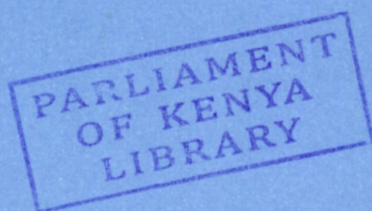


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 NOV 2024	DAY: Fri
TABLED BY:	Hon. Naomi Wago, MP Deputy Whip-Maj. Party
CLERK-AT THE-TABLE:	Vivian Wambui

OF

THE AUDITOR-GENERAL

ON

**EARLY ACTION SUPPORT PROJECT (EASP)-
GRANT NO.2015-39790**

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

**STATE DEPARTMENT FOR ENVIRONMENT
AND CLIMATE CHANGE**



PROJECT NAME: EARLY ACTION SUPPORT PROJECT (EASP)

**IMPLEMENTING ENTITY: STATE DEPARTMENT FOR ENVIRONMENT AND
CLIMATE CHANGE (SDECC)**

PROJECT GRANT NUMBER: 2015-39790

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name: The project's official name is "*Early Action Support Project (EASP)*".

Objective

The main objective of the project is to fast-track Kenya's readiness and early actions to implement the post-2020 Global Biodiversity Framework by providing financial and technical support with funds from GEF- through UNEP to Parties to the Convention on Biological Diversity (CBD) in their work to review and align their national targets, NBSAPs, policy frameworks, monitoring frameworks and finance with the Global Biodiversity Framework.

Address

The project headquarters offices are Nairobi, Kenya.

The address of its registered office is:

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

The project does not have any other offices/branches.

Contacts: The following are the project contacts

Telephone: +254-(0) 202730808/9

E-mail: psoffice@environment.go.ke

Website: www.environment.go.ke

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 15.11.2023
Project End Date:	The project end date will be 28.08.2025
Project Manager:	Dr. Lucy Ng'ang'a
Project Sponsor:	The project sponsor is Global Environment Fund (GEF) through UNEP

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Environment Climate Change and Forestry. State Department for Environment and Climate Change
Project number	File no. 2015-39790
Strategic goals of the project	The strategic goals of the project are as follows: The main objective of the project is to fast-track Kenya's readiness and early actions to implement the post-2020 Global Biodiversity Framework by providing financial and technical support with funds from GEF- through UNEP to carry out the following: Component 1. Rapid review of the National Biodiversity Strategy and Action Plan (NBSAP) including setting national targets Component 2. Assessment of the monitoring systems and development of a monitoring action plan Component 3. Policy and Institutional alignment and review for coherence with Global Biodiversity Framework Component 4. Review of the Biodiversity finance activities
Achievement of strategic goals	The project management aims to achieve the goals through the following means: By procuring consultancies for the four component outputs and

	engage the stakeholders in the biodiversity space to evaluate and validate the outputs as it will be prescribed in the terms of reference and report submitted.
Other important background information of the project	The project did not start as expected as there was delay in regularizing the Project Collaboration Agreement. However, the agreement remains in force till 28th August, 2025 .
Current situation that the project was formed to intervene	Project was formed to assist Kenya Assess, review and align the NBSAPs national targets, policy and institutional frameworks, monitoring frameworks and finance plans with the Global Biodiversity Framework that was adopted globally in Montreal in December, 2022.
Project duration	The project started on 15.11.2023 and is expected to run until 28.08.2025. However, the project experienced delay in disbursement of funds with the first expenditure happening in June 2024. NB. the agreement remains in force till 28th August, 2025 .

2.4 Bankers

The following are the bankers for the current year:
Central Bank of Kenya.

Account No. 1000740779

2.5 Independent Auditor

The project is audited by the Auditor - General, Office of the Auditor -General

2.6 Roles and Responsibilities

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

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Names	Title designation	Key qualification	Responsibilities
Dr. Eng. Festus K. Ng'eno	Principal Secretary State Department for Environment and Climate Change	PhD. Msc. Environmental and Biosystems Engineering	Accounting Officer
Ms.Linda Kosgei	Head MEAs	Legal	Overall supervision of the project
Dr. Lucy Ng'ang'a	Project Coordinator	PhD. Environmental Planning and Management	Project Coordinator
Faith Nyokabi	Environmental Officer	Msc.	Project Assistant

