
| (i) Beta camp general supplies pv. no.03539 for supply of office furniture | = 982,600 |
| (ii)Dallo holdings ltd pv. no. 01892 for office refurbishment/partitions | = 1,163,115 |
| (iii)Jusgat enterprises ltd pv. no.03532 for supply of office furniture | = 999,305 |
| (iv)Shantex agencies pv. no. 03535 for supply of office file cabinets | = 438,000 |
| (v) Toyota Kenya Ltd pv. no.07579 for purchase of project m/vehicle | = <u>7,570,000</u> |
| Total assets | <u>11,153,020</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2022, we transferred funds to reporting government entities as shown below:

| | 2021-2022 | | | 2020-2021 | |
|---|---|---|-------------------|-------------------|-----------------------|
| | Payments made by the Entity in Cash | Payments made by third parties | Total Payments | Total Payments | Cumulative to-date |
| | KShs | KShs | KShs | KShs | KShs |
| Transfers to National Government entities | | | | | |
| Ministry Environment & Forestry – Development A/C | - | - | | | |
| | | | | - | |
| | - | - | - | | |
| Transfers to County Governments | | | | | |
| | | | | | |
| | | | | | |
| | - | - | - | - | |
| TOTAL | - | - | - | - | |

Note: There were no transfers to other government entities during the financial year.

- In the financial statements of 2019/2020 and 2020/2021 financial years, a refund to development bank account for purchase of project motor vehicle of Ksh. 4,504,538 was erroneously reflected as transfer to other government entities. The error was corrected when preparing the financial statements for financial year 2021/2022. This expenditure was correctly captured under total for acquisition of non-financial assets under the donor expenditure.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. CASH AND CASH EQUIVALENTS

| | 2021-2022 | 2020-2021 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Bank accounts (Note 6A) | 366,401.40 | 33,915,104 |
| Cash in hand (Note 6B) | - | - |
| Cash equivalents (short-term deposits) (Note 6C) | - | - |
| Total | 366,401.40 | 33,915,104 |

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

6. A Bank Accounts

Project Bank Accounts

| | 2021-2022 | 2020-2021 |
|---|-------------------|-------------------|
| | KShs | KShs |
| <u>Foreign Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No.....] | | - |
| Kenya Commercial Bank [A/c No.....] | | - |
| Co-operative Bank of Kenya [A/c No.....] | | - |
| Others (<i>specify</i>) | | - |
| Total Foreign Currency balances | - | - |
| <u>Local Currency Accounts</u> | | |
| Central Bank of Kenya [A/c No1000411716](Cash book) | 366,401.40 | 33,915,104 |
| Kenya Commercial Bank [A/c No.....] | | - |
| Co-operative Bank of Kenya [A/c No.....] | | - |
| Others (<i>specify</i>) | | - |
| Total local currency balances | 366,401.40 | 33,915,104 |
| Total bank account balances | 366,401.40 | 33,915,104 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 B Cash In Hand

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

[Provide a cash count certificate for each location above]

6 C Cash equivalents (short-term deposits)

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

7. ACCOUNTS RECEIVABLES

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

Note: There were no account receivables during the financial year

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACCOUNTS PAYABLES

| Description | 2021-2022 | 2020-2021 |
|--------------|-----------|-----------|
| | Kshs | Kshs |
| Retention | - | - |
| Deposits | - | - |
| Total | - | - |

Note: There were no account payables during the financial year

9. FUND BALANCE BROUGHT FORWARD

| | 2021-2022 | 2020-2021 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Bank accounts | 33,915,104 | 17,091,227 |
| Cash in hand | - | - |
| Cash equivalents (short-term deposits) | - | - |
| Outstanding imprests and advances | - | - |
| Total | 33,915,104 | 17,091,227 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PRIOR YEAR ADJUSTMENT

| | Balance b/f FY (2020/2021) Audited Financial statements | Adjustments | Adjusted Balance b/f FY 2020/2021 |
|---------------------------|---|-------------|---|
| Description of the error | Kshs | Kshs | Kshs |
| Bank account Balances | 33,915,104 | 200.60 | 33,914,903.40 |
| Cash in hand | - | - | - |
| Accounts Payables | - | - | - |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| Total | 33,915,104 | 200.60 | 33,914,903.40 |

