


REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	03 DEC 2024
DAY:	Tuesday
TABLED BY:	Majority Whip Hon. Silvanus Orosio
CLERK-AT THE TABLE:	Irene Nduku



REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA ETF REPORTING PROGRAMME
TO THE UNFCCC PROJECT**

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

**STATE DEPARTMENT FOR ENVIRONMENT
AND CLIMATE CHANGE**



**PROJECT NAME: KENYA ETF REPORTING PROGRAMME TO THE UNFCCC
PROJECT**

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

PROJECT GRANT NUMBER: UNEP GRANT

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)**

**Kenya ETF Reporting Programme to the UNFCCC Project
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 title is: **Kenya ETF Reporting Programme to the UNFCCC Project.**

Objective: The objective of the Project is to support the Government of Kenya to meet its reporting requirements under the Convention and its Paris Agreement.

Address: The project headquarters offices are located in, Nairobi City County, Kenya.

The address of its registered office is:
Ministry of Environment, Climate Change and Forestry
NHIF Building, Upper Hill,
P.O. Box 30126 - 00100
Nairobi

Telephone: 254-20-2730808/9, Ext. 1318, 1302
E-mail: psoffice@environment.go.ke
Website: www.environment.go.ke

Contacts: The following are the project contacts

Telephone: (254) 02 2730808/9 Ext. 1318
E-mail: marindanykirui@yahoo.com / mkirui@environment.go.ke
Website: www.environment.go.ke

2.2 Project Information

Project Start Date:	The project start date was 4 th July, 2023
Project End Date:	The project end date is 30 th November, 2026
Project Manager:	The project manager/Coordinator is Mr. Fredrick Ouma
Project Sponsor:	The project sponsor is the Global Environment Facility
Project Implementing Entity	United Nations Environment Programme (UNEP)

2.3 Project Overview

Line Department of the project	Ministry/State Department of the project	The project is under the supervision of the State Department for Environment and Climate Change
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Strategic goals of the project	The strategic goals of the project are as follows: (i) To prepare and submit Kenya’s third National Communication, initial Biennial Update Report and the first Biennial Transparency Report (ii) To initiate a request for GEF funding for subsequent Biennial Transparency Reports and National Communications, and/or combined Biennial Transparency Report and National Communication.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Training sector experts on modalities, procedures and guidelines for the enhanced transparency framework under the Paris Agreement and the Greenhouse Gas Inventory. (ii) Establishing sector working groups to collect data and prepare sector reports (iii) Compiling the reports and communicating to the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat by 31 st December 2024
Other important background information of the project	The project was formed to intervene in the following areas: (i) Supporting the Government of Kenya to meet its reporting obligations under the UNFCCC and its Paris Agreement.
Current situation that the project was formed to intervene	Before the project, Kenya had only communicated to the UNFCCC two National Communications and had not submitted any Biennial Update Report. Developing Countries like Kenya are required to submit their first NC within three years of entering the Convention. Kenya submitted the first NC in 2002. The first BURs were expected in 2014 and two years thereafter.
Project duration	29 Months

2.4 Bankers

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

Account No. 1000740809

2.5 Independent Auditor

The project is audited by the Auditor General, Office of the Auditor General (OAG), P.o Box 30084, 00100, **NAIROBI**.

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.

Names	Title designation	Key qualification	Responsibilities
Fredrick Ouma	Manager, Kenya ETF Reporting Programme to the UNFCCC Project.	Bachelor of Environmental Studies (Environmental Resource Conservation)	<ul style="list-style-type: none"> • Provide technical and administrative leadership for the Project. • Manage all project activities, coordinating with heads of technical expert groups and a range of institutions and agencies, including UNEP, IPCC, UNFCCC secretariat, GEF, and national institutions to ensure smooth and appropriate execution of project activities. • Reconstitute Technical and Sector Working Groups • Prepare a detailed project work plan and terms of reference for the project consultants. • Liaise with the relevant ministries, national and international research institutes, NGOs, and other relevant institutions to involve their staff in the project activities and to gather and disseminate information pertinent to the project. • Identify, interview, and recruit national and international consultants to work on the project. • Promote and establish links with related national and regional projects and other international programmes. • Prepare the periodic progress reports on project implementation and ensure that all national project outputs are sent to UNEP.

