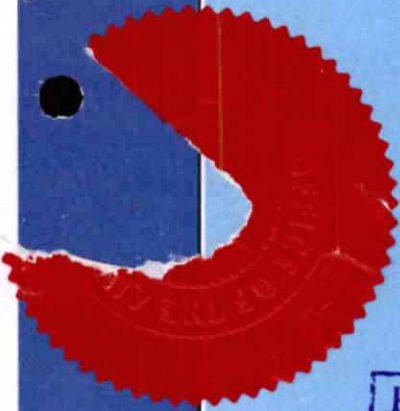


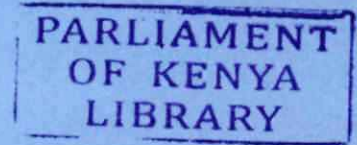
REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**




**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL DROUGHT MANAGEMENT  
AUTHORITY**

**FOR THE YEAR ENDED  
30 JUNE, 2024**

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 11 MAR 2025	
DAY: Tuesday	
TABLED BY:	Hon. Owen Baya, MP Deputy Majority Leader.
CLERK-AT THE TABLE:	Cetnude chebet



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 01002 NAIROBI  
REGISTRY

30 DEC 2024

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**NATIONAL DROUGHT MANAGEMENT AUTHORITY (NDMA)  
ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

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

**National Drought Management Authority  
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For the year ended June 30, 2024**

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**1. Acronyms and definition of Key terms**

**A: Acronyms**

<b>Acronym</b>	<b>Definition</b>
ALRMP	Arid Lands Resource Management Program
CEO	Chief Executive Officer
DCADR	Dryland Climate Action for Community Drought Resilience
DLP	Defects liability period
EDE	Ending Drought Emergencies
EDPRCWI	Enhancing Drought Preparedness & Response Capacity for Water Intervention
EU	European Union
EWS	Early Warning system
GCF	Green Climate Fund
HSNP	Hunger Safety-net Programme
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IUCN	International Union for Conservation of Nature
KMA	Kenya Maritime Authority
KCEP- CRAL	Kenya Cereals Enhancement Programme-Climate Resilient Agricultural Livihoods
KSEIP	Kenya Social Economic Inclusion Programme
MAM	March, April, May
NALM	National Asset and Liability Management
NDEF	National Drought Emergency Fund
NDMA	National Drought Management Authority
NT	National Treasury
OAG	Office of the Auditor General
OND	October, November, December
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SDRM	Support to Drought Risk Management
TWENDE	towards Ending Drought Emergencies
UNDP	United Nation Development Programme
WFP	World Food Programme

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization

**Comparative Year-** Means the prior period.

## **2. Key Entity Information and Management**

### **(a) Background information**

The National Drought Management Authority was established under the National Drought Management Authority (NDMA) Act, 2016. The Entity is domiciled in Kenya and has branches in 23 Counties, namely: Baringo; Garissa; Isiolo; Mandera; Marsabit; Samburu; Tana River; Turkana; Wajir; Embu (Mbeere); Kajiado; Kilifi; Kitui; Kwale; Laikipia; Lamu; Makueni; Meru (North); Narok; Nyeri (Kieni); Taita Taveta; Tharaka Nithi; and West Pokot. In addition, the Authority has satellite offices in Ijara, Mwingi and Moyale.

### **(b) Principal Activities**

The functions of the Authority as per the NDMA Act 2016 are as follows:

- a) Exercise overall coordination over all matters relating to drought management including implementation of policies and programmes relating to drought management;
- b) Coordinate drought response initiatives being undertaken by other bodies, institutions and agencies;
- c) Promote the integration of drought response efforts into development policies, plans, programmes and projects in order to ensure the proper management of drought;
- d) Develop, in consultation with stakeholders, an efficient drought early warning system and operate the system;
- e) Facilitate national and county level drought contingency processes and the preparation of national and county level drought contingency plans;
- f) Establish and review, in consultation with stakeholders and relevant institutions and agencies, drought preparedness strategies;
- g) Identify, design and implement projects and programmes that shall strengthen resilience to drought and climate change;
- h) Publish and disseminate manuals, codes or guidelines relating to drought management and prevention or abatement of the extreme effects of drought on human, plant and animal life;
- i) Conduct research on drought management and generate, consolidate and disseminate drought management information;
- j) Render advice and technical support to persons, bodies or institutions engaged in drought management so as to enable them to carry out their responsibilities effectively;
- k) Coordinate with the national government where a drought situation requires the declaration of a national or international disaster;
- l) Coordinate the design and implementation of the country's regional and international commitments pertaining to drought management;
- m) Prepare and issue an annual report on the state of drought management in Kenya; and
- n) Perform such other functions as are incidental or conducive to the exercise, by the Authority, of any or all of the functions provided for under this Act.

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**Mandate, Vision and Mission**

**Mandate:** The NDMA Act, 2016, mandates the Authority to exercise overall coordination over all matters relating to drought risk management and to establish mechanisms, either on its own or with stakeholders that will end drought emergencies in Kenya.

**Vision:** A nation resilient to drought and related climate shocks.

**Mission:** To lead and coordinate drought risk management and climate change adaptation towards achieving resilient communities in Kenya.

**Strategic Objectives**

The NDMA 2023 to 2027 Strategic Plan seeks to enhance drought resilience and climate change adaptation. To realize this goal, the Authority is pursuing the following seven strategic objectives:

- i. To strengthen community resilience to drought and climate change risks;
- ii. To mitigate drought impact on vulnerable communities and support recovery
- iii. To provide reliable drought information for action
- iv. To enhance resource-base for DRM/CCA
- v. To strengthen planning and knowledge management
- vi. To strengthen coordination and support policy development
- vii. To strengthen the capacity of NDMA for improved service delivery

**(c) Key Management**

The Entity's day-to-day management is under the following key organs:

No.	Departments
1.	Board of Directors
2.	Chief Executive Officer
3.	Corporate Services <ul style="list-style-type: none"> <li>• Finance &amp; Accounts</li> <li>• Human resource &amp; Administration</li> <li>• Internal Audit</li> <li>• ICT Department</li> <li>• Supply Chain Management</li> </ul>
4.	Technical Services <ul style="list-style-type: none"> <li>• Drought Resilience</li> <li>• Drought Contingency Planning and response</li> </ul>
5.	Planning, Monitoring and Evaluation

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**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1	Chief Executive Officer	Hared Hassan Lt. Col (Rtd)
2	Director Corporate Services	Mr. Hashim Adan Ali
3	Ag. Director Technical Services	Mr. Saiyana Lembara
4	Director Planning, Monitoring and Evaluation	Ms. Stella Kiptoo
5	Deputy Director Finance & Accounts	Mr. Yussuf Roba Bagaja
6	Deputy Director Supply chain Management	Mr. Hussein Adan Bilala
7	Deputy Director Human resource & Administration	Mr. Patrick Musichi
8	Deputy Director, Planning, Monitoring and Evaluation	Mr. Paul Obunde
9	Deputy Director, Internal Audit	Mr. Martin Kiveu
10	Deputy Director, Drought Resilience	Eng. Hussein Jirma
11	Deputy Director, ICT	Mr. George Kimunguyi
12	Ag. Deputy Director Drought Contingency Planning and response	Mr. Amos Omar Nyakeyo
13	Ag. Deputy Director Information	Mr. Nelson Mutanda

**(e) Fiduciary Oversight Arrangements**

**Audit and Risk Committee**

This committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements.

The committee has the following duties and responsibilities, as well as any other duties and responsibilities it deems appropriate to carry out its purposes or as directed by the Board:

- (i) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency and accountability;
- (ii) Review major audit issues raised by both internal and external auditors;
- (iii) Periodic reviews of the adequacy of management procedures with regard to issues relating to risk management, control and governance; and

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- (iv) Review special audits/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

**Finance committee**

The Finance Committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements.

The committee has the following duties and responsibilities as directed by the Board:

- (i) Review the Authority's annual work plans and associated budgets prepared by management and submit them to the Board for approval;
- (ii) Ensure that the allocation of resources is aligned to the priority areas identified within the Strategic Plan;
- (iii) Review quarterly financial reports submitted by management and submit the same to the Board for discussion and adoption;
- (iv) Provide general direction in the Authority's budgeting matters;
- (v) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency, and accountability;
- (vi) Review major audit issues raised by both internal and external auditors;
- (vii) Periodic review of the adequacy of management procedures with regard to risk management control and governance issue; and
- (viii) Review special audits/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

**Parliamentary Oversight Committees**

The authority oversight committee is the Public Investment Committee (PIC) on Social services, Administration and Agriculture. The Authority appeared before this committee on 4 April 2023 to respond on the Audit Reports for the financial years 2017/2018 to 2020/2021.

**(f) Entity Headquarters**

National Drought Management Authority  
P.O. Box 53547, 00200  
Lorrho House  
Standard Street  
Nairobi, Kenya

**(g) Entity Contacts**

Telephone: (254) 722 200656  
E-mail: [info@ndma.go.ke](mailto:info@ndma.go.ke)

Website: [www.ndma.go.ke](http://www.ndma.go.ke)

**(h) Entity Bankers**

1. Kenya Commercial Bank  
KICC Branch  
P.O. Box 30081-00100  
Nairobi, Kenya
  
2. NCBA Bank  
Harambee  
P.O. Box 44599-00100  
Nairobi, Kenya
  
3. Cooperative Bank  
Kenyatta avenue Branch  
P.O. Box 44805-00200  
Nairobi, Kenya
  
4. Equity Bank  
Parliament Road  
Embassy House, Harambee Avenue  
Nairobi, Kenya
  
5. National Bank of Kenya  
Kenyatta avenue Branch  
Po box 72866-00200



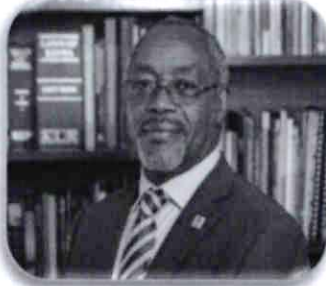
**(i) Independent Auditor**

Auditor-General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya




**(j) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

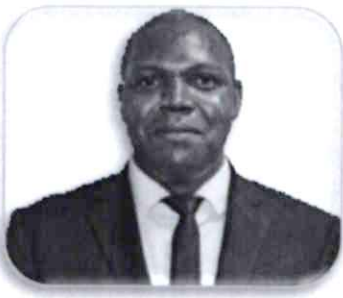


**3. The Board of Directors**

Ref	Directors	Details
1.	 <p><b>Shallow Yahya</b></p>	<p><b>Chairperson to the Board</b></p> <ul style="list-style-type: none"> <li>• Born on January 1st, 1976</li> <li>• Bachelor's Degree in Business Administration (Finance Option)</li> <li>• Has served as Board Member of Kenya Bureau of Standards' National Standards Council, Chief Executive</li> <li>• Officer of Qaana Contractors Limited.</li> <li>• Consultant at Afrisurge Research &amp; Consultant Firm, and a Finance Manager at Aldef Kenya. He has also worked as the Audit Task Manager for European Union, Kenya Office</li> <li>• Appointed on 15<sup>th</sup> December 2023</li> </ul>
2.	 <p><b>Mr. Gilbert Tenai Bor</b></p>	<p><b>Independent Member</b></p> <ul style="list-style-type: none"> <li>• Born on 30<sup>th</sup> May 1979</li> <li>• MBA (Corporate Management)</li> <li>• Bachelor of Commerce</li> <li>• Diploma in Public Administration</li> <li>• Diploma in Sales and Marketing</li> <li>• Appointed on 9<sup>th</sup> June 2023 via gazette Notice No. 7505</li> </ul>
3.	 <p><b>Mr. Koome Kiragu</b></p>	<p><b>Independent Member</b></p> <ul style="list-style-type: none"> <li>• Born on 24<sup>th</sup> November 1955</li> <li>• Bachelor of Science (Agriculture)</li> <li>• Appointed on 3<sup>rd</sup> June 2022</li> </ul>




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Ref	Directors	Details
4.	 <p><b>Ms. Leah J. Sambai</b></p>	<p><b>Independent Member</b></p> <ul style="list-style-type: none"> <li>• Born on 26<sup>th</sup> June 1961</li> <li>• Bachelors in Education</li> <li>• Appointed on 24<sup>th</sup> November 2023</li> </ul>
5.	 <p><b>Ms. Maria Cheron</b></p>	<p><b>Alternate for the Principal Secretary State Department for the ASALs and Regional Development</b></p> <ul style="list-style-type: none"> <li>• Appointed on 31<sup>st</sup> October 2023</li> </ul>
6.	 <p><b>Ms. Eunice Kigen</b></p>	<p><b>Alternate for The National Treasury Cabinet Secretary</b></p> <ul style="list-style-type: none"> <li>• Appointed on 3<sup>rd</sup> July 2023</li> </ul>




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Ref	Directors	Details
7.	 <p><b>Robert Kiteme</b></p>	<p><b>Board Member - representing the Council of Governors</b></p> <ul style="list-style-type: none"> <li>• Born on 1988</li> <li>• BSc. in Agriculture (Agricultural Economics Major)</li> <li>• 6 years Council of Governors employee</li> <li>• Appointed on 31<sup>st</sup> July 2017</li> </ul>
8.	 <p><b>Dr. Mary Lonyangapuo</b></p>	<p><b>Board Member</b></p> <ul style="list-style-type: none"> <li>• Born on 1968</li> <li>• PHD Department of literature, Linguistics and languages</li> <li>• Master's Linguistics</li> <li>• Senior Lecturer - 12 years</li> <li>• Appointed on 3<sup>rd</sup> June 2022</li> </ul>
9.	 <p><b>Hared Hassan Lt. Col (Rtd)</b></p>	<p><b>Chief Executive Officer and Secretary to the Board</b></p> <ul style="list-style-type: none"> <li>• Born on January 1966</li> <li>• Masters' Degree in Strategic Security Studies</li> <li>• Masters' Degree in International Conflict Management</li> <li>• Masters' Degree in Military Arts and Science</li> <li>• Bachelor of Arts Degree in Political Science</li> <li>• Appointed on February 14 2022</li> </ul>