2.7 Funding summary

The Project is for duration of 2 years however the start date was delayed due to inaccessibility of funds in good time. the project has an approved budget of **USD 254,115.86** equivalent to approximatley **Kshs. 32,725,040.**

Below is the funding summary:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency USD	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
GEF FUNDS	254,115.86	32,725,040.00	83,000.00	10,689,072.00	171,115.86	22,035,968.00
(ii) Loan	-	-	-	-	-	-
(iii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	254,115.86	32,725,040.00	83,000.00	10,689,072.00	171,115.86	22,035,968.00

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> USD	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
GEF FUNDS	83,000.00	10,689,072.00	76,798.77	9,890,146.65	6,201.23	798,925.35
(i) Loan	-	-	-	-	-	-
(ii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	83,000.00	10,689,072.00	76,798.77	9,890,146.65	6,201.23	798,925.35

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

Although there were delays in implementing the project activities, the project has made significant progress in implementing the activities. The amount spent to date is **Kshs. 9,890,146.65** against the disbursed amount of **Kshs.10,689,072**.

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

Three consultancies have been procured for the first three components as outlined in 2.3 and four stakeholder engagements have been held two of which were supported through co-financing by partners. Inception workshops for all the three consultancies have been conducted and preliminary draft reports received for review

The project has achieved the below outputs:

Inception and preliminary draft reports for the following received;

Component 1. Rapid review of the National Biodiversity Strategy and Action Plan (NBSAP) including setting national targets

Component 2. Assessment of monitoring systems and development of a monitoring action plan

Component 3. Policy and Institutional alignment and review for coherence with Global Biodiversity Framework.

Four stakeholders engagement were held to draft the consultancies Terms of Reference, draft the National targets, review and refine the targets for submission to the Clearing House Mechanism for online submission to the convention secretariat as well as prepare for subsidiary bodies meetings to the CBD convention.

The achievements of the project in comparison to the amount disbursed show there is value for money.

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

The absorption rate for financial year 2023/2024 was 50.7%. The low absorption rate was caused by delays in processing the account opening and supplementary budget release hence activities were delayed for implementation.

iii) List the implementation challenges and recommended way forward.

- a) There have been delays in disbursing funds from the National Treasury to the Ministry which in turn delays implementation of activities. Approval to incur expenditure can be sort for activities that can be paid for later to proceed awaiting funds release.
- b) The laborious procurement process takes a long time and consideration should be given in processing procurement documents and not to wait until the funds are physically available to commence procurement.

2.9 Summary of Project Compliance:

The project has not had any incidence of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

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

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

- I. To develop a NBSAP that is aligned with the post 2020 Global Biodiversity Framework which will guide the country in the implementation of the convention decisions. This will ensure Kenya get to meet her obligations and commitments to the Convention of Biological Diversity and attains the compliance
- II. Develop an integrated monitoring systems and action plan to support (i) above in implementing and monitoring the NBSAP
- III. Develop an action plan that aligns the whole of government and whole of society approach and ensures policies and institutions are aligned for coherence with Global Biodiversity Framework
- IV. Develop a biodiversity finance plan for the NBSAP
- V. At the end of the project the biodiversity stakeholders will have their capacities enhanced for better ecosystem management

Progress on attainment of strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Early Action Support Project (EASP)**Annual Report and Financial Statements for the financial year ended June 30, 2024**

Project	Objective	Outcome	Indicator	Performance
Early Action Support Project	Rapid review of the National Biodiversity Strategy and Action Plan (NBSAP) including setting national targets	A National Biodiversity Strategy and Action Plan reviewed and updated including the national targets to support biodiversity conservation in Kenya	NBSAP launched and submitted to the CBD secretariat	The National Targets have been reviewed, updated and aligned with the post 2020 GBF are ready for submission. The consultant is in the process of reviewing the NBSAP, have submitted the inception and preliminary draft reports.
	Assessment of monitoring systems and development of a monitoring action plan	A monitoring system and action plan that supports the implementation of the NBSAP for effective management of biodiversity conservation in Kenya	Monitoring gaps established and a monitoring action plan developed	The consultant is in the process of conducting the assessment of the monitoring systems, and have submitted the inception and preliminary draft reports.
	Policy and Institutional alignment and review for coherence with Global Biodiversity Framework	Its key to have coherence and alignment in policy and institutions to enable Kenya effectively Implement the NBSAP.	An aligned whole of government whole of society approach action plan developed with a prioritized action for policy coherence	The consultant is in the process of conducting the assessment of the Policy and Institutional alignment and coherence and have Submitted the inception and preliminary draft reports.
	Review of the Biodiversity finance activities	Implementation of the NBSAP will require resources from all sources and a review of a biodiversity expenditure and cost estimates for NBSAP is paramount.	A biodiversity finance plan	A consultant is yet to be engaged, as the NBSAP have to be completed for this activity to start.