Note:

The balance b/f of Kshs33,915,104 for the financial year 2020/2021 was over-casted by Kshs.200.60. This was brought by an underpayment of payment voucher No.10534 of Kshs 699,549.60, payable to University of Nairobi Enterprises Ltd for the financial year 2020/2021. The payment voucher was erroneously posted in cashbook as Kshs699,349.60 instead of Kshs 699,549.60 leading to understatement of expenditure by Kshs. 200.60. The error was corrected during the financial year 2021/2022. *Annex 6 (V)*

1. Copy of the payment voucher
2. Copy of Excel cash book for 2020/2021 Fy
3. Copy of Excel cash book for 2021/2022 Fy
4. Copy of bank statement for 2020/2021 Fy

12. Other Important Disclosures

1. Pending Accounts Payable (See Annex 3a)
2. Pending Staff Payables (See Annex 3b)

There were no pending accounts payables, staff payables or other pending payables.

3. a) External assistance relating loans and grants

| | 2021-2022 FY | 2020-2021 FY |
|--|--------------|-------------------|
| Description | Kshs | Kshs |
| External assistance received as grants | - | 70,500,000 |
| Total | - | 70,500,000 |

b) Undrawn external assistance

| | Purpose for which the undrawn external assistance may be used | FY 2021-2022 | FY 2020-2021 |
|--------------------------------------|--|--------------------|--------------------|
| Description | | Kshs | Kshs |
| Undrawn external assistance - grants | | 153,500,000 | 153,500,000 |
| Total | | 153,500,000 | 153,500,000 |

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--|--|
| 15 | The statement of comparative of budget and actual amounts reflects a final budget receipts of Kshs.135,000,000 as proceeds from domestic and foreign grants against actual receipts of Kshs.70,500,000 resulting in a short fall of Kshs.64,500,000 or 48%. The statement reflects final expenditure budget of Kshs.135,000,000 against actual expenditure of Kshs.54,561,123 on purchase of goods and services resulting in under expenditure of Kshs.80,438,877 of 60% as shown below. The under expenditure of Kshs.80,438,877 due to late disbursement of funds affected delivery of services for the Project | The project had budgeted for Kshs.135,000,000 during the GoK budget preparation for F/Y 2020/2021, However, due to Covid 19 outbreak, the donor advised that the activities be scaled down as physical meetings had been suspended. The scaled down budget was approved at Kshs.89,177,700. However, Treasury did not amend the budgeted amount in the supplementary estimates to reflect the new approved amount. The project committed the entire approved budget as per the planned activities and was able to incur Kshs.54,561,123 with the balance being money | Appeared before the Parliamentary Accounts Committee (PAC) and we are waiting for the PAC recommendation report. | Six (6) months |

| Refere nce No. on the extern al audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timefram e: (Put a date when you expect the issue to be resolved) |
|---|--------------------------------------|--|---|---|
| | | committed for the consultancies which had not been completed at the close of the financial year. This balance will be paid to the consultants in the 2021/2022 financial year as agreed with the donor and Treasury through their approval of the no cost extension of the project. (See approved work plan-Annex 3) Appendix 16(i). | | |
| | | | | |
| | | | | |

 30/9/22

Dr. Chris Kiptoo
Principal Secretary

Date


Augustine Kenduiyo
Project Coordinator

30/9/2022

Date

Green Growth and Employment Thematic Programme (GGETP)
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14. ANNEXES

ANNEX 1 - 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 | Ksh | Ksh | Ksh | | |
| Transfer from Government entities | - | | | | |
| Proceeds from domestic and foreign grants | 33,914,903 | 33,914,903 | - | 100% | |
| Proceeds from borrowings | - | | | | |
| Miscellaneous receipts | - | | | | |
| Total Receipts | 33,914,903 | 33,914,903 | - | 100% | |
| Payments | | | | | |
| Compensation of employees | | | | | |
| Purchase of goods and services | 33,914,903 | 33,914,902 | 1 | 99.9% | |
| Social security benefits | | | | | |
| Acquisition of non-financial assets | | | | | |
| Transfers to other government entities | | | | | |
| Other grants and transfers | | | | | |
| Total payments | 33,914,903 | 33,914,902 | 1 | 99.9% | |

Note: There is no significant budget utilisation/performance differences. The absorption rate was 99.9%.

