

REPUBLIC OF KENYA



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OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**NATIONAL ENVIRONMENT TRIBUNAL**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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NATIONAL ENVIRONMENT TRIBUNAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2025

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

**National Environment Tribunal**

**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

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**National Environment Tribunal**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

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## **1. Acronyms and Definition of Key Terms**

### **A: Acronyms**

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

### **B: Definition of Key Terms**

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

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

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

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

The National Environment Tribunal (NET) is established under Section 125 of the Environmental Management and Co-ordination Act (Cap 387 of the Laws of Kenya) (Previously cited as Act No. 8 of 1999). Its mandate is provided under section 129 (1) and 129(2) of EMCA, Section 70(2) of the Forest Conservation and Management Act, Section 25(6) of the Wildlife conservation and Management Act and Section 23(h) of the Climate Change (Amendment) Act 2023. NET is domiciled in Kenya and its offices are at Department of Resource survey and Remote Sensing on Popo Road south C Nairobi. It is an important institution in ensuring adherence to Environmental Law and promoting sustainable Development. It plays an important role in providing remedies for violation of Environmental Laws, Disputes relating to human wildlife conflict, Dispute for use of forest resources and Disputes relating to land based and non-land-based projects under the Climate Change Act. NET equally sits as an advisory body to complex matters that NEMA finds fit to refer for guidance. Disputes before NET are by way of Appeals or referral and guided by the National Environment Tribunal Procedure rules.

### **Principal Activities**

The principal activity of the National Environment Tribunal is to make determination on appeal or referrals based on facts & Law advanced by opposing parties. Its mission and vision are as follows;

**Vision:** To be a premier Environmental Tribunal characterized by excellence and adherence to the rule of law

**Mission:** To facilitate access to justice, the rule of law and provide accessibility to environmental justice that is expeditious and inexpensive for equitable and sustainable development.

### **Core Values**

We shall be guided by the following core values, which provide an integrated focus towards enhancing provision of acceptable quality service. They are summarized in an acronym DEPITS.

- Diligence
- Equity

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- Professionalism
- Integrity
- Teamwork
- Sustainability

**(b) Key Management**

The day-to-day management of National Environment Tribunal is entrusted to the following key organs:

- Board of Directors
- Chief Executive Officer
- Head of Department

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	Hon. Bellinda Akello, OGW
2.	Head of finance and administration	Mr. Duncan Kombo

**(d) Fiduciary Oversight Arrangements**

**Board of Directors**

1. Chairman
2. Five (5) independent directors
3. Chief Executive Officer

The Board of Directors is responsible for formulating the Tribunal's vision, realization of its mission and achievement of strategic objectives in line with the approved strategic plan.

**(e) Entity Headquarters**

National Environment Tribunal  
P. O. Box 6464-00100  
Bellevue Area, Popo Road off Mombasa Road  
DRSRS Building  
Nairobi, KENYA

**(f) Entity Contacts**

Telephone: (+254-020) 6003729 extension-295

Email: [nettr@court.go.ke](mailto:nettr@court.go.ke)

Website: [www.net.or.ke](http://www.net.or.ke)

**(g) Entity Bankers**

Kenya Commercial BankKCB

KICC Branch

Nairobi, Kenya

**(h) Independent Auditor**

Auditor-General

Office of the Auditor-General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office and Department of Justice

Harambee Avenue



P.O. Box 40112

City Square 00200

Nairobi, Kenya

**3. The Board of Directors/Council**

 <p>Hon. Emmanuel Mumia  <b>Chairperson</b></p>	<p><b>Education Background:</b></p> <ul style="list-style-type: none"> <li>✓ Bachelor of Law- LL. B</li> <li>✓ Master of Laws- LL.M</li> </ul> <p><b>Work Experience:</b>  Emmanuel is an Advocate of the High Court of Kenya, Partner &amp; Head of Litigation &amp; Dispute Resolution Department at Mwaniki Gachoka &amp; Co. Advocates. He is an expert in Commercial and Civil Litigation, Procurement Law, Arbitration and Conveyancing</p>
 <p>Hon. Winnie Tsuma  <b>Vice- Chairperson</b></p>	<p><b>Education Background:</b></p> <ul style="list-style-type: none"> <li>✓ Bachelor of Law- LL. B</li> <li>✓ Master’s in public policy (University of Bristol, UK)</li> </ul> <p><b>Work Experience:</b>  Winnie Tsuma is an Advocate of the High Court of Kenya with vast experience and knowledge in research, negotiations, Legal audit and compliance, policy formulation, legislative drafting and litigation among others</p>
 <p>Hon. Duncan Kuria, OGW  <b>Member</b></p>	<p><b>Education Background:</b></p> <p>Masters of Master of Science in Environmental Management  University of the Valley, Mexico City   December 2021  Bachelor of Business Administration  University of the Valley, Mexico City   December 2017  Certificate in Forestry  Forest Industrial Training Centre, Nakuru   1994  Kenya Certificate of Secondary Education (KCSE)  Moi Sorget Secondary School   1993  Kenya Certificate of Primary Education (KCPE)  Kamwingi Primary School   1989</p> <p><b>Work Experience:</b>  National Environment Tribunal Member  Dormy Enterprises &amp; Kivuno Construction Ltd  Agricultural Development Corporation (ADC)  Excel International Limited  Nickel Instruments Limited</p>