4. Environmental and Sustainability reporting

The *Early Action Support Project (EASP)* aims to support the development of a National Biodiversity Strategy and Action Plan that will guide in biodiversity conservation and management and contribute to the halting the loss of biodiversity with an aim to living in harmony with nature by 2050.

1. Sustainability strategy and profile

The sustainability plan for the Early *Action Support Project (EASP)* is embedded on;

- a) The inclusive and broad based stakeholder engagement of relevant entities in biodiversity conservation and management during meetings and workshop
- b) The strong collaboration with partners in the process of the NBSAP review that creates a community of like-minded team
- c) The establishment of a National Biodiversity Coordination Mechanism (NBCM) that will support coordination of biodiversity issues in the country bring together state and non-state actors in the management of biodiversity matters.
- d) Development of a financing mechanism and monitoring framework will ensure continuous stakeholders engagement, partnership in resource mobilization while meeting reporting obligations as a party due to existence of a monitoring framework.

2. Environmental performance

Biodiversity is fundamental to human well-being, a healthy planet, and economic prosperity for all people, including for living well in balance and in harmony with nature. We depend on biodiversity for food, medicine, energy, clean air and water, security from natural disasters as well as recreation and cultural inspiration, and it supports all systems of life on Earth. Therefore, Implementation of the *Early Action Support Project (EASP)* will support in giving forth to a well aligned NBSAP with all the targets of the post 2020 GBF that will ensure the curve of biodiversity loss is bent hence decline and ultimate halting of biodiversity loss contributing to improvement of environmental performance.

3. Employee welfare

Early Action Support project has human resource policies and procedures manual which guides on the recruitment process from vacancy identification to new hire induction. The

policy takes into account the gender, women and disability considerations. On careers, we have a progressive career guideline. Annual staff performance appraisals are conducted and rewards and sanctions determined. Capacity building of staff is through formal and on job trainings. State department of Environment/ Early Action Support project is working on safety policy, which will be in compliance with Occupational Safety and Health Act of 2007, (OSHA)

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The project has always maintained good business practices, treated suppliers responsibly and has honoured all contract and respects payment practices.

b) Responsible ethical practices

The ***Early Action Support Project (EASP)*** has always aligned itself to the Ministry's core ethical values which include: honesty and integrity, human dignity, equity and embracing a participatory approach.

c) Regulatory impact assessment

The ***Early Action Support Project (EASP)*** aims to ensure every Kenyan enjoys their constitutional right of enjoying a clean and healthy environment.

5. Community Engagements

The ***Early Action Support Project (EASP)*** aligns with the constitution of Kenya and the Convention of Biological Diversity in embracing conclusiveness across community strata and pacifically the IPLCS who are key biodiversity custodians.

5. Statement of Project Management responsibilities

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

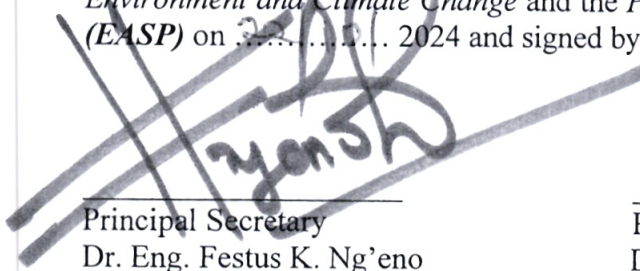
The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2024, and of the Project's financial position as at that date. The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

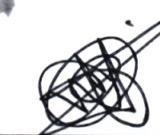
The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

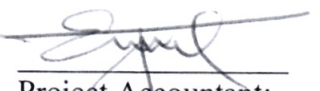
The Project financial statements were approved by the *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator for Early Action Support Project (EASP)* on 30.06.2024 and signed by them.



