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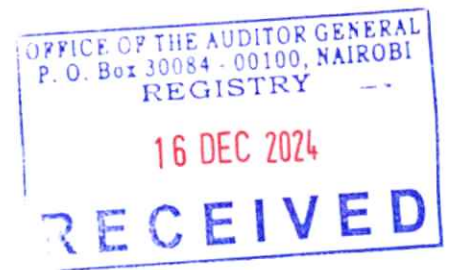
ON

**KENYA ENERGY SECTOR ENVIRONMENT AND
SOCIAL RESPONSIBILITY PROGRAMME FUND**

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

STATE DEPARTMENT FOR ENERGY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2025	DAY: Tuesday
TABLED BY:	Hon Owen Baya m.p. Deputy majority leader
CLERK-AT THE-TABLE:	Getnele Chebet



**KENYA ENERGY SECTOR ENVIRONMENT & SOCIAL RESPONSIBILITY
PROGRAMME FUND
STATE DEPARTMENT FOR ENERGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2024**

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

Table of Contents

Page



1. Acronyms, Abbreviations and Glossary of Terms	ii
2. Key Fund Information and Management	1
3. Management Team	4
4. Report of Fund Administration Committee	7
5. Statement of Management's Responsibilities	8
6. Report of the Independent Auditor for The Kenya Energy Sector Environment & Social Responsibility Programme	10
7. Statement of Financial Performance for the year ended 30 June 2024	11
8. Statement of Financial Position as at 30 June 2024	12
9. Statement of Changes in Net Assets for the year ended 30 June 2024	13
10. Statement of Cash Flows for the year ended 30 June 2024	14
11. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024	15
12. Notes to the Financial Statements	16
13. Appendix	28

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

2. Key Fund Information and Management

(a) Background information

The Kenya Energy Sector Environment & Social Responsibility Programmer Fund was formed by an Act of parliament Regulations, 2007 (L.N. No. 188 of 2007). The Fund is under the supervision of Ministry of Energy.

The fund is wholly owned by the Government of Kenya and is domiciled in Kenya

Principal Activities

The principal activity of Kenya Energy Sector Environment & Social Responsibility Programmer Fund is to finance activities relating to the production of wood fuel, power distribution poles and energy crops for production of bio-fuels; and growing of trees in order to conserve soil and preserve catchment areas for hydro-power dams, including provision of a sink for carbon dioxide generated through combustion fossil fuels

Vision

Provision of affordable, quality energy for all Kenyans

Mission

To facilitate provision of clean, sustainable, affordable, reliable, and secure energy services for national development while protecting the environment.

Core Values

The Fund upholds the values of integrity, transparency, accountability, professionalism, prudent utilization of resources and open to constructive suggestions

(b) Key Management

Ref	Name	Position
1	Alex Kamau Wachira CBS	Principal Secretary
2	Eng. Isaac Kiva, HSC	Secretary Renewable
3	CPA Rose Baraza	Senior Deputy Accountant General
4	James Supeet	Principal Supply Chain Management Officer
5	Stephen Alexius Njue	Senior Deputy Director Budget

(c) Fiduciary Management

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

Ref	Position	Name
1	Fund Manager/ Administrator	Alex Kamau Wachira CBS
2	Fund Accountant	CPA Rose Baraza

(d) Fund Offices

Ministry of Energy,
Kawi Complex,
Off Red Cross Rd, Nairobi.
P. O. Box 30582 – 00100 Nairobi Kenya
info@energy.go.ke
Tel: +254 (0) 20 4841000
Fax: +254 (0)20 2228314
Fax: +254 (0)20 2240910

(e) Fund Contacts

Ministry of Energy,
Kawi Complex,
Off Red Cross Rd, Nairobi.
P. O. Box 30582 – 00100 Nairobi Kenya
info@energy.go.ke
Tel: +254 (0) 20 4841000
Fax: +254 (0)20 2228314
Fax: +254 (0)20 2240910

(f) Fund Bankers

Kenya Commercial Bank Limited
P. O. Box 30012, 00100
Koinange Street Nairobi
Nairobi, Kenya