**4. Key Management Team**

Ref	Management	Details
1.	 <p><b>Hared Hassan Lt. Col (Rtd)</b></p>	<p><b>Chief Executive Officer and Secretary to the Board</b></p> <ul style="list-style-type: none"> <li>• Masters in Strategic Security Studies.</li> <li>• Masters in International Conflict Management</li> <li>• Masters in Military Arts and Science</li> <li>• Bachelor of Arts in Political Science</li> <li>• Appointed on 14 February 2022</li> </ul>
2.	 <p><b>Mr. Hashim Ali</b></p>	<p><b>Director, Corporate Services</b></p> <ul style="list-style-type: none"> <li>• MBA. Strategic Management</li> <li>• Certified Public Accountant MNo. 2980</li> <li>• Certified Internal Auditor</li> <li>• Certifies Information Systems Auditor (CISA)</li> <li>• Certified Data Privacy Solution Engineer</li> </ul>
3.	 <p><b>Ms. Stella Kiptoo</b></p>	<p><b>Director, Planning Monitoring &amp; Evaluation</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Arts in social Science</li> <li>• Masters in Business Administration</li> <li>• Master of Arts in Economics</li> </ul>




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Ref	Management	Details
4.	 <p><b>Mr. Saiyana Lembara</b></p>	<p><b>Ag. Director, Technical Services</b></p> <ul style="list-style-type: none"> <li>• M.A. Environmental Planning and Management</li> <li>• BSc. Agriculture</li> <li>• Certificate Forestry</li> </ul>
5.	 <p><b>Mr. Yussuf Bagaja</b></p>	<p><b>Deputy Director, Finance and Accounts</b></p> <ul style="list-style-type: none"> <li>• MBA. Finance Option</li> <li>• Bachelor of Commerce</li> <li>• Certified Public Accountant MNo. 8335</li> </ul>
6.	 <p><b>Mr. Paul Obunde</b></p>	<p><b>Deputy Director, Planning, Monitoring and Evaluation</b></p> <ul style="list-style-type: none"> <li>• MSc. Environmental Economics &amp; Environmental Management</li> <li>• Post Graduate Diploma Environmental Economics &amp; Environmental Management,</li> <li>• B.A. Economics</li> </ul>

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Ref	Management	Details
7.	 <p><b>Mr. Hussein Bilala</b></p>	<p><b>Deputy Director, Supply Chain</b></p> <ul style="list-style-type: none"> <li>• MSc. Supply Chain &amp; Logistics</li> <li>• BSc. Business Administration</li> <li>• Advanced Diploma - CIPS</li> </ul>
8.	 <p><b>Mr. Martin Kiveu</b></p>	<p><b>Deputy Director, Internal Audit</b></p> <ul style="list-style-type: none"> <li>• BSc. International Business Administration</li> <li>• Certified Public Accountant MNo. 4221</li> </ul>
9.	 <p><b>Eng. Hussein Jirma</b></p>	<p><b>Deputy Director, Drought Resilience</b></p> <ul style="list-style-type: none"> <li>• MSc. Water and Environmental Management</li> <li>• BSc. Civil Engineering</li> </ul>

**National Drought Management Authority  
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Ref	Management	Details
10.	 <p data-bbox="352 651 651 685"><b>Mr. George Kimunguyi</b></p>	<p data-bbox="737 275 1011 309"><b>Deputy Director, ICT</b></p> <ul data-bbox="786 327 1386 517" style="list-style-type: none"> <li>• MSc. Information Technology</li> <li>• BSc. Applied Statistics Cisco Certified</li> <li>• Certified Information Systems Auditor (CISA)</li> <li>• Certified Data Privacy Solution Engineer</li> </ul>
11.	 <p data-bbox="357 1064 619 1097"><b>Mr. Patrick Musichi</b></p>	<p data-bbox="737 710 1409 743"><b>Deputy Director, Human Resource &amp; Administration</b></p> <ul data-bbox="786 761 1267 842" style="list-style-type: none"> <li>• Bachelor of Arts, Sociology</li> <li>• Higher Diploma in Human Resource</li> </ul>
12.	 <p data-bbox="336 1601 608 1635"><b>Amos Omar Nyakeyo</b></p>	<p data-bbox="737 1198 1449 1279"><b>Ag. Deputy Director Drought Contingency Planning and response</b></p> <ul data-bbox="786 1299 1230 1491" style="list-style-type: none"> <li>• MSc. Horticulture</li> <li>• BSc. Horticulture</li> <li>• Diploma in Horticulture</li> <li>• Certificate in General Agriculture</li> </ul>

**National Drought Management Authority  
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Ref	Management	Details
13.	 <b>Nelson Mutanda</b>	<b>Ag. Deputy Director Information</b> <ul style="list-style-type: none"><li>• Masters in Development Studies (MKU)</li><li>• Degree in Computing (UNISA)</li><li>• Degree in Economics and Statistics (UoN)</li></ul>

## **5. Chairman's Statement**



**Mr. Shallow Yahya**

On behalf of the Board of Directors for the National Drought Management Authority, it is my pleasure to present the Annual Report and Financial Statements for the Financial Year 2023/2024. This year was characterized by positive effects of the good rains of MAM 2023 season and enhanced OND 2023 season and also the effects of enhanced precipitation during MAM 2024 season.

This period marked the start of a period of recovery from the 2021 – 2023 drought episode, that was viewed as the worst in over four decades with 4.9 million people facing acute food insecurity and requiring food assistance. Interestingly, the impact in terms of loss of livelihoods and more so livestock was comparatively lower than previous droughts. This is attributed to measures that have been taken, through the coordination of the Authority to reduce impact of drought.

Recovery from the devastating drought episode was however severely undermined for communities in the flood-prone lowland communities that suffered extensive flooding which destroyed shelter and some livelihood assets that survived the drought.

The flooding and landslides during OND 2023 El Nino season impacted 545,595 persons with 175 deaths reported and a further 412,263 persons were affected during MAM 2024 enhanced rains. It is estimated that livestock losses during El Nino amounted to Kshs. 69.8 million, while estimates of overall losses resulting from MAM 2024 impacts exceeded Kshs. 5 billion.

All these point to the huge magnitude of climate vulnerability for drought-prone communities,

underscoring the need for contextualized multi-hazard approach to drought risk management planning.

Key measures put in place include implementation of Kenya's Ending Drought Emergencies initiative by various sector ministries, County Governments and development partners. This initiative, being in its second phase of implementation, has taken in lessons learnt and good practices experienced during its initial phase of implementation and adopting a broader approach in investments for development.

In addition, it gives priority to investing in drought cycle management, institutional development for drought and knowledge management. Coordination structures, both at national and devolved levels were strengthened during the reporting period to facilitate tracking of drought situation across the country, resource mobilization and harmonized response by state and non-state actors.

The year also recorded good rains in most parts of the country and hence the authority focused on drought preparedness activities. In this respect, the Authority invested in 9 (nine) drought preparedness projects mainly water infrastructure and livelihood diversification projects.

During the year, through the Hunger Safety Net Programme (HSNP), the Authority continued to provide regular cash transfers to poor households in the counties of Turkana, Wajir, Marsabit, Mandera, Garissa, Tana River, Isiolo and Samburu. As at end of the financial year, the Authority had made cash transfers of Kshs. 4,445,896,074 to 127,797 households in the eight Counties.

The Authority faced a number of challenges during the reporting period that affected its service delivery. Among these challenges include inadequate funding, more so for drought coordination, resilience building and food security assessments. There were also delays and budget cuts by the National Treasury. This affected project implementation and delay in cash transfers to beneficiaries.

The Authority will during the next financial year endeavor to address these challenges through regular follow-ups with the National Treasury. In addition,

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the Authority will give priority to resource mobilization and explore innovative ways of service delivery that include digitization and partnerships.

The Authority will in collaboration with state and non-state actors will finalize and operationalize the

coordination structures and the Ending Drought Emergencies initiative with the aim of addressing any challenges and accelerating achievement of Kenya's drought resilience goal.



**Mr. Shallow Yahya**  
**Chairperson to the Board**

## **6. Report of the Chief Executive Officer**



**Hared Hassan Lt. Col (Rtd)**

The year experienced good rainfall outcomes from MAM 2023 season and the enhanced precipitation during both OND 2023 and MAM 2024 seasons.

During the reporting period, recovery progress from the effects of the devastating 2021 – 2023 drought episode was sustained, although this was severely undermined by the negative impacts of *El Nino* during the OND 2023 rain season, and also during MAM 2024 season, both of which resulted in flooding and landslides/mudslides, affecting some communities across the ASALs.

Flooding and landslides/mudflows destroyed shelter and some of the livelihood assets that survived the drought. While the drought at its peak had the number of people facing acute food insecurity and requiring food assistance reach a high of 4.9 million, the subsequent flooding and landslides during OND 2023 *El Nino* season impacted 545,595 persons with 175 deaths, and a further 412,263 persons were affected during MAM 2024 season.

The impact in terms of loss of livelihoods and more so livestock was comparatively lower than previous droughts. This is attributed to measures that have been taken, through the coordination of the Authority to reduce impact of drought. Some of the measures include implementation of Kenya's Ending Drought Emergencies initiative by various sector ministries, County Governments and development partners. The initiative focuses on investing in the foundations for development such as peace and security; roads; water; energy; education; health; and sustainable livelihoods. In addition, it gives priority to investing in the drought cycle management, institutional development and

knowledge management. Coordination structures, both at national and devolved levels were strengthened during the reporting period to facilitate tracking of drought situation across the country, resource mobilization and harmonized response by state and non-state actors.

The Authority, during the reporting period cushioned vulnerable poor households in 8 arid counties of Turkana, Marsabit, Mandera, Wajir, Garissa, Tana River, Isiolo and Samburu through provision of regular cash transfers. A total of Kshs. 4,445,896,074 was disbursed to 127,797 households in the 8 Counties.

Provision of food security and drought early warning information remains a priority intervention of the Authority. During the reporting period, bi-annual multi-stakeholder food and nutrition security assessments were carried out to inform response interventions by a wide range of stakeholders, both at national and county levels. These assessments were supported by monthly drought early warning systems that the Authority continued to modernize and digitize during the reporting period. In addition, the county Governments were supported to produce drought contingency plans that informed response.

The year also recorded good rains in most parts of the country that allowed the Authority to focus on preparedness and resilience building necessitated transition from response to recovery interventions.

In this regard, the Authority invested in 8 drought preparedness projects in the Counties of West Pokot, Mandera, Kitui, Wajir, Kajiado, Makueni and Tana River. The investments were mainly water infrastructures and livelihood diversification projects. Through the Towards Ending Drought Emergencies (TWEDE) project, a total of 13,284 (M=7347 & F= 5937) community members were directly reached by the project. Approximately 35,850 hectares of land were put under ecosystem restoration. Communities have been facilitated to develop 16 model community bylaws, bills, legislative proposals and the National draft Land Reclamation Policy 2024 and formed 31 grazing management committees at the ward level.

The Authority faced a number of challenges during the reporting period that affected its service delivery. The major challenge was Inadequate

**National Drought Management Authority  
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funding, more so for drought coordination, resilience building and food security assessments. There were also delay and budget reductions by the National Treasury. This also affected the cash transfers and project implementation.

The Authority will during the next financial year endeavor to address these challenges through

regular follow-ups with the National Treasury. In addition, the Authority will give priority to resource mobilization, now that a resource mobilization and partnership Manager is onboard and further explore innovative ways of service delivery that include digitization and partnerships.



**Hared Hassan Lt. Col (Rtd)  
Chief Executive Officer**

**National Drought Management Authority  
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**7. Statement of Performance against Predetermined Objectives for FY 2023/2024**

NDMA has strategic objectives within the Strategic Plan for the FY 2023/2027 were as follows:

- **Strategic Objective 1:** To strengthen community preparedness and resilience to drought and climate change risks.
- **Strategic Objective 2:** To provide reliable drought information for action.
- **Strategic Objective 3:** To mitigate drought impact on vulnerable communities and support recovery.
- **Strategic Objective 4:** To enhance resource-base for Drought Risk Management / Climate Change Adaptation.
- **Strategic Objective 5:** To strengthen planning and knowledge management.
- **Strategic Objective 6:** To strengthen coordination and support policy development in DRM/CCA.
- **Strategic Objective 7:** To strengthen the capacity of NDMA for improved service delivery.