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			<ul style="list-style-type: none"> • Manage the project expenditures according to the project budget. • Identify the training needs of the contracted national consultants and other project stakeholders and identify appropriate courses and training for national capacity building. • Organize national workshops and training according to the project work plan. Attend, whenever possible, the relevant regional and international workshops, training, and conferences. • Review all materials generated during the project. • Ensure the publication and dissemination of the reports identified as project outputs. • Coordinate negotiations on cooperation with Government and financing institutions to identify and mobilize resources for follow-up activities. • Review the information contained in the previous reports and national documents in consultation with sector experts and update the information as appropriate. • Compile information on different chapters based on information from the Technical Working Groups • Assess the completeness of the national GHG inventory and report information on the reasons for lack of completeness, including information on any methodological or data gaps. • Evaluate the capacity needs in designing and implementing actions/programmes for reducing emissions in line with Kenya's targets. • Relate the mitigation actions with adaptation co-benefits of various programmes implemented in selected sectors. • Prepare the list of the mitigation and adaptation activities supporting the
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			<p>implementation of the NDC.</p> <ul style="list-style-type: none"> • Develop improvement plans for all the priority thematic areas. • Finalize the three reports for submission.
Mercy Avisia	Project Technical Assistant	BSc Environmental science	<ul style="list-style-type: none"> • Assist the National Project Manager in executing his duties as listed in Annex 1. • Provide day-to-day technical support to the various technical working groups. • Assist in coordination and project monitoring on the basis of the agreed upon project work plans. • Assist in drafting the terms of references of various consultants to work specific tasks of the project. • Prepare all related background materials for discussions, correspondence and briefing meetings. • Organize and coordinate project meetings, conferences, trainings, and other project-related events. • Coordinate information flow to assist overall reporting or submission deadlines are met. • Follow up with the technical working groups and consultants for progress report, submission of reports and any other relevant information required; • Conduct other activities deemed as necessary within the project parameters.
Victoria Mueni	Project Administrative/Finance Assistant	Bachelor of Arts (Economics Mathematics and Sociology)	<ul style="list-style-type: none"> • Assist the National Project Manager in managing the project activities. • Assist the National Project Manager in the management of the project resources and in controlling the project expenditures. • Assist in the preparation of work plans and progress reports of the project. • Arrange purchasing of office equipment for project purposes on a competitive basis. • Process payments for goods and services

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			<p>procured for the project.</p> <ul style="list-style-type: none"> • Responsible for project correspondence/documents and safekeeping of project records. • Maintain project accounts and inventory of non-expendable equipment. • Provide substantial support to the project workshops and training. • Organize the logistics of project meetings, conferences, trainings, and other project-related events; • Set up and maintain the project filing system. • Provide general administrative and accounting support to project activities. • Ensure that there is proper accountability of project funds • Prepare the expenditure statements in line with the UNEP budget code; • Prepare quarterly financial statements for the duration of the project • Responsible for bookkeeping (Track payments/invoices/receipts & reconcile all expenditures for the project) • Responsible for ensuring proper accountability of the project funds as well as advice on the proper utilization of project funds & sign on the accuracy of the expenditures with the National Coordinator • Any other duties as may be assigned by the project coordinator
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2.7 Funding summary

The Project duration is 3 years (from 4th July, 2023 to 30th November, 2026) with an approved budget of **USD 1,102,000** equivalent to **Kshs143,502,440.00** using a dollar rate of 130.22 as highlighted in the table below:

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						
UNEP FUNDS	1,102,000	143,502 ,440	400,000	52,088,545	702,000	91,413,895
(ii) Loan	-	-	-	-	-	-
(iii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	1,102,000	143,502 ,440	400,000	52,088,545	702,000	91,413,895

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 (30th 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						
UNEP	400,000	52,088,545	368,380	47,970,479	31,619	4,118,065
(i) Loan	-	-	-	-	-	-
(ii) Counterpart funds						
Government of Kenya					-	-
Total	400,000	52,088,545	368,380	47,970,479	31,619	4,118,065

Project information and overall performance (continued)

2.8 *Summary of Overall Project Performance:*

The programme has been able to achieve the following results:

1. Technical Working Groups have been established to facilitate the preparation of the reports.
2. Data collection for the Greenhouse Gas Inventory has been concluded.