Credit Bank PLC
P.O BOX 61064, 00200
Koinange Street Branch
Nairobi, Kenya

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**


(g) Independent Auditors

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

(h) 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. Management Team

	<p>The Principal Secretary joins the State Department for Energy with a wealth of experience from the private sector where he worked variously as an investment banker. His latest assignment was with Faida Investment Bank where he traded and structured Treasury bonds and Corporate bonds at the Nairobi Stock Exchange (NSE). Other assignments include working with Dyer & Blair Investment Bank and Genghis Capital limited in the same capacity.</p> <p>PS Wachira has served in various leadership’s positions right from his university days. He was a founding member of the Bonds Market Association as well as a member of the Steering Committee of the Kenya Association of Stock Brokers and Investment Bankers (KASIB). His contribution to the Bond’s market saw him being appointed to the Central Depository Project at the Central Bank of Kenya (CBK). In 2021, the project dealt in government securities worth 900 billion, the highest turnover ever in Kenya.</p> <p>A strong believer in servant leadership through community engagement and development, the PS has spearheaded local initiatives such, as free medical camps for Cancer Screening, Tree planting, Youth Mentorship Programmes, and Sports Tournaments among others. The PS is a family man who’s strict upbringing is instrumental in shaping him into the person he is.</p> <p>In energy sector, the PS has been a champion for Kenya’s renewable energy, with an aim of accelerating geothermal exploration, wind and solar power. He is also keen on placing Kenya as an investment partner through public-private partnership in building transmission lines and mini-grids to be able to achieve 100% connectivity by 2028. The PS is also looking to advance technology and innovation as we look into the future of energy transition and efficiency in areas such as green hydrogen, electric vehicles and bio-energy.</p>
<p>Alex Kamau Wachira CBS Principal Secretary</p>	<p>Isaac Kiva is the Secretary for Renewable Energy since 1st June, 2017. Previously, he had served as the Director of Renewable Energy from 30th August, 2013. He heads the Directorate charged with policy formulation,</p>

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**



**Eng. Isaac Kiva, HSC
Secretary Renewable Energy**

and promotion of development and utilization of renewable energy, energy efficiency and conservation, including facilitation of private sector investment. Eng. Kiva has wide experience in public sector management, having worked in energy and senior Government positions for over 20 years. He holds a Bachelor's Degree in Electrical Engineering from the University of Nairobi, and has undergone several professional courses in management, leadership, energy development and financial and economic analysis and modeling. He is a registered Professional Engineer with the Engineers Board of Kenya and a member of the Institution of Engineers of Kenya



**CPA Rose Baraza
Deputy Accountant General**

CPA Rose Baraza is the Head of Accounting Unit in the State Department of Energy. She has served in the civil service growing in the system and has acquired vast experiences in different sectors of public service as an Accountant and head of Accounting Unit. Among the sectors she has headed are; The Office of DPP for 8 years where the office consistently achieved an unqualified report resulting to being the Best runners up in the Fire Award. She also headed Cabinet Office and was awarded certificate of recognition by the Head of Pubic Service for ensuring that the office consistently achieved an Unqualified Report. As the Head of Accounting Unit in the Department for Irrigation, the office moved from Disclaimer report to Unqualified report. She has also headed State Department for Industry and ASAL among others and all received Unqualified Report. She holds a Master's Degree in Business Administration (Finance Option), Bachelor's Degree in Commerce and Degree in Law (LLB) both from Catholic University. She was among officers who were awarded a distinction in Senior Leadership Course at KSG and has a Certificate in Strategic Management among others. She also represents PS in the Board of Directors of NUPEA where she is a member of Finance and Human Resource Committee.



**Stephen Alexius Njue
Senior Deputy Director Budget**

Mr. Stephen Alexius Njue is currently Head of Finance in the Ministry of Energy at the grade of Senior Chief Finance Officer.

He has served in the Civil Service for 28 years and in particular as Head of Finance for 19 years across various government Ministries, Departments and agencies. These includes; National Treasury, Ministry of Roads and Public Works, Housing, Regional Development, Water, Labour and Social Protection, Energy as well as various local authorities and County Governments.

Currently he is an Alternate Director at Kenya Generating Electricity Company (KENGEN).

Mr. Njue holds an MBA in Finance and a Bachelor's degree in Business Studies and Economics both from Kenyatta University. He also holds a National Diploma in Financial Management from Kenya Institute of Management.