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ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

| PROJECT NAME: | | GREEN GROWTH & EMPLOYMENT PROGRAMME | | |
|---|-----------------|-------------------------------------|----------------------|--|
| Break down of Transfers from the State Department of Environment and Forestry | | | | |
| Government Counterpart | | | | |
| a. | Funding | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| 1. | | | | |
| | | | | |
| | | Total | | |
| b. | Direct Payments | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (KShs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | | - | |
| | | | - | |
| | | Total | - | |
| c. | Others | | | |
| | | <u>Bank Statement Date</u> | <u>Amount (Kshs)</u> | <u>Indicate the FY to which the amounts relate</u> |
| | | | | |
| | | Total | - | |
| | | TOTAL(a+b+c) | - | |

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

Augustine Kendeke
Project Coordinator
GGEP

Sign

CA. G. K. Gichuru
Head of Accounting Unit
Min. of Environment & Forestry

Sign

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ANNEX 3 – SUMMARY OF FIXED ASSETS REGISTER

| Asset class | Opening Cost (KShs) 2021/2022 | Donations in form of assets (KShs) 2021/2022 | *Purchases/ Additions in the Year (KShs) 2021/2022 | **Disposals in the Year (KShs) 2021/2022 | Transfers in/(out) Kshs 2021/2022 | Closing Cost (KShs) 2021/2022 |
|---|-------------------------------------|---|--|--|--------------------------------------|--------------------------------------|
| | (a) | (b) | (c) | (d) | (d) | (e) = (a) + (b) + c - (d) + (-) d |
| Land | | | | | | |
| Buildings and structures | | | | | | |
| Transport equipment | 7,570,000 | | | | | 7,570,000 |
| Office equipment, furniture and fittings | 3,583,020 | | | | | 3,583,020 |
| ICT Equipment, | | | | | | |
| Other Machinery and Equipment | | | | | | |
| Heritage and cultural assets | | | | | | |
| Biological assets | | | | | | |
| Infrastructure assets roads, rails | | | | | | |
| Total | 11,153,020 | | | | | 11,153,020 |

Note: The amount that was reflected in the financial statement for financial year 2020/2021 was undercasted by Ksh.276,060. This understated amount has been correctly reflected in the current financial year 2021/2022.

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ANNEX 4: GOK FUNDS USED TO FINANCE PROJECT/DANIDA ACTIVITIES IN 2018/19 FINANCIAL YEAR