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 2018-2023* plan are to:

Kenya confirmed its commitment to implementing the United Nations Framework Convention on Climate Change and its Paris Agreement when it communicated an update of its Nationally Determined Contribution (NDC) in 2020. Kenya prioritizes actions for progress in the implementation of the NDC through the National Climate Change Action Plan in alignment with the development medium term plan. The reports being prepared under the project provides sectors with an opportunity to track progress in the execution of sector commitments in the context of sustainable development and eradication of poverty.

The key development objectives of the *project's 2018-2023* plan are to:

- a) Determine the actual carbon budget of the country by estimating current greenhouse gas emissions.
- b) Track the implementation of mitigation and adaptation actions in the context of NDC commitments
- c) Assess support needed and received for the implementation of the NDC

4. Environmental and Sustainability Reporting

Kenya ETF Reporting Programme to the UNFCCC Project exists to demonstrate progress the country has made in implementing its commitments on emissions reduction across different sectors. Sustainable activities across different sectors are critical in conserving the environment and reducing greenhouse gas emissions. Addressing the adverse impacts of climate change in the context of sustainable development and eradication of poverty is imperative if Kenya is to achieve development goals as articulated in the BETA and Vision 2030. Different stakeholders will be invited to provide comments during the public participation phase of the Project Information and Overall Performance.

5. Statement of Project Management Responsibilities

The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for **Kenya ETF Reporting Programme to the UNFCCC Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 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 **Kenya ETF Reporting Programme to the UNFCCC Project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

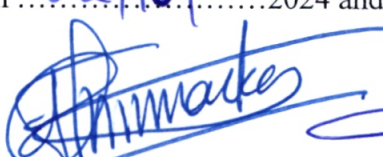
The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for **Kenya ETF Reporting Programme to the UNFCCC Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/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 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.

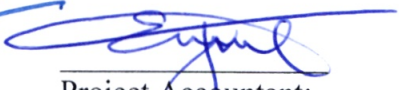
The *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for **Kenya ETF Reporting Programme to the UNFCCC Project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and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

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary State Department for Environment and Climate Change* and the *Project Coordinator* for **Kenya ETF Reporting Programme to the UNFCCC Project** on 22/10/2024 and signed by them.


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


Project Coordinator
Fredrick Ouma


Project Accountant:
Enock Maticha
ICPAK Member No: 23310

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYA ETF REPORTING PROGRAMME TO THE UNFCCC PROJECT 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 material 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 Kenya ETF Reporting Programme to the UNFCCC Project 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 Kenya ETF Reporting Programme to the UNFCCC Project set out on pages 1 to 37, which comprise of the statement of financial assets as at 30 June, 2024 and the statement of receipts and payments, the 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 ETF Reporting Programme to the UNFCCC 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 United Nations Environment Programme Project Cooperation Agreement (PCA) ID:10019 and 10973, Regulations approved by Parliament to provide for the administration, control and management of grants/donations 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 Kenya ETF Reporting Programme to the UNFCCC 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 reflects budgeted receipts and actual on comparable basis amount of Kshs.100,000,000 against actual receipts of Kshs.52,088,545 resulting to an under-funding of Kshs.47,911,455 or 48% of the budget. Similarly, the Project spent an amount of Kshs.47,970,479 against actual receipts of amount of Kshs.52,088,545 resulting to under-utilization of Kshs.4,118,066 or 8% of the actual receipts.

The under-funding and under-utilization 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 iii to xiv which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis of Conclusion

In connection with my audit on the Kenya ETF Reporting Programme to the UNFCCC 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 and 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, except for the matter described in the Basis for Conclusion on the Lawfulness and Effectiveness in 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

Delay in Project Implementation and Under Absorption

As per the Project Information, the Project start date was 4 July, 2023 and end date is 30 November, 2026. The first disbursement of funds was on 22 March, 2024 nine (9) months after the expected start period. Further, the amount received as at 30 June, 2024 was Kshs.52,088,545 against donor commitment of Kshs.143,502,440 or 36% of total funding, implying slow absorption of funds.

In the circumstances, the Project is not likely to achieve its set objectives to support the Government of Kenya to meet its reporting requirements under the convention and its Paris Agreement and all the planned activities.