He is a member of Institute of Internal Auditors and Institute of Human Resource Management of Kenya



**Mr James Supeet
Principal Supply Chain &
Management**

Mr. James Simel Supeet is currently the Ag. Head Supply Chain Management Unit in the Ministry of Energy and Petroleum State Department for Energy at the grade of Principal Supply Chain Management Officer.

He has served in the Civil Service for 20 years across various Government Ministries, Departments and Agencies. These includes; Ministry of Agriculture livestock and fisheries, Ministry of Interior and Coordination of National government and Government printers among others.

Mr. James Simel Supeet holds an MBA in strategic Management from Kenyatta University KU and a Bachelor's degree in Supplies and Procurement from Kampala International University- KIU, (UG). He also holds a Diploma certificate in Supplies Management from Moi Institute of Technology- MIT and final CIPS LEVEL 6. Certificate from (UK).

He is a member of Kenya Institute of Supplies Management and a member of Chartered Institute of Supplies Management (CIPS) – UK.

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

4. Report of Fund Administration Committee

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Fund affairs.

4.1 Principal activities

The principal activities of the Fund continue to be supporting production of bio fuels and growing of trees in order to conserve oil

4.2 Performance

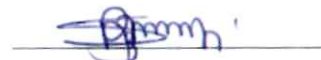
The performance of the Fund for the year ended June 30, 2024, are set out on page 11 to 28.

4.3 Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



Fund Administrator
Alex Kamau Wachira, CBS



Fund Accountant
CPA Rose Baraza
ICPAK Number: 5586

5. Statement of Management's Responsibilities

Section 81 of the Public Finance Management Act, 2012 requires the Fund Administrator to prepare financial statements in respect of that Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year/period and the operating results of the Fund for that year/period. The Fund Administrator are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Fund Administrator are also responsible for safeguarding the assets of the Fund.

The Fund Administrator are responsible for the preparation and presentation of the Kenya Energy Sector Environment & Social Responsibility Fund financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year (period) 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 Fund ; (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 Fund ; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Fund Administrator accept responsibility for the Kenya Energy Sector Environment & Social Responsibility Fund financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Fund Administrator are of the opinion that the Kenya Energy Sector Environment & Social Responsibility Fund financial statements give a true and fair view of the state of Kenya Energy Sector Environment & Social Responsibility Fund transactions during the financial year ended June 30, 2024, and of the Kenya Energy Sector Environment & Social Responsibility Fund financial position as at that date.

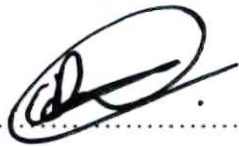
The Fund Administrator further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Kenya Energy Sector Environment & Social Responsibility Fund financial statements as well as the adequacy of the systems of internal financial control.

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

Nothing has come to the attention of the Fund Administrator to indicate that the Fund 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 Kenya Energy Sector Environment & Social Responsibility Fund financial statements were approved by the Board on 09/09/ 2024 and signed on its behalf by:



.....
Alex Kamau Wachira CBS

Fund Administrator



.....
CPA Rose Baraza

ICPAK Number: 5586

Fund Accountant

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON KENYA ENERGY SECTOR ENVIRONMENT AND SOCIAL RESPONSIBILITY PROGRAMME FUND FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR ENERGY

PREAMBLE

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

- A. 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.
- B. 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 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 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 Kenya Energy Environment and Social Responsibility Programme Fund set out on pages 11 to 27, which comprise the

statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in 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, the financial statements present fairly, in all material respects, the financial position of Kenya Energy Environment and Social Responsibility Programme Fund 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 the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Energy Environment and Social Responsibility Programme Fund 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.

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 Matter

Unresolved Prior Year Issues

In the audit of the previous year, various issues were raised under the paragraphs on lawfulness and effectiveness in use of public resources. However, although Management indicated that some of the issues had been resolved, no evidence was provided to indicate how the matters were resolved.

Other Information

Management is responsible for the other information set out on pages 1 to 9 which comprise of Key Fund Information and Management Fiducially Management, Management Team, Report of Fund Administration Committee and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority's 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 thereon.