Principal Secretary
Dr. Eng. Festus K. Ng'eno



Project Coordinator
Dr. Lucy Ng'ang'a



Project Accountant:
Enock Maticha
ICPAK Member No: 23310

REPUBLIC OF KENYA

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Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON EARLY ACTION SUPPORT PROJECT (EASP)-GRANT NO.2015-39790 FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR ENVIRONMENT AND CLIMATE CHANGE

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the 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.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Unmodified Opinion indicates the books of accounts and underlying records agree with the financial statements and that no materials misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and working effectively in the financial year under review.

The Unmodified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public Resources, and the report on the Effectiveness of Internal Controls, Risk Management and Governance.

Report of the Auditor-General on Early Action Support Project (EASP)-Grant No.UNEP GRANT for the year ended 30 June, 2024 - State Department for Environment and Climate Change

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Early Action Support Project set out on pages 1 to 37, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Early Action Support Project 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 (Cash Basis) and comply with the Project Cooperation Agreement No. 2015-39790 dated 15 November, 2023 between the United Nations Environment Programme and the Government of Kenya and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Early Action Support Project 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 opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects final receipts budget and actual on comparable basis of Kshs.19,000,000 and Kshs.10,689,072 respectively resulting to an under-funding of Kshs.8,310,928 or 44% of the budget. Similarly, the Project spent Kshs.9,890,147 against actual receipts of 10,689,072 resulting to an under-expenditure of Kshs.798,925 or 7% of the actual receipts.

The under-funding and under-performance 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. There were no key audit matters to report in the year under review.

Other Information

Conclusion

The Management is responsible for the other information set out on page i to xv which comprise of Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environmental and Sustainability reporting, Statement of Project Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Early Action Support Project 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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 2315 and 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by United Nations Environment Programme Cooperation Agreement Project No. 2015-39790 dated 15 November, 2023 between United Nations Environment Programme and the Republic of Kenya, I report based on my audit;

- i. That 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.
- ii. Adequate accounting records have been kept by the Project, so far as it appears from the examination of those records; and,
- iii. The Project's financial statements agree with the accounting records and returns.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project'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.

Those charged with governance are responsible for overseeing the Project'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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

12 November, 2024

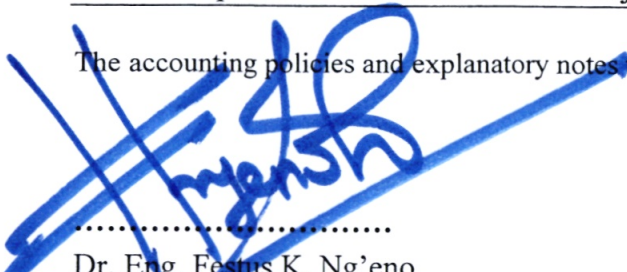
7. Statement of Receipts and Payments for the year ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023/2024			2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	-	-	-	-	-	-	-
Proceeds from domestic and foreign grants	2	10,689,072	-	10,689,072	-	-	-	10,689,072
Loan from external development partners	3	-	-	-	-	-	-	-
Miscellaneous receipts	4	-	-	-	-	-	-	-
Total receipts		10,689,072	-	10,689,072	-	-	-	10,689,072
Payments								
Compensation to employees	5	-	-	-	-	-	-	-
Purchase of goods and services	6	9,890,146.65	-	9,890,146.65	-	-	-	9,890,146.65
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	-	-	-	-	-	-	-
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers /payments	10	-	-	-	-	-	-	-
Total payments		9,890,146.65	-	9,890,146.65	-	-	-	9,890,146.65
Surplus		798,925.35	-	798,925.35	-	-	-	798,925.35

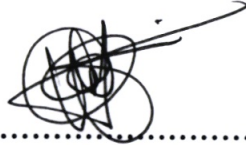
Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

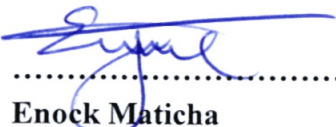
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