NDMA develops its annual work plans based on the above seven (7) Strategic Objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The NDMA achieved its performance targets set for the **FY 2023/24** period for its 7 strategic pillars, as indicated in the table below:

Strategic Objective	Strategy	Key Activities	Performance Indicators	Performance Targets	Achievements
<b>1: To strengthen community preparedness and resilience to drought and climate change risks</b>	Promote participatory planning approaches and innovations	Build capacity of staff on use of the digitized tool	Number of counties using digitized tools	11 counties	11 counties capacity built under the TWENDE project
		Train staff and stakeholders on landscape planning, SHARED (Stakeholder Approach to Risk Informed and Evidence Based Decision Making) tool, decision making, and evidence generation	Number of officers and stakeholders	1,158 persons trained	456 persons trained
		Develop & review ward level DRR/ CCA/ Restoration plans	Number of plans	69 plans	115 ward level plans were developed/ reviewed
		Establish Community DRR/ CCA/ Rangeland committees	Ward level DRR/CCA plans developed/ reviewed	44 ward level plans	62 ward level plans
		Establish Community DRR/ CCA/ Rangeland committees	Community DRR committees established	3 Rangeland committees	3 rangeland committees established to cover 11 TWENDE counties

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Strategic Objective	Strategy	Key Activities	Performance Indicators	Performance Targets	Achievements
	Strengthen the capacity of community institutions on DRR/CCA/SP	Capacity needs assessments undertaken for Ward/community institutions	No. of assessments	23	24 Assessments carried out
		Identify and nurture DRR/ CCA organizations	No. of organizations	50 organizations	45 organizations nurtured
	Invest in strategic drought resilience, and Climate Change Adaptation (CCA) initiatives	Profile priority strategic drought resilience/preparedness projects based on landscape/DRR/CCA plans	No. of profiles	23	24 profiles produced
		Implement macro investments	No. of macro investments	6	8 macro-projects were at various stages of implementation
		Implement micro investments	No. of micro investments	50	32 micro-projects were at initial stages of implementation
	Invest in adaptive social protection programming initiatives at national and county level	Make regular payments as per the timelines	No. of households	133,800	133,800 households received cash transfers
		Support the operations of HSNP counties	No. of counties supported	8	8 counties
	<b>2: To provide reliable drought information for action</b>	Strengthen capacity for data collection, analysis and dissemination	Review and upgrade the DEWS software	No. of upgrades/ review	1
Produce monthly EWS bulletins (County and National)			No. of households	288	288 national and county level bulletins produced and disseminated
Conduct drought vulnerability and risk assessment		Conduct Short and Long food security assessments	No. of assessments	48	48 assessment reports
		Asses post drought damage and losses	No. of assessments	1	The procurement process was completed and the assessment commenced
<b>3: To mitigate drought impact on vulnerable</b>	Implement drought response	Support ward-level contingency planning in 100 No. wards in	No. of wards level contingency	46	74 ward level contingency plans

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Strategic Objective	Strategy	Key Activities	Performance Indicators	Performance Targets	Achievements
<b>communities and support recovery</b>	preparatory actions	the 23 ASAL counties	plans developed		
		Review county drought contingency plans for each of the 23 ASAL counties	No. of county CPs developed	23	25 contingency plans. These include two developed for Machakos and Elgeyo Marakwet
		Establish response capacity inventories in 23 ASAL counties	No. of county inventories	23	19 counties established response capacity inventories
	Strengthen the drought response system	Develop county and national response plans (in case of impending drought)	No. of county response plans	52	24 response plans
<b>4: To enhance resource-base for DRM/CCA</b>	Develop and implement a resource mobilization plan	Review and develop Resource mobilization strategy (Identify gaps and suggest improvements)	No. of strategy	1	1 Strategy in place
		Train Staff in resource mobilization	No. of officers trained	50	50 officers trained
		Mobilize resources through engagement with partners and stakeholders (UNDP, EU, WWF, USAID, FCDO, etc)	Value of resources (million Kshs)	400	888.4
	Build and strengthen partnerships	Develop partnership engagement framework and conduct resource mobilization forums	No. of partnership forums	20	43 partnership forums in the 23 ASAL counties
<b>5: To strengthen planning and knowledge management</b>	Strengthen evidence-based planning and decision making	Prepare the NDMA annual work plan and procurement plan for 2024/2025	Annual work and procurement plans	2	The two plans were developed and approved for implementation
		Monitor projects	No. of missions	3	4 joint missions carried out in Kajiado, Wajir, West Pokot and Kitui counties
		Prepare annual report	No. of reports	1	NDMA Annual report

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Strategic Objective	Strategy	Key Activities	Performance Indicators	Performance Targets	Achievements
					produced
		Prepare annual Vision 2030, MTPIV and EDE-CPF progress report	No. of reports	1	EDE V2030 MTP IV Progress report for FY 2023/24 produced
	Promote research and knowledge management	Update the NDMA KMIS investment tracker (DRM investments module)	Up to date investment tracker	1	The KMIS was updated with information / reports on regular basis
		Train all technical staff (from all departments and counties) on KM	No. of staff	121	100 staff trained
<b>6: To strengthen coordination and support policy development in DRM/CCA</b>	Development of appropriate legal and policy frameworks	Initiate Development of NDMA Act regulations	Regulations	10%	5% - Resource mobilization carried out and some resources secured from the EU to kick start the process
	Strengthen collaboration among DRM/CCA actors	Develop EDE CPF II	CPF II strategy	1	The EDE CPF II was finalized ready for approval by the Cabinet Secretaries, Governors and Development Partners
		Sensitize stakeholders on EDE CPF II	No. of stakeholders sensitized (persons)	800	855 stakeholders were sensitized
		Operationalize EDE II coordination structures	No. of structures operational	10	This awaits adoption and launch of the document for implementation
		Hold quarterly CSG coordination meetings	No. of meetings	92	167 CSG meetings held
	<b>7: To</b>	Improve staff performance	Place staff under SPAS	Percent of staff on SPAS	100%

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<b>Strategic Objective</b>	<b>Strategy</b>	<b>Key Activities</b>	<b>Performance Indicators</b>	<b>Performance Targets</b>	<b>Achievements</b>
<b>strengthen the capacity of NDMA for improved service delivery</b>		Cascade performance contract to directors and deputy directors	Percent of targeted staff on PC	100%	All Directors and Deputy Directors signed performance contracts
		Train staff as per the TNA to include pre-retirement, professional training	Percent of targeted staff	100%	77 officers benefited from various trainings
		Provide suitable work environment (includes personnel emoluments and O&M)	Percent of staff with adequate space and equipment	100%	All staff were provided with adequate working environment
	Promote good corporate governance	Conduct audit activities for NDMA and its partners (Quarterly for HSNP Counties and biannual for other counties)	No. of functional audits	6	6 functional audits carried out across the counties
		Support board operations	No. of board meetings	20	21
	Re-engineer business processes	Acquire and operationalise ERP (including staff training)	Enterprise resource planning (ERP)	1	Use of ERP was approved as part of digitization
		Install and maintain LAN, WAN, EMAIL and associated services	No. of offices	27	27 NDMA offices were covered
	Strengthen corporate brand	Establish the communication unit	Communication unit	1	Unit established and staff recruited
		Implement a CSR activity	No. of CSR initiatives	1	CSR activities implemented in various ASAL counties in form of tree planting
		Review and implement the citizen service charter	No. of service charters	1	Service charter reviewed and printed in English, Kiswahili and brail

**8. Corporate Governance Statement**

The Authority’s corporate governance is guided by the provisions of Mwongozo Code of Governance for State Corporations on transparency and disclosure. The Financial Year 2023/2024 annual report covers the following governance aspects in line with the Authority’s mandate;

**Role of the Board of Directors**

The Board of Directors is responsible for the governance of the Authority to ensure compliance with the law and best practices and certifying them as confirmed in the presented financial statements. The Board is accountable to the Ministry of East African Community, The ASALs and Regional Development.

The Board ensures integrity and professionalism in the conduct of the business and operations of the Authority in line with international corporate standards. The Board’s responsibilities are articulated in the Authority’s Board Charter and the NDMA Act, 2016. These include:

- (i) Formulate policies to achieve its mandate;
- (ii) Provide strategic direction, leadership, and oversight to the Secretariat; and
- (iii) Undertake such activities as may be necessary for the discharge of its functions and the exercise of its powers.

**Board Committees**

The Authority has four Board committees namely:

- 1) Technical and Strategy;
- 2) Human Resources and Corporate Services;
- 3) Finance and Resource Mobilization; and
- 4) Audit and Risk Management

The Board committees consider management reports ahead of the Full Board meeting. This allows for in-depth consideration of issues to enable decision-making. After scrutiny, the specific committee presents its report and recommendations to the Full Board for consideration.

**Committee membership**

The following was the Board committee membership during the reporting period;

<p><b>1) Finance &amp; Human Resource Committee</b></p> <ul style="list-style-type: none"> <li>i. Mr. Gibert Tenai– Chairperson</li> <li>ii. Ms. Eunice Kigen– Member</li> <li>iii. Mr. Koome Kiragu – Member</li> <li>iv. Ms. Maria Cherono – Member</li> </ul>	<p><b>2) Technical and Strategy committee</b></p> <ul style="list-style-type: none"> <li>i. Mr. Koome Kiragu – Chairperson</li> <li>ii. Mr. Robert Kiteme – Member</li> <li>iii. Ms. Leah Sambai– Member</li> <li>iv. Mr. Gilbert Tenai – Member</li> <li>v. Dr. Mary Lonyangapuo – Member</li> </ul>
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<p><b>3) Audit and Risk Management</b></p> <ul style="list-style-type: none"><li>i. Dr. Mary Lonyangapuo – Chairperson</li><li>ii. Mr. Robert Kiteme – Member</li><li>iii. Ms. Leah Sambai– Member</li><li>iv. Ms. Maria Cheronno – Member</li><li>v. Ms. Eunice Kigen– Member</li></ul>	
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**Finance & Human Resource Committee**

**In matters human resource** -This committee ensures that the Authority has sound human resource strategies that enable it to attract, develop, motivate, and retain the right caliber of staff.

The committee has the following duties and responsibilities as directed by the Board:

- a) Periodic review and advice to the main Board on appropriate human resource strategies, policies and procedures;
- b) Advise the Board and guide the process on staff recruitment, manpower planning and related budgets;
- c) Advise the Board on any reviews required to enhance the effectiveness of manpower development and staff training;
- d) Advise the Board on reviews which may be necessary to make the organizational structure, appraisal system, grading system, and salary structures more relevant and effective; and
- e) Review proposals and advice the Board on staff benefit schemes including medical, retirement benefits, and insurance schemes, among others.

**In matters finance** - This Committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements. The committee has the following duties and responsibilities as directed by the Board:

- a) Review the Authority’s annual work plans and associated budgets prepared by management and submit them to the Board for approval;
- b) Ensure that the allocation of resources is aligned to the priority areas identified within the Strategic Plan;
- c) Review quarterly financial reports submitted by management and submit the same to the Board for discussion and adoption;
- d) Provide general direction in the Authority’s budgeting matters;
- e) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency, and accountability;
- f) Review major audit issues raised by both internal and external auditors;
- g) Periodic review of the adequacy of management procedures regarding risk management control and governance issues; and

- h) Review special audits/ investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

**Technical and Strategy committee**

The committee handles all technical issues of the Authority including inter alia, strategic planning, work planning, budgeting, resource mobilization, programmes, projects, and visibility. Its specific mandate includes advising the Board on the following:

- a) The overall performance of the Authority;
- b) Strategic documents guiding the work of the Authority, including its strategic plan, work plan, budget, and performance contract;
- c) Identification, development and implementation of strategic initiatives, programmes and projects, and resource mobilization;
- d) Technical issues concerning the drought status, including early warning information, food security assessments, and response;
- e) Measures to enhance the visibility and accountability of the Authority; and
- f) Periodic reviews to evaluate the progress and impact of the Authority.

**Audit and Risk Management Committee**

The committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements. The committee has the following duties and responsibilities, as well as any other duties and responsibilities it deems appropriate to carry out its purposes or as directed by the Board:

- a) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency and accountability;
- b) Review major audit issues raised by both internal and external auditors;
- c) Periodic reviews of the adequacy of management procedures regarding issues relating to risk management, control and governance; and
- d) Review special audits/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

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**Board Meetings**

The Board and its committees met as follows during the period under review;

<b>Committee/Board</b>	<b>No. of meetings</b>
1. Technical and Strategy committee	4
2. Finance & Human Resource Committee	4
3. Audit and Risk Management Committee	4
4. Full Board	4

The calendar of the meetings is circulated at the beginning of the financial year while invitations to Board meetings are sent out two weeks in advance.

**Board Communication with Stakeholders**

The Board ensures effective communication and engagement with stakeholders through timely and transparent disclosure of pertinent information on NDMA’s operations and performance.

Board internal communication is as follows;

<b>Communication level</b>	<b>Channels/tools</b>
From the Board	Board communicates policy matters to staff by way of memos and emails through the office of the CEO.
Management to the Board	Management submits Board papers and reports two weeks in advance of Board meetings

On external communication, the Board ensures provision of transparent and timely information to the public and key stakeholders as obligated under the Access to Information Act. Policy matters to the wider public are communicated by the Board and the CEO.

## **9. Management Discussion and Analysis**

The Authority continued to strengthen drought and food security coordination structures at national and county levels to enhance drought risk management partnership, decision making, accountability to stakeholders and reporting. The coordination structures guide drought risk management common programming, strategic planning, synergy and collaboration among stakeholders. The main coordination structures used by the Authority during the reporting period included: Kenya Food Security Meeting; Kenya Food Security Steering Group; County Steering Group; IGAD Drought Disaster Resilience and Sustainability Initiative ministerial General Assembly and Steering Committee; Ending Drought Emergencies (EDE) Pillar Working Groups; among others.

On drought information, the Authority continued to implement strategies aimed at improving the drought early warning system to make it reliable and timely. To this end, the following were some of the key achievements during the reporting period:

- i. Produced and disseminated 276 monthly county drought early warning bulletins;
- ii. Produced and disseminated 12 consolidated monthly national drought early warning bulletins;
- iii. Provided monthly remote sensed information up to Ward level for the 23 ASAL counties for objective evidence-based information on the drought status; and
- iv. Carried out bi-annual multi-agency food and nutrition security assessments in the 23 ASAL Counties to inform response

On issues relating to drought contingency planning and response, the Authority supported counties to update their drought as well as ward contingency plans. In addition, the Authority supported development of two county contingency plans for Machakos and Elgeyo- Marakwet. Also, the Authority conducted sensation of national stakeholders on NDEF regulations, a total of 64 stakeholders were sensitized.

The Authority supported interventions towards drought resilience, climate change adaptation and social protection. In this respect, a total of eight projects funded under EU, NDEF and Gok were completed during the financial year; Five projects by NDEF (Uyi Earth Dam in Makueni, Pipeline extension for Birkan borehole in Mandera, Sarman Livelihood Diversification Project (Water Pan) in Wajir, Lomut- Nyangaita Pipeline Rehabilitation in West Pokot & Masol Camel Project; two projects funded by GOK ( Kone water Pan in Tana River and Lokirdogoy in Kajiado) and one project funded by EU (Mwania - Maongoa Sand Dam, Kitui) were completed.

During the reporting period, 190,487 accounts were opened for registered households in the four additional counties of Garissa, Samburu, Tana River and Isiolo. An average of 127,797 households received regular cash transfers in the eight Counties of Turkana, Wajir, Marsabit, Mandera, Garissa, Samburu, Tana River and Isiolo.

During the 2023/2024 FY reporting period, the Authority monitored implementation of preparedness investments by undertaking joint monitoring missions to the counties of (West Pokot, Mandera, Kitui, Wajir, Kajiado and Makueni).

## **10. Environmental and Sustainability Reporting**

### **i) Sustainability strategy and profile**

The Authority lays emphasis on sustainability of services and investments it makes. In this respect, it has adopted partnership, participation and capacity building to ensure beneficiaries are in a position to plan, implement and sustain our interventions beyond the project period. Besides ensuring that all macro and micro-

projects are co-financed by the beneficiaries and county Governments, the Authority ensures that the project management committees or teams are well trained and systems put in place to ensure they fully take over management of the projects.