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. Low contribution to the Fund

As previously reported, review of the projected contributions by 8 agencies for the ten-year period towards the fund, based on the 2019/2029 action plan revealed that out of the expected contribution of Kshs.824,000,000, only kshs.311,000,000 or 38% was realized from three (3) agencies while five (5) agencies had not made any contributions over the 5 years as detailed below:

No	Organization	Proposed Phase Two Allocation (2019-2029) Amount (Kshs)	Contribution Allocation for Last 5 Years (Kshs)	Total Contribution Received in The Last 5 Years (Kshs)	Deficit in contribution (Kshs)
1	Ministry of Energy (MOE)	659,000,000	263,600,000	302,000,000	(38,400,000)
2	Kenya Electricity Transmission Company (KETRACO)	5,000,000	2,500,000	0	2,500,000
3	Geothermal Development Company (GDC)		27,000,000		

		54,000,000		0	27,000,000
4	Nuclear Power and Energy Agency (NuPEA)	12,000,000	6,000,000	0	6,000,000
5	Kenya Power and Lighting Company Limited (KPLC)	10,000,000	5,000,000	3,000,000	2,000,000
6	Energy and Petroleum Regulatory Authority (EPRA)	20,000,000	10,000,000	6,000,000	4,000,000
7	Kenya Electricity Generating Company PLC (KenGen),	10,000,000	5,000,000	0	5,000,000
8	Rural Electrification & Renewable Energy Corporation (REREC)	54,000,000	27,000,000	0	27,000,000
Total		824,000,000	346,100,000	311,000,000	35,100,000

Management attributed the non-contribution to Fund to a Presidential directive to all Ministries, Departments and Agencies (MDAs) and Semi-Autonomous Government Agencies (SAGAs) to grow fifteen billion trees by 2023. The target for the Cabinet Secretary, therefore, was cascaded to the SAGAs as an indirect contribution towards the energy and environment programme.

In the circumstances, the non-contribution to the fund is a violation to the terms of the agreement and may impact negatively on the operations of the fund and its ability to achieve the intended goals and objectives.

2. Excess Withholding Tax Charged on Interest Income

Note 7 to the financial statements reflect use of goods and services amount of Kshs 120,915,556 which includes bank charges of Kshs.1,061,692. The charges include

Kshs.855,944 in respect of withholding tax computed at a rate of 20% on interest income earned from a local bank for the first 6 months between July, 2023 – December, 2023. However, the applicable interest according to the Income Tax Act, CAP 470 was 15%.

Consequently, the Fund lost Kshs.169,588 as a result of excess withholding tax charged on the interest income.

Management has written severally to the Bank seeking clarification on the high withholding tax charge. However, no response had been received.

In the circumstances, the excessive tax charge was unlawful.

3. Irregular Funding of the Program

The statement of financial performance reflects transfers from other Government entities amounting to Kshs.101,000,000 as disclosed in Note 5 to the financial statements. Included in the amount is Kshs.100,000,000 transferred from Petroleum Development Levy Fund Account on 15 March, 2024. However, the Fund has no responsibility in the oil and petroleum industry and, thus the transfer contravened Section 4(4) of the Petroleum Development Fund Act No.4 of 1991 (Revised 2012).

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

4. Unaccounted for Energy Saving Jikos

Management procured 5,500 energy saving jikos at a cost of Kshs.18,899,000 for distribution to low-income households as a measure minimize forest destruction.

Review of documents provided in respect of the program revealed that 2,000 jikos were issued to Women Representative Members of Parliament for Nyeri, Laikipia, Nakuru, Uasin Gishu, Bomet and Kitui counties to distribute in their areas of representation. However, following unsatisfactory issues were revealed from the review;

- i. Despite Management providing for purchase of the jikos in the Fund's annual work plan, no evidence was provided to indicate that prerequisite studies were conducted on indoor air quality to measure carbon dioxide, carbon monoxide and other gases in households. Similarly, no surveys were conducted to identify households with children aged below five years who were being targeted.
- ii. Management did not justify reasons for using selected Members of Parliament to for distribution of the jikos and the criteria to be used by the Members to identify beneficiaries in their respective areas of representation.
- iii. Signed lists of beneficiaries who received the jikos were not provided for audit verification.
- iv. There was no record provided to indicate that the jikos were initially received at the Fund before eventual distributed to beneficiaries.

- v. Records and physical verification exercise done, revealed that 660 jikos were distributed to beneficiaries in Nyeri, Kirinyaga East, Kirinyaga West, Nyahururu Sub-County and Mwea Sub-Counties out of the 3500 jikos purchased during the year. The remaining 2,840 acquired at a cost of Kshs.9,780,149 were yet to be unaccounted.
- vi. Records on the issuance of the jikos lacked details of beneficiaries such names and contact information. In addition, the jikos were not branded for identification.