.....
Dr. Eng. Festus K. Ng'eno
Principal Secretary



.....
Dr. Lucy Ng'ang'a
Project Coordinator



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

8. Statement of Financial Assets and liabilities as at 30th June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.A	798,925.35	-
Cash Balances	11. B	-	-
Cash equivalents (Short-term deposits)	11.C	-	-
Total Cash and Cash equivalents		798,925.35	-
Imprests and Advances	12	-	-
Total Financial Assets		798,925.35	-
Financial Liabilities			
Third party Deposits and Retention	13	-	-
Net Assets		798,925.35	-
Represented By			
Fund Balance B/fwd.	14	-	-
Prior Year adjustments	15	-	-
Surplus for the Year		798,925.35	-
Net Financial Position		798,925.35	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22/10/ 2024 and signed by:

.....
Dr. Eng. Festus K. Ng'eno
Principal Secretary

.....
Dr. Lucy Ng'ang'a
Project Coordinator

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

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

9. Statement of Cashflow for the year ended 30th June 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	1	-	-
Proceeds from domestic and foreign grants	2	10,689,072.00	-
Miscellaneous receipts	4	-	-
Total receipts		10,689,072.00	-
Payments			
Compensation of employees	5	-	-
Purchase of goods and services	6	9,890,146.65	-
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Total Payments		9,890,146.65	-
Net receipts/(payments)		798,925.35	-
Adjustments during the year			
Prior year adjustments	15	-	-
Decrease/(increase) in accounts receivable	16	-	-
Increase/(decrease) in accounts payable:	17	-	-
Net cash flow from operating activities		798,925.35	-
Cashflow from investing activities			
Acquisition of non-financial assets	8	-	-
Net cash flows from investing activities		798,925.35	-
Cash flow from financing activities			
Proceeds from foreign borrowings	3	-	-

Early Action Support Project (EASP)

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Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Net cash flow from financing activities		798,925.35	-
Net increase in cash and cash equivalents		798,925.35	-
Cash and cash equivalent at beginning of the year	11	-	-
Cash and cash equivalent at end of the year	11	798,925.35	-

10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	-	-	-	-	-	-
Proceeds from domestic and foreign grants	19,000,000	-	19,000,000	10,689,072	8,310,928	56%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	19,000,000	-	19,000,000	10,689,072	8,310,928	56%
Payments						
Compensation to employees	-	-	-	-	-	-
Purchase of goods and services	19,000,000	-	19,000,000	9,890,146.65	9,109,853.35	48%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Total Payments	19,000,000		19,000,000	9,890,146.65	9,109,853.35	48%
Surplus or Deficit	-	-	-	798,925.35	-	-

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for *Early Action Support Project (EASP)* under the State Department of Environment, Climate Change and Forestry. The financial statements are for the reporting entity *Early Action Support Project (EASP)* as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

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

d) Recognition of receipts

Early Action Support Project (EASP) recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

Early Action Support Project (EASP) 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.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third party payments

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

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note 15 of these financial statements*.

Early Action Support Project (EASP)
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12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through Ministry of Environment, Climate Change and Forestry</i>			
Counterpart funds Quarter 1	-		
Counterpart funds Quarter 2	-		
Counterpart funds Quarter 3	-		
Counterpart funds Quarter 4	-		
Total (See Annex 3)	-		
<i>Other transfers from government entities</i>			
	-		
	-		
Total	-	-	-
Appropriations-in-Aid	-	-	-
Total	≡	≡	≡

Note: There were no transfers from government entities during the financial year 2023/2024

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

	2023/2024						2022/2023	Cumulative to date
Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)								
GEF FUNDS	30/6/2024	10,689,072.00	-	-	-	10,689,072.00	-	10,689,072.00
Grants Received from Multilateral Donors (International Organizations)								
Insert name of international organization								
Grants Received from Local Individuals and organizations								
Insert name of individual or local organization								
Total		10,689,072.00	-	-	-	10,689,072.00	-	10,689,072.00

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the financial period to 30 June 2024, we received funding from development partners in form of loans negotiated by the National Treasury as detailed in the table below:

Description	2023/2024					2022/2023	Cumulative to date
Name of Donor	Date received	Amount in loan currency	Loans received in actual amount	Loans received as direct payment*	Total amount in Kshs	Total amount in Kshs	
		(Insert currency)	Kshs	Kshs	Kshs	Kshs	Kshs
Loans received from bilateral Donors (Foreign Governments)							
Insert name of foreign Government							
Insert name of foreign Government							
Loans received from Multilateral Donors (International Organizations)							
Insert name of international organization							
Insert name of international organization							
Total		-	-	-	-	-	-