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 Project Cooperation Agreement (PCA) ID:10019 and 10973, I report based on my audit that:

- i. 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:
- 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' financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

11 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	Cumulative to-date (From inception)
		2023/2024			
		Kshs.	Kshs.	Kshs.	Kshs.
Receipts					
Transfer from Government entities	1	-		-	-
Proceeds from domestic and foreign grants	2	52,088,545.00	-	52,088,545.00	52,088,545.00
Loan from external development partners	3	-		-	-
Miscellaneous receipts	4	-		-	-
Total receipts		52,088,545.00	-	52,088,545.00	52,088,545.00
Payments					
Compensation to employees	5	8,213,333.40	-	8,213,333.40	8,213,333.40
Purchase of goods and services	6	39,757,146.00	-	39,757,146.00	39,757,146.00
Social security benefits	7	-		-	-
Acquisition of non-financial assets	8	-	-	-	
Transfers to other government entities	9	-	-	-	-
Other grants and transfers /payments	10	-		-	-
Total payments		47,970,479.40	-	47,970,479.40	47,970,479.40
Surplus/ (deficit)		4,118,065.60	-	4,118,065.60	4,118,065.60

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



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



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Fredrick Ouma
Project Coordinator




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Enock Maticha
Project Accountant
ICPAK Member No: 23310

*Kenya ETF Reporting Programme to the UNFCCC Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*


1. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023/2024
		Kshs
Financial Assets		
Cash and Cash equivalents		
Bank Balances	11.A	4,118,065.60
Cash Balances	11. B	-
Cash equivalents (Short-term deposits)	11.C	-
Total Cash and Cash equivalents		4,118,065.60
Imprests and Advances	12	-
Total Financial Assets		4,118,065.60
Financial Liabilities		
Third party Deposits and Retention	13	-
Net Assets		4,118,065.60
Represented By		
Fund Balance B/fwd.	14	-
Prior Year adjustments	15	-
Surplus/(Deficit) for the Year		4,118,065.60
Net Financial Position		4,118,065.60

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


.....
Fredrick Ouma
Project Coordinator


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

*Kenya ETF Reporting Programme to the UNFCCC Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

2. Statement of Cashflows for the year ended 30th June 2024

Description	Notes	2023/2024
		Kshs
Cashflow from operating activities		
Receipts		
Transfer from government entities	1	-
Proceeds from domestic and foreign grants	2	52,088,545.00
Miscellaneous receipts	4	-
Total receipts	-	52,088,545.00
Payments		
Compensation of employees	5	8,213,333.40
Purchase of goods and services	6	39,757,146.00
Social security benefits	7	-
Transfers to other government entities	9	-
Other grants and transfers	10	-
Total Payments	-	47,970,479.40
Net receipts/(payments)	-	4,118,065.60
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	-	4,118,065.60
Cashflow from investing activities		
Acquisition of non-financial assets	8	-
Net cash flows from investing activities		4,118,065.60
Cash flow from financing activities		

**Kenya ETF Reporting Programme to the UNFCCC Project
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Description	Notes	2023/2024
		Kshs
Proceeds from foreign borrowings	3	-
Net cash flow from financing activities		4,118,065.60
Net increase in cash and cash equivalents		4,118,065.60
Cash and cash equivalent at beginning of the year	11	-
Cash and cash equivalent at end of the year	11	4,118,065.60

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



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



.....
Fredrick Ouma
Project Coordinator

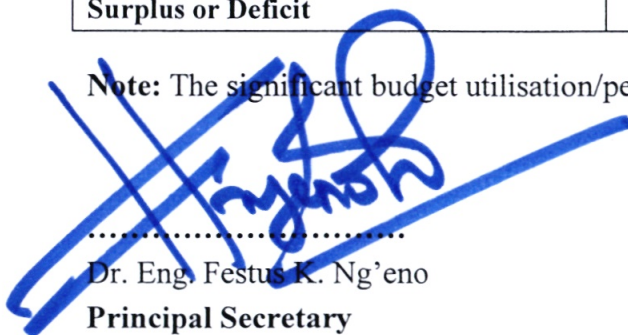


.....
Enoch Maticha
Project Accountant
ICPAK Member No: 23310

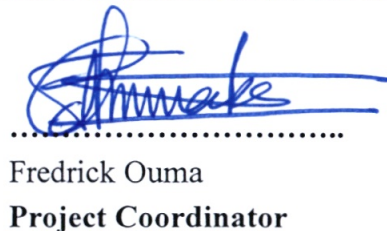
10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