 <p>Hon. Dr. Ronald Allamano <b>Member</b></p>	<p><b>Education Background:</b></p> <ul style="list-style-type: none"> <li>✓ Bachelor of Law- LL. B</li> <li>✓ Post Graduate Diploma in Law</li> <li>✓ Master of Laws- LL.M (Deakin University Australia)</li> <li>✓ PHD (University of Cape Town)</li> </ul> <p><b>Work Experience:</b> Ronald has a wealth of experience in Commercial and Corporate law at an advisory and dispute resolution level. He has assisted individuals and corporates in solving complex legal problems. Ronald similarly practices Constitutional and Human Rights Litigation, Election, Oil and Energy, Banking and Finance, and Environment and Climate Change laws.</p> <p>Besides practice, Ronald is a law lecturer at Kabarak Law School</p>
 <p>David Njuguna Njoroge, FCI Arb, CPM, CS <b>Member</b></p>	<p><b>Education Background:</b></p> <ul style="list-style-type: none"> <li>✓ Master of Laws LL.M</li> <li>✓ Certified Secretary (CS)</li> <li>✓ Diploma Certificate in International Arbitration</li> <li>✓ Post Graduate Diploma in Law</li> <li>✓ Bachelor of Laws LL. B</li> <li>✓ Diploma in Law</li> </ul> <p><b>Work Experience:</b> Njuguna &amp; Njuguna Company Advocates, Embu &amp; Nairobi Senior Partner, Head of Dispute Resolution – joined the firm to Head the vibrant department after amassing the necessary experience in previous engagement. Member of the National Environment Tribunal, appointed by the Cabinet Secretary for Environment, Climate Change and Forestry, 2024-2027, GN No. 12434. Board of Director at the Chartered Institute of Arbitrators Kenya Limited duly elected by the members for the period 2024 to 2027. Adjunct Law Lecturer at University of Embu, School of Law in Embu; teaches LLB Units currently AJS, Criminal Law &amp; Procedure, Property Law and ADR. Member of the National Steering Committee for the Implementation of the Alternative Justice Systems Policy. Representing the Chartered Institute of Arbitrators, Kenya Branch and appointed by the Hon</p>

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	<p>Chief Justice D. K. Maraga, EGH. CIArb Approved Tutor and faculty member of the Chartered Institute of Arbitrators, Kenya Branch teaching ADR Courses, arbitration and mediation modules. Pre-qualified Trainer of ADR Courses by the Nairobi Centre for International Arbitration (NCIA). Handling arbitration and mediation modules among others. Member of the State Corporations Appeals Tribunal (SCAT), duly appointed and gazetted by the Cabinet Secretary, National Treasury of the Republic of Kenya. Member of the National Steering Committee for the Formulation of the Alternative Dispute Resolution Policy (NSC-ADR). Representing the Law Society of Kenya and gazetted by the Honourable Attorney General of the Republic of Kenya. R. M. Mugo &amp; Company Advocates, Embu &amp; Nairobi Dispute Resolution Partner – Head of the Litigation &amp; ADR Department and General Head office Management. The middle sized law firm handles diverse and complex constitutional, commercial, conveyancing, civil, family and criminal briefs. Lord Diplock’s Learning Centre (LDLC), Nairobi Lecturer – at Lord Diplock’s learning Centre (LDLC), the Institution is an accredited centre by University of London International Programs – taught LLB course units. Lawyer/ Legal Intern – Onchuru Oyieko &amp; Company Advocates, Nairobi which is a medium sized law firm located at Cianda House along Koinange Street. Research Consultant/ Assistant – at Centre for International Trade and Investment Law, Nairobi which is a consultancy firm concerned with international trade and investment law with a vision and mission of empowering local communities through International trade and investment.</p>
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Hon. Bellinda Akello, OGW Secretary

**Education Background:**

- ✓ Environmental Social and Impact Assessment Focus on Oil and Gas Project
- ✓ Social Assessment Community involvement and Stakeholder engagement in Oil and Gas sector
- ✓ Legal and Governance Audit
- ✓ Professional Mediation Training
- ✓ Certificate in Public Administration - High Distinction
- ✓ Master of Public Policy – High Distinction (Australian National University)
- ✓ Master of Diplomacy - Distinction (Australian National University)
- ✓ Bachelor of Laws- LL. B
- ✓ PHD Ongoing

**Work Experience:**

Bellinda is an advocate of the high court of Kenya with vast experience in Land matters, Commercial Law, Arbitration and mediation. she is a Deputy Director Legal Department National Land Commission

4. Key Management Team

Name of the Staff	Responsibility
 <p>M/s Bellinda Akello, OGW-CEO LL.B, Bsc. IBA (Finance), Masters in Diplomacy</p>	<p>Accounting officer and head of Administration</p>
 <p>Mr. Duncan Kombo</p> <p><b><u>Date of Birth</u></b> - 20<sup>th</sup> March 1967</p> <p><b><u>Education Background</u></b> Kenya Polytechnic (CPA K) Computer Systems &amp; operations - Kenya Polytechnic Performance Appraisal Systems (PAS) (K.S.M.S) KACE - Kangaru School KCE-Kaganru School</p> <p><b><u>Work Experience</u></b> Office of the Auditor-General-Auditor Kenya Forest Services - Cashier</p>	<p>Senior Accountant - Head of Finance</p>

**5. Chairman’s Statement**

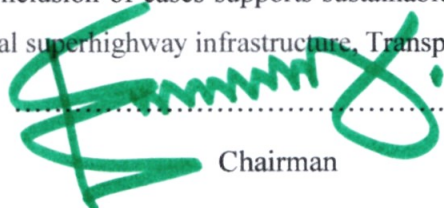
The National Environment Tribunal (NET) is established under Section 125 of the Environmental Management and Co-ordination Act (Cap 387 of the Laws of Kenya) (Previously cited as Act No. 8 of 1999). Its mandate is provided under section 129 (1) and 129(2) of EMCA, Section 70(2) of the Forest Conservation and Management Act, Section 25(6) of the Wildlife conservation and Management Act and Section 23(h) of the Climate Change (Amendment) Act 2023.