Notes to the Financial Statements (Continued)

4. Miscellaneous receipts

Description	2023/2024			2022/2023	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Property income					
Sales of goods and services					
Administrative fees and charges					
Fines, penalties, and forfeitures					
Voluntary transfers other than grants					
Other receipts not classified elsewhere*					
Total	-		-	-	-

Notes to the Financial Statements (Continued)

5. Compensation to Employees

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees					
Basic wages of temporary employees	-		-	-	-
Personal allowances paid as part of salary	-		-	-	-
Personal allowances paid as reimbursements	-			-	-
Personal allowances provided in kind	-		-	-	-
Pension and other social security contributions	-			-	-
Compulsory national social security schemes	-			-	
Compulsory national health insurance schemes	-		-	-	-
Social benefit schemes outside government	-			-	-
Other personnel payments	-			-	
Total	-		-	-	-

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Utilities, supplies and services	-		-		
Communication, supplies and services	400,000.00		400,000.00	-	400,000.00
Domestic travel and subsistence	6,856,000.00		6,856,000.00	-	6,856,000.00
Foreign travel and subsistence					
Printing, advertising, and information supplies	-		-		-
Rentals of produced assets	-		-		-
Training payments	-		-		
Hospitality supplies and services					
Insurance costs	-		-		-
Specialized materials and services	2,634,146.65		2,634,146.65	-	2,634,146.65
Other operating payments					
Routine maintenance – vehicles and other transport equipment	-		-	-	-
Routine maintenance- other assets	-		-	-	-
Total	9,890,146.65	=	9,890,146.65	=	9,890,146.65

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	-		-		-
Social security benefits in cash and in kind	-		-		-
Employer social benefits in cash and in kind	-		-		-
Total	-		-		-

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

	2023/2024			2022/2023	Cumulative to-date
Description	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings					
Construction of buildings					
Refurbishment of buildings					
Construction of roads					
Construction of civil works					
Overhaul & refurbishment of construction and civil works					
Purchase of vehicles & other transport equipment					
Overhaul of vehicles & other transport equipment					
Purchase of household furniture & institutional equipment					
Purchase of office furniture & general equipment					
Purchase of specialised plant, equipment and machinery					
Rehabilitation & renovation of plant, equipment & machinery					

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	2023/2024			2022/2023	Cumulative to-date
Description	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Purchase of certified seeds, breeding stock and live animals					
Research, studies, project preparation, design & supervision					
Rehabilitation of civil works					
Acquisition of strategic stocks					
Acquisition of land					
Acquisition of other intangible assets					
Total	=		=	=	=

Note: There were no acquisition of non-financial assets during the financial year under review.

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period to 30 June 2024, we transferred funds to reporting government entities as shown below:

	2023/2024			2022/2023	Cumulative to-date
Description	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
Ministry ABC	-		-		-
Project XYZ					
Transfers to County Governments	-		-		-
County ABC					
County XYZ					
Total	=		=		=

Note: There were no transfers to other government entities

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Description	Kshs	Kshs	Kshs	Kshs	Kshs
Grants for scholarships	-		-		-
Transfers to lower levels of government e.g. schools	-		-		-
Miscellaneous payments	-		-		-
Total	-		-		-

Notes to the Financial Statements (Continued)

11. Cash And Cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts (Note 11A)	798,925.35	-
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
Total	798,925.35	=

Early Action Support Project (EASP) has one project account within the project implementation area and zero number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2023/2024	2022/2023
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]		
Kenya Commercial Bank [A/c No.....]		
Co-operative Bank of Kenya [A/c No.....]		
Others (<i>specify</i>)		
Total Foreign Currency balances		
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.1000740779]	798,925.35	-
Kenya Commercial Bank [A/c No...]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total local currency balances	798,925.35	=
Total bank account balances	798,925.35	=

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

Description	2023/2024	2022/2023
	Kshs	Kshs
(i) A/C Name [A/c No.....]		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn (as per Statement of Receipts & Payments)	=	=
Closing balance (as per SDA bank account reconciliation attached)	=	=
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)		
Total amount deposited in the account		
Total amount withdrawn (as per Statement of Receipts & Payments)		
Closing balance (as per SDA bank account reconciliation attached)	=	=