**ii) Environmental performance**

NDMA complies with environmental laws in the implementation of resilience projects. For projects such as dams, environmental impact assessments are conducted and approved by the National Environment Management Authority (NEMA) to ensure that the interventions are environmentally friendly. In addition, the Authority also undertook to offset negative environmental impact by participating in planting tree exercises or donating to related causes where possible.

**iii) Employee welfare**

The NDMA's Human Resource Policy and Procedures Manual Section one 1.1 and 1.6 and Section two 2.1:2.1.1; The Authority is an equal opportunity employer and shall not in its recruitment and staff selection discriminate on the basis of gender, race, religion, ethnicity or any other form of discrimination. The constitutional requirement on mainstreaming of gender and people with disabilities will be observed alongside any policies issued by the National Cohesion and Integration Commission. Section 8 on Performance Management and Section 10 on Training and Development in the HR Manual and the Career guidelines supports managing of careers, improving skills, appraisals and reward systems in the Authority. The Authority trained a total of 171 staff members and promoted 18 staff members during the reporting period. The Authority's policy on Safety and compliance with Occupational Safety and Health Act of 2007(OSHA) refers in the Human Resource and Procedures Manual Section 12 on Safety and Health.

**iv) Corporate Social Responsibility / Community Engagements**

As a responsible corporate citizen, the NDMA invests in and implements corporate social responsibility (CSR) activities that complement its work. The Board ensures that the Authority has a workable budget that's allocated CSR as provided for in the Mwongozo Code of Governance for State Corporations. The CSR activities are aimed at increasing awareness of and improving the Authority's public image as a responsible corporate citizen. The Authority's CSR approach strives to strike a balance between accountability, environmental and social imperatives while at the same time addressing the expectations of stakeholders. During the reporting period, NDMA's contribution to CSR was reflected in how the Authority applied principles regarding handling of its stakeholders. This was done by:

- Committing to the law
- Minimizing negative impacts of interventions
- Applying transparency and accountability in its operations
- Respecting customer feedback and processes
- Seeking and supporting vulnerable communities
- Applying participatory approaches
- Applying interactive and not just "trans active" communication with communities
- Recognizing the importance of local knowledge.

**11. Report of the Directors**

The Directors submit their report together with the unaudited financial statements for the year ended June 30, 2024 which show the state of the Authority's affairs.

**i) Principal activities**

The principal activities of the Entity are as per the NDMA Act, 2016.

**ii) Results**

The results of the Authority for the year ended June 30, 2024, are set out on Page 1.

**iii) Directors**

**National Drought Management Authority  
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The members of the Board of Directors who served during the year are shown on page ix to xi.

**iv) Surplus remission**

The Authority reported a deficit of Kshs. 92,229,702 and as a result no submission was Remitted to the Consolidated Fund.

**v) Auditors**

The Auditor-General is responsible for the statutory audit of the Authority in accordance with Article 229 of the Constitution of Kenya, 2010 and the Public Audit Act, 2015 to carry out the audit of the Authority for the year ended June 30, 2024



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**Name: Hared Hassan Lt. Col (Rtd)**

**Secretary to the Board**

## **12. Statement of Directors Responsibilities**

Section 81 (1) of the Public Finance Management Act, 2012 requires that at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of the entity.

Section 14 (1) of the State Corporation Act, Cap 446 requires that every state corporation shall keep or cause to be kept proper books recording all the property, undertakings, funds, activities, contracts, transactions and other business of the state corporation.

The Directors are also required to ensure that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the assets of the company.

The Directors are responsible for the preparation and presentation of the company's financial statements, which give a true and fair view of the state of affairs of the company for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements 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 company; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the NDMA Act, 2016. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, and of the Authority's financial position as at that June 30, 2024. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The Entity's financial statements were approved by the Board on 18 September 2024 and signed on its behalf by:



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Name: Mr. Shallow Yahya

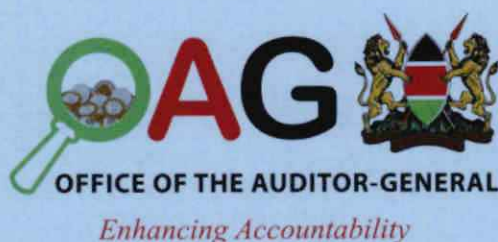
**Chairperson of the Board**



.....  
Name: Hared Hassan Lt. Col (Rtd)

**Accounting Officer**

# REPUBLIC OF KENYA



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

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL DROUGHT MANAGEMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

1. Report on 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;
2. Report on Lawfulness and Effectiveness in the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
3. 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Drought Management Authority set out on pages 1 to 45, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in

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*Report of the Auditor-General on National Drought Management Authority for the year ended 30 June, 2024*

net assets, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Drought Management Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, and the National Drought Management Authority Act, 2016.

### **Basis for Qualified Opinion**

#### **Inaccuracy of the Property, Plant, and Equipment Balance**

The statement of financial position reflects a balance of Kshs.463,959,659 in respect of property, plant, and equipment as disclosed in Note 22 to the financial statements. However, the property, plant, and equipment balance of Kshs.463,959,659 excludes four (4) parcels of land of undetermined value measuring 4.299 hectares owned by the Authority in four different counties. Out of the four (4) parcels of land, only one (1) had a title deed while the other three (3 ) had letters of allotment.

Further, review of the assets register revealed that the Authority had two (2) boats valued at Kshs.6,940,712. However, certificates of registration for the two (2) boats were not provided for audit verification.

In the circumstances, the accuracy, completeness, valuation and ownership of the property plant and equipment balance of Kshs.463,959,659 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Drought Management Authority Management in accordance with ISSAI 130 on the 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 qualified opinion.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.10,296,728,220 and Kshs.9,167,612,907 respectively, resulting to an under-funding of Kshs.1,129,115,313 or 11% of the budget.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Management is responsible for the other information set out on page iii to xxxii which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors, and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Drought Management Authority financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I

confirm that, nothing else 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**

### **1. Irregular Payment of Allowances to Board Members**

Review of the Boards expenditure revealed that the Board Members were irregularly paid sitting allowances amounting to Kshs.3,169,800 during field visits. This was contrary to Section D, Paragraph 2 of the Circular Reference OP/CAB.9/1A dated 11 March, 2020 from the Head of Public Service which stated that field/inspection visits, as well as international engagements are an executive function that fall in the domain of the executive team led by the Chief Executive Officer. Further, the sitting allowances were paid despite the Board Members being paid per diem for the said inspections and field visits.

In the circumstances, Management was in breach of the guidelines.

### **2. Non-Compliance with the One-Third of Basic Salary Rule**

Review of the Authority's payroll revealed that forty-one (41) employees received net which were less than a third (1/3) of their basic salaries in the month of June, 2024. This was contrary to Section19(3) of the Employment Act, 2007 which states that all deductions made by an employer from the wages or salaries of his employees at any one time shall not exceed two thirds of such wages or salaries.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **1. Untagged Assets**

Review of the Asset Register revealed that assets valued at Kshs.34,625,294 were not tagged. Subsequently, the authority's assets could not be tracked leading to inefficiencies in the control of assets. This was contrary to regulation 136 (1) of the PFM (National Government) regulations, 2015 which requires that the Accounting Officer of a national government entity shall take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse; and movement and conditions of assets can be tracked.

In the circumstances, the effectiveness on the controls on assets could not be confirmed.

### **2. Lack of Approved Staff Establishment**

Review of the Human Resource records for the Authority revealed that five (5) departments exceeded the staff establishment by a total of nineteen (19) staff. This was contrary to Regulation 23 (1) (c) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective. The staffing discrepancies highlight the need for further investigation and documentation to ensure alignment with approved staffing limits approved by the Salaries and Remuneration Commission.

In the circumstances, lack of optimal staffing levels may affect service delivery of the Authority.

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

### **Responsibilities of the Management and the Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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 governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority'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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

31 December, 2024

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**14. Statement of Financial Performance for the year ended 30 June 2024**

Description	Notes	2023-2024	2022-2023
		Kshs	Restated Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	9,090,139,325	7,535,529,363
Public contributions and donations	7	-	-
		<b>9,090,139,325</b>	<b>7,535,529,363</b>
<b>Revenue from exchange transactions</b>			
Rental revenue from facilities and equipment	8	256,800	167,400
Finance income	9	77,197,745	12,873,551
Other income	10	19,037	507,698
		<b>77,473,582</b>	<b>13,548,649</b>
<b>Total revenue</b>		<b>9,167,612,907</b>	<b>7,549,078,012</b>
<b>Expenses</b>			
Use of goods and services	11	195,908,192	109,241,373
Employee costs	12	670,592,488	637,914,389
Board expenses	13	18,098,980	6,863,699
Depreciation and amortization expense	14	80,548,399	86,144,384
Repairs and maintenance	15	74,652,386	31,842,426
Grants and subsidies	16	8,219,711,862	6,267,724,659
Finance costs	17	-	2,535,648
<b>Total expenses</b>		<b>9,259,512,307</b>	<b>7,142,266,578</b>
<b>Other Gains/Losses</b>			
Gain on disposal	18	-	19,322,064
<b>Surplus/(Deficit)</b>		<b>(91,899,400)</b>	<b>426,133,498</b>


The notes set out on pages 17 to 43 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 15 were signed on behalf of the Board of Directors by:



.....

Hared Hassan Lt. Col (Rtd)  
**Accounting Officer**

**Date; 27.09.2024**



.....

Yussuf Roba Bagaja  
**Head of Finance**  
**ICPAK M/No: 8335**

**Date; 27.09.2024**



.....

Mr. Shallow Yahya  
**Chairman of the Board**

**Date; 27.09.2024**

**National Drought Management Authority  
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**15. Statement of Financial Position as at 30 June 2024**

Description	Notes	2023-2024 Kshs	2022-2023 Restated Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	19	628,747,267	564,836,509
Receivables and prepayments	20	78,332,514	412,365,285
Inventories	21	2,838,603	4,264,516
<b>Total current assets</b>		<b>709,918,384</b>	<b>981,466,310</b>
<b>Non-current assets</b>			
Property, plant and equipment	22	463,959,659	450,540,553
Intangible Assets	23	111,030,364	64,067,968
<b>Total non-current assets</b>		<b>574,990,023</b>	<b>514,608,521</b>
<b>Total assets</b>		<b>1,284,908,407</b>	<b>1,496,074,831</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	40,896,899	186,292,138
<b>Net assets</b>		<b>1,244,011,509</b>	<b>1,309,782,693</b>
<b>Capital fund</b>			
Capital fund		372,983,050	372,983,050
Accumulated surplus		818,616,084	884,387,268
Revaluation Reserve		52,412,375	52,412,375
<b>Total net assets and liabilities</b>		<b>1,244,011,509</b>	<b>1,309,782,693</b>

The financial statements set out on pages 1 to 15 were signed on behalf of the Board of Directors by:



.....

**Name:** Hared Hassan Lt. Col  
(Rtd)

**Accounting Officer**

**Date; 27.09.2024**



.....

**Name:** Yussuf Roba Bagaja

**Head of Finance**

**ICPAK M/No: 8335**

**Date; 27.09.2024**



.....

**Name:** Mr. Shallow Yahya

**Chairman of the Board**

**Date; 27.09.2024**

**16. Statement of Changes in Net Assets for the year ended 30 June 2024**

Description	Capital fund	Accumulated Surplus/(Deficit)	Revaluation	Total
	Kshs	Kshs	Ksh	Kshs
Balance as at July 01, 2021	372,983,050	1,070,941,994	52,412,375	1,123,354,369
Surplus/(Deficit)	-	-197,183,080	-	-197,183,080
<b>Balance as at June 30, 2022</b>	<b>372,983,050</b>	<b>873,758,914</b>	<b>52,412,375</b>	<b>926,171,289</b>
<b>Balance as at July 01,2022</b>	<b>372,983,050</b>	<b>873,758,914</b>	<b>52,412,375</b>	<b>1,299,154,339</b>
Surplus/(Deficit)		426,133,499	-	426,133,499
Prior year adjustment		-415,505,145		-406,243,642
<b>Balance as at June 30, 2023</b>	<b>372,983,050</b>	<b>884,387,268</b>	<b>52,412,375</b>	<b>1,319,044,196</b>
<b>Balance as at July 01,2023</b>	<b>372,983,050</b>	<b>884,387,268</b>	<b>52,412,375</b>	<b>1,319,044,196</b>
Depreciation Re-classification		26,128,215		
Surplus/(Deficit)	-	-91,899,400	-	-92,229,702
<b>Balance as at June 30, 2024</b>	<b>372,983,050</b>	<b>818,616,084</b>	<b>52,412,375</b>	<b>1,226,814,494</b>

**Note:**

- Prior year (2023) Accumulated surplus/(Deficit) has been adjusted by correction of an error on prior year recognition of NDEF Transactions and Bank balances. Also, prior year exchequer releases of Kshs. 50,000,000 were not recognised in the prior year. The errors were corrected by restating prior year net assets balances. The prior year Net Assets balance was Kshs. 1,890,193,333 and has now been corrected to Kshs. 1,319,044,196.

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**17. Statement of Cash Flows for the year ended 30 June 2024**

Description	Notes	2023-2024 Kshs	2022-2023 Restated Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	9,090,139,325	7,535,529,363
Rental revenue from facilities and equipment	8	256,800	167,400
Finance income	9	77,197,745	12,873,551
Other income	10	19,037	507,698
<b>Total receipts</b>		<b>9,167,612,907</b>	<b>7,549,078,012</b>
<b>Payments</b>			
Use of goods and services	11	195,908,192	109,241,372
Employee costs	12	670,592,488	637,914,390
Board expenses	13	18,098,980	6,863,699
Repairs and maintenance	14	74,652,386	31,842,427
Grants and subsidies	15	8,219,711,862	6,267,724,659
Finance costs	16	-	2,535,648
Payables during the year		145,395,239	(109,467,214)
Receivables realized during the year		(334,032,771)	437,508,528
Inventory utilized		(1,425,913)	662,941
		<b>8,988,900,463</b>	<b>7,494,293,664</b>
<b>Net Surplus/Deficit</b>		<b>178,712,444</b>	<b>54,784,348</b>
Purchase of PPE and Intangible assets	22/23	99,695,074	(149,279,077)
Proceeds from sale of PPE	18b.	-	19,928,602
<b>Net cash flows from/(used in) investing activities</b>		<b>99,695,074</b>	<b>(129,350,475)</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>278,407,518</b>	<b>44,976,233</b>
Cash and cash equivalents at 1 July		350,339,749	305,363,516
<b>Cash and cash equivalents at 30 June</b>	<b>19</b>	<b>628,747,267</b>	<b>350,339,749</b>

**Notes:**

- Prior year Cash and Cash equivalent bank balances as at 1 July 2022 and 1 July 2023 as per the prior year Audited Financial statements was Kshs. 720,033,004 and Kshs. 972,858,659 respectively. However, the current financial statements reflect an amount of Kshs. 519,860,274 and Kshs. 564,836,507. The difference is explained by prior year NDEF Bank balances of Kshs. 200,139,726 and Kshs. 408,022,152 respectively that has been deducted from the prior year bank balances. The prior year recognition was an error that has now been corrected.