In the circumstances, value for money incurred in purchase of energy saving jikos amounting to Kshs.18,899,000 for distribution to households could not be confirmed.

5. Unsupported Reimbursement of Rehabilitation Works

The State Department for Energy in 2019 contracted two local companies to undertake rehabilitation works at Enoosupukia Water Tower for enhancement of geothermal power development. The works were divided in (3) lots, each measuring approximately 50hacteres. Lots C1 and C2 works were awarded to the two firms for a contract sum of Kshs.36,233,600 and Kshs.36,990,080 respectively and were estimated to take four (4) years from December, 2019 to December, 2023.

According to the respective contracts, payments to contractors were based on measured works and executed activities as per the bills of quantities. However, review of payments revealed payments to the two contractors amounting to Kshs,22,402,800 for activities which had not been executed. The payments were in relation to mobilization and sensitization, supervision and benchmarking trips which were yet to be conducted.

In addition, the payments were not supported by evidence such as minutes meetings and signed attendance registers, motor vehicle work tickets indicating areas where supervision was undertaken and evidence of the benchmarking trips.

In the circumstances, the value for money paid in respect of the contracts could not be confirmed.

6. Irregular Procurement of Seedlings

6.1 Gakanga Beat Forest, Nyeri County

Management paid Kshs.4,800,000 to Muringato Forest Association in Nyeri County for purchase of eight thousand (80,000) assorted tree seedlings for growing in Gakanga Beat along the Aberdare Forest. The seedlings were purchased from a local supplier at the same cost. However, review of documents provided in support of the payment revealed the following anomalies:

- i. There was no evidence of requisition forms or letters from the users initiating the procurement.
- ii. Bidder quotations received on 19 April, 2023 were opened by only one person, the chairperson of the Association.

- iii. Two of the firms which were issued with quotation forms shared a postal address, and
- iv. their names appeared similar indicating that they might have originated from the same person. In addition, the winning bidder shared an address with the Kenya Forest Service Nyeri, Muringato Community Forest Association.
- v. There was no quotations or tender register to evidence receipt of quotations from bidders.
- vi. There was no acknowledgement of receipt of the seedlings by Muringato Community Forest Association who was the beneficiary.
- vii. The procurement exceeded the threshold of Kshs.3,000,000 for use of quotations as provided for in the second schedule of the Public Procurement and Asset Disposal Regulations, 2020

In the circumstances, the Management was in breach of the law. In addition, the value money paid for purchase of seedlings at a cost of Kshs.4,800,000 could not be confirmed.

Maragoli Hills Forest

Management made payments totalling Kshs.7,845,600 to Maragoli Community Forest Association for purchase of assorted tree seedlings. However, no documents were provided to support the procurement method used or the process for identification of the suppliers, contrary to section 91 (1) of the Public Procurement and Asset Disposal Act, 2015 which provides that open tendering shall be the preferred procurement method for procurement of goods, works and services.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 Fund'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 Fund'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

30 December, 2024

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

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

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	5	101,000,000	81,000,000
		101,000,000	81,000,000
Revenue from exchange transactions			
Interest income	6	4,626,607	13,019,677
		4,626,607	13,019,677
Total revenue		105,626,607	94,019,677
Expenses			
Use of goods and services	7	120,915,556	56,310,499
Acquisition of Assets	8	104,034,952	85,292,731
Depreciation	10	1,803,901	0
Total expenses		226,754,409	141,603,230
Surplus/(deficit) for the period/year		(121,127,802)	(47,583,553)

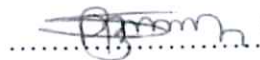
The notes set out on pages 16 to 26 form an integral part of these Financial Statements.