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	10,000,000.00	90,000,000.00	100,000,000.00	52,088,545.00	47,911,455.00	52%
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	10,000,000.00	90,000,000.00	100,000,000.00	52,088,545.00	47,911,455.00	52%
Payments						
Compensation to employees	8,300,000.00	-	8,300,000.00	8,213,333.40	86,666.60	98.9%
Purchase of goods and services	1,700,000.00	90,000,000.00	91,700,000.00	39,757,146.00	51,942,854.00	43.3%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	-	-	-	-	-	-
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Total Payments	10,000,000.00	90,000,000.00	100,000,000.00	47,970,479.40	52,029,520.60	47.9%
Surplus or Deficit						

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.



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



 Fredrick Ouma
 Project Coordinator



 Enock Maticha
 Project Accountant
 ICPAK Member No: 23310

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 Kenya ETF Reporting Programme to the UNFCCC under the State Department of Environment, Climate Change and Forestry. The financial statements are for the reporting Kenya ETF Reporting Programme to the UNFCCC 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

Kenya ETF Reporting Programme to the UNFCCC Project 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

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 (Kenya ETF Reporting Programme to the UNFCCC 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, 2024.

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*.

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	Cumulative to-date (from inception)
	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:

Name of Donor	2023/2024						Total Amount	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount		
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Bilateral Donors (Foreign Governments)								
UNEP	12/03/2024		6,974,595.00	-	-	6,974,595.00	-	6,974,595.00
UNEP	30/06/2024	-	45,113,950.00	-	-	45,113,950.00	-	45,113,950.00
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		-	52,088,545.00	-	-	52,088,545.00	-	52,088,545.00

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					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	
		(Insert currency)	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			Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	
	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			Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	
-	Kshs	Kshs	Kshs	Kshs
Basic salaries of contracted employees	8,213,333.40	-	8,213,333.40	8,213,333.40
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	8,213,333.40		8,213,333.40	8,213,333.40

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

Description	2023/2024			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	Kshs	Kshs	Kshs	
Utilities, supplies and services	-	-	-	-
Communication, supplies and services	3,166,400.00	-	3,166,400.00	3,166,400.00
Domestic travel and subsistence	33,049,246.00	-	33,049,246.00	33,049,246.00
Foreign travel and subsistence	-	-	-	-
Printing, advertising, and information supplies	-	-	-	-
Rentals of produced assets	-	-	-	-
Training payments	-	-	-	-
Hospitality supplies and services	3,541,500.00	-	3,541,500.00	3,541,500.00
Insurance costs	-	-	-	-
Specialized materials and services	-	-	-	-
Other operating payments	-	-	-	-
Routine maintenance – vehicles and other transport equipment	-	-	-	-
Routine maintenance- other assets	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-
Total	39,757,146.00	=	39,757,146.00	39,757,146.00

Notes to the Financial Statements (Continued)

7. Social Security Benefits

Description	2023/2024			Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	
	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

Description	2023/2024			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	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	-		-	-

	2023/2024			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
Description				
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 2023/2024

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:

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

Note: There were no transfers to other government entities

Notes to the Financial Statements (Continued)

10. Other Grants, Transfers and Payments

Description	2023/2024			Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	
	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
	Kshs
Bank accounts (Note 11A)	4,118,065.60
Cash in hand (Note 11B)	-
Cash equivalents (short-term deposits) (Note 11C)	-
Total	4,118,065.60

Kenya ETF Reporting Programme to the UNFCCC Project has one project account within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

11. A Bank Accounts

Project Bank Accounts

Details	2023/2024
	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.1000740809]	4,118,065.60
Kenya Commercial Bank [A/c No.]	-
Co-operative Bank of Kenya [A/c No.....]	-
Others (<i>specify</i>)	-
Total local currency balances	4,118,065.60
Total bank account balances	4,118,065.60

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
	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)	=

*Kenya ETF Reporting Programme to the UNFCCC Project
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Notes to the Financial Statements (Continued)

11 B Cash in hand

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

12. Imprests and Advances

<i>Description</i>	2023/2024
	Kshs
Government Imprests	-
Salary advances	-
Total	-