| Date | Payee | Pv. No. | Purpose | Amount (Ksh) |
|---------|---|---------|--|----------------------|
| 30/6/19 | Utalii Hotel | 6877 | Provision of Full Board Conference Facilities | 603,500.00 |
| 30/6/19 | Dairy Training Institute | 4347 | Provision of Full Board Conference Facilities | 251,000.00 |
| 30/6/19 | Kenya Pipeline Co. Ltd (Hotel Morendat) | 3757 | Provision of Full Board Conference Facilities | 757,200.00 |
| 30/6/19 | Isiolo County Government | 7536 | Provision of Full Board Conference Facilities | 162,000.00 |
| 30/6/19 | Kenyatta Int. Conference Centre (KICC) | 7530 | Provision of Conference Facilities | 2,048,200.00 |
| 30/6/19 | Centre point supplies Ltd | 7534 | Printing and supply of brochures, fliers & banners | 1,820,000.00 |
| 30/6/19 | Multi graphics communications | 5182 | Provision of assorted items | 453,000.00 |
| 30/6/19 | Reanne Company | 7562 | Provision of branded items | 1,901,810.00 |
| 30/6/19 | Way Inn Investment | 7729 | Printing and supply of brochures, fliers & banners | 780,000.00 |
| 30/6/19 | Mombasa Beach Hotel | 4346 | Provision of Full Board Conference Facilities | 352,500.00 |
| 30/6/19 | Rift Valley Technical Training Instit. | 2491 | Provision of Conference Facilities | 217,210.00 |
| 30/6/19 | Extra Large Company | 7651 | Supply and delivery of branded T-Shirts | 1,500,000.00 |
| 30/6/19 | Golden Palm Breeze Hotel | 1820 | Provision of Full Board Conference Facilities | 898,800.00 |
| 30/6/19 | Golf Hotel Kakamega | 7356 | Provision of Full Board Conference Facilities | 1,123,600.00 |
| 30/6/19 | University of Nairobi Enterprises | 6833 | Provision of consultancy services | 1,049,324.00 |
| 30/6/19 | Kenya School of Gov't (KSG) - EMBU | 2726 | Provision of Full Board Conference Facilities | 250.00 |
| | | | Total amount owed to GOK | 13,918,394.00 |

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ANNEX 5: DANIDA FUNDS USED TO FINANCE GOK ACTIVITIES IN 2019/20 FINANCIAL YEAR

| DANIDA FUNDS USED TO FINANCE GOK ACTIVITIES IN 2019/20 FINANCIAL YEAR | | | | |
|---|---------------------------|---------|---|--------------|
| DATE | PAYEE | VCH NO. | PARTICULARS | AMOUNT (KSH) |
| 5/2/2020 | Specicom Technologies Ltd | 03531 | Supply of macbook laptops | 1,270,000.00 |
| 20/03/2020 | PUREWILL VENTURES CO. LTD | 04749 | Payment for supply of GGEP branded T-SHIRTS | 1,550,000.00 |
| 6/4/2020 | Jenntech System | 04913 | payment for Impementation of local area network in NHIF 2ND floor GEFF | 1,691,280.00 |
| 24/04/2020 | ELVIS OKHUNJA | 05164 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006963 | 42,000.00 |
| 24/04/2020 | CAROLINE WAMBUA | 05169 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006974 | 42,000.00 |
| 24/04/2020 | BIBIANA ACHIENG | 05166 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006966 | 42,000.00 |
| 24/04/2020 | Augustine Kenduiwo | 05153 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006955 | 487,500.00 |
| 24/04/2020 | BEATRICE WAINAINA | 05152 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006953 | 477,000.00 |
| 24/04/2020 | GRACE OKOTH | 05171 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006970 | 42,000.00 |
| 24/04/2020 | MILDRED KAVULANI | 05160 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006977 | 42,000.00 |
| 24/04/2020 | CAROLINE KABURU | 05172 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006979 | 42,000.00 |
| 24/04/2020 | SAMUEL KARIUKI | 05159 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006978 | 42,000.00 |
| 24/04/2020 | JOSEPH MUTUMA | 05157 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006968 | 63,000.00 |
| 24/04/2020 | JUDY LUCHIRI | 05173 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006971 | 42,000.00 |
| 24/04/2020 | PENINAH NJUGUNA | 05176 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES | 52,500.00 |