The Financial Statements set out on pages 11 to 28 were signed by Fund Administrator by:



.....
Alex Kamau Wachira CBS

Fund Administrator



.....
CPA Rose Baraza

ICPAK Number: 5586

Fund Accountant

8. Statement of Financial Position as at 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	9	27,003,013	146,326,914
Total Current Assets		27,003,013	146,326,914
Non – Current Assets			
Property Plant and Equipment	10	6,253,949	8,057,850
Total Non – Current Assets		6,253,949	8,057,850
Total Assets		33,256,962	154,384,764
Current Liabilities			
Trade and Other Payables	11	-	182,920
Total Current Liabilities		-	182,920
Net Assets			
Accumulated Surplus		33,256,962	154,201,844
Adjustments			-
Total Net Assets and Liabilities		33,256,962	154,384,764

The financial statements set out on pages 11 to 28 were signed by Fund Administrator by:



Alex Kamau Wachira CBS

Fund Administrator



CPA Rose Baraza

ICPAK Number: 5586

Fund Accountant

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

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

	Accumulate Surplus
	Kshs
Balance as at July 1, 2022	201,785,397
Total comprehensive income	(47,583,553)
Prior year adjustment	182,920
Balance as at June 30, 2023	154,384,764
At July 1,2023	154,384,764
Deficit	(121,127,802)
Balance as at 30th June 2024	33,256,962

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

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

		2023-2024	2022-2023
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	5	101,000,000	81,000,000
Interest income	6	4,626,607	14,773,827
Total receipts		105,626,607	95,773,827
Payments			
Use of goods and services	7	120,915,556	56,310,499
Acquisition of Assets	8	104,034,952	85,109,811
Total payments		224,950,508	141,420,310
Net cash flows used in operating activities		(119,323,901)	(45,646,483)
Cash flows from Investing activities			
Purchase of PPE	10	-	(8,057,850)
Net Cash flows from Investing activities		-	(8,057,850)
Net increase/(decrease) in cash & Cash equivalents		(119,323,901)	(53,704,333)
Cash and cash equivalents at 1 July		146,326,914	200,031,247
Cash and cash equivalents at 30 June		27,003,013	146,326,914

The financial statements set out on pages 11 to 28 were signed by Fund Administrator by:



.....
Alex Kamau Wachira CBS
Fund Administrator



.....
CPA Rose Baraza
ICPAK Number: 5586
Fund Accountant

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	2024	2024	2024	2024	2024	2024
Revenue						
Transfers from Other Governments entities	100,000,000		100,000,000	101,000,000	(1,000,000)	101%
Interest Income				4,626,607	(4,626,607)	0%
TOTAL INCOME	100,000,000		100,000,000	105,626,607	(5,626,607)	106%
Expenses						
Use of good and services	53,000,000		53,000,000	120,915,556	(67,915,556)	228%
Acquisition of Assets	47,000,000		47,000,000	104,034,952	(57,034,952)	221%
Total Expenditure	100,000,000		100,000,000	224,950,508	(124,950,508)	224%

12. Notes to the Financial Statements

1. General Information

The Kenya Energy Sector Environment & Social Responsibility Fund is established by and derives its authority and accountability from by an Act of parliament Regulations, 2007 (L.N. No. 188 of 2007). The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Kenya Energy Sector Environment & Social Responsibility Fund principal activity is to finance activities relating to the production of wood fuel, power distribution poles and energy crops for production of bio-fuels; and growing of trees in order to conserve soil and preserve catchment areas for hydro-power dams, including provision of a sink for carbon dioxide generated through combustion fossil fuels

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 Kenya Energy Sector Environment & Social Responsibility Fund 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 Fund.

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.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. Early adoption of standards

The Fund did not early – adopt any new or amended standards in year 2023/2024.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Fund 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 Fund 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 Fund and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

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.

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly on June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget.

The Kenya Energy Sector Environment & Social Responsibility Fund 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 section 17 of these financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Related parties

The Kenya Energy Sector Environment & Social Responsibility Fund 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 comprises of the Fund Administrator and Fund Accountant

d) 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 Kenya Commercial Bank and Credit Bank of Kenya 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.

e) Comparative figures

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

f) 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.