Kenya ETF Reporting Programme to the UNFCCC Project
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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	
	Kshs	
Retention		
Deposits		
Total		-
Ageing analysis:	2023/2024	% of the Total
Under one year		%
1-2 years		%
2-3 years		%
Over 3 years		%
Total		%

Kenya ETF Reporting Programme to the UNFCCC Project
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14. Fund Balance Brought Forward

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

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

*Kenya ETF Reporting Programme to the UNFCCC Project
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	-			-

Other Important Disclosures (Continued)

4. External Assistance

	2023/2024
Description	Kshs
External assistance received as grants	52,088,545.00
External assistance received as loans	-
External assistance received in kind- as payment by third parties	-
Total	52,088,545.00

a). External assistance relating loans and grants

	2023/2024
Description	Kshs
External assistance received as loans	-
External assistance received as grants	52,088,545.00
Total	52,088,545.00

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	2023/2024
Description		Kshs
Undrawn external assistance - loans		-
Undrawn external assistance - grants		91,413,895.00
Total		91,413,895.00

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Other Important Disclosures (Continued)

c) Classes of providers of external assistance

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

d. Non-monetary external assistance

	2023/2024
Description	Kshs
Goods	
Services	
Total	-

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Other Important Disclosures (Continued)

e Purpose and use of external assistance

Payments made by third parties	2023/2024
Description	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
Description	Kshs
National government	
Multilateral donors	
Bilateral donors	
International assistance organization	
NGOs	
National Assistance Organization	
Total	-

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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
Description	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
Description	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)

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

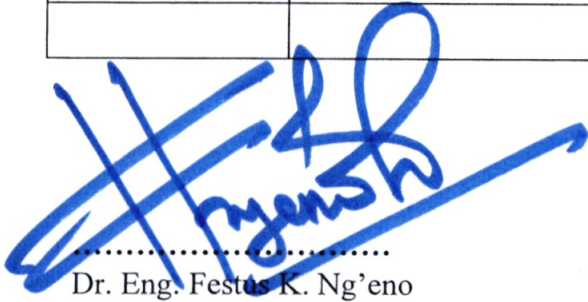
(Give details- Update ANNEX 8 Contingent liabilities register)

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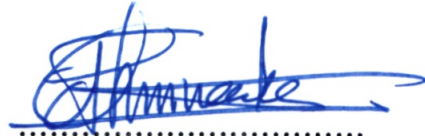
13. Annexes

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)
-	The project did not exist 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



.....
Fredrick Ouma
Project Coordinator

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	100,000,000.00	52,088,545.00	47,911,455.00	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.
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	-	-	-	-	
Total Receipts	100,000,000.00	52,088,545.00	47,911,455.00	52%	-
Payments					
Compensation of employees	8,300,000.00	8,213,333.40	86,666.60	98.9%	
Purchase of goods and services	91,700,000.00	39,757,146.00	51,942,854.00	43.3%	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	-	-	-		

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	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
Transfers to other government entities	-	-	-		
Other grants and transfers	-	-	-		
Total payments	100,000,000.00	47,970,479.40	52,029,520.60	47.9%	

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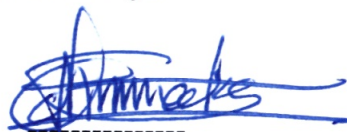
Annex 3: Reconciliation of inter-entity transfers

Project Name:		Kenya ETF Reporting Programme to the UNFCCC Project		
Break down of transfers from the State Department for Environment and Climate Change				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		12/03/2024	6,974,595.00	2023/2024 Fy
		30/06/2024	45,113,950.00	2023/2024 Fy
		Total	52,088,545.00	
B.	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		Total	-	2023/2024 Fy
C.	Others			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
		Total	-	
		Total (A+B+C)	52,088,545.00-	2023/2024 Fy

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

Project Coordinator
Kenya ETF Project

Sign



Head of Accounting Unit
State department for Environment & Climate Change

Sign



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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	-	-	-	-		-

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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	-		-		-		-

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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.							
Sub-Total							
Grand Total	-		-		-		-

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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)	(e)	(f)= (a)+ (b)+c)- (d)+(-)e
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 the project during the financial year under review

Annex 6: Contingent Liabilities Register

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

Note: There were no contingent liabilities during the financial year under review.

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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*)