Notes to the Financial Statements (Continued)**11 B Cash in hand**

Description	2023/2024	2022/2023
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations (<i>specify</i>)	-	-
Total cash in hand balances	=	=

11 C Cash equivalents (short-term deposits)

Description	2023/2024	2022/2023
	Kshs	Kshs
Kenya Commercial Bank [A/C No.....]		
Co-Operative Bank of Kenya [A/C No.....]		
Others (<i>Specify</i>)		
Total	=	=

12. Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Government Imprests	-	-
Salary advances		
Total	-	-

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Notes to the Financial Statements (Continued)

12A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance Current FY	Balance Comparative FY
	Kshs	Kshs	Kshs	Kshs	Kshs
<i>Officer 1</i>					
<i>Officer 2</i>					
<i>Officer 3</i>					
<i>Officer 4</i>					
<i>Officer 5</i>					
<i>Programme 1</i>					
Total	=		-		-

13. Deposits and Retention Monies

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Retention				
Deposits				
Total				
Ageing analysis:	2023/2024	% of the Total	2022/2023	% of the Total
Under one year				
1-2 years				
2-3 years				
Over 3 years				
Total	-	-	-	-

14. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
Total	-	-

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

15. Prior Year adjustment

	Balance b/f Previous FY (audited financial statements)	Adjustments	Adjusted balance b/f Previous FY
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Imprests and advances			
Deposits and retentions			
Others (<i>specify</i>)			
Total	-	-	-

16. Changes in Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Opening Receivables as at 1 st July 2023		
Closing account receivables as at 30 th June 2024		
Change in Imprests and advances	-	-

17. Changes in Accounts Deposits and Retention

Description	2023/2024	2022/2023
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2023		
Closing accounts payables as at 30 th June 2024		
Changes in deposit and retention	-	-

Early Action Support Project (EASP)**Annual Report and Financial Statements for the financial year ended June 30, 2024****Other Important Disclosures****1. Pending Accounts Payable (See Annex 4a)**

	Balance b/f from Comparative FY	Additions for the year	Paid during the year	Balance c/f For Current FY
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings				
Construction of civil works				
Supply of goods				
Supply of services				
Total	-	-	-	-

2. Pending Staff Payables (See Annex 4b)

	Balance b/f from 2022/2023	Additions for the year	Paid during the year	Balance c/f for 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Union employees	-	-	-	-
Others - Gratuity	-	-	-	-
Total	-	-	-	-

3. Other Pending Payables (See Annex 4c)

	Balance b/f from 2022/2023 FY	Additions for the year	Paid during the year	Balance c/f for 2023/2024 FY
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total	-		-	-

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures (Continued)

4. External Assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
External assistance received as grants	10,689,072.00	-
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
Total	10,689,072.00	-

a). External assistance relating loans and grants

	2023/2024	2022/2023
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	10,689,072.00	-
Total	10,689,072.00	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023/2024	2022/2023
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		22,035,968.00	-
Total		22,035,968.00	--

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures (Continued)

c) Classes of providers of external assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total	-	-

d. Non-monetary external assistance

	2023/2024	2022/2023
Description	Kshs	Kshs
Goods		
Services		
Total		

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Other Important Disclosures (Continued)

e Purpose and use of external assistance

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Compensation to employees		
Use of goods and services		
Subsidies		
Transfers to other Government entities		
Other grants and transfers		
Social Security benefits		
Acquisition of assets		
Finance Costs including loan interest		
Repayment of principal on domestic and foreign borrowing		
Other payments		
Total		

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

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

This relates to external assistance paid directly by third parties to settle obligations on behalf of (the entity This note should tie to line 3 of note 4 on external assistance).

	2023/2024	2022/2023
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total	-	-

Early Action Support Project (EASP)**Annual Report and Financial Statements for the financial year ended June 30, 2024****Other Important Disclosures (Continued)****5. Payments By Third Party on Behalf of The Project**

This relates to payments done directly to supplier on behalf of the project such as; national government may fund the operation of health or education program; a donor may pay directly for construction of a given activity

5.1 Classification by Source

	2023/2024	2022/2023
Description	Kshs	Kshs
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total	-	-

(Third party payments may be done by other entities that are not providers of external assistance)

5.2 Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Compensation of employees		
Use of goods and services		
Subsidies		
Transfers to other government units		
Other grants and transfers		
Social security benefits		
Acquisition of assets		
Finance costs, including loan interest		
Other payments		
Total	-	-

N/B The above subclassification will be adopted based on the appropriate project's operations.