Notes to the Financial Statements (Continued)

5. Transfer from National Government

Description	2023-2024	2022-2023
	Kshs	KShs
Unconditional Grants		
Ministry of Energy	100,000,000	80,000,000
KPLC	1,000,000	1,000,000
EPRA		
Total Government Grants And Subsidies	101,000,000	81,000,000

b) Transfers from National government

Name Of The Fund Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2023-24	Prior year 2022-2023
	KShs	KShs	KShs	KShs	KShs
Ministry of energy	100,000,000	-	-	100,000,000	80,000,000
EPRA	-	-	-	-	-
KPLC	1,000,000			1,000,000	1,000,000
Total	101,000,000	-	-	101,000,000	81,000,000

6. Interest income

Description	2023-2024	2022-2023
	Kshs	Kshs
Interest income on bank deposits	4,626,607	13,019,677
Total Interest income	4,626,607	13,019,677

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

7. Use of goods and services

Description	2023-2024	2022-2023
	Kshs	Kshs
Domestic travel and subsistence	119,853,864	53,256,387
Bank charges	1,061,692	3,054,112
Hospitality, supplies and services	-	-
Total use of goods and Services	120,915,556	56,310,499

8. Acquisition of Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Afforestation	104,034,952	85,292,731
Total use of goods and Services	104,034,952	85,292,731

9. Cash and cash equivalent

Description	2023-2024	2022-2023
	KShs	KShs
Current account	27,003,013	146,326,914
Total cash and cash equivalent	27,003,013	146,326,914

Detailed analysis of the cash and cash equivalent are as follows

Financial institution	2023-2024	2022-2023
Fixed deposit account	Kshs	Kshs
Kenya Commercial bank	2,682,351	1,654,719
Credit Bank	24,320,662	144,672,195
Grand Total	27,003,013	146,326,914

Notes to the Financial Statements (Continued)

10. Property Plant and Equipment

Cost	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs
As At 1 July 2023	1,684,500	6,373,350	8,057,850
Additions	-	-	-
As at 30 th June 2024	1,684,500	6,373,350	8,057,850
Depreciation And Impairment			
At 1 July 2023	0	0	0
Depreciation	210,563	1,593,338	1,803,901
As At 30 th June 2024	210,563	1,593,338	1,803,901
Net Book Values			
As at 30 th June 2023	1,473,937	4,780,012	6,253,949
As at 30 th June 2024	1,473,937	4,780,012	6,253,949

Depreciation for furniture rate is 12.5% while Computers were depreciated at 25%

11. Trade and other Payables

Description	2023-2024	2022-2023
	Kshs	Kshs
VAT payable	-	182,920
Total use of goods and Services	-	182,920

12. Cash Generated from operations

Description	2023-2024	2022-2023
	KShs	KShs
Surplus for the year before tax	(119,323,901)	(47,583,553)
Adjusted for;		
Decrease in receivables	-	1,754,150
Increase in payables	-	182,920
Net cash flow from operating activities	(119,323,901)	(45,646,483)

13. Related party balances

Description	2023-2024	2022-2023
	Kshs	Kshs
Ministry of energy	100,000,000	80,000,000
EPRA		
KPLC	1,000,000	1,000,000

Notes to the Financial Statements (Continued)

14. Financial Risk Management

The Kenya Energy Sector Environment & Social Responsibility Fund activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Kenya Energy Sector Environment & Social Responsibility Fund overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund 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 Kenya Energy Sector Environment & Social Responsibility Fund financial risk management objectives and policies are detailed below:

i) Credit risk

The Fund 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 Fund Administrator. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Kenya Energy Sector Environment & Social Responsibility Fund 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 Kenya Energy Sector Environment & Social Responsibility Fund maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing
	Kshs	Kshs
As at 30 June 2023		
Bank balances	146,326,914	146,326,914
Total	146,326,914	146,326,914
As at 30 June 2024		
Bank balances	27,003,013	27,003,013
Total	27,003,013	27,003,013

Notes to the Financial Statements (Continued)

ii) Market risk

The Fund has put in place an internal audit function to assist it in assessing the risk faced by the Fund 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 Kenya Energy Sector Environment & Social Responsibility Fund income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Kenya Energy Sector Environment & Social Responsibility Fund 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 Kenya Energy Sector Environment & Social Responsibility Fund exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the Kenya Energy Sector Environment & Social Responsibility Fund financial condition may be adversely affected as a result of changes in interest rate levels. The Kenya Energy Sector Environment & Social Responsibility Fund interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Kenya Energy Sector Environment & Social Responsibility Fund deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain

Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024

constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as an increase of Kshs – (119,323,901) (2022: KShs (53,704,333)). A rate increase of 5% would result in a decrease/increase in profit before tax of KShs (38,930,506) (2023 – KShs 30,006,252)

15. Related Party Disclosures

Nature of related party relationships

The Government of Kenya is the principal shareholder of the Kenya Energy Sector Environment & Social Responsibility Fund holding 100% of the Fund's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i. The National Government;
- ii. Ministry of Energy;
- iii. Other government entities
- iv. Key management personnel

Related party transactions

	2023/2024	2022/2023
	KShs	KShs
Ministry of Energy	100,000,000	80,000,000
EPRA		
KPLC	1,000,000	1,000,000

16. Events after the Reporting Period

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

17. Ultimate And Holding Fund

The Government of Kenya is the principal shareholder of the Fund, holding 100% of the Kenya Energy Sector Environment & Social Responsibility Fund equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Fund, both domestic and external.