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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Variance	
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
	a	b=c-a	c	d	e=c-d	f=e/c	
<b>Revenue</b>							
Public contributions and donations - EDE SDRM (AIA)	279,000,000	(85,821,991)	193,178,009	134,997,667	58,180,342	30%	a
Public contributions and donations - DCADR (AIA)	500,000,000	(23,360,396)	476,639,604	266,949,989	209,689,615	44%	
Public contributions and donations - IPF Grant (Donor)	100,000,000	17,021,542	117,021,542	58,332,599	58,688,943	50%	
Public contributions and donations - IPF - IDA Loan	56,000,000	2,724,287	58,724,287	48,632,009	10,092,278	17%	
Public contributions and donations - UNDP-IRRLC	-	37,677,849	37,677,849	-	37,677,849	100%	
Public contributions and donations - Twende IUCN	223,000,000	132,555,555	355,555,555	127,991,698	227,563,857	64%	
Government grants - NDEF	20,000,000	-	20,000,000	20,000,000			
Government grants - TWENDE GOK	77,900,000	(21,785,105)	56,114,895	33,649,721	22,465,175	40%	
Government grants and subsidies WFP	28,600,000	40,442,851	69,042,851	25,339,944	43,702,907	63%	
Government grants - KSEIP-HSNP III GOK	5,468,600,000	2,293,247,903	7,761,847,903	7,543,599,998	218,247,905	3%	

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Government grants - SDRM GoK	17,900,000	16,586,611	34,486,611	17,900,000	16,586,611	48%	
Government grants - DCADR GoK	20,500,000	-	20,500,000	20,500,000	-	0%	
Government grants - Operational Grant - Recurrent	738,140,000	62,213,450	800,353,450	738,140,000	62,213,450	8%	
Government grants -Kenya Drought Early Warning	30,000,000	556,217	30,556,217	30,000,000	556,217	2%	
<b>Total</b>	<b>7,559,640,000</b>	<b>2,472,058,773</b>	<b>10,031,698,773</b>	<b>9,066,033,625</b>	<b>965,665,149</b>		
<b>Extra &amp; Other Incomes</b>							
<b>Extra Incomes</b>							
KCEP-CRAL Funds	-	62,509,269	62,509,269	-	62,509,269	100%	b
EDPRCWI	-	103,121,000	103,121,000		103,121,000	100%	c
Twende -SDL	-	29,782,400	29,782,400	19,391,200	10,391,200	35%	d
UNICEF	-	4,714,500	4,714,500	4,714,500	-	0%	
<b>Totals Extra Incomes</b>	<b>-</b>	<b>200,127,169</b>	<b>200,127,169</b>	<b>24,105,700</b>	<b>176,021,469</b>		

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<b>Other Incomes</b>							
Interest income	-	64,626,441	64,626,441	77,197,745	(12,571,305)	-16%	<i>e</i>
Rents and Rates -Non Residential	-	256,800	256,800	256,800	-	0%	
Others ( Miscellaneous incomes)	-	19,037	19,037	19,037	-	0%	
<b>Total Other Incomes</b>	-	<b>64,902,278</b>	<b>64,902,278</b>	<b>77,473,582</b>	<b>(12,571,305)</b>		
<b>Grand Total Incomes</b>	<b>7,559,640,000</b>	<b>2,737,088,220</b>	<b>10,296,728,220</b>	<b>9,167,612,907</b>	<b>1,129,115,313</b>	<b>0%</b>	
<b>Expenses</b>							
<b>Recurrent Expenses</b>							
Compensation of employees	558,040,429	4,150,567	562,190,996	551,155,575	11,035,421	2%	
Utility costs ( Electricity and Water & sewerage)	2,800,000	10,034	2,810,034	2,866,273	(56,239)	-2%	
Travelling & accommodation (Domestic)	9,634,971	550,000	10,184,971	9,865,453	319,518	3%	
Communication costs	3,400,000	178,500	3,578,500	3,290,733	287,767	8%	
Postal & Courier Services	749,600	-	749,600	692,065	57,535	8%	
Publishing & printing	1,700,000	1,000,000	2,700,000	2,624,668	75,332	3%	

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Subscription to newspapers & professional bodies	1,400,000	-	1,400,000	823,272	576,728	41%	f
Rents and Rates -Non Residential	27,200,000	2,489,887	29,689,887	28,152,074	1,537,813	5%	
Training costs	6,720,000	1,104,009	7,824,009	7,822,028	1,981	0%	
Hospitality and Conference facilities	4,100,000	2,500,000	6,600,000	5,685,334	914,666	14%	
Board and Hospitality	15,000,000	2,738,042	17,738,042	18,098,980	(360,938)	-2%	
Insurance costs	55,885,000	165,111	56,050,111	52,452,719	3,597,393	6%	
General office Supplies (Consumables)	5,900,000	575,438	6,475,438	6,407,064	68,375	1%	
Membership, finance costs & contracted costs	10,250,000	1,656,505	11,906,505	11,137,915	768,590	6%	
Audit fees	-	3,480,000	3,480,000	1,160,000	2,320,000	67%	g
Advertising & Publicity	2,600,000	640,018	3,240,018	3,201,322	38,696	1%	
Maintenance of office equipment	-	521,109	521,109	359,553	161,556	31%	h
Maintenance of building & station	5,880,000	10,574,731	16,454,731	11,124,104	5,330,627	32%	i
Maintenance of ICT equipment	1,080,000	1,479,499	2,559,499	2,021,760	537,739	21%	j
Purchase of Furniture & Fitting	1,800,000	-	1,800,000	1,636,520	163,480	9%	
Food Security Assessment	24,000,000	-	24,000,000	21,174,762	2,825,238	12%	k

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Business Process Re-engineering		2,400,000	2,400,000	387,416	2,012,584	84%	1
Corporate Social Responsibility		1,000,000	1,000,000	291,400	708,600	71%	m
Construction of Kajado Office(Civil Works)		25,000,000	25,000,000	-	25,000,000	100%	
<b>Totals</b>	<b>738,140,000</b>	<b>62,213,450</b>	<b>800,353,450</b>	<b>742,430,989</b>	<b>57,922,461</b>		
<b>KSEIP GoK Expenses</b>							
Grants & subsidies cash Transfer	5,040,120,000	1,870,687,232	6,910,807,232	6,909,997,074	810,158	0%	
Payment to Service Provider	142,376,200	165,394,319	307,770,519	307,770,400	119	0%	
Staff compensation PMs & POs	77,160,000	(8,446,961)	68,713,039	64,074,563	4,638,476	7%	n
Insurance Costs	20,000,000	15,939,558	35,939,558	35,198,528	741,030	2%	
Finance Costs	900,400	-	900,400	483,136	417,264	46%	p
Purchase assests	9,000,000	-	9,000,000	8,070,992	929,008	10%	q
Other Project Operating &Coordination	179,043,400	249,673,755	428,717,155	303,432,703	125,284,452	29%	
<b>Totals</b>	<b>5,468,600,000</b>	<b>2,293,247,903</b>	<b>7,761,847,903</b>	<b>7,629,027,396</b>	<b>132,820,507</b>		

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<b>KSEIP IPF Grant Expenses</b>		-					
Project expenses	55,000,000	17,021,542	72,021,542	61,469,346	10,552,196	15%	r
Purchase assets	45,000,000	-	45,000,000	43,157,903	1,842,097	4%	
<b>Totals</b>	<b>100,000,000</b>	<b>17,021,542</b>	<b>117,021,542</b>	<b>104,627,248</b>	<b>10,552,196</b>		
<b>KSEIP IPF Loan Expenses</b>		-					
Other Project Operating & Coordination	26,000,000	2,724,287	28,724,287	13,595,249	15,129,038	53%	s
Purchase assets	30,000,000		30,000,000	27,137,244	2,862,757	10%	
<b>Totals</b>	<b>56,000,000</b>	<b>2,724,287</b>	<b>58,724,287</b>	<b>40,732,493</b>	<b>17,991,794</b>		
<b>KDEWS Expenses</b>							
Kenya Drought Early Warning Program	28,000,000	556,217	28,556,217	26,466,207	2,090,011	7%	
Fuel & Lubricants	1,850,000	-	1,850,000	293,554	1,556,446	84%	t
Bank Charges	150,000	-	150,000	57,522	92,478	62%	u
<b>Totals</b>	<b>30,000,000</b>	<b>556,217</b>	<b>30,556,217</b>	<b>26,817,283</b>	<b>3,738,934</b>		
<b>TWENDE -GoK Expenses</b>							

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TWENDE GoK	77,900,000	(21,785,105)	56,114,895	23,174,154	32,940,741	59%	v
<b>Totals</b>	<b>77,900,000</b>	<b>(21,785,105)</b>	<b>56,114,895</b>	<b>23,174,154</b>	<b>32,940,741</b>		

<b>EDE SDRM Expenses</b>							
SDRM -Donor	279,000,000	(85,821,991)	193,178,009	61,089,974	132,088,035	216%	w
<b>Totals</b>	<b>279,000,000</b>	<b>(85,821,991)</b>	<b>193,178,009</b>	<b>61,089,974</b>			

<b>SDRM Gok</b>							
Travel Costs - Domestic	8,000,000	6,351,611	14,351,611	11,609,753	2,741,858	19%	x
Duty and VAT	9,800,000	-	9,800,000	9,800,000	-	0%	y
Other costs	-	10,000,000	10,000,000	9,456,666	543,334		
Finance costs	100,000	235,000	335,000	311,798	23,202	7%	
<b>Totals</b>	<b>17,900,000</b>	<b>16,586,611</b>	<b>34,486,611</b>	<b>31,178,217</b>			

<b>DCADR-GOK Expenses</b>							
Communication costs	1,275,000	-	1,275,000	999,802	275,198	22%	z
Travelling & Accommodation	2,100,000	-	2,100,000	2,161,209	(61,209)	-3%	

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Fuel & Lubricants	3,670,000	-	3,670,000	2,697,770	972,230	26%	<i>aa</i>
Motor vehicle maintenance	8,775,000	-	8,775,000	8,308,275	466,725	5%	
Finance Costs	450,000	-	450,000	119,627	330,373	73%	<i>bb</i>

Other coordination and Administration Expenses	4,230,000	-	4,230,000	5,044,966	(814,966)	-19%	<i>cc</i>
<b>Totals</b>	<b>20,500,000</b>	<b>-</b>	<b>20,500,000</b>	<b>19,331,649</b>			

<b>Other Donor related expenses</b>							
WFP SFSP	28,600,000	40,442,851	69,042,851	56,083,891	12,958,960	19%	<i>dd</i>
UNDP-IRRL	-	37,677,849	37,677,849	14,486,562	23,191,287	62%	<i>ee</i>
TWENDE	216,800,000	132,555,555	349,355,555	107,107,096	242,248,458	69%	<i>ff</i>
TWENDE -Purchase assests	6,200,000	-	6,200,000	6,103,002	96,998	2%	
DCADR AIA	500,000,000	(23,360,396)	476,639,604	219,234,180	257,405,424	54%	<i>hh</i>
EDPRCWI-Community development		53,121,000	53,121,000	50,367,584	2,753,417	5%	
NDEF	20,000,000	-	20,000,000	20,000,000			
<b>Totals</b>	<b>771,600,000</b>	<b>240,436,859</b>	<b>1,012,036,859</b>	<b>473,382,315</b>	<b>538,654,544</b>		

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<b>Extra Expenses</b>		-					
KCEP CRAL	-	62,509,269	62,509,269	32,763,537	29,745,732	48%	<i>ii</i>
UNICEF		4,714,500	4,714,500	4,714,500	-	0%	
EDPRCWI	-	50,000,000	50,000,000	50,000,000	-	0%	
TWENDE-SDL	-	29,782,400	29,782,400	26,634,916	3,147,484	11%	<i>jj</i>
<b>Total Extra Expenses</b>	-	<b>147,006,169</b>	<b>147,006,169</b>	<b>114,112,953</b>			
<b>Total expenditure</b>	<b>7,559,640,000</b>	<b>2,737,088,220</b>	<b>10,296,728,220</b>	<b>9,265,904,672</b>			
<b>Surplus/deficit for the period</b>	-	-		<b>(98,291,765)</b>			

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**Explanation of differences between actual and budgeted amounts (10% -over/under) IPSAS 24.14**

**I. Revenues**

- a) The Authority did not receive all funds allocated from the Donor as earlier anticipated thus, the positive variance
- b) The Authority did not receive all funds for IPF Grant
- c) The Final budget of Kshs. 10,296,728,220 was as a result of balances brought forward to fund projects contracted in the previous Financial Year (FY 2022/23) and payments for works retention funds. Adjustments during the year of Kshs. 2,737,088,220 relates to supplementary budget on the Hunger Safety Net Programme of the same amount.
- d) The Authority received a supplementary budget with an increase in donor funding for TWENDE IUCN-GCF to KSH. 300M which was not fully funded leading to the positive variance.
- e) e, f, g - The positive variance was as a result of combination of budget for the year and the balances brought forward
- f) h, Variance was as a result of accrued expenses for the FY 2022-23 paid in FY 2023-24
- g) i, The Authority utilized opening NDEF balances to finance the Fund Activities.