Other Important Disclosures (Continued)

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

Related party transactions:

	2023/2024	2022/2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director		
Key Management Compensation others (specify)		
Total Compensation to Key Management		
Transfers to related parties		
Transfers to other government entities		
Total Transfers to related parties		
Transfers from related parties		
Transfers from the Ministry/ department		
Payments made on behalf of the project by other govt. entities		
(Insert any other transfers received)		
Total Transfers from related parties	-	-

7. Contingent Liabilities

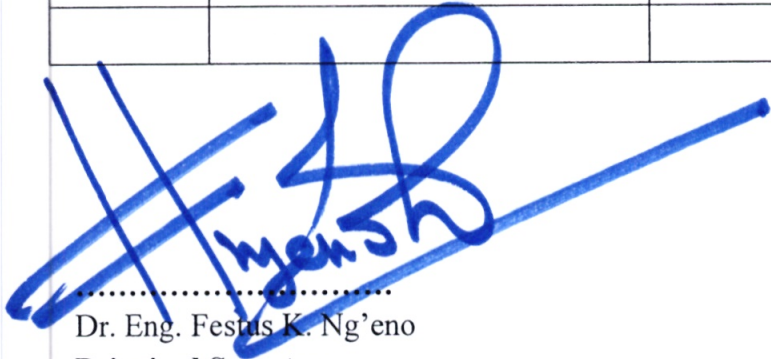
Contingent liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court case xxx against the project		
Bank guarantees in favour of other govt. entities		
Contingent liabilities arising from PPPs/ donor agreements		
Total	-	-

(Give details- Update ANNEX 8 Contingent liabilities register)

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	There were no issues raised during the financial year 2022/2023.	This is a new project that commenced during the financial year 2023/2024	N/A	N/A


.....
Dr. Eng. Festus K. Ng'eno
Principal Secretary


.....
Dr. Lucy Ng'ang'a
Project Coordinator

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 2: Variance explanations - Comparative Budget and Actual amounts for 2023/2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	-	-	-	-	-
Proceeds from domestic and foreign grants	19,000,000.00	10,689,072.00	8,310,928.00	56%	The project started late leading to less disbursement since it was captured in the budget in the supplementary II which was approved in mid-June, 2024.
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
Total Receipts	19,000,000.00	10,689,072.00	8,310,928.00	56%	
Payments					
Compensation of employees					
Purchase of goods and services	19,000,000.00	9,890,146.65	9,109,853.35	52%	The project started late leading to less disbursement since it was captured in the budget in the supplementary II which was approved in mid-June, 2024.
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Other grants and transfers	-	-	-	-	
Total payments	19,000,000.00	9,890,146.65	9,109,853.35	52%	

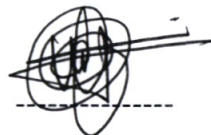
Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 3: Reconciliation of inter-entity transfers

	Project Name:	Early Action Support Project (EASP)		
	Break down of transfers from the State Department of Environment, Climate Change and Forestry			
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		30/06/2024	10,689,072.00	2023/2024 FY
			-	
		Total	10,689,072.00	2023/2024 FY
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
C.	Others			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
		Total (A+B+C)	10,689,072.00	

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

Project Coordinator
Early Action Support Project (EASP)

Sign 

Head of Accounting Unit
 State Department for Environment and Climate Change

Sign 

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total						

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (<i>specify</i>)							
7.							
8.							
Sub-Total							
Grand Total							

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4c: Analysis of other Pending Payables

Name	Brief Description	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (KShs) 2023/2024	*Purchases/ Additions in the Year (KShs) 2023/2024	**Disposals in the Year (KShs) 2023/2024	Transfers in/(out) 2023/2024	Closing Cost 2023/2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,						
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
Total						

Note:

There were no fixed assets acquired by **Early Action Support Project (EASP)** during the year under review.

Early Action Support Project (EASP)

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Early Action Support Project (EASP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)