Its principal function is to receive, hear and determine appeals arising from decisions of the National Environment Management Authority (NEMA) on issuance, denial or revocation of environmental impact assessment (EIA) licenses, among other decisions, the decisions of Kenya Wildlife services (KWS) through the Ministerial wildlife conservation and compensation committee and those of the Kenya forest services (KFS). The Tribunal under the Climate Change (Amendment) Act 2023 has also been bequeathed with Jurisdiction to determine referrals from land based and non-land-based projects.

The Tribunal therefore is an important institution towards achieving environmental justice for sustainability. It is imperative to note that access to justice is not merely the determination of appeals but also entails awareness creation on access to justice, the time taken to determine an Appeal and the soundness of the decision rendered. In this regard the Tribunal has endeavoured to enhance access to justice looking at the three prone approaches to access justice.

The Tribunal has continuously engaged its stakeholders as a measure to enhance access to justice noting the important role played by stakeholders within the adversarial justice system in Kenya. Through Public participation, the Tribunal has been able to improve its systems leading to improved effectiveness and efficiency in service delivery. Public participation also creates synergies within the environmental justice sector through shared leadership and stakeholder appreciation of the role of the Tribunal and its significance towards sustainable development.

The decisions of the Tribunal have a cross-cutting impact on economic development and support to Governments agenda. High efficiency leads to release of investment capital that is tied up in disputes. In support of the Bottom-Up economic Transformation Agenda, the Tribunal through Performance contracting has set a target for hearing and determination of Appeals within a period of 1 year. High turnover in conclusion of cases supports sustainable development in the Housing, Healthcare development, Digital superhighway infrastructure, Transport and Manufacturing



Chairman

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

The National Environment Tribunal as established under Section 125 of the Environmental Management and Co-ordination Act has a composition of 5 members currently sitting on Appeals and Referrals. The members were appointed via gazette notices 7052 dated 31<sup>st</sup> May 2023, 7514 dated 7<sup>th</sup> June 2023, 2117 dated 8<sup>th</sup> February 2023 and 12434 dated 26<sup>th</sup> September 2024. All appointments as per the act were made by the Cabinet Secretary Ministry of Environment Climate Change and Forestry.

NET also has a secretary who oversees day to day administration of the Tribunal. The Secretary to the Tribunal was appointed vide Gazette Notice No. 145 dated 1<sup>st</sup> December 2022. The Secretary to the Tribunal oversees a staff of 9 members drawn from both the Ministry and the Judiciary.

During the period under review, the Tribunal was able to achieve a 100% resolution of disputes, an equivalent of the total Appeals and Applications filed during the year were resolved. To enhance access to justice, the Tribunal undertook and participated in various awareness creation forums such as shows, Environmental days, and awareness creation/sensitization forums and stakeholder engagement forums. The Tribunal was also able to deliver to the ELC and other parties all proceedings requested for.

The mandate of NET places it central to achieving sustainable development and in the fight against the Tripple planetary crisis. The Tribunal is thus committed to enhance its efficiency and improve its systems to ensure it achieves its core mandate.



.....  
Chief Executive Officer  
National Environment Tribunal

## **7. Statement of Performance against Predetermined Objectives for FY 2024/2025**

National Environmental Tribunal continues to implement the following key result areas which provide its aspirations over the medium term as guided by the Strategic Plan 2023-2027. The Plan has four Key Results Areas (KRAs) which are in line with the Vision and Mission statement of the National Environmental Tribunal;

### **Key result areas**

- Environment and climate change governance and coordination;
- Conservation, protection, restoration and management of environment ecosystems;
- Climate change adaptation and mitigation;
- Resource mobilization and partnerships.

### **Strategic Objectives**

The Strategic Objectives serve as a roadmap to achieve the National Environmental Tribunal's mission and vision. During the FY 2024/2025 the National Environmental Tribunal focused on the following strategic objectives:

- To strengthen environment and climate change governance;
- To reduce environmental and land degradation;
- To improve waste management;
- To improve functioning of aquatic and terrestrial ecosystems;
- To strengthen research in environment and natural resources;
- To strengthen national climate change actions and responses;
- To enhance access to means of implementation for local climate action;
- To strengthen multilateral engagements and obligations on climate change;
- To strengthen early warning and early action through meteorological services;

### **Achievements**

The National Environmental Tribunal has achieved the following strategic objectives

- Strengthened environment and climate change governance through development and implementation of bills, policies and regulations;
- Implemented strategies to reduce environmental and land degradation;
- Put in place strategies to improve waste management through inspections of the ban of single use plastic, development of material recovery facilities;
- Improved functioning of aquatic and terrestrial ecosystems through implementation of biodiversity strategies;

## **National Environment Tribunal**

### **Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

- Strengthened research in environment and natural resources;
- Strengthened national climate change actions and responses through development and implementation of National Climate Change Action Plan (NCCAP III 2023-2027);
- Enhanced access to means of implementation for local climate action
- Strengthened multilateral engagements and obligations on climate change;
- Strengthened early warning and early action through meteorological services;

#### **Opportunities and challenges**

In its endeavour to pursue the above outlined key result areas and strategic objectives, the National Environmental Tribunal is presented with a number of opportunities which it can exploit to further enhance the achievement of sustainable environment and development. On the other hand, the sector grapples with a myriad challenges and threats in its implementation of the mandate.