18. Currency

The financial statements are presented in Kenya Shillings (Kshs).

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

13. Appendix

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.

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)
	Budgetary Control and Performance	The Management indicated that the Fund operates on IPSAS accrual basis hence bank balances brought forward are utilized in the following financial year.	Resolved	
	Low Contribution of the Fund	The management indicated that regulations to enforce Agencies to contribute to the fund are now in place and follow up is being done to enforce them by law	Not resolved	
	Low Utilization of Funds on Core Activities	The management indicated that regulations to enforce Community Forest Association are managed by Kenya Forest Services which is a government body governed by procurement laws	Resolved	



Fund Administrator

Date

**Kenya Energy Sector Environment & Social Responsibility Programme
Annual Report and Financial Statements for the year ended June 30, 2024**

Appendix II: Transfers from Other Government Entities

Kenya Energy Sector Environment & Social Responsibility Programme Fund (KEEP)			
FY 2022/2023			
<u>Development Grants</u>	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
Ministry of Energy	14/03/2024	100,000,000	2023/2024
KPLC	18/10/2023	1,000,000	2023/2024
Total			

Sign



Fund Administrator
Alex Kamau Wachira CBS

Sign



Fund Accountant
CPA Rose Baraza
ICPAK Member Number:5586

REPUBLIC OF KENYA

Date:

Report of the Board of Survey on the Cash and Bank Balance of **State Department for Energy**
as at the close of Business on **30th June, 2024**

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

DAVID MUTISO	-	CHAIRMAN
SAMWEL OKELLO	-	SECRETARY
SAMMY CHERUIYOT	-	MEMBER
ELIJAH OGOTI	-	MEMBER

Assembled at the office of Cash Office at **10.00AM** on **15th July, 2024**

And the following cash was produced:-

Notes	...	..	..	..	..	..	Sh. NIL
Silver	...	..	..	..	..	..	Sh. NIL
Cooper	...	..	..	..	..	..	Sh. NIL
Cheques (as per details on reverse)	...	..	..	..	..	..	<u>Sh. NIL</u> NIL

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

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

The Cash Book reflected the following balances as at the close of business on the **30th June, 2024**.

Cash on hand	...	..	..	..	..	..	Sh. NIL
Bank Balance	...	..	..	..	..	..	Sh. 24,320,661.90
							<u>Sh. 24,320,661.90</u>

The Bank Certificate of Balance showed a sum of **Shs...20,855,655.01** to the credit of the account on **30th June, 2024**.

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

Date 15/04/2024


.....
Chairman


.....
Members of the Board



LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

Cheque No.	Drawer	Date of Cheque	Date Received	Amounts

Our ref: CBL/1000097534/5/2024

17 July 2024

To,
Ministry of Energy and Petroleum,
State Department For Energy
Kenya Energy Environment Responsibility Programme
Kawi house,
P.O. Box 30582,
Nairobi.

Ref. No.MOE/ACC/1/VOL.1/114

Dear Sir/Madam,

RE: CERTIFICATE OF BALANCES AS AT 30 JUNE 2024

We refer to your letter dated 9 July 2024 requesting us to furnish you directly with details relating to the subject account held with us.

In reference to the same, please find below the details as required.

	NAME OF ACCOUNT	ACCOUNT NO.	BALANCE
1.	PETROLEUM DEVELOPMENT LEVY FUND DUE	0021007000785	29,111,056.72
2.	KENYA ENERGY ENVIR RESP PROG (KEEP)	0021007000786	20,855,655.01

Kindly do not hesitate to contact us should you require any further clarification.

Yours faithfully,

For: Credit Bank Ltd

AUTHORISED SIGNATORY



AUTHORISED SIGNATORY