**Recurrent Expenses**

- a) Supply of newspapers went down due to officer's subscription to digital news
- b) Audit fee for the FY will be utilized once the financial statements are audited
- c) maintenance costs went down since the Authority assets in use were in good condition
- d) Food Security Assessment and Business Process Re-Engineering Activities were undertaken together with other coordination activities leading to the favourable variance
- e) BPR and CSR activities were undertaken together with other main activities leading to the minimal absorption

**KSEIP-GoK**

- a) Favourable variance on Insurance costs is as a result of prepayment deferred
- b) Favourable variance on finance costs was as a result of continued use of online payment.
- c) The positive variance arose as a result of delay of funding

**KSEIP- IPF Grant**

- a) The Authority did not receive all funds allocated from the Donor as earlier anticipated thus, the positive variance

**KSEIP – IDA Loan**

- a) The Authority did not receive the whole allocation amount from the donor leading to the favourable variance

**KDEWS**

- a) The Authority embraced use of fuel cards for all activities leading to the minimal fuel utilization for EWS activities
- b) Favourable variance on finance costs was as a result of continued use of online payment.

**TWENDE GoK**

- a) The favourable variance was as a result of delay in funding from NT

**EDE-SDRM Donor**

- a) SDRM low absorption was occasioned by late disbursement of funds from the donor which delayed implementation of project activities

**SDRM GoK**

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- a) The Authority utilized Ksh 9M to reimburse SDRM Donor VAT remitted to KRA for the FY 2022/23 thus, budget money movement of the same amount without expenditure under GoK leading to the favourable variance.

**DCADR GoK**

- a) Internet costs were under-utilized since the Authority was anticipating to procure a new service provider which was expected to be high
- b) Favourable variance on finance costs was as a result of continued use of online payment.

**Other Donor related expenses**

- a) WFP Funds – the favourable variance was as a result of GoK balances brought forward from previous financial year
- b) UNDP-IRRL – the variance was as a result of expenditures accrued in the FY2022-23 not committed in the budget leading to a higher balance brought forward
- c) TWENDE Donor – Supplementary one increased the final budget though the donor did not disburse the whole amount to the Authority
- d) NDEF variance was occasioned by the nature of the fund. There were minimal response and preparedness activities due to favourable weather condition in the country.
- e) DCADR AIA – The Authority did not receive all funds allocation leading to under expenditure

**Extra Expenses**

- a) KCEP-CRAL – The favourable variance was as a result of commitments for contracted works.
- b) TWENDE SDL – The Authority was subcontracted by the state Department of Livestock to undertake community sensitization activities. The variance was as a result of delay In funding of those activities

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**19. Notes to the Financial Statements**

**1. General Information**

National Drought Management Authority is established by and derives its authority and accountability from NDMA Act 2016. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Entity's principal activity is to exercise overall coordination over all matters relating to drought management including implementation of policies and programmes relating to drought management.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*  
There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>

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<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1<sup>st</sup> January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1<sup>st</sup> January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1<sup>st</sup> January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1<sup>st</sup> January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This

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<b>Standard</b>	<b>Effective date and impact:</b>
	standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Fees, taxes and fines**

The Entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

**Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**Dividends**

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

**Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

**b) Budget information**

The original budget for FY 2023/2024 was approved by the National Assembly on Sept 01, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations were added to the original budget by the Authority upon receiving the respective approvals in order to conclude the final budget.

**Budget information (continued)**

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under budget vs actual statement of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a

legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

**Sales tax**

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Depreciation of Property, plant and equipment**

The Authority has a policy of depreciating PPE in the year of purchase and not depreciation in the year of disposal as stipulated in the NDMA Finance policy and procedures manual

**Depreciation Policy**

Depreciation is calculated on reducing balance basis at applicable annual rates from the year of purchase and no depreciation is charged in the year of disposal.

The Authority's applicable rates of depreciation shall be as follows;

Buildings 2.5%

Plant and Machinery 2.5%

Motor Vehicles & Motor Cycle 25%

Furniture, Fittings & Office Equipment 12.5%

Computer and other ICT Equipment 30%

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Research and development costs**

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Authority's financial statements

**a) Financial assets**

#### **Classification of financial assets**

The entity classifies its financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

#### **Subsequent measurement**

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

#### **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**b) Financial liabilities**

**Classification**

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

Raw materials: purchase cost using the weighted average cost method.

Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

**k) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**l) Social Benefits**

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Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**m) Contingent liabilities**

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.

**n) 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.

**o) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements.

**p) Changes in accounting policies and estimates**

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**q) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation

**r) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**s) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**t) Related parties**

The Entity regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**u) Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**v) 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.

**w) Comparative figures**

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

**x) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

**5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or

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circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 23. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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

**6. Transfers from Other Government entities**

Description	2023-2024	2022-2023
	Kshs	Restated Kshs
<b>Unconditional Grants</b>		
Operational Grant	738,140,000	629,140,000
<b>Total Unconditional Grants</b>	<b>738,140,000</b>	<b>629,140,000</b>
<b>Conditional Grants amortized/ transferred to revenue Donor Grants</b>		
Receipts from EDE SDRM(AIA)	134,997,667	336,663,435
Receipts from KSEIP HSNPIII-IPF Grant (Donor)	58,332,599	142,507,791
Receipts from KSEIP HSNPIII-loan (Donor)	48,632,009	-
Receipts from DCADR (AIA)	266,949,989	356,981,202
Receipts from WFP-SFSP(Donor)	-	19,576,087
Receipts from TWENDE IUCN GCF (Donor)	127,991,698	-
	<b>636,903,962</b>	<b>855,728,515</b>
<b>GOK Grants</b>		
World Food Programme	25,339,944	31,000,000
Kenya Drought Early Warning	30,000,000	30,000,000
EDE- DRMC	-	-
EDE-SDRM-GOK	17,900,000	100,000,000
KSEIP- HSNP III Gok	7,543,599,998	5,081,300,000
TWENDE -GOK	33,649,721	50,300,000
DCARD – GOK	20,500,000	-
NDEF	20,000,000	263,300,000
EDPRCWI	-	345,000,000
UNICEF	4,714,500	-
WFP SFSP	-	8,954,240
KCEP-CRAL	-	109,624,208
TWENDE – SDL	19,391,200	6,182,400
DCR		25,000,000
	<b>7,715,095,363</b>	<b>6,050,660,848</b>
<b>Sub-total Conditional Grants</b>	<b>8,351,999,325</b>	<b>6,906,389,363</b>
<b>Total</b>	<b>9,090,139,325</b>	<b>7,535,529,363</b>

**Notes:**

Transfers from other government entities relates to transfers from the State Department of ASALs of Kshs. 9,066,033,625 and Transfers from the State Department of Livestock of Kshs. 24,105,700.

The comparative figures have also been restated with the receipt of Kshs. 50,000,000 relating to EDPRCWI that was earned in the prior year but was not recognized in that year.

Development grants are amortized after the funds have been transferred to the project accounts

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**7. Public Contributions and Donations**

Description	2023-2024 Kshs	2022-2023 Kshs
Research Donations	-	-
Donations transferred to revenue on conditions being met.	-	-
Other Public Donations (Specify)	-	-
<b>Total Transfers and Sponsorships</b>	<b>-</b>	<b>-</b>

**8. Rental revenue from facilities and equipment**

Description	2023-2024 Kshs	2022-2023 Kshs
Rental income	256,800	167,400
<b>Total rental Income</b>	<b>256,800</b>	<b>167,400</b>

**9. Finance Income**

Description	2023-2024 Kshs	2022-2023 Kshs
Premiums on bank balances - Gross	77,197,745	12,873,551
<b>Total Finance income</b>	<b>77,197,745</b>	<b>12,873,551</b>

**10. Other Income**

Description	2023-2024 Kshs	2022-2023 Kshs
Income from sale of tender	-	59,770
Miscellaneous income	19,037	447,928
<b>Total other income</b>	<b>19,037</b>	<b>507,698</b>

**11. Use of Goods and Services**

Description	2023-2024 Kshs	2022-2023 Kshs
Recurrent-Utilities	2,866,273	3,810,577
KSEIP - GOK-Utilities	3,410,518	1,939,932
TWENDE-Utilities	86,660	-
SDRM Gok-Utilities	13,000	-
Recurrent-Contracted Services Security & Cleaning services	9,970,256	8,558,056
KSEIP - GOK-Contracted Services Security & Cleaning services	216,190	1,043,478
TWENDE-Contracted Services Security & Cleaning services	30,240	-
SDRM Gok-Contracted Services Security & Cleaning services	21,750	-

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Recurrent -Printing, advertising and information supply	8,211,793	2,932,445
KSEIP Gok - Printing, advertising and information supply	502,326	327,049
TWENDE-Printing, advertising and information supply	209,620	102,140
SDRM-Gok- Printing, advertising and information supply	84,597	1,981,306
DCARD Gok -Printing, advertising and information supply	180,757	
Recurrent-Provision for Audit Fees- for 2023/24	1,160,000	1,160,000
Recurrent-Hospitality and Conference facilities	5,685,334	2,113,717
KSEIP - GOK-Hospitality and Conference facilities	2,235,088	1,475,415
SDRM Gok-Hospitality and Conference facilities	339,020	2,601,847
TWENDE-Hospitality and Conference facilities	640,891	-
TWENDE-Consumables	1,376,341	-
Recurrent-Consumables	6,407,064	2,300,665
KSEIP - GOK-Consumables	5,441,654	2,574,070
SDRM Gok-Consumables	551,184	1,554,412
KSEIP - GOK-Fuel, oil & Lubricant	23,240	-
SDRM Gok-Fuel, oil & Lubricant	1,010,801	13,740,966
KSEIP - GOK-Fuel, oil & Lubricant	37,191,955	14,108,163
TWENDE-Fuel, oil & Lubricant	3,089,479	111,317
Recurrent-Fuel, oil & Lubricant	-	292,637
KRDP Gok -Fuel, oil & Lubricant	293,554	-
DCARD GOK-Fuel, oil & Lubricant	2,697,770	-
WFP-Fuel, oil & Lubricant	8,608,854	-
Recurrent-Motor vehicle insurance	1,900,717	1,023,802
KSEIP - GOK-Motor vehicle insurance	4,193,466	1,279,752
WFP-Motor vehicle insurance	-	255,950
Recurrent-Rental	28,152,074	28,426,134
KSEIP - GOK-Rental	2,873,231	3,171,404
Recurrent-Telecommunication	3,290,733	2,279,134
TWENDE-Telecommunication	765,000	1,609,271
KSEIP - GOK-Telecommunication	16,672,400	7,782,464
DCARD GOK-Telecommunication	999,802	-
SDRM Gok-Telecommunication	394,690	-
WFP-Telecommunication	57,000	-
KSEIP - GOK-Consultancy services	541,057	-
Recurrent-Training	7,822,028	217,235
KSEIP - GOK-Training	1,254,645	-
SDRM Gok-Training	-	468,035

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Recurrent-food security	21,174,762	-
WFP-food security	141,332	-
SDRM Gok-food security	495,125	-
Recurrent-Training	-	-
Recurrent-Bank charges	1,167,660	-
WFP-Bank charges	141,156	-
KRDP GoK- Bank charges	57,522	-
SDRM Gok-Bank charges-SDRM-GOK	260,534	-
UNDP IRRLC-Bank charges	35,618	-
KCEP CRAL-Bank charges	41,026	-
KSEIP - GOK-Bank charges	483,136	-
KSEIP IPF Loan Bank charges	17,846	-
TWENDE-Bank charges	299,796	-
DCARD GOK-Bank charges	119,627	-
<b>Total Use of Goods and services</b>	<b>195,908,192</b>	<b>109,241,373</b>

**12. Employee Costs**

<b>Description</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
Recurrent-Salaries and wages	482,234,538	472,987,581
Recurrent-Medical Insurance	45,806,173	59,022,895
TWENDE- Medical Insurance	301,012	248,239
WFP-Medical Insurance	574,384	575,142
KSEIP - GOK-Medical Insurance	25,704,655	11,284,328
KSEIP IPF- Grant -Medical Insurance	244,502	981,287
Recurrent-Group Insurance	4,745,829	6,412,598
WFP-Group Insurance	195,306	109,048
TWENDE-Group Insurance	22,896	42,403
KSEIP - GOK-Group Insurance	5,300,407	3,342,421
KSEP IPF Grant -Group Insurance	-	299,414
Recurrent-Housing levy	6,078,871	-
Recurrent-Employee related costs -Contribution to Pension	58,663,176	58,574,586
Recurrent-Employee related costs -Contribution to NSSF	2,984,048	2,145,640
Recurrent-Employee related costs -Contribution to NITA	226,850	192,350
WFP-Gratuity	-	-
Recurrent-Recurrent-Gratuity	968,092	3,118,662
KSEIP - GOK-Travel costs (Domestic)	6,349,184	2,940,160
Recurrent-Travel costs (Domestic)	9,865,453	484,795
SDRM Gok-Travel costs (Domestic)	11,609,753	15,152,840
DCARD GOK-Travel costs (Domestic)	2,161,209	-

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TWENDE-Travel costs (Domestic)	6,556,150	-
<b>Total Employee costs</b>	<b>670,592,488</b>	<b>637,914,389</b>

**13. Board Expenses**

Description	2023-2024	2022-2023
	Kshs	Kshs
Recurrent-Chairman's Honoraria - Recurrent	960,000	960,000
KSEIP - GOK-Allowances	142,800	-
Recurrent-Allowances	9,891,133	2,779,431
SDRM-GOK-Allowances	-	1,111,473
Recurrent-Domestic Travel	182,000	-
Recurrent-Domestic Travel	4,310,909	990,998
KSEIP - GOK-Domestic Travel	384,300	-
SDRM Gok-Domestic Travel	895,300	105,150
Recurrent-Training expenses	1,063,538	22,440
Recurrent Training expenses	-	16,250
Recurrent-Telephone expenses	269,000	-
Recurrent -Telephone expenses	-	51,000
SDRM-GOK-Telephone expenses	-	34,927
SDRM-GOK-Medical expenses	-	327,030
Recurrent -Club Membership	-	465,000
<b>Total director's emoluments</b>	<b>18,098,980</b>	<b>6,863,699</b>