### **8. Corporate Governance Statement**

The National Environmental Tribunal is mandated to undertake sustainable Climate Change/Action Policy; Promotion of low carbon technologies to reduce emissions; Restoration and Protection of Strategic Water Towers; Protection and Conservation of the Natural Environment; Pollution Control; Lake Victoria Environmental Management Programme; Restoration of Lake Naivasha Basin; Meteorological Services; Conservation and Protection of Wetlands.

The National Environmental Tribunal has developed the Strategic Plan 2023-2027 that provides a solid base upon which it will accomplish its mandate of management and protection of the environment, sustainable use of natural resources, mitigation and adaptation to climate change patterns to ensure a healthy and sustainable environment for present and future generations in Kenya. The plan details strategies and activities that will enable achievement of the goals of the National Environmental Tribunal.

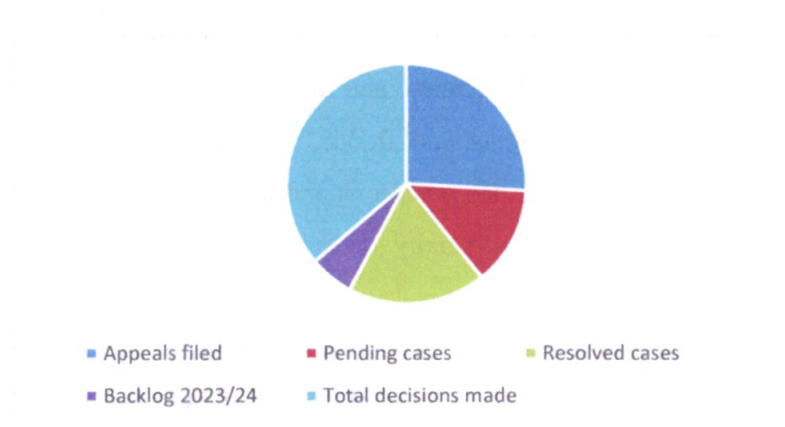
In the plan period 2023 – 2027, the National Environmental Tribunal will focus on pursuing four key result areas namely Environment and Climate Change Governance and Coordination; Conservation, Protection, Restoration and Management of Environment Ecosystems; Climate Change Adaptation and Mitigation; and Resource Mobilization and Partnerships. For each of these result areas, strategic objectives and strategies have been formulated, and relevant activities identified to guide implementation of the plan over the planned period. While the achievement of the planned objectives will require adequate resource allocation – human and financial resources – frequent evaluation of available resources will be necessary to ensure that a balance is maintained between achieving the key priorities for each year progressively and the available resources.

The National Environmental Tribunal has developed a robust framework for Monitoring and reporting of the implementation process of planned projects and programmes. Further, the annual performance/ status report has been institutionalized as key deliverables. The monitoring framework defines the frequency and responsibility of the actors in the exercise. Further, the framework provides the key monitoring reports that will be prepared including the users of the reports.

The National Environmental Tribunal therefore through the plan has direction, clarity of purpose and has put in place a robust resource mobilization strategy to ensure availability of the required resources to enable it deliver on its mandate of creating a healthy and sustainable environment for Kenyans.

### 9. Management Discussion and Analysis

The following is a report of the Appeals NET has handled and pending matters for the financial yearended 30<sup>th</sup> June 2025.



The Tribunal in carrying out its core mandate has conducted a few site visits and sittings to facilitate decision making. In enhancing its mission towards expeditious and inexpensive access to justice, the Tribunal has held sitting virtually through Microsoft Teams as a measure to ensure witnesses in various cases are able to reach the court and give testimony in relation to various matters before it. The Tribunal as per the F/Y 2023/24 report had a backlog of 10 Appeals, an additional 43 new Appeals were filed in the reporting year 2024/25 while several Applications were filed. The Tribunal was able to make decisions as follows; 29 Rulings on Applications that did not conclude the Appeals, and 11 Rulings fully settling the Appeals and 20 Judgments. As at 30<sup>th</sup> June 2025, the Tribunal had pending 22 Appeals. The Appeal and Applications clearance rate stood at 113% in the reporting year.

The Tribunal has also participated in various environmental activities geared towards enhancing its visibility and creating awareness among the public who are the greatest beneficiaries of a healthy and safe environment as provided under the Constitution of Kenya 2010. A total of 19 activities geared towards enhancing the Tribunal's visibility were conducted in collaboration with the Ministry of Environment Climate Change and Forestry.

The Tribunal achieved 100% in submitting proceedings to the Environment and Land Court and Tribunal Clients.