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| | | | | |
|------------|--------------------|-------|--|---------------------|
| 24/04/2020 | REMIJUS OKONGO | 05175 | NO.4006962 IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006967 | 42,000.00 |
| 24/04/2020 | PETER WEBO | 05170 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006961 | 42,000.00 |
| 24/04/2020 | NICHOLAS KILONZI | 05165 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006975 | 42,000.00 |
| 24/04/2020 | NICHOLAS NKOROI | 05167 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006969 | 42,000.00 |
| 24/04/2020 | JAMHURI MASAVI | 05163 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006973 | 42,000.00 |
| 24/04/2020 | BRIAN KIMTAI | 05174 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006976 | 42,000.00 |
| 24/04/2020 | JOHNSON TOBOSO | 05183 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006951 | 424,500.00 |
| 24/04/2020 | BERRY MUGENI | 05180 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006980 | 54,500.00 |
| 24/04/2020 | SAMUEL KOIGI | 05181 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006964 | 148,500.00 |
| 24/04/2020 | LUMASEI KAGALI | 05158 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.4006972 | 52,500.00 |
| 24/04/2020 | JOSEPH WAINAINA | 05219 | IMPREST FOR MONITORING AND EVALUATION VISIT TO FIVE COUNTIES NO.3913464 | 49,000.00 |
| 24/04/2020 | Nicholas Nkoroi | 05168 | Imprest for down selling and scenario planning no.4006958 | 38,600.00 |
| 24/04/2020 | Nicholas Nkoroi | 43238 | Imprest for down selling and scenario planning no.3913374 | 343,600.00 |
| 30/6/2020 | Grace Muthoni Njue | 05926 | Facilitation of opening of the Community Education & Business centre in Samburu | 244,000.00 |
| 5/6/2020 | Delpo Investments | 05266 | Payment of assorted items | 167,465.00 |
| 12/6/2020 | MARY ANDESO | 06154 | surrender of imprest for implementatio of GGEP output 4 no 3920101 | 372,000.00 |
| 12/6/2020 | Benson Lubanga | 06142 | Surrender of imprest no 4006954 | 592,500.00 |
| 29/06/2020 | KENVIC AGENCIES | | Supply of LCD Projector for GGEP | 150,000.00 |
| 30/6/2020 | | | Total expenditure | 8,816,445.00 |

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DANIDA FUNDS USED TO FINANCE GOK ACTIVITIES IN 2020/21 FINANCIAL YEAR

| DATE | PAYEE | PV no | PARTICULARS | AMOUNT (KSH) |
|------------|--------------------|----------|---|-------------------|
| 27/10/2020 | Augustine Kenduiwo | 1180 | DSA to Migori County to support Ksg | 31,500.00 |
| 14/01/2021 | Meshack Odago | | DSA to Migori County to support Ksg | 50,400.00 |
| 11/1/2021 | Kisumu hotel | 4142 | Provision of Full Board Conference Facilities | 255,000.00 |
| 30/06/2021 | | | Total expenditure | 336,900.00 |

DANIDA FUNDS (DONOR) USED TO FINANCE GOK ACTIVITIES FROM 2017/18 FY TO 31ST DEC 2021

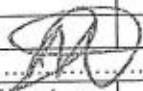
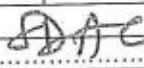
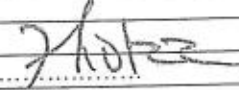
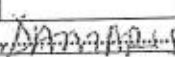

SUMMARY REPORT

| | FIN YEAR | AMOUNT (KSH) |
|--------------------------------------|--|----------------------|
| | 2017/2018 | - |
| | 2018/2019 | - |
| | 2019/2020 | 8,816,445.00 |
| | 2021/2022 | - |
| | Sub- Total | 8,816,445.00 |
| Add | AMOUNT OVERPAID FOR PROJECT MOTOR VEHICLE IN 2019/2020 FY | |
| Amount refunded to GOK | 4,504,538.00 | - |
| LESS: | | - |
| Amount supposed to be refunded | (3,065,462.00) | 1,439,076.00 |
| Amount owed to Donor (Danida) | | 10,255,521.00 |