**14. Depreciation and amortization expense**

Description	2023-2024	2022-2023
	Kshs	Kshs
Motor vehicles	45,820,144	57,098,695
Furniture and fittings	5,681,287	4,884,243
Computers	8,414,742	24,005,301
Plant and Equipment	1,742,139	156,145
Amortization of intangible assets	19,220,390	-
<b>Total depreciation expense</b>	<b>80,878,702</b>	<b>86,144,384</b>

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**15. Repairs and maintenance**

<b>Description</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
KSEIP - GOK-Property & Buildings	4,686,490	1,532,960
Recurrent-Property & Buildings	11,124,104	537,132
TWENDE-Property & Buildings	419,023	-
SDRM Gok-Property & Buildings	28,500	2,297,322
Recurrent-Plant & Equipment	359,553	11,456
TWENDE-Plant & Equipment	94,050	-
KSEIP - GOK-Plant & Equipment	1,072,246	123,460
SDRM Gok-Motor Vehicles	8,236,913	15,452,919
KSEIP - GOK-Motor Vehicles	28,636,959	10,126,049
DCARD GOK-Motor Vehicles	8,308,275	-
WFP-Motor Vehicles	686,442	-
KCEP CRAL-Motor Vehicles	-	98,870
TWENDE-Motor Vehicles	8,707,125	243,158
Recurrent	2,021,760	1,281,100
KSEIP - GOK-Computers	270,946	100,000
SDRM-GOK-Computers	-	38,000
<b>Total repairs and maintenance</b>	<b>74,652,386</b>	<b>31,842,426</b>

**16. Grants and subsidies**

<b>Description</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
KRDP EWS (GOK)-Community development	25,751,520	29,540,664
KSEIP - GOK-Social Benefits	7,487,660,118	4,935,864,141
KSEIP-HSNP III IPF Grant-Community development	47,357,885	85,185,235
KSEIP-HSNP III IPF loan-Community development -	13,578,839	24,169,963
SDRM -Donor-Community development -	7,224,364	31,013,497
Transfers to NDEF	20,000,000	263,300,000
EDE DRMC (GOK)-Community development	3,670	13,002,554
UNDP IRRL-Community development	14,450,944	75,690,434
WFP-Community development	46,398,583	26,405,577
EDE SDRM (donor)-Community development	61,089,974	553,789,009
TWENDE-Community development	112,880,509	105,493,603
EDPRCWI-Community development	50,367,584	-
DCARD GOK-Community development	5,035,904	-
DCADR AIA-Community development	219,234,180	19,821,387

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EDPRCWI	50,000,000	-
ZEF Funds	-	4,729,900
KCEP CRAL	32,722,511	71,784,030
UNICEF – FUNDS	4,714,500	1,770,803
TWENDE SDL	21,240,777	4,911,654
DCR	-	21,252,208
<b>Total grants and subsidies</b>	<b>8,219,711,862</b>	<b>6,267,724,659</b>

**17. Finance costs**

Description	2023-2024 Kshs	2022-2023 Kshs
Recurrent	-	886,845
WFP/SFSP	-	63,799
KRDP GOK	-	192,527
SDRM-GOK	-	358,981
UNDP IRRLC	-	23,050
KCEP CRAL	-	53,612
KSEIP HSNP III-GOK	-	391,044
KSEIP IPF GRANT	-	27,146
KSEIP IPF Loan	-	61,958
TWENDE	-	357,639
EDE	-	119,047
<b>Total finance costs</b>	<b>-</b>	<b>2,535,648</b>

**18. Gain on disposal**

Description	2023-2024 Kshs	2022-2023 Kshs
Motor Vehicles, Including Motorcycles	-	17,516,594
Office Equipment, Furniture, And Fittings	-	43,450
Computers	-	148,179
Gain on KCT 782 - Vehicle had an accident in 2022	-	1,613,841
<b>Total gain on disposal</b>	<b>-</b>	<b>19,322,064</b>

**18 (b) Proceed from Disposal**

Description	2023-2024 Kshs	2022-2023 Kshs
Motor vehicle	-	28,757,758
ICT Equipment	-	205,460
Furniture & Equipment	-	43,450
		<b>29,006,668</b>

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**19. Cash and Cash Equivalents**

<b>Bank</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
KCB-NDMA Recurrent 1136140255	87,283,965	9,914,250
CO-OP-TWENDE - 01100311520002	48,239,166	28,726,962
CO-OP NDMA DEV - 01100311520004	7,926,178	13,287,082
CO-OP-UNDP IRRL-01100311520001	9,828,091	40,276,223
CO-OP WFP/SFSP – 01100311520003	6,418,673	32,229,179
KCB-KDEWs – 1320220649	6,987,614	42,981
NIC EDE DRMC-SP5 1004389332	-	453,890
NIC EDE DRMC - SP6 1003942108	-	700,488
NDMA COUNTY BANKS Balances	22,142,845	6,469,577
KCB-EDE-DRMC COUNTY BANKS	3,302,036	176,851
EQUITY-KSEIP/HSNP III	7,371,001	54,234
NCBA EDE SDRM 1144540073	-	14,178,010
KCB HSNP3-IPF-GRANTS-1320219128	7,730,257	18,240,049
KCB KSEI		
	37,374,884	221,186,379
P HSNP3-Gok-1320218784		
KCB KSEIP IDA CREDIT-1320219543	11,029,564	2,265,909
KCB - KCEP CRAL-1320220126	11,537,338	1,688,813
NBK DCADR-01570260179100	-	174,945,632
KCB - EDE/SDRM-1320283942	1,626,689	-
NBK DCADR	353,206,344	-
KCB-NDMA Deposit and Retention – 1325317659	6,742,622	-
<b>Total cash and cash equivalents</b>	<b>628,747,267</b>	<b>564,836,509</b>

**Note:**

Comparative bank balances have been restated by excluding bank balances from the National Drought Emergency Fund that had been incorrectly recognised in the prior financial year.

**20. Receivables from Non-Exchange Transactions**

<b>Description</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Restated Kshs</b>
NDMA -Staff Debtors (Imprest)	-	122,700
Insurance and Prepayments	49,370,199	57,763,306
Other receivables	-	58,959,212

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Salary advances	646,718	353,714
EDE DRMC ( Donor)	-	38,103,065
ICRAF	-	23,242,798
FAO	-	688,899
PS ASAL	24,665,597	168,957,383
PS ASAL- CRAL	-	59,624,208
Motor vehicle insurance compensation	3,650,000	4,550,000
<b>Total receivables from non- exchange transactions</b>	<b>78,332,514</b>	<b>412,365,285</b>

**Ageing Analysis- Receivables from non- exchange transactions**

Ageing Analysis- Receivables from non- exchange transactions	2023-2024	% of the total	2022-2023	% of the total
Less than 1 year	78,332,514	100%	412,365,285	100%
Between 1-2 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
<b>Total</b>	<b>78,332,514</b>	<b>100%</b>	<b>412,365,285</b>	<b>100%</b>

**21. Inventories**

Description	2023-2024	2022-2023
	Kshs	Kshs
Consumable stores	2,838,603	4,264,516
<b>Total inventories</b>	<b>2,838,603</b>	<b>4,264,516</b>

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**22. Property, Plant and Equipment**

Cost	Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	0%	25%	12.50%	30%	2.50%	
<b>As at 1 July 2022</b>	181,970,264	308,483,593	52,679,462	110,134,063	12,653,416	665,920,798
Additions	-	104,934,000	419,980	19,691,857	-	125,045,837
Disposals	-	(19,761,602)	-	(167,000)	-	(19,928,602)
<b>As at 30th June 2023</b>	<b>181,970,264</b>	<b>393,655,991</b>	<b>53,099,442</b>	<b>129,658,920</b>	<b>12,653,416</b>	<b>771,038,033</b>
Additions	13,419,106	-	9,877,820	10,215,362	-	33,512,288
Re-classification	-	-	-	(70,304,112)	70,304,112	-
<b>As at 30th June 2024</b>	<b>195,389,370</b>	<b>393,655,991</b>	<b>62,977,262</b>	<b>69,570,170</b>	<b>82,957,528</b>	<b>804,550,321</b>
<b>Depreciation and Impairment</b>						
<b>As at 1 July 2022</b>	-	165,261,213	14,025,498	49,641,251	562,519	229,490,481
Depreciation	-	57,098,695	4,884,243	24,005,301	156,145	86,144,384
Disposals	-	(10,134,278)	-	(109,719)	-	(10,243,997)
<b>As at 30 June 2023</b>	-	<b>212,225,630</b>	<b>18,909,741</b>	<b>73,536,833</b>	<b>718,664</b>	<b>305,390,868</b>
Re-classification	-	(786)	(1,382,777)	(32,015,802)	7,271,150	(26,128,215)
Depreciation	-	45,357,786.75	5,681,287.25	8,414,741.70	1,874,192.85	61,328,009
<b>As at 30 June 2024</b>	-	<b>257,582,631</b>	<b>23,208,251</b>	<b>49,935,773</b>	<b>9,864,007</b>	<b>340,590,662</b>
<b>Net Book Values</b>						
<b>As at 30 June 2023</b>	<b>181,970,264</b>	<b>136,073,360</b>	<b>39,769,011</b>	<b>19,634,397</b>	<b>73,093,521</b>	<b>450,540,553</b>
<b>As at 30 June 2024</b>	<b>195,389,370</b>	<b>136,073,360</b>	<b>39,769,011</b>	<b>19,634,397</b>	<b>73,093,521</b>	<b>463,959,659</b>

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**22b. Property plant and equipment @ costs**

<b>Description</b>	<b>Cost Kshs</b>	<b>Accumulated Depreciation Kshs</b>	<b>NBV Kshs</b>
Buildings	195,389,370	-	195,389,370
Plant And Machinery	77,112,420	9,168,999	67,943,422
Motor Vehicles, Including Motorcycles	399,501,099	262,040,667	137,460,432
Computers And Related Equipment	69,570,169	49,935,772	19,634,397
Furniture and fittings	62,977,262	23,208,251	39,769,011
<b>Total</b>	<b>804,550,320</b>	<b>344,353,689</b>	<b>460,196,632</b>

Disclosure on fully depreciated Property plant and equipment

Description	Cost or valuation	Normal Annual depreciation Charge
Plant And Machinery	N/A	N/A
Motor Vehicles, Including Motorcycles	N/A	N/A
Computers And Related Equipment	N/A	N/A
Furniture and fittings	N/A	N/A

The Authority does not have fully depreciated asset as at 30.06.24

**23. Intangible assets**

**I. Intangible Assets**

<b>Description</b>	<b>2023-2024 Kshs</b>	<b>2022-2023 Kshs</b>
<b>Cost</b>		
<b>At beginning of the year</b>	<b>64,067,968</b>	<b>39,834,728</b>
Additions	-	24,233,240
<b>At end of the year</b>	<b>64,067,968</b>	<b>64,067,968</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>		
Amortization	19,220,390	-
<b>At end of the year</b>	<b>19,220,390</b>	-
	<b>44,847,578</b>	<b>64,067,968</b>
<b>Additions—internal (Work in Progress) development</b>	<b>66,182,786</b>	-
<b>NBV</b>	<b>111,030,364</b>	<b>64,067,968</b>

**Valuation**

Land and buildings/ Equipment were valued by Ministry of lands and physical planning professional valuers from the Government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30<sup>th</sup> June 2020). The assets were revalued on 8<sup>th</sup> March 2021.

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**24. Trade and Other Payables**

Description	2023-24	222-2023
	Kshs	Kshs
Other payables (EDE-DRMC)	-	28,986,748
Refundable deposits on disposal	17,618,521	234,071
Payroll Liabilities	-	959,985
NITA	-	16,050
Withholding tax	-	1,020,864
Isuzu East Africa	-	-
Accrued Expenses	-	144,634,350
Audit fees accrued	1,160,000	1,160,000
Insurance compensation-GPI	8,346,287	4,957,600
Retention fees	6,401,091	4,268,237
Un Honored Cash Transfers	7,371,001	54,234
<b>Total trade and other payables</b>	<b>40,896,899</b>	<b>186,292,138</b>

Ageing analysis: (Trade and other payables)	2023-2024	% of the Total	2022-2023	% of the Total
Under one year	40,896,899	100%	186,292,138	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total (tie to above total)</b>	<b>40,896,899</b>	<b>100%</b>	<b>186,292,138</b>	<b>100%</b>

**7. Cash Generated from Operations**

Description	2023-2024	2022-2023
	Kshs	Restated Kshs
Surplus/(Deficit) for the year	(92,229,702)	426,133,499
<b>Adjusted for</b>		
Depreciation/Amortization	80,878,702	86,144,383
Gain on Disposal		(19,322,063)
<b>Working capital adjustments</b>		
Increase/ (Decrease) in payables	(145,395,239)	109,467,214
(Increase)/Decrease in receivables	347,466,756	(437,508,528)
(Increase)/Decrease in Inventory	1,425,913	(662,941)
<b>Net cash flow from operating activities</b>	<b>192,146,430</b>	<b>164,251,564</b>

**8. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse

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effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

**i) Credit risk**

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
As at 30 <sup>th</sup> June 2024	Kshs	Kshs	Kshs	Kshs
Receivables from non-exchange transactions	78,332,514	78,332,514	0	0
<b>Total</b>	<b>78,332,514</b>	<b>78,332,514</b>	<b>0</b>	<b>0</b>
<b>As at 30 June 2023</b>				
Receivables from non-exchange transactions	412,365,284	412,365,284	0	0
Bank balances			0	0
<b>Total</b>	<b>412,365,284</b>	<b>412,365,284</b>	<b>0</b>	<b>0</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**Financial Risk Management**

**iii) Market risk**

The Entity has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding

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of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**9. Related Party Disclosures**

**a) Nature of related party relationships**

Entities and other parties related to National Drought Management Authority include those parties who have the ability to exercise control or significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

**b) Government of Kenya**

Government of Kenya is the principal shareholder of the National Drought Management Authority, holding 100% of the entity's equity interest. The government has provided full guarantees to all long-term lenders of the Authority, both domestic and external.