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

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

The following are social, political and macroeconomic issues affecting sustainability of priorities in the environment sector

- a) **Climate change:** Kenya is experiencing the effects of climate change, including rising temperatures, changing rainfall patterns, and increased frequency and intensity of extreme weather events such as droughts and floods. The National Environmental Tribunal is working to reduce greenhouse gas emissions and adapt to the changing climate to protect the country's ecosystem and biodiversity.
  
- b) **Biodiversity Loss:** Biodiversity loss is a critical global issue that has been described as the sixth mass extinction in the history of the planet. It refers to the gradual or rapid reduction of the variety of living species on earth as well as the loss of genetic diversity within species and ecosystems that support them. Biodiversity loss is a global issue that requires coordinated action at local, national, and international levels. The National Environmental Tribunal will protect biodiversity through the establishment of protected areas, the promotion of sustainable land use practices, and the development of policies and programs to address the root causes of biodiversity loss.
  
- c) **Land Degradation:** Land degradation is a major global challenge, and Kenya is not exempt from this problem. Land degradation refers to the reduction or loss of the productive capacity of land, which can be caused by a range of factors, including human activities, climate change, and natural disasters. In Kenya, land degradation is a significant issue that affects both rural and urban areas. According to a report by the World Bank<sup>1</sup>, over 80 percent of the land in Kenya is classified as arid and semi-arid, making it particularly susceptible to degradation. The National Environmental Tribunal will ensure there are sustainable land management practices and the restoration of degraded lands. These practices will help to improve soil fertility, reduce erosion, and increase the productivity of the land. Additionally, there is a need for policy interventions to support sustainable land management practices and ensure the protection of natural resources in Kenya.
  
- d) **Pollution:** Pollution is a significant global challenge that affects various aspects of human life and the environment, and Kenya is not immune to its effects. Kenya is facing several

pollution challenges that have detrimental impacts on the country's natural resources, public health, and economic development. Air pollution, water pollution and Land pollution are the forms of pollution in Kenya. The National Environmental Tribunal and relevant stakeholders will take appropriate measures such as enforcing environmental regulations, promoting sustainable waste management practices, and raising public awareness to combat pollution in the country.

- e) **Technological Changes:** Technology has revolutionized the way people live, work and interacts with each other, but it has also created new challenges for the environment. While technology has the potential to help address environmental issues, it also contributes to environmental problems such as climate change, pollution and depletion of natural resources. Some of the way's technology poses challenges are through E-waste, Carbon footprint among others. To address these challenges the National Environmental Tribunal will develop and implement sustainable technologies and practices that minimize the environmental impact of technology while still meeting the needs for connectivity and information.
  
- f) **Global Economic Crisis:** The Global Economic Crisis presents a significant challenge to the National Environmental Tribunal such as budget cuts, increased poverty, reduced or lack of investments on projects and initiatives, and reduced international cooperation. The National Environmental Tribunal will employ careful planning and strategic thinking to continue making progress on environmental issues in such times.
  
- g) **Inadequate Funding:** The current levels of funding to the sub-sector from the exchequer as well as from other sources are inadequate and this hampers the sub-sector's performance. The sector has frequently experienced late disbursement leading to slow implementation of programs and activities. The sub sector steers the initiative towards realization of 30% tree cover by 2030. Other areas affected include research, generation of data for weather forecasting and aviation industry, monitoring environmental degradation and enforcement of environmental laws and standards.
  
- ii) *Environmental performance/climate change/mitigation of natural disasters*

**National Environment policy**

The National Environment Policy was developed and published in the year 2013. This Policy proposes a broad range of measures and actions that respond to key environmental issues and challenges. It seeks to provide the framework for an integrated approach to planning and sustainable management of natural resources in the country. It recognises the various vulnerable ecosystems and proposes various policy measures not only to mainstream sound environmental management practices in all sectors of society throughout the country but also recommends strong institutional and governance measures to support the achievement of the desired objectives and goal.

The National Environmental Tribunal continued to protect biodiversity through the establishment of protected areas, the promotion of sustainable land use practices, and the development of policies and programs to address the root causes of biodiversity loss.

The National Environmental Tribunal implemented the following projects to ensure continued environmental performance and to combat climate change.

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

The Tribunal was able to participate and undertake CSR activities in the financial year 2024/2025, through participation in Environmental days and activities in collaboration with the Ministry of Environment, Climate Change and Forestry.

**11. Report of the Directors**

The directors' presents, audited financial statement reports for the quarter ended 30<sup>th</sup> June 2025, which gives an opinion on the position of NET.

**i) Principal activities**

The principal activities of the Entity are to determine appeal cases from NEMA (National Environment Management Authority, KWS (Kenya Wildlife Service) and KFS (Kenya Forest Service).

**ii) Results**

The results of the Entity for the year ended June 30, 2025, are set out on page 1

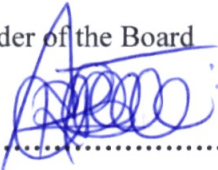
**iii) Directors**

The members of the Board of Directors who served during the year are shown on pages viii-ix. During the year no director retired/ resigned and none was appointed.

**iv) Auditors**

The Auditor-General is responsible for the statutory audit of NET in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015 for the year/period ended June 30, 2025.

By Order of the Board



.....