6. Other Supporting Documents

- i. Bank Reconciliations statement as at 30th June 2022
- ii. Board of Survey Report as at 30th June, 2022
- iii. Special Deposit Account(s) reconciliation statement(s)
- iv. GOK IFMIS Comparison Trial Balance
- v. Copy of payment voucher, copy of bank statement, excel cashbook for 2021/2022 and 2020/2021 Fy



| | | | | |
|--|--|--|--|---|
| | | REPUBLIC OF KENYA | | F.O 30 |
| | | MINISTRY OF ENVIRONMENT AND FORESTRY | | |
| | | GREEN GROWTH-1108 (ME&F) 2021/2022 | | |
| | | Account number : 1000411716 | | |
| | | BANK RECONCILIATION STATEMENT AS AT 30.06.2022 | | |
| | | | | Kshs. |
| Balance as per bank certificate | | | | 6,452,003.40 |
| Less | | | | |
| 1. Payments in cashbook not yet recorded in bank statement | | | | 6,115,102.00 |
| | | | | |
| 2. Receipts in bank statement not yet recorded in cashbook | | | | - |
| Add | | | | |
| 3. Payments in bank statement not yet recorded in cashbook | | | | - |
| 4. Receipts in cashbook not yet recorded in bank statement. | | | | 29,500.00 |
| | | | | |
| Balance as per the cashbook..... | | | | 366,401.40 |
| I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct | | | | |
|  | |  | |  |
| Signature | | Designation | | Date |
| (All schedules are attached herewith) | | | | |
| Prepared by:  | | Signature:  | | |



| | | | |
|--|--|---|----------------|
| | REPUBLIC OF KENYA | | |
| | MINISTRY OF ENVIRONMENT AND FORESTRY | | |
| | A/C GREEN GROWTH-1108 (ME&F) 2021/2022 | | |
| | Account number : 1000411716 | | |
| | BANK RECONCILIATION STATEMENT AS AT 30.06.2022 | | |
| | PAYMENTS IN CASHBOOK NOT YET RECORDED IN BANK STATEMENT (SCHEDULE 1) | | |
| | C B DATE | PAYEE NAME | AMOUNT (Kshs.) |
| | 30/6/2022 | Environment international ltd | 5,703,914.10 |
| | 30/6/2022 | Withholding tax environmental international ltd | 105,432.80 |
| | 30/6/2022 | VAT environmental international ltd | 305,755.10 |
| | | | |
| | | | |
| | | TOTAL | 6,115,102.00 |



| REPUBLIC OF KENYA | | | |
|---|------------|----------------|---------|
| MINISTRY OF ENVIRONMENT AND FORESTRY | | | |
| A/C GREENGROWTH-1108 (ME&F) 2021/2022 | | | |
| Account number : 1000411716 | | | |
| BANK RECONCILIATION STATEMENT AS AT 30.06.2022 | | | |
| RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 2 | | | |
| DATE | PAYEE NAME | AMOUNT (Kshs.) | REMARKS |
| | | | |
| | | | |
| | | | |
| | | | |
| | TOTAL | NIL | |

| | | | |
|--|--|------------|----------------|
| | REPUBLIC OF KENYA | | |
| | MINISTRY OF ENVIRONMENT AND FORESTRY | | |
| | A/C GREEN GROWTH-1108(ME&F) 2021/2022 | | |
| | Account number : 1000411716 | | |
| | BANK RECONCILIATION STATEMENT AS AT 30.06.2022 | | |
| | PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASHBOOK (SCHEDULE 3) | | |
| | DATE | PAYEE NAME | AMOUNT (Kshs.) |
| | | | REMARKS |
| | | | |
| | | | |
| | | | |
| | | TOTAL | NIL |
| | | | |

| | | | | |
|--|---|-------------|----------------|---------|
| | REPUBLIC OF KENYA | | | |
| | MINISTRY OF ENVIRONMENT AND FORESTRY | | | |
| | A/C GREEN GROWTH-1108 (ME&F) 2021/2022 | | | |
| | Account number : 1000411716 | | | |
| | BANK RECONCILIATION STATEMENT AS AT 30.06.2022 | | | |
| | RECEIPTS IN CASHBOOK NOT RECORDED IN BANK STATEMENT(SCHEDULE 4) | | | |
| | C B DATE | PAYEE NAME | AMOUNT (Kshs.) | REMARKS |
| | 30.06.2022 | Cash Banked | 29,500.00 | |
| | | | | |
| | | | | |
| | | TOTAL | 29,500.00 | |
| | | | | |