**c) Other related parties include:**

- i) Ministries
- ii) County governments
- iii) International Donors
- iv) Key Management
- v) Board of Directors

**d) Transactions with related parties**

Description	2023-2024	2022-2023
	Kshs	Kshs
Transactions with related parties		
Grants/ transfers from the government	9,090,139,325	7,535,529,363

**10. Contingent Assets and Contingent Liabilities**

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**Contingent Assets**

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Assets	-	-
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and Guarantees	-	-
Receivables from other government entities	-	-
<b>Totals</b>	-	-

**Contingent Liabilities**

Description	2023-2024	2022-2023
	Kshs	Kshs
Contingent Liabilities	-	-
Court cases against NDMA	-	-
Bank Guarantees in favor of subsidiary	-	-
Contingent Liabilities arising from contracts including PPPs	-	-
<b>Totals</b>	-	-

**11. Events after the reporting period**

There were no material adjusting and non-adjusting events after the reporting period

**12. Ultimate and Holding Entity**

The Authority is a state corporation/Semi-Autonomous Government Agency under the Ministry of EAC, ASALs & Regional Development. Its ultimate parent is the Government of Kenya.

**13. Currency**

The Financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

**14. Other disclosures**

**a) Capital Fund**

The Authority's capital fund comprises of Assets and liabilities acquired from the former Arid Lands Resource Management Program (ALRMP) that was in existence under the Ministry of Northern Kenya funded by the World Bank. The Program came to an end on 2011 upon NDMA was established through a Gazette notice in 2012. It was during the closure of the project that all its assets and liabilities were to be inherited by NDMA. Thus, all Assets and Liabilities were recorded in the Authority's financial records.

**b) Revaluation Reserve**

During the financial year 2019/2020, the Authority undertook a revaluation exercise of its assets both acquired and inherited. This was occasioned by the fact that all inherited assets were booked at historical costs and subjecting them to depreciation they were getting to negative values despite the same being in good conditions. Further, past audits by Office of the Auditor General had recommended on revaluation of these assets.

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The Authority engaged the Ministry of Public Works to carry out asset valuation and whose report was adopted by the management and assets values revised accordingly resulting to the revaluation reserve. The valuation exercise however, did not cover Land and buildings due to lack ownership documents by that time.

**c) Reclassification of assets**

In the FY 2023/24, the National Treasury directed government institutions to establish Asset and Liability Management Committees and Units. In compliance, the Accounting Officer appointed these committees, which underwent training organized by the National Assets and Liabilities Management (NALM).

**20. Appendices**

**Appendix 1: Implementation Status of Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Property plant and Equipment The Authority has 51 Motor vehicles without log books	The management obtained logbooks from NTSA and available for confirmation	Resolved	None
2	Long outstanding trade & other payable	The payable in question were cleared during the financial year 2022/23 & 2023/24	Resolved	None
	Previous year audit issues	The management is yet to appear Before Public investment committee of social services administration and agriculture (PIC- SSA) in respect to prior year audit issues	Pending	None



NDMA Chief Executive Officer

Date: 27.09.2024

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**Appendix II: Projects implemented by National Drought Management Authority FY 2023/2024**

Projects implemented by National Drought Management Authority

Project Code & Project Title	Financing			Actual cumulative Exp. up to 30th June 2024	Project completion % as at 30th June 2024	Approved Budget 2023/24		Source of Funds
	Estimated Cost of Project	GoK	Foreign			GOK	Foreign	
	Kshs. Million			Kshs. Million		Kshs. Million		
NDMA								
Kenya Hunger Safety Net Programme	28,811	28,811	-	23,639.20	82	7,543.60	-	GoK
Kenya Social and Economic Inclusion Project(KSEIP)	1,200	-	1,200	591.97	50	-	156	WB
Resilience and sustainable Food Systems Project	568	140	428	188.14	33	28.6	0	GoK and WFP
Ending Drought Emergencies Eco System based	869	264	605	334.94	39	30.38	350	GoK and
Adaptation in Kenya's Arid and Semi- Arid Rangelands (TWEENDE)								GCF
National Drought Emergency Fund (NDEF)	20,000	20,000	-	546.95	3	20	-	GoK

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Dryland Climate Action for Community Drought	2,250	625	1,625	896.39	40	20.5	400	GoK and EU
Resilience (DCADR)								
<b>Total</b>	<b>55,907</b>	<b>50,500</b>	<b>5,407</b>	<b>26,371</b>		<b>5,525</b>	<b>818</b>	

**Appendix IV: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				
					Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year
Ministry of EAC, ASALs & Regional Development	28-08-23	Recurrent +KDEWS+KSEIP-GOK	519,478,272.00	<b>8,311,739,998</b>	-	-	-	-	<b>8,311,739,998</b>
Ministry of EAC, ASALs & Regional Development	11-09-23	Recurrent +KDEWS+KSEIP-GOK	519,478,272.00		-	-			

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Ministry of EAC, ASALs & Regional Development	11-09- 23	Recurrent +KDEWS+KSEIP-GOK	519,478,272.00	-	-		
Ministry of EAC, ASALs & Regional Development	01-11- 24	Recurrent +KDEWS+KSEIP-GOK	519,478,334.00	-	-		
Ministry of EAC, ASALs & Regional Development	28-12- 23	Recurrent +KDEWS+KSEIP-GOK	976,945,000.00	-	-	-	-
Ministry of EAC, ASALs & Regional Development	15-02- 24	KSEIP-GOK	1,088,800,000.00	-	-		
Ministry of EAC, ASALs & Regional Development	12-03- 24	Recurrent +KDEWS+KSEIP-GOK	1,216,823,332.65	-	-		
Ministry of EAC, ASALs & Regional Development	12-04- 24	Recurrent +KDEWS+KSEIP-GOK	1,152,811,666.65	-	-		



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		WFP-SFSP	14,305,000.00						
		SDRM	8,950,000.00						
Ministry of EAC, ASALs & Regional Development	26- 04- 202	SDRM AIA	134,997,667.25	401,947,656					<b>401,947,656</b>
		DCADR AIA	266,949,989.15						
Ministry of EAC, ASALs & Regional Development	28- 06- 24	SDRM	5,966,667.00	42,463,222					<b>42,463,222</b>
		DCADR	6,833,333.00						
		NDEF	6,666,667.00						
		TWENDE	13,459,888.00						
		WFP-SFSP	9,536,667.00						
Ministry of EAC, ASALs & Regional Development	30- 06- 24	SDRM	2,983,333.00	11,231,610					<b>11,231,610</b>

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		DCADR	3,416,667.00						
		NDEF	3,333,333.00						
		WFP-SFSP	1,498,277.00						
				<b>9,066,033,625</b>					<b>9,066,033,625</b>

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**Appendix V- Inter-Entity Confirmation Letter**

The National Drought Management Authority wishes to confirm the amounts disbursed as at 30<sup>th</sup> June 2024 is as indicated in the table below;

Confirmation of amounts received by National Drought Management Authority as at 30 <sup>th</sup> June 2024							
		Amounts Disbursed by Ministry of EAC, ASALs & RD (KShs) as at 30th June 2024				Amount Received by National Drought Management Authority(KShs) as at 30th June 2024	
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	E	Differences (KShs) (F)=(D-E)
VCH 03/549	28/08/2023	61,511,606.00	-	-	61,511,606.00	61,511,606.00	-
VCH 05/550	28/08/2023	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-

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VCH 04/551	28/08/2023	455,466,666.00	-		455,466,666.00	455,466,666.00	
VCH 09/600	11/09/2023	61,511,606.00	-	-	61,511,606.00	61,511,606.00	-
VCH 08/601	11/09/2023	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-
VCH 10/634	11/09/2023	455,466,666.00	-	-	455,466,666.00	455,466,666.00	-
VCH 02/955	23/10/2023	61,511,606.00	-	-	61,511,606.00	61,511,606.00	-
VCH 02/955	23/10/2023	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-
VCH 02/955	23/10/2023	455,466,666.00	-	-	455,466,666.00	455,466,666.00	-
Vch no 03/1107	01/11/2023	64,011,667.00	-	-	64,011,667.00	64,011,667.00	-
Vch no 04/1106	01/11/2023	455,466,667.00	-	-	455,466,667.00	455,466,667.00	-
Vch no 05/1478	15/12/2023	64,011,667.00	-	-	64,011,667.00	64,011,667.00	-
Vch no 06/1479	15/12/2023	455,466,667.00	-	-	455,466,667.00	455,466,667.00	-
VCH NO.04/1674	28/12/2023	2,000,000.00	-	-	2,000,000.00	2,000,000.00	-
VCH NO.04/1674	28/12/2023	455,466,666.00	-	-	455,466,666.00	455,466,666.00	-
VCH NO.13/1977	15/02/2024	1,088,800,000.00	-	-	1,088,800,000.00	1,088,800,000.00	-
VCH 38/1972		61,511,666.00	-	-	61,511,666.00	61,511,666.00	-
VCH 38/1972	12/03/2024	2,500,000.00	-	-	2,500,000.00	2,500,000.00	-

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VCH 43/2110	12/03/2024	64,011,666.65	-	-	64,011,666.65	64,011,666.65	-
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VCH 43/2110	12/03/2024	1,088,800,000.00	-			1,088,800,000.00	1,088,800,000.00	
45/2587	11/04/2024	61,511,666.65	-			61,511,666.65	61,511,666.65	-
45/2587	11/04/2024	2,500,000.00	-			2,500,000.00	2,500,000.00	-
19/2742	12/04/2024	1,088,800,000.00	-			1,088,800,000.00	1,088,800,000.00	-
20/2953	16/05/2024	1,088,800,000.00	-			1,088,800,000.00	1,088,800,000.00	-
50/3003	21/05/2024	61,511,666.65	-			61,511,666.65	61,511,666.65	-
51/3004	21/05/2024	2,500,000.00	-			2,500,000.00	2,500,000.00	-
Vch no.55/3238	14/06/2024	2,500,000.00	-			2,500,000.00	2,500,000.00	-
vch no.57/3237	21/06/2024	61,511,666.65	-			61,511,666.65	61,511,666.65	-
vch no 60/3328	27/06/2024	120,523,515.00	-			120,523,515.00	120,523,515.00	-
vch no 61/3325	27/06/2024	5,500,000.00	-			5,500,000.00	5,500,000.00	-
VCH NO 59/3329	27/06/2024	455,600,000.00	-			455,600,000.00	455,600,000.00	-
VCH 02/1390	24/11/2023		58,332,598.50			58,332,598.50	58,332,598.50	-
VCH 01/1389	24/11/2023		48,632,009.45			48,632,009.45	48,632,009.45	-
vch 06/1737	31/01/2024		127,991,698.25			127,991,698.25	127,991,698.25	-

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VCH 08/1993	28/02/2024		63,694,812.80	-	63,694,812.80	63,694,812.80	-
VCH 11/2343	26/04/2024		134,997,667.25	-	134,997,667.25	134,997,667.25	-

VCH 11/2343	26/04/2024		266,949,989.15	-	266,949,989.15	266,949,989.15	-
VCH 08/1993	28/02/2024		42,463,222.00	-	42,463,222.00	42,463,222.00	-
VCH 14/2015	30/06/2024		15,231,610.00	-	15,231,610.00	15,231,610.00	-
Vch. 25	30/06/2024		(4,000,000.00)	-	(4,000,000.00)	(4,000,000.00)	-
<b>Total Receipts</b>		<b>8,311,739,997.60</b>	<b>754,293,627.40</b>	<b>-</b>	<b>9,066,033,625.00</b>	<b>9,066,033,625.00</b>	<b>-</b>

I confirm that the amounts shown above are correct as of the date indicated.

**Head of Accountants department of beneficiary Entity:**

Name Praveen RAO Sign [Signature] Date 27.09.24

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**Appendix Vi - Reporting of climate relevant expenditures**

Project Name	Project description	Project objectives	Project activities	Quarter		Source of funds	Implementing partners
				Q1 & Q2	Q3 & Q4		
TWENDE PROJECT	An ecosystem-based adaptation in Kenya's ASALs. Component 1 is implemented by NDMA with a focus on "Coordinated transboundary rangeland management decisions are strengthened by enhanced climate change	The objective of the Project is to reduce the cost of climate change induced drought in the Host Country's national economy by increasing resilience of the livestock and other	<b>Activity 1.1:</b> Enhance information systems to inform climate change sensitive landscape planning and vulnerability/risk management; <b>Activity 1.2:</b> Strengthen community institutions to coordinate community planning and to inform and represent stakeholders in landscape planning; <b>Activity 1.3:</b> Develop county rangeland restoration plans that build		9,594,712.97  12,981,082.26	GCF & GOK Co-Finance	NDMA, ICRAF & IUCN

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	analysis and participatory community and county planning”	land use sectors in restored and effectively governed rangeland ecosystems.	on local community plans combined with enhanced climate change data; <b>Activity 1.4:</b> Establish functioning landscape management mechanisms in participating counties for climate change sensitive		24,268,979.87		
			and accountable decision-making; <b>Activity 1.5:</b> Establish participatory monitoring, evaluation and learning systems to support adaptive management.	11,287,897.62	4,515,159.04		
				12,416,687.38	5,079,553.93		
Component 2 as a service provider to SDL	Land restoration and governance	Assist communities to formulate bylaws and incorporate into county laws	<ol style="list-style-type: none"> <li>1. Analyze laws and policies</li> <li>2. Governance Mapping</li> <li>3. County Bills</li> <li>4. Develop/strengthen community bylaws on climate change and sustainable natural resource management.</li> <li>5. Enforcement of county laws</li> </ol>	12,744,466.14	8,496,310.76		NDMA

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**Appendix VII - Reporting on disaster management expenditures**

<b>Column I</b>	<b>Column II</b>	<b>Column III</b>	<b>Column IV</b>	<b>Column V</b>	<b>Column VI</b>	<b>Column VII</b>
<b>Programme</b>	<b>Sub-Programme</b>	<b>Disaster type</b>	<b>Category of disaster related activity that require expenditure reporting (Response/recovery/mitigation/preparedness)</b>	<b>Expenditure item</b>	<b>Amount</b>	<b>Comments</b>
		Drought	Drought contingency planning and response	Ward-level contingency planning in for 17 counties	6,800,000	Funded by DCADR. One ward per county supported in Q1 and Q2. Eight more counties to be covered during FY 2024/25.
				Participatory scenario planning	1,500,000	Funded by DCADR in Q1 and Q2. Covered the 9 arid counties and Kitui
				Water Trucking	7,094,930	Funded by NDEF. Kilifi, Garissa and Marsabit supported in Q2.