**Name:**

**Corporation Secretary/Secretary to the Board**

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

Section 81 of the Public Finance Management Act, 2012 requires the directors to prepare Financial Statement in respect of the Tribunal which give a true and fair view of the Tribunal at the end of the financial year; and the operating results of the Tribunal for the financial year. The Directors are also required to ensure that the Tribunal keeps proper accounting records which disclose with reasonable accuracy the financial position of the Tribunal.

The Directors are responsible for safeguarding the assets of the tribunal.

The Directors are responsible for the preparation and presentation of the Tribunal's financial statements, which give a true and fair view of the state of affairs of the Tribunal for and as at the end of the financial year ended on June 30, 2025. 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 Tribunal; (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 Tribunal; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Tribunal's 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 and EMCA Act 1999 (Amended 2015). The Directors are of the opinion that the Tribunal's financial statements give a true and fair view of the state of the Tribunal's transactions during the financial year, and of the Tribunal's financial position as at 30<sup>th</sup> June 2025. The Directors further confirm the completeness of the accounting records maintained for the Tribunal, which have been relied upon in the preparation of the Tribunal's financial statements as well as the adequacy of the systems of internal financial control.

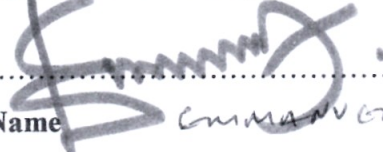
Nothing has come to the attention of the Directors to indicate that NET will not remain a going concern for at least the next twelve months from the date of this statement.

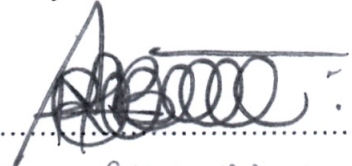
**National Environment Tribunal**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

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**Approval of the financial statements**

The Tribunal's financial statements were approved by the Board on **30<sup>th</sup> June 2025** and signed on its behalf by:

  
.....  
Name **EMMANUEL NWUNNA**  
Chairperson of the Board/Council

  
.....  
Name **BERLANDA AKELLO**  
Accounting Officer

# REPUBLIC OF KENYA



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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL ENVIRONMENT TRIBUNAL FOR THE YEAR ENDED 30 JUNE, 2025

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### 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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 National Environment Tribunal set out on pages 1 to 21, which comprise of the statement of financial position as at 30 June, 2025, and the statement 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 National Environment Tribunal as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Accrual Basis) and comply with Environmental Management and Coordination (Amendment) Act, 2015 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Environment Tribunal 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 final revenue budget and actual on comparable basis of Kshs.61,000,000 and Kshs.60,885,483 respectively resulting to underfunding of Kshs.114,517. Similarly, the Tribunal spent Kshs.60,885,483 of all the funds received thereby absorption 100% of actual receipts.

The underfunding may have affected the delivery of services 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.

### **Unresolved Prior Year Issues**

In the prior years' audit reports, several issues were raised under the Report on the Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Tribunal in 2024/2025 revealed that the following matters remained unresolved.

	<b>Financial Year</b>	<b>Audit Issue</b>
1	2023/2024	Lack of Segregation of Duties
2	2023/2024	Annual Board Workplan not Approved

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Key Entity Information and Management, the Board of Directors, the Key Management Team, Chairman’s statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives for the year, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting, Report of Directors and Statement of Directors Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Tribunal’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, if 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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Segregation of Duties**

The Finance Department is staffed with the Head of Finance and casuals. The Head of Finance is responsible for initiating payments, executing payments, maintaining the cash book, preparing bank reconciliation statements, and posting entries in the ledger and preparing annual financial statements. This setup contravenes the principle of segregation of duties and exposes the Tribunal to significant control risks. Further, the accounting records of the Tribunal are maintained manually.

In the circumstances, the effectiveness of internal controls could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Tribunal'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 Tribunal'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 of 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**

**24 November, 2025**

**National Environment Tribunal**  
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**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	5	59,000,000	64,000,000
Other Grants		2,000,000	
		<b>61,000,000</b>	<b>64,000,000</b>
<b>Expenses</b>			
Use of goods and services	6	3,196,470	6,377,411
Employee costs	7	4,947,431	5,973,917
Tribunal Operational Expenses	8	52,486,582	46,520,010
Board Expenses	9	250,000	3,856,675
Depreciation and amortization expense	10	351,485	458,993
Repairs and maintenance	11	295,000	1,191,457
<b>Total expenses</b>		<b>61,526,968</b>	<b>64,378,463</b>
<b>Deficit</b>		<b>(526,968)</b>	<b>(378,463)</b>

The notes set out on pages 6 to 20 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Name: *Belinda Akello*  
**Accounting Officer**

Date *07/11/2025*

Name: *Duncan Kambo*  
**Head of Finance**  
**ICPAK M/No: 23310**

Date *07/11/2025*

Name: *Emmanuel Muma*  
**Chairman of the Board**


Date *07/11/2025*


**National Environment Tribunal**  
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**15. Statement of Financial Position as at 30 June 2025**

	Notes	2024 -2025	2023 -2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	12	229,983	115,466
<b>Total Current Assets</b>		<b>229,983</b>	<b>115,466</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	1,211,546	1,563,034
<b>Total Non- Current Assets</b>		<b>1,211,546</b>	<b>1,563,034</b>
<b>Total Assets</b>		<b>1,441,529</b>	<b>1,678,500</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	14	580,000	290,000
<b>Total Current Liabilities</b>		<b>580,000</b>	<b>290,000</b>
<b>Total Liabilities</b>		<b>580,000</b>	<b>290,000</b>
<b>Net Assets</b>		<b>861,529</b>	<b>1,388,500</b>
<b>Reserves</b>			
Reserves		861,529	1,388,500
<b>Net Assets</b>		<b>861,529</b>	<b>1,388,500</b>

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

  
 Name *BRENDA AKELLO*  
 Accounting Officer

  
 Name *DUNSTAN IGAMBA*  
 Head of Finance  
 ICPAK Member Number:  
 23310

  
 Name *EMMANUEL MURIUKI*  
 Chairman of the Board

Date *07/11/2025*

Date *07/11/2025*

Date *07/11/2025*

**National Environment Tribunal**  
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**16. Statement of Changes in Net Assets for the year ended 30 June 2025**

Description	Retained earnings	Total
	Kshs	Kshs
<b>As at July 1, (2022)</b>	<b>2,652,243</b>	<b>2,652,243</b>
Deficit for the year	-885,279	-885,279
Capital/development grants received during the year	-	-
<b>As at June 30, 2023</b>	<b>1,766,964</b>	<b>1,766,964</b>
<b>As at July 1, 2024</b>	<b>1,388,500</b>	<b>1,766,964</b>
Deficit for the year	-526,968	-378,463
<b>As at June 30, 2025</b>	<b>861,532</b>	<b>1,388,501</b>

17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2024- -2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities		59,000,000	64,000,000
Other income		2000,000	
<b>Total receipts</b>		<b>61,000,000</b>	<b>64,000,000</b>
<b>Payments</b>			
Use of goods and services		2,906,470	6,377,411
Employee costs		4,947,431	5,973,917
Tribunal Operational Expenses		52,486,582	46,520,010
Board Expenses		250,000	3,856,675
Repairs and maintenance		295,000	1,191,457
<b>Total payments</b>		<b>60,885,483</b>	<b>63,919,470</b>
<b>Net cash flows from/ (used in) operating activities</b>		<b>114,517</b>	<b>80,530</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets		00	00
<b>Net cash flows from/(used in) investing activities</b>		<b>00</b>	
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>114,517</b>	<b>80,350</b>
Cash and cash equivalents at 1 July 2024	12	115,466	34,936
<b>Cash and cash equivalents at 30 June 2025</b>	12	<b>229,983</b>	<b>115,466</b>

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Transfers from Other Governments entities	61,000,000	-	61,000,000	60,885,483	114,517	100%
<b>Total Income</b>	61,000,000	-	61,000,000	<b>60,885,483</b>	<b>114,517</b>	<b>100%</b>
<b>Expenses</b>						
Use of Goods and Services	3,300,000	-	3,300,000	2,906,470	393,530	88%
Employee costs	5,140,000	-	5,140,000	4,947,431	192,569	96%
Tribunal Operational Expenses	52,000,000	-	52,000,000	52,486,582	(486,582)	101%
Board Expenses	260,000	-	260,000	250,000	10,000	96%
Repairs and Maintenance	300,000	-	300,000	295,000	5,000	98%
<b>Total Expenditure</b>	61,000,000	-	61,000,000	<b>60,885,483</b>	<b>114,517</b>	
<b>Surplus for the period</b>	-	-	-	-	-	-

## **19. Notes to the Financial Statements**

### **1. General Information**

The Tribunal is established by and derives its authority and accountability from the Environmental management and co-ordination Act 1999. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to hear and determine Appeals from the decisions of NEMA, KFS, KWS and their committees

### **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 judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 2. (r,i)&ii).

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Institute.

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. New and amended standards and interpretations in issue effective in the year ended 30 June 2025*

There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45-	<p><i>Applicable 1<sup>st</sup> January 2025</i></p>

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Standard	Effective date and impact:
Property Plant and Equipment	The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing</p>

**National Environment Tribunal**  
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Standard	Effective date and impact:
	and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

*iii. Early adoption of standards*

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

**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. 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.

**b) Budget information**

The original budget for FY 2024-2025 was approved by the National Assembly on 15<sup>th</sup> June, 2025. NET's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a

**National Environment Tribunal**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2025**

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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 page 1 of these financial statements.

**c) Taxes**

NET is not subject to government taxes

**d) Property, plant and equipment**

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

**e) Intangible assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite.

**f) Research and development costs**

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

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

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

**a) Financial liabilities**

**Classification**

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

**g) Inventories**

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution

**National Environment Tribunal**  
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Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of NET.

**Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the NET expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**h) Contingent liabilities**

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

**i) Contingent assets**

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

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

**Summary of Significant Accounting Policies (Continued)**

**j) Nature and purpose of reserves**

NET creates and maintains reserves in terms of specific requirements. Reserves which are retained earnings by NET

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

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

**l) Related parties**

NET 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 NET, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**m) 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.

**n) Comparative figures**

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

**o) 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, 2025.

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

**5. Transfers from Other Government entities**

Description	2024-2025	2023-2024
	KShs	KShs
<b>Unconditional Grants</b>		
Operational Grant	59,000,000	64,000,000
Other income	2,000,000	
<b>Total Government Grants And Subsidies</b>	<b>61,000,000</b>	<b>64,000,000</b>

**6. Use of Goods and Services**

Description	2024 -2025	2023-2024
	Kshs	Kshs
Audit Fees	290,000	290,000
Hospitality	610,000	1,176,183
Fuel and Oil	800,000	1,600,000
Insurance		138,159
Training	37,000	00
Air Tickets		1,137,395
Supplies	1,459,470	2,035,674
<b>Total</b>	<b>3,196,470</b>	<b>6,377,411</b>

**7. Employee Costs**

Description	2024 -2025	2023 -2024
	Kshs	Kshs
Casuals	1,991,430	2,472,521
Extraneous	2,956,000	3,033,500
Foreign Travel	00	467,896
<b>Employee costs</b>	<b>4,947,430</b>	<b>5,973,917</b>

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**8. Tribunal Operational Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Travelling and Accommodation	39,957,882	32,815,785
Sitting Allowance	12,528,700	13,704,225
Other expenses		00
<b>Tribunal Operational Expenses</b>	<b>52,486,582</b>	<b>46,520,010</b>

**9. Board Expenses**

Description	2024 -2025	2023 2024
	Kshs	Kshs
Sitting Allowances	00	2,472,250
Other expenses	250,000	1,384,425
<b>Total</b>	<b>250,000</b>	<b>3,856,675</b>

**10. Depreciation and Amortization Expense**

Description	2024-2025	2023 -2024
	Kshs	Kshs
Property, plant and equipment	351,485	458,993
<b>Total depreciation and amortization</b>	<b>351,485</b>	<b>458,993</b>

**11. Repairs and Maintenance**

Description	2024 -2025	2023-2024
	Kshs	Kshs
Vehicles, Property and equipment	295,000	1,191,457
<b>Total Repairs and Maintenance</b>	<b>295,000</b>	<b>1,191,457</b>

**12. Cash and Cash Equivalents**

Description	2024 -2025	2023 2024
	Kshs	Kshs
Current Account	229,983	115,466
<b>Total Cash And Cash Equivalents</b>	<b>229,983</b>	<b>115,466</b>

**Detailed Analysis of the Cash and Cash Equivalents**

**National Environment Tribunal**

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<b>Financial Institution</b>	<b>Account number</b>	<b>2024-2025</b>	<b>2023 2024</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>a) Current Account</b>			
Kenya Commercial Bank	1102293830	229,983	115,466
Cash In Transit		00	00
Cash In Hand		00	00
<b>Grand Total</b>		<b>229,983</b>	<b>115,466</b>

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 Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

Cost/ Depreciation rate	Motor vehicles	Furniture and fittings	Computers	Total
	25%	12.5%	30%	Kshs
<b>As At 1 July 2023</b>	12,535,567	4,314,629	6,054,985	22,905,181
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
<b>As at 30<sup>th</sup> June 2024</b>	12,535,567	4,314,629	6,054,985	22,905,181
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer/Adjustments	-	-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	12,535,567	4,314,629	6,054,985	22,905,181
<b>Depreciation And Impairment</b>				
<b>As at 1<sup>st</sup> July 2023</b>	-	-	-	-
Depreciation	-	-	-	-
Impairment	-	-	-	-
Transfers/ Adjustments	-	-	-	-
<b>As At 30<sup>th</sup> June 2024</b>	12,203,411	3,619,130	5,630,325	21,452,866
Depreciation	110,716	99,357	141,412	351,485
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/Adjustment	-	-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	12,203,411	3,718,487	5,771,737	21,693,635
<b>Net Book Values</b>				
<b>As at 30<sup>th</sup> June 2024</b>	442,875	695,499	424,660	1,563,034
<b>As at 30<sup>th</sup> June 2025</b>	332,156	596,142	283,248	1,211,546

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

**13 (b) Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	12,535,567	12,203,411	332,156
Computers And Related Equipment	6,054,885	5,771,737	283,248
Office Equipment, Furniture, And Fittings	4,314,629	3,718,487	596,142
<b>Total</b>	<b>22,905,181</b>	<b>21,693,635</b>	<b>1,211,546</b>

**14. (a) Trade and Other Payables**

Description	2024 -2025		2023 -2024	
	Kshs		Kshs	
Audit Fees	290,000		00	
<b>Total trade and other payables</b>	<b>290,000</b>		<b>00</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	290,000	100%	00	00
<b>Total (tie to above total)</b>	<b>290,000</b>	<b>100%</b>	<b>00</b>	<b>00</b>

**14(b) Current Provisions**

Description	Other provision	Total
	Kshs	Kshs
Balance b/f	290,000	00
Additional provisions	290,000	290,000
<b>Total provisions year end</b>	<b>580,000</b>	<b>290,000</b>

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

**15. Financial Risk Management**

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

**i) Credit risk**

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

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has no significant concentration of credit risk on amounts. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash

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flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**16. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the NET, holding 100% of NET'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 Parent Ministry.
- ii) Key management.
- iii) Board of directors.

**17. Events after the Reporting Period**

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

**18. Ultimate And Holding Entity**

The Entity is a Semi-Autonomous Government Agency under the Ministry of Environment and Climate Change. Its ultimate parent is the Government of Kenya.

**19. Currency**

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

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**20. Appendices**

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Audit Report 2023/2024	Lack of segregation of duties	Efforts made to add staff	Pending PSC to post interns	6 months
Audit Report 2023/2024	Annual board work plan	Resolved	Resolved	Resolved

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 C.E.O

Date:

