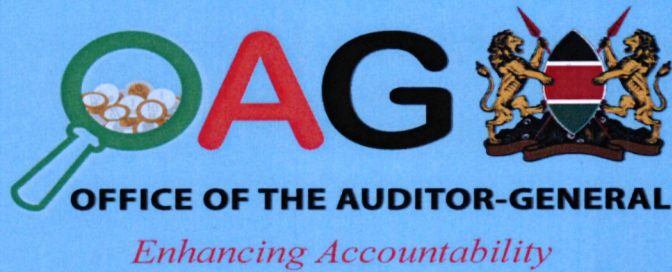


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Aune Shikuku

THE AUDITOR-GENERAL

ON

**NATIONAL ENVIRONMENTAL
COMPLAINTS COMMITTEE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE (NECC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2022

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

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The National Environmental Complaints Committee (NECC), herein referred to as the Committee, is established under Sections 31 to 36 of the Environmental Management and Co-ordination Act (Cap 387 of the Laws of Kenya) (Previously cited as Act No. 8 of 1999). It was formerly known as the Public Complaints Committee but was renamed when the law was amended in 2015 (EMCA (Amendment) 2015). The first Committee was formally constituted and launched by the then Minister in August 2001. The Committee started full operations in January 2003. Its mandate is to investigate allegations or complaints regarding the condition of the environment in Kenya, or on its own motion, suspected cases of environmental degradation. NECC is domiciled in Kenya and its offices are in Bellevue area in Nairobi. It is an important institution in the assessment of the condition of the environment in Kenya. It plays an important role in the facilitation of alternative dispute resolution mechanisms relating to environmental matters. NECC makes recommendations to the Cabinet Secretary and thus contributes significantly to the formulation and development of environmental policy.

(b) Principal Activities

The Principal activity of NECC is to investigate the degradation of the environment. Its mission and vision are as follows;

Vision: To be the leading environmental ombudsman in Africa

Mission: To facilitate access to environmental justice to the public by providing a forum for expeditious and affordable environmental conflict resolution and to contribute to environmental policy development.

The Principal activity of the National Environmental Complaints Committee is to conduct in-depth investigation of any allegations against any person in relation to the condition of the environment in Kenya or on its own motion; any suspected case of environmental degradation. Further, parliament through Section 32 of EMCA mandates NECC to: prepare and submit to the Cabinet Secretary periodic reports of its activities which report shall form part of the annual report on the state of the environment; undertake Public Interest Litigation (PIL) on behalf of the citizens in environmental matters and to perform such other functions and exercise such powers as may be assigned to it by the Cabinet Secretary.

(c) Entity Headquarters

National environmental Complaints Committee Headquarters
P. O. Box 36256 - 00200
Bellevue Area, Popo Road off Mombasa Road
DRSRS Building
Nairobi, KENYA

(d) Entity Contacts

Telephone (254) 0202405782

Email: info@necc.go.ke

Website: www.necc.go.ke

Hotline: [0722510510](tel:0722510510)

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
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(e) Entity Bankers

Kenya Commercial Bank
KCB Capital Hill Branch
P. O. Box 69695 – 00400
Nairobi, KENYA

(f) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P. O. Box 30084
GOP 00100
Nairobi, KENYA

(g) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

II. COMMITTEE MEMBERS



**Dr. Justy P. L. Nyaberi, Ph.D.
Chairman**

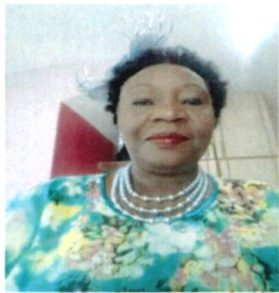
Education Background

- Doctor of Philosophy in Business Administration(Ph.D) - University of Nairobi
- MBA - Business Administration - University of Nairobi
- L.L.M -Faculty of Law - University of Nairobi
- M.A - Arts in International Studies _ University of Nairobi
- Diploma in Law - Kenya School of Law 9 Legal Practitioner)
- LL.B - Bachelor of Law - University of Nairobi
- Service Man - NYS Pre-University training- Gilgil training College
- KACE - Ibacho High School
- KCE - Sameta High School

Work Experience

- Chairman National Environmental Complaints Committee
- Partner - law firm: Nyaberi & Co. Advocate
- Director : International Centre for Environmental Social and Polity Studies(ICESPS) NGO
- Lecturer - The catholic University of Eastern Africa Faculty of Law
- Consultant with United Nation International Criminal Tribunal for Rwanda (UNICTR) in Tanzania
- Chairman - Strategic Management Institute (A Centre for Strategic Management for Developing Countries)
- Member of the Trustee Board of the Adventist University of Africa Nairobi
- Member of the Senate Finance Committee of the Catholic University of East Africa - Nairobi
- Lecturer - University of Copenhagen in Denmark
- Intern/consultant - United Nations Environment Programme (UNEP)
- Part-time Lecturer, Institute of Diplomacy – University of Nairobi
- Defence Counsel - International Criminal Tribunal for Yugoslavia - ICTY - Hague
- Defence Counsel - International Criminal Tribunal for Rwanda - ICTR - Tanzania
- Managing Director, Kenya Co-operative Creameries Limited (KCC) Kenya
- Company Secretary - Kenya Co-operative Creameries Limited
- Assistant Company Secretary and a member of Task force to oversee the running of Kenya Co-operative Creameries Limited
- Work as Associate in the firm of M/s Kilonzo & Co. Advocates
- Work as a State Counsel - Attorney General's Chambers
- Work as a Legal Assistant with the firm of Adere & Co. Advocate
- Deputy Headmaster, Nyamonyo Secondary School in Kisii
- Teacher - Nyagiki Secondary School in Kisii

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

 Ms. Isabella Masinde Member	<u>Education Background</u> • BSC- Biology 1986 :UEA-Baraton • MSC-Ecology 1989 :Aberdeen University (Scotland) • 1994-Environmental Assessment and Management (CEMP) Aberdeen <u>Work Experience</u> • Senior Researcher at KWS in charge of Ecological Monitoring • Task Manager at UNEP for the Global Biodiversity Assessment • Biodiversity Policy Officer at WWF in Treaties and Agreements Division • Team Leader at ITDG (Practical Action) in the Rural Livelihoods Programme (Reducing Vulnerability) • CEO at Clout • Climate Change Advisor at AWF • Technical Advisor at the Ministry of Environment and Natural Resources <u>Boards</u> • Member of NEPAD Climate Change Fund in South Africa • Member of NEMA Board up to 2010 Now member of NECC
 Mr. Jeremiah M. Matunda Member	<u>Education Background</u> • PhD student – to –date – University of Nairobi • Strategic Leadership Development Program (SLDP) from Kenya School of Government • Master of Law (LLM UoN) • Diploma from Kenya School of Law • Bachelor of Social Law (BSL) <u>Work Experience</u> • Senior Litigation Counsel – Office of Attorney General <u>Boards</u> • Alternate to AG – Hydrologist Registration Board – Ministry of Water Certified Mediator CEDRE
 Dr. John K. Chumo Committee Secretary	<u>Education Background</u> • BSC- Mathematics and Computer Science/JKUAT • Mphil/Phd in Environmental Studies(Environmental Information Systems) <u>Work Experience</u> • Environmental Lecturer, University of Eldoret • EIA Expert/Consultant • County Executive Member, Lands, Environment and Natural Resources, Nandi County • Chairman, County Ministers Council in charge of Environment and Natural Resources (Council of Governors) • Head of Department, Chemical Technology, Eldoret National Polytechnic

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

 Mr. James T. Sapuro Member	<u>Education Background</u> ● MBA - Corporate Management - KCA University ● Bachelor of Science , Environmental Health - Kenyatta University ● Diploma in Environmental Health - University of Nairobi ● Environmental Health - Medical Training College - Nairobi ● Other professional training and courses locally and abroad <u>Work experience</u> ● Consultant - Lead Expert on Environmental Health - NEMA ● Port Health Officer - in charge of JKIA. Wilson airport, Old Airport Embakasi and Inland Container Depots at Embakasi and Pepe, Athi-River ● Program Officer, Ministry of Health Headquarters, Division of Communicable Diseases Control ● District public Health Officer 0 Kajiado District ● Divisional Public Health Technician (Ministry of Health - Ngong and Central Division) <u>Professional Membership</u> ● <u>Member of the Environmental Institute of Kenya (EIK)</u>
 Ms. Martha C. Nyangwaria Member	<u>Education Background</u> ● PhD - Management and Leadership - Management University of Africa - Kenya ● Certificate in Micro-Grid Operations and Maintenance - Micro-Grid Academy - Kenya ● Master of Management and Leadership - Management University of Africa ● Certificate in Integration of Renewable Energy into Mediterranean Electricity Markets - Renewable Energy Solutions for Mediterranean (RES4MED), Italy ● Post Graduate Diploma in Efficient Energy Use and Planning - Life Academy, Sweden and India ● BSc. Mechanical Engineering - Jomo Kenyatta University of Agriculture and Technology <u>Work Experience</u> ● Deputy Chief Executive Officer - KEPSA - March 2020 - to-date ● Head, Industry & SME Liaison Office - 2017 ● Engineer in-charge, Demand Side Management Programs - 2015-2017 ● Vice-chair, Green Economy Strategy Steering Committee - feb - april 2014 ● Executive Officer, Energy Services - KAM - 2012 - 2015 ● Team Leader - Lean Energy Solution Limited 2011-2012 ● Mechanical Engineer - 2010- 2011 ● Research Assistant - Technical University of Munich, Germany Research - June - Sept 2009 <u>Membership and Board/Committee Representation</u> ● National Environmental Complaints Committee (NECC) ● Women on board Network ● Lavington Rotary Eco Club ● Institution of Engineers of Kenya (IEK) ● Engineers Board of Kenya (EBK)

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

	● National Energy Efficiency and Conservation Strategy Technical Committee ● FGM to STEM Council under partnership between AMREF and Women Energy ● Green Economy and Circular Economy Project Advisory Board under Danish Embassy ● Standards and Label Project Board under Ministry of Industrialization.
 Ms. Jane C. Masai Member	<u>Education Background</u> ● Kenya School of Law - Diploma in Law - Advocates Training Programme ● Bachelor of Laws Degree (LL.B) ● Certificate in Computer Studies ● KCSE - St. Joseph's Girls High School - Chepterit ● KCPE - Cheramei Primary School <u>Work Experience</u> ● An advocate of the High Court of Kenya - practice Commissioner for Oaths -10 years ● Notaries Public ● MAC Law Advocates LLP. Partner ● Cheptoo Masai & Co. Advocates - Proprietor ● Kibichiy & Co. Advocates - Associate Advocate ● Nyairo & Co. Advocates - Associate Advocate ● Nyairo & Co. Advocate - Pupilage <u>Professional Membership</u> ● Law Society of Kenya ● Federation of Women Lawyers ● East African Law Society ● Commonwealth Lawyers Association

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

III. MANAGEMENT TEAM

 Mr. Rodney M. Omari Senior Assistant Secretary BA from University of Nairobi PGDE - Egerton University PGD - Circulars and Green Economy DIU - Denmark Over 13 years' experience in Administration	Administrator
 Mr. Duncan Kombo Senior Accountant <u>Date of Birth</u> - 20th March 1967 <u>Education Background</u> Kenya Polytechnic (CPA K) Computer Systems & operations - Kenya Polytechnic Performance Appraisal Systems (PAS) (K.S.M.S) KACE - Kangaru School KCE - Kangaru School <u>Work Experience</u> KENAO - Auditor KFS - Cashier	Head of Finance

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

IV. CHAIRMAN'S STATEMENT

The National Environmental Complaints Committee (NECC) is established under Section 31-36 of the Environmental Management and Co-ordination Act, 1999 with the mandate of investigating allegations or complaints regarding the condition of the environment in Kenya, or on its own motion, suspected cases of environmental degradation. This makes NECC, the Environmental Ombudsman. NECC receives complaints, investigate them and prepares reports of its findings and recommendations thereon and submits the same to the Cabinet Secretary in charge of Environment. According to the Act, every person is entitled to a clean and healthy environment.

During this report period, NECC has managed to deliver on its mandate of investigating environmental complaints across the country. This has served to deliver environmental justice to several aggrieved parties whose environment has been impacted upon. This has also improved livelihoods of the citizens who have been suffering from the degradation, especially in aspects of pollution. This has led to improved health and wealth creation amongst the citizenry. Several disputes have also been resolved through alternative dispute resolution (ADR) mechanisms without necessarily ending up in court, saving on time and costs. NECC has also touched the lives of Kenyans through its corporate social responsibility by donating learning materials to schools, several tree planting activities and environmental clean –ups, in conjunction with its stakeholders.

Just like all other agencies, NECC faces some challenges in its endeavour to perform its functions. Though NECC recognizes that resources are never enough, its resources are low and barely sufficient to carry out its mandate bearing in mind that NECC has to investigate complaints from all the counties. This affects its ability to hire staff and provide area specific training for Committee Members and staff.

Going forward and to enhance the operation of NECC, there is need to recruit staff with specialized skills and ensure that funding of NECC be provided in accordance with Section 36 (2) of EMCA, 1999. The increased budgetary requirements in line with the expanded activities of NECC means that there is a need to expand sources of funding to cater for awareness creation activities and linkages, establish a data management system, provide adequate office space and equipment and undertake public interest litigation on behalf of the citizens. Additionally, NECC will seek new knowledge, collaboration and educational opportunities for members and staff to strengthen their capacity. It will also work closely with the Ministry of Environment and Forestry to ensure that documentation and publications are widely distributed to the general public for implementation.

The future of the NECC is bright and the Committee will be able to achieve much more in the coming days to ensure a clean and healthy environment for all.



DR. JUSTRY P. L. NYABERI
CHAIRMAN

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

V. REPORT OF THE ADMINISTRATOR

NECC is established under Section 31 of the Environmental Management and Co-ordination Act, 1999 (No. 5 of 2015). According to Section 31 of the Act, the membership of NECC is drawn from key stakeholders in environmental management. The Committee consists of seven members headed by a Chairperson, who is appointed by the Cabinet Secretary and qualifies to be a judge of the Environment and Land Court of Kenya. Other members are; a representative of the Attorney General, a representative of the Law Society of Kenya, one person, who has demonstrated competence in environmental matters to be nominated by the Council of Governors and who is the Secretary to the Committee, a representative of the business community and two members, appointed by the Cabinet Secretary for their active role in environmental management.

It is a Semi-Autonomous Government Agency (SAGA), operating independently with power to regulate its own procedure. It is established alongside NEMA, NETFUND and NET.

During this report period, NECC has managed to conduct investigations in 27 counties, being Nairobi, Machakos, Kiambu, Kajiado, Narok, Nakuru, Laikipia, Nyandarua, Isiolo, West Pokot, Trans Nzoia, Turkana, Kisumu, Homa Bay, Siaya, Migori, Vihiga, Bungoma, Makueni, Mombasa, Kwale, Kilifi, Baringo, Embu, Kitui, Meru and Kakamega. These are the counties where physical field investigations were conducted, with other complaints from other counties addressed administratively.

Several complaints were investigated, and they included complaints on solid waste management, poor effluent disposal, land use issues leading to land degradation, forest destruction, desertification, human settlement and Infrastructure issues affecting the environmental balance of an area, environmental disasters, pollution and waste management, public health, tourism and resultant environmental degradation, industrial development and trade issues in relation to the environment, energy production in relation to its effects on the environment, ozone layer protection, biotechnology and the environment, air and noise pollution, loss of biodiversity and loss of endangered species.

The investigations have revealed some short comings on enforcement action, planning and regulatory frameworks and NECC has made recommendations on possible remedies to the above. The findings and recommendations for these investigations have been disseminated to NECC's stakeholders and when implemented, it will go a long way towards securing the environment in Kenya.

To enhance its effectiveness in delivering its mandate, NECC has sought the collaboration of other partners and development agencies. This will ensure continuous capacity building of Committee members and staff, as well as facilitation of the institution to reach more people across the country. This is necessary where NECC will capitalize on existing networks of its partners for awareness creation and publicity.

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
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NECC has also embarked on making amendments of its regulations to include the mandate of Public Interest Litigation and generally updating the regulations to reflect the current state of NECC operations. This has been achieved through involving legal experts in order to address the issues as per the law.

NECC has a significant role to play in the “Big Four” transformative agenda sectors in view of the nature of its role and involvement in national development.

The role of NECC as the Environmental Ombudsman provides an enabling environment and platform through which all stakeholders can be brought together to learn and to share their experiences on balancing between economic development, environmental protection and sustainability.



Rodney Omari
Administrator

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

VI. MANAGEMENT DISCUSSION AND ANALYSIS

The following is our management discussions and analysis:

- A.** From the 13th to 15th July 2021 the NECC participated in United Nations Development Programme (UNDP) Amkeni Wakenya Quarterly Learning Platform that brought together key stakeholders to share experiences, challenges and key emerging issues in their respective areas of interventions.
- B.** NECC and KARA held a meeting on the 21st July 2021 to work on their partnership. The partnership was proposed to be on the following areas:
- a. Technical and logistical support in neighbourhood greening activities,
 - b. Creating awareness among its members on functions of and how to engage NECC,
 - c. Forging alternative dispute resolution (ADR) on conflicts facing resident associations on matters of environmental justice,
 - d. Where ADR does not work, NECC can work with KARA in facilitating Public Interest Litigation on environmental issues,
 - e. Identifying the resident association(s) making significant strides in promoting environmental sustainability and awarding the effort, and
 - f. Public participation through sharing of information on initiatives that facilitate participation of the respective members.

It was agreed that there should be development of a case management system by KARA & NIKO Green whereby NECC and Nairobi Metropolitan Services will be linked to the system to check progress of reported complaints. Other service providers with mutual interest will progressively be looped in once the system is fully operating. The system was to be piloted/tested/verified prior roll out as soon as possible.

- C.** On 22nd July 2021 a partnership meeting was held with WWF. NECC presented requests on the staff training on environmental management and continued sharing information. The same was to take effect immediately an MOU is signed.
- D.** From the 3rd to 6th August, 2021 the following complaints in Nairobi and its environs were investigated as shown in the table below;

Table 1: Complaints investigated in Nairobi and its environs

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
1.	21/06/2021 Letter	KLDA Vs Nairobi City County	Lr. No. 7820/1 Bogani East rd, Karen, Nairobi County	Objection to change of use from single dwelling to hostels
2.	16/04/2021 Letter	KLDA Vs Developer	Banda lane, Nairobi County	Objection to change of use
3.	24/07/2021 Email	Residents of Peponi road Vs Elegant	Peponi road, Nairobi County	Development at Sigiria forest

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

		properties		
	29/07/2021 Letter	Karen Ngong View Estate Association Vs WRA	Ngong View Road, off Ngong road, Kajiado County	Pollution of a stream
	05/06/2021 CF	Fiona Mugure Vs Nairobi City County	Intersection of Magadi and Langata road	Dumping of plastics, glass and release of sewage into Nairobi National park
	30/06/2021 CF	NECC Vs Fountain Gate Church	Runda, Nairobi City County	Construction of a church without adequate public participation
	25/02/2021 CF	Antony Maina Vs Neighbour	Kahawa West, Nairobi County	Release of sewage from a septic tank

- E.** From the 9th to 13th August a pre-finalization working session was held and a total of 30 investigated complaints from Nairobi, Mombasa, Kwale, Muranga, Nyeri, Makueni, Machakos, Nakuru, Embu, Kitui, Meru and Baringo counties were pre-finalized and are to be presented to the Committee for finalization.
- F.** From 15th to 21st August 2021, NECC conducted an induction and training course for its new staff. The training covered the following areas;
1. Role and mandate of NECC
 2. Environmental Investigations
 3. Public Interest Litigation
 4. Finance and Human Resource
 5. EMCA and Environmental laws
 6. Linkages between NEMA and NECC
 7. Linkages between NET and NECC
 8. Linkages between NETFUND and NECC
 9. Linkages between KFS and NECC
 10. Linkages between KEFRI and NECC
 11. Review of the Performance contracting
 12. Interface between NECC and the Commission on Administrative Justice (CAJ)
 13. Review of the Strategic plan
 14. Review of the NECC HIV/AIDS Policy
 15. Communication Strategy
 16. Code of conduct, Ethics and Dress code
- G.** From 22nd to 26th August 2021, the members of the Committee and senior staff held a retreat to approve crucial documents for the operations of the Committee. The documents reviewed include the Annual Work Plan, the Performance Contract, the Budget and Procurement Plan. The team also reviewed the performance of the Committee in the previous Financial Year 2020/21.
- H.** From 30th August to 3rd September 2021, NECC conducted investigations into environmental complaints in Trans-Nzoia, Uasin Gishu, Bomet and Kericho counties. The investigated complaints are as contained in the table below:

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Table 2: complaints investigated in Trans-Nzoia, Uasin Gishu, Bomet and Kericho counties

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
1.	14/08/2020 The Water World	Residents of Kapkugetwet Vs WRA	Kipkororiet River, Kericho County	Pollution of the River with sewage
2.	03/06/2020 CF	Residents Vs County Government of Kericho	Kericho and Kapkatet	Poor waste management at Kericho and Kapkatet dumpsites
3.	3/10/2019 CF	Charles Kigen Vs AIC Litein Mission Hospital	Litein, Kericho County	Air pollution from an incinerator
4.	08/07/2020 CF	Residents of Kapkatet Vs WRA, County Government	Kapkatet, Kericho County	Pollution of Daraja sita wetland in Kapkatet through car washing activities
5.	06/05/2020	Residents of Chemamul Vs WRA	Chemamul, Kericho County	Degradation of Kuje wetland in Chemamul due to overgrazing and farming
6.	20/05/2019 CF	NECC Vs KFS and County Government of Kericho	Soin, Kericho County	Deforestation and charcoal burning
7.	20/11/2020 CF	Residents of Bomet Vs County Government of Bomet	Bomet, Bomet County	Poor waste management
8.	09/08/2020 CF	Ms. Frida .M Vs Mr. Wilfred Chepkwony	Chepkeigei, Itembe location, Bomet County	Air pollution and poor waste management by a slaughter house
9.	19/08/2021 CF	Residents of Chepalungu Vs KFS	Chepalungu, Bomet County	Deforestation and overgrazing at Chemaitany, Yoiiuana and Kimaya areas of Chepalungu forest
10.	CF 16/6/2021	NECC Vs Trans Nzoia County Government	Kipsongo, Trans Nzoia County Kilima Gasarate farm-Kapkoi location, Trans Nzoia County	Pollution of River Tuwan Unregulated sand harvesting at Kilima Gasarate farm
11.	CF 20/08/2021	NECC Vs Trans Nzoia County Government	Saboti Ward, Trans Nzoia County Machinjoni, Trans Nzoia County	Un-rehabilitated quarries Follow up into poor waste management of a dumpsite at Machinjoni area.
12.	CF 20/08/2021	Edwin De Wulf Vs Uasin Gishu County	Ndalat Area, Uasin Gishu County	Mining of stones and murram at Ndalat Hills

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		Government NECC Vs Uasin Gishu County Government	Shauri Moyo, Uasin Gishu County	causing Pollution of River Sosiani Poor management of a dumpsite in leading to spilling of waste hence blocking an access road
13.	CF 3/3/2021	Ezekiel Biwott Vs China Wuyi	Kapseret, Uasin Gishu County	Un-rehabilitated quarry
14.	CF 20/02/2020	NECC Vs Uasin Gishu County Government	Eldoret Town, Uasin Gishu County	Sewage discharge into open environment
15.	CF 26/08/2021	NECC Vs Cement Factory, Uasin Gishu County Government	Jua Kali area, Leseru and Kamagut Location Uasin Gishu County	Construction of Cement Factory in agricultural land and residential area without public participation

I. From 15th to 17th September 2021, NECC conducted induction training for new committee members. The induction training covered the following topics;

- 1. Roles and responsibilities of the Committee**
- 2. NECC, EMCA and the Legal Framework**
- 3. Principles and Practice of Corporate Governance – Mwongozo code**
- 4. Governance and Ethics**
- 5. Performance Contract**
- 6. Public Finance Management Act**
- 7. Partnerships and Resource Mobilization**

J. From 26th September to 2nd October 2021, NECC conducted investigations in Siaya, Migori, Kakamega and Bungoma counties as shown in the table below;

Table 3: complaints investigated in Siaya, Migori, Kakamega and Bungoma counties

No.	Date Received	Complainant/ Respondent	Location	Nature of Complaint
1.	31/05/2021 Letter	Yala Swamp Community Land Committee Vs County Government of Siaya	Yala Swamp, Siaya County	Lack of public participation during land allocation and sub-division, causing environmental degradation
2.	07/07/2021 CF	NECC vs Lake Victoria South Water Works Development Agency	Sega area, Siaya County	Poor disposal of Asbestos
3.	18/06/2021 Letter	Prof. PLO Lumumba vs County Government of Siaya	Yimbo, Bondo in Siaya County	Degradation of beaches and invasion of water hyacinth

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

4.	17/12/2020 Email	Fredrick Odhiambo Vs Department of Mines and Geology	Ugunja, Siaya County	Illegal mining activities
5.	26/05/2021 Letter	Okong'o, Wandago & Company Advocates vs National Irrigation Authority	Sagama area, Nyatike Sub- county in Migori County	Environmental degradation due to establishment of rice farming, causing deforestation, flooding and water pollution
6.	21/10/2020 Letter	Nyatike Community Association Vs Ministry of Mining	Nyatike, Migori County	Illegal mining activities
7.	05/11/20202 The Standard	NECC vs County Government of Migori	Migori Town, Migori County	Poor solid waste management
8.	20/08/2021 Nation	NECC Vs Bungoma GK Prison	Bungoma GK Prison and Bungoma High School	Discharge of untreated sewage from the GK prison and Bungoma High school into the environment
9.		NECC Vs Bungoma County Government	Lumoro area, Bungoma County	Follow up investigation into illegal dumping in Lumoro area
10.	27.06.2021 KBC Tv	NECC Vs Bungoma County Government	Nzoia River	Unsustainable sand harvesting activities in the river
11.	24/11/2020 CF	Residents of Bungoma Vs County Government of Bungoma	Kibingei Location, Khwiroro road, Bungoma County	Construction of a morgue without public participation
12.	18/05/2021 Letter	Nature Kenya Vs Ministry of Environment and Forestry	Seregeya Likuyani block 1, Turbo forest station, Kakamega County	Proposed degazettement of Seregeya Likuyani block 1 from Turbo forest reserve
13.	03/08/2021	NECC Vs County Government of Kakamega	Nabongo Scheme Housing Estate and Mumias Road	Accumulation of uncollected garbage causing nuisance in the area
14.	03/08/2021	NECC Vs Kakamega County Water and Sanitation Company	Nabongo Estate, Kakamega County	Discharge of untreated effluent into the environment from abandoned Nabongo Waste water treatment plant

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15.	Follow-up investigations	NECC vs government Kakamega	County of Rosterman, Kakamega county	Unregulated gold mining activities at Rosterman area
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In general, the complaints investigated can be summarized as below;

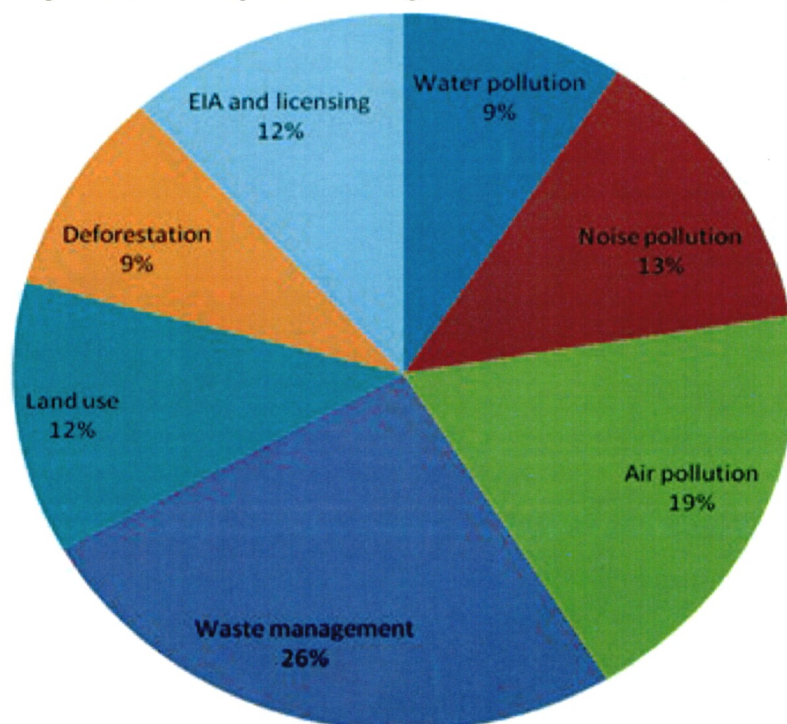


Figure 1: Pie chart indicating the complaints investigated during the reporting period

- K.** From 31st October to 6th November, NECC held a session to finalize on investigated complaints. A total of 45 complaints were finalized and sent to the respective stakeholders for implementation.
- L.** From 14 to 20th November 2021, NECC conducted investigations in Mombasa and Kwale counties at the Coast region. A total of seven complaints were investigated as indicated in the table below;

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Table 4; Complaints investigated in Mombasa and Kwale counties

No.	Date received	Complainant / Respondent	Location	Nature of complaint
	17/01/2019 CF	Mombasa Clean CBO Vs. County Government of Mombasa and VOK	Nyali, Mombasa County	Illegal dumping at the VOK land in Nyali, Mombasa county
	17/01/2019 CF	Mombasa Clean CBO Vs. County Government of Mombasa and VOK	Mwakirunge, Mombasa County	Poor waste management at Mwakirunge dumpsite
	10/02/21 Email	South Coast Residents Association Vs quarry operators at Tiwi	Tiwi area, Diani, Kwale County	Illegal quarrying and stone cutting activities in Tiwi area
	10/02/21 Email	South Coast Residents Association Vs County Government of Kwale	Kwale County	Environmental degradation due to uncontrolled developments and construction of illegal structures on Diani beach in Kwale County (Bidi Badu, Kongo river area, Mzima Cottages, mosque constructed at Southern Palm area)
	22/06/2021 Letter	Residents of Port Reitz Vs. Mahadi Energy Limited	Port Reitz, Mombasa County	Construction of a LPG terminal depot without adequate public participation at Port Reitz area
	09/10/2021 CF	Pamela Vs. County Government of Mombasa	Bamburi, Mombasa County	Illegal sand harvesting and quarrying activities at Bamburi
	05/06/2021 CF	Residents of Mtopanga Vs. County Government of Mombasa	Mtopanga, Mombasa County	Pollution of Mtopanga River, Mombasa County

M. From 28th November to 4th December 2021, NECC conducted investigations in the Central Kenya region. A total of 14 complaints were investigated in Kiambu, Nyeri, Laikipia and Nyandarua counties as indicated in the table below;

Table 5; Complaints investigated in Kiambu, Nyeri, Laikipia and Nyandarua counties

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
	04/11/2021 CF	Residents of Kihunguro Vs County Government of Kiambu	Thogoto, Kiambu County	Dumping of construction waste on private land
	22/06/2021 CF	Residents of Tiekunu Vs Techno Asphalt Limited	Tiekunu, Ndeiya ward, Kiambu County	Pollution from operations of an asphalt plant
	27/07/2021 Facebook	Residents of Mugumoini Vs County Government of Kiambu	Mugumoini shopping center, Nyanduma ward, Kiambu County	Poor disposal of farm waste that ends up into water sources
	26/04/2019 The Standard	NECC VS County Government of Kiambu	General Kago road, Kiambu County	Encroachment of cemetery land
	30/04/2020 Kenya News Agency	NECC Vs KWS	Njogu-ini, Kabaru ward, Nyeri County	Destruction of crops by elephants

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	11/11/2021 Daily Nation	Kenya National Chamber of Commerce and Industry Vs County Government of Nyeri and NEMA	Nyeri Central Business District	Noise pollution from <i>Matatus</i> , Motobikes (<i>bodabodas</i>), Religious institutions, entertainment facilities, road show events etc.
	05/11/2021	NECC Vs County Government of Nyeri, NEMA and Department of Mines and Geology	Honi Village, Kieni Constituency, Nyeri County	Blasting, Noise and air pollution in quarries that affected members of the public, led to cracking of buildings and death of livestock
	30/11/2020 Email	Betty Muthoni Vs Crusher	Mwereri Village, Nanyuki, Laikipia County	Air pollution and cracking of houses due to stone crushing activities
		NECC Vs WRA	Ewaso Narok Wetland, Laikipia	Encroachment of Ewaso Narok wetland
	27/09/2021 CF	James Mugeru Vs Flower farms	Daiga-Kwamwaura, Nanyuki	Over abstraction and pollution at river Nyariginu
	28/09/2021 Letter	Robert Wairimu Vs S.S. Mehta & Sons Ltd	Kipipiri, Nyandarua County	Destruction of property and pollution caused by quarrying activities
	Follow-up	Residents of Olkalao Vs KWS	Lake Olbolosat, Nyandarua County	Encroachment due to settlements and farming activities leading to pollution of Lake Olbolosat
	29/09/2021 Facebook	NECC Vs County of Government of Nyandarua	Lake Olbolosat, Nyandarua County	Digging of trenches around the lake to curb human-wildlife conflicts
	09/6/2020	NECC Vs KeNHA	Mau Mau Road, Aberdare forest	Construction of a road on the forest

0. From 13th to 17 December 2021, NECC held a session to finalize investigations reports from the above complaints. This session marked the final findings and recommendations at the completion of the investigations reports which are then sent to the stakeholders for implementation.

P. From 10th to 21st January, 2022 NECC conducted investigations in Nairobi County and its environs. Eight (8) complaints were investigated as shown in the table below;

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Table 6: complaints investigated in Nairobi and its environs

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
	10/02/2022 CF	Residents of Masai Lodge area Vs Golden Valley Apartments	Off Masai road, Rongai, Kajiado County	Discharge from a residential apartment
	07/01/2022 CF	Ben Tipatet Vs P.J Dave flowers, Flora Flower Farm and Isinya Roses	Isinya, Kajiado County	Discharge of sewage into river Isinya and encroachment into the riparian reserve
	27/08/2021 CF	Residents of Kilimani Vs Empire Bar	George Padmore Rd, Kilimani, Nairobi County	Noise from a bar
	28/05/2021 Email	Residents of South B Vs A church	South B, Nairobi County	Noise from a church
	06/01/2022 Email	Across The Bridge Self Help Group Vs Private Developer	Ruiru, Nairobi County	Cutting down of tress
	17/01/2022 CF	NECC Vs Nairobi Water and Sewerage Company	Maziwa, Imara Daima, Nairobi County	Discharge of sewage to the road
	22/10/2021 Letter	The Nairobi Hospital Vs Kenya Urban Roads Authority	Ngong road, Nairobi County	Construction of a footbridge next to the hospital
	06/02/2022 CF	NECC Vs Nairobi Water and Sewerage Company	Kileleshwa, Nairobi County	Discharge of sewage into the river

Q. From 24th to 28th January 2022, NECC held a session to compile the report from the previous investigations. The session was for the purposes of editing the reports in readiness for submission to the Cabinet Secretary for Environment and Forestry. The reports were from Nairobi, Kajiado, Kiambu, Mombasa, Kwale, Nyandarua, Laikipia and Nyeri counties.

NECC participated in the World Wetlands Day held on 2nd February 2022. The celebrations for this year were held at Ondiri Swamp in Kikuyu, Kiambu County. The theme for this year's event was, "Wetlands Action for People and Nature." This was a clarion call for the world to put resources into the management of wetlands. The theme also shines a spotlight on wetlands as an integral part to the wellbeing of humans and the environment. It is meant to highlight the contribution of human actions in saving wetland ecosystems globally as well as the importance of wetland goods and services to humans and nature.

R. From 13th to 19th February 2022, NECC conducted investigations in Samburu County. A total of five (5) complaints were investigated as shown in the table below;

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Table 7;

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
1.	4/02/2022	NECC VS Samburu County Government	Maralal and Wamba towns	Poor waste management practices within the urban areas
2.	15/09/2020	Residents of Kelele ward vs KWS	Kelele Ward	Human wildlife conflicts
3.	11/09/2020	NECC vs WRA	Ewaso Nyiro River	Rampant sand harvesting practices along Ewaso Nyiro North
4.	15/09/2020	NECC vs KFS	Samburu County	Unsustainable charcoal burning practices
5.	24/06/2020	NECC vs County Government of Samburu	Samburu county	Poor waste management practices in abattoirs in the county

S. From 13th to 19th February 2022, NECC conducted investigations in Kajiado County. A total of six (6) complaints were investigated as shown in the table below;

Table 8

No.	Date Received	Complainant/ Respondent	Location	Nature of Complaint
1	12/2/2021 CF	Gladys Tito Vs WRA	Namanga, Kajiado County	Pollution and water over-abstraction at Namanga River
2	12/2/2021 CF	Namanga CFA Vs KWS	Namanga, Kajiado County	Human-wildlife conflicts caused by elephants
3	11/01/2022 Letter	Noonkopir Residents Vs County Government of Kajiado	Noonkopir, Kitengela, Kajiado County	Poor management of a dumpsite
4	07/09/2021 CF	Residents of Kibini Vs East African Portland Cement	Kibini, Kajiado County	Destruction that has been caused by blasting activities at the quarry
5	11/02/2021 CF	Greening Oloitokitok Vs WRA	Nkama, Oloitokitok, Kajiado County	Degradation of springs
6	11/02/2021 CF	Samson Kimani Vs County Government of Kajiado	Kiwanja ya Ndege, Oloitokitok, Kajiado County	Poor management of a dumping site

T. From 21st to 26th February 2022, NECC conducted investigations in Kisii and Nandi counties. Five (5) complaints were investigated as indicated in the table below;

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Table 9;

No.	Date Received	Complainant/ Respondent	Location	Nature of Complaint
1.	29/10/2021	Residents of Kisii Vs County Government of Kisii	Kisii town, Kisii County	Poor waste management in Kisii
2.	16/07/2021 Standard	Residents of Keroka Vs County Government of Kisii	Keroka	Haphazard dumping of garbage
3.	12/06/2022	NECC Vs private Developer	Kingwal Swamp, Nandi County	Illegal fencing in Kingwal swamp, obstructing the migratory route of sitatunga antelopes along Kimondi River
4.	23/06/2022	NECC Tea Factory Limited Vs Chepkumia	Emgwen sub-County, Nandi County	Improper disposal of effluent at Chepkumia factory leading to environmental pollution
5.	20/08/2019	Kibirong Area Residents Vs County Government of Nandi	Kibirong wetland, Nandi County	Degradation of Kibirong wetland by human activities including; draining to create land for farming, over grazing and sand harvesting

U. During the month of March, 2022, NECC participated in the UNEP@50 and UNEA 5.2 international meeting from 28th February to 4th March 2022. This served as a forum to showcase the achievements of NECC as well as create synergies with environmentalists across the world.

V. From 14th to 18th NECC held a session to fine-tune the reports of its investigations, including formulating the findings and recommendations. These reports were presented to the Committee during a finalization session held from 20th to 26th March 2022 where the reports were adopted, signed and disseminated to the stakeholders for action.

W. From 4th to 8th April 2022, NECC conducted investigations in Nairobi County and its environs. A total of fifteen (15) complaints were investigated as shown in table 1 below;

Table 10: complaints investigated in Nairobi and its environs

No.	Date received	Complainant / respondent	Location	Nature of complaints
1.	23/11/2020 CF	Anna Osure Vs SDA Church	Mountain View estate, Westlands, Nairobi County	Noise from the church
2.	21/12/2010 Email	Muthaiga North Residents Association Vs A resident	Ridgeways lane, Nairobi County	Pollution from burning of garbage
3.	08/01/2021 Email	E. Kibande Vs WRA	Kabarsiran Avenue off James Gichuru Road	Pollution of Nairobi River
4.	22/02/2021 Email	Maqsood Alam Vs Neighbour	Kyuna Close, Spring Valley, Nairobi City County	Dumping of dry bamboo
5.	14/01/2021 Email	Dennis Maina Vs Nairobi Water and Sewerage Company	Soweto, Embakasi East Constituency	Sewage discharge

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6.	22/01/2021 Email	Residents of Bluesky Apartments Vs Nairobi City County	South C, Nairobi County	Dumping next to a residential area
7.	30/11/2020 Email	Bernard Omondi Vs Mosque	Donholm, Phase 8, Nairobi County	Noise pollution from a mosque
8.	19/10/2020 Letter	Patrick Mburu Vs County Government of Nairobi	Kasarani, Nairobi County	Illegal dumping of solid waste
9.	25/11/2020 Email	Loresho South Residents Association Vs Nairobi City Water and Sewerage Company	Kaptagat rd, Loresho, Nairobi City County	Discharge of sewage from a public ablution facility
10.	25/11/2020 Email	Mike Johan Vs Nairobi City County	Waiyaki way, Nairobi County	Noise pollution from a church
11.	26/11/2020 CF	Sauti ya Riruta Vs Nairobi County Government	Riruta, Kinyanjui Road, Nairobi County	Dumping in the open
12.	06/12/2020 Email	Ronald Okubasu Vs Judean City of Abundance Church	Mountain View Estate, Nairobi County	Noise pollution from a church
13.	11/01/2012 Email	Wangui Wanjiru Vs Church	Ruaka, Kiambu County	Noise pollution from a church
14.	23/11/2020 Email	Residents of Parklands Vs Nairobi City County	Parklands, Nairobi County	Dumping from Kiosks
15.	22/02/2021 Email	Maqsood Alam Vs Neighbour	Kyuna Close, Spring Valley, Nairobi City County	Dumping of dry bamboo

From 22nd to 28th May 2022, NECC conducted investigations in the coast region. A total of eight (8) complaints were investigated as shown in table below;

Table 11;

No.	Date received	Complainant/ Respondent	Location	Nature of complaint
1.	17/07/2021 Citizen TV	NECC Vs County Government of Mombasa	Kongowea, Mombasa County	Illegal dumping of waste at the Kongowea cemetery
2.	11/11/2021 Letter	Shimo La Tewa Old Boys Alumni Vs Bahari Desalination Company Limited & County Government of Mombasa	Shimo la Tewa School, Mombasa County	Proposed project is on public school land and will affect marine ecosystem
3.	17/11/2021 CF	Residents of Port Reitz Vs Kenya Ports Authority	Port Reitz, Mombasa County	Construction of LPG terminal depots without adequate public participation at Portreitz area, Mombasa County
4.	17/11/2021 CF	Jambora Initiative Group Vs Ken Petrol	Port Reitz, Mombasa County	Proposed gas depot
5.	19/5/2022	Trinny Imara Vs	South End of	A block of flats on the beach

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	Facebook	County Government of Mombasa	Bamburi Beach, Behind City Mall	
6.	06/04/2022 Twitter	Residents of Nyali Vs Mrs. Beth Mugo	Nyali, Mombasa County	Blocking of pedestrian beach access
7.	18/05/2022 Phone call	Gordy Millar Vs County Government of Kilifi	Malindi road, Next to Bofa apartments Kilifi County	Illegal structures have blocked pedestrian beach access
8.	24/02/2022 Daily Nation	NECC Vs Nuclear Power Energy Agency	Kilifi County	Proposed nuclear power plant

X. On 5th June 2022, NECC was in Nyeri County for the celebrations of the World Environment Day 2022. #OnlyOneEarth is the campaign for World Environment Day 2022. It calls for collective, transformative action on a global scale to celebrate, protect and restore our planet. The Celebrations were led by the Ministry of Environment and Forestry. “Only One Earth” was the slogan for the first United Nations Conference on the Human Environment, held in Stockholm in 1972. This put sustainable development on the global agenda and led to the establishment of World Environment Day. Fifty years later, Sweden hosted Stockholm+50 from 2 to 3 June, and World Environment Day on 5th June. By supporting World Environment Day 2022 and the #OnlyOneEarth campaign, you can help ensure this unique and beautiful planet remains a comfortable home for humanity. The more we raise our voices, emphasize what needs to be done and point out who is responsible, the faster change will come.

Y. On 7th June 2022, NECC participated in a tree planting exercise at Kahawa Garrison. The exercise was known as “keeping the barracks green” campaign in partnership with Green of Africa Foundation, Equity Bank, CIC amongst others.

AA. On 10th June 2022, NECC team participated in donating food stuff to Ilmejoole Primary School as part of its CSR programs. NECC donated 150kg of rice to the area residents. Ministry of Environment and Forestry CS Keriako Tobiko led the function at Ilmejoole Primary School in Mashuuru Sub-county in Kajiado County to officiate the educational and thanks giving day. The CS led a tree planting exercise at the school compound in accompany of Committee Chairman Dr. Justy Nyaberi and NECC Administrator, Mr. Rodney Omari amongst others. The CS later commissioned the school fence and water project that include water tanks, water troughs and community water points. The CS will later award prizes to teachers and pupils for exemplary performance in the 2021 KCPE examination.

BB. On the week of 19th to 25th June 2022, NECC conducted a session towards the finalization of investigated complaints. The session was held at Maanzoni lodge in Machakos County and was aimed at presenting the reports from the previous

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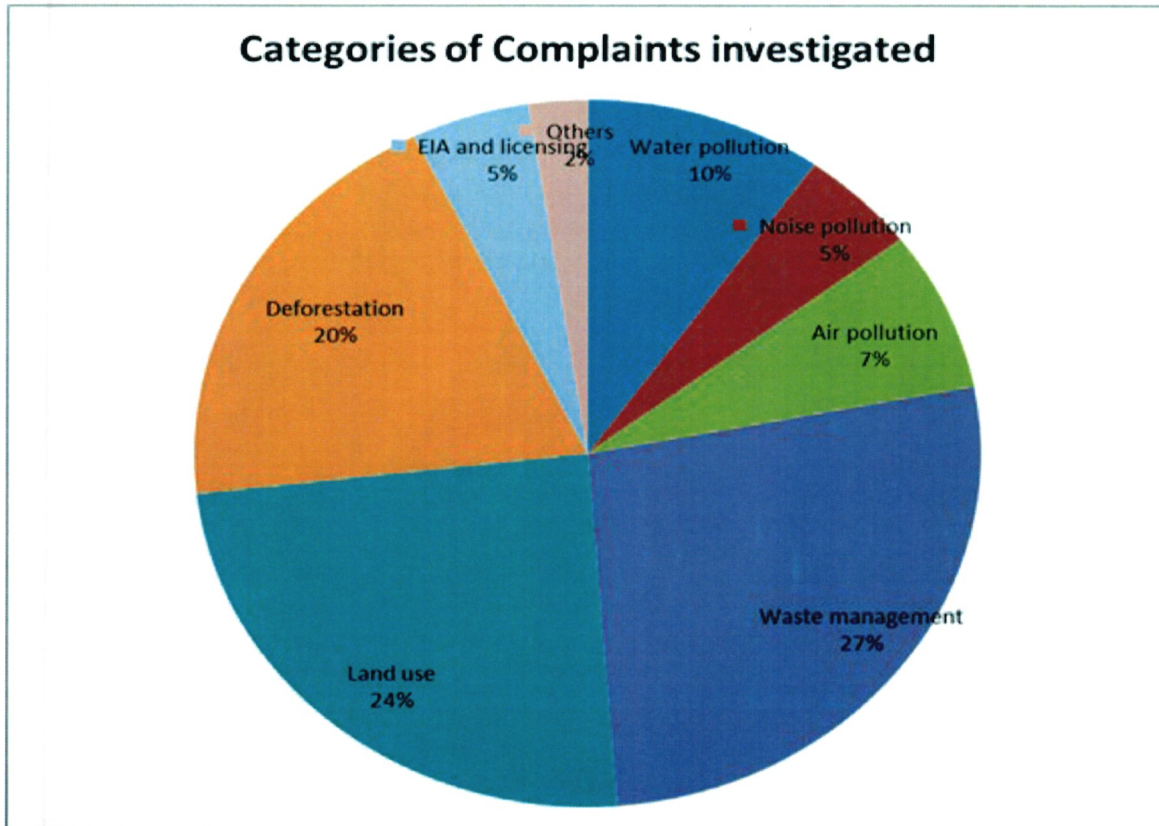
investigations to the committee for adoption and forwarding to the Cabinet Secretary and stakeholders for implementation.

CC. NECC participated at the Desertification and Drought Day which is observed on 17th June each year to promote public awareness of international efforts to combat desertification. This year's function was held at Eldume Primary School, Marigat in Baringo County. This year's theme was "Rising up from drought together", which emphasizes the need for early action to avoid disastrous consequences for humanity and the planetary ecosystems. The day offers a chance to recognize that land degradation neutrality is achievable through problem-solving, strong community involvement and co-operation at all levels.

DD. NECC held an exhibition at the site and created awareness and sensitization of its work, as well as showcasing its achievements. Through the forum, it is expected that NECC will continue to receive environmental complaints from the citizenry in the area.

EE. On 27th June 2022, NECC was represented in a High Level Opening Session of the 2022 UN Ocean Conference co-hosted by the Governments of Kenya and Portugal. The Environment and Forestry, Cabinet Secretary, Keriako Tobiko his Cabinet Colleagues Najib Balala, (Tourism and Wildlife), Monica Juma (Energy) were in attendance of the conference. The Oceans Conference in Lisbon, Portugal from 27th June to 1st July, 2022 was to mobilize action, and propel the much-needed science-based innovative solutions aimed at starting a new chapter of global ocean action. This was in line with the World Oceans Day which is celebrated annually on 8th June to raise public awareness of the ocean and its resources in order to promote global ocean and resource sustainability. The 2022 theme for World Ocean Day is Revitalization: Collective Action for the Ocean.

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Pie chart indicating the complaints investigated during the reporting period

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**VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT /
SUSTAINABILITY**

NECCS' main aim is to transform lives. This is purpose that drives all action undertaken by NECC. Transformation of lives is what guides the organization to deliver on its strategy, which is founded on NECC pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar.

1. Sustainability Strategy and Profile

We strive to be innovative in way of operations so that we can sustain the budget allocated to us; and mitigate on operational risks and intern and external fraud; computer hacking etc and catastrophic events.

2. Environmental Performance

The dynamic nature of the environment in which NECC operates poses numerous and complex challenges. NECC operates under the Ministry of Environment and Forestry (MEF). The MEF mandate is to protect, conserve and manage the environmental and forestry resources through exploitation for socio-economic development. The development aimed at eradication of poverty, improved living standards and ensuring that a clean environment is sustained now and in the future in line with the country's aspirations as outlined in Constitution of Kenya 2010 and Kenya Vision 2030.

The Third Medium Term Plan (MTP) of *Kenya Vision 2030* identifies the key policy actions and reforms as well as programmes and projects that the government intends to implement in the period 2018 – 2022 to achieve set national targets. In order to achieve these targets, the government has identified the “Big Four” priority areas, namely food and nutrition, manufacturing, universal health care and development of affordable housing in which it intends to concentrate its efforts and resources. The table below indicates the role of NECC to achieve set national targets

NECC'S Role in MTP III

Flagship Project	Role of NECC
Waste management and pollution control	• Investigate complaints on poor waste management • Make recommendations for adoption of new waste management technologies • Carry out awareness creation to the public on the 7Rs outlined in the solid waste management strategy • Partner with the e-waste handling institutions on the disposal of E-waste • Carry out awareness creation among counties on clustering and pool their resources together for effective waste management
Promotion and piloting of	• Carry out intensive public awareness campaigns on the

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green energy	importance of adoption of green energy technologies in all sectors
Water resource management programs	• Collaborating with WRUAs for the purpose of conservation and protection of water resources against pollution and encroachment activities
Land reclamation	• Investigate complaints received and by own motion on cases of land degradation as a result of illegal sand harvesting, mining, quarrying, deforestation and farming on hilltops, wetlands among others • Make recommendations on proper land use planning, afforestation and re-afforestation, rehabilitation of quarry pits and land restoration
Rehabilitation of Urban Rivers	• Investigate received and own motion complaints on pollution of urban rivers and urban agriculture, and make policy recommendations • Participating in clean-up programs for urban rivers • Undertake public interest litigation on behalf of citizenry on pollution of urban rivers
The Plastic Bags initiative	• Investigate received complaints regarding use, manufacture and importation of plastic bags and make recommendations • Awareness creation on environmentally friendly carrier and packaging bags • Contribute in the formulation of policies on sound waste management • Ensure compliance with the plastic bags ban
Water Harvesting and Storage programme	• Investigate and make policy recommendations on complaints arising from dam construction • To ensure compliance with environmental standards and regulations • Awareness creation on water harvesting and storage methods
Integrated Regional Development Programme	• Investigate and make policy recommendations on complaints arising from the multi-purpose dam projects • Ensure compliance with the requisite legal frameworks • Advocate for environmental conservation projects in areas covering mega projects
Strengthening Environmental Governance	• Investigate and recommend practices that will lead to formulation of policies and legislation for best environmental governance
Forest Conservation and Management	• Investigating cases of illegal logging and charcoal burning activities • Carrying out tree planting activities with aim of achieving the 10% forest cover in the country • Creating awareness on forest conservation • Contributing to development of strategies of achieving the 10% forest cover

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	• Land use planning
Irrigation and Water Storage Programme	• Make recommendations to county governments to support sustainable community water projects • Carry out ADR on areas with conflicts on water resources
The Plastic Bags initiative	• Investigate received complaints regarding use, manufacture and importation of plastic bags and make recommendations • Awareness creation on environmentally friendly carrier and packaging bags • Contribute in the formulation of policies on sound waste management • Ensure compliance with the plastic bags ban
Water Harvesting and Storage programme	• Investigate and make policy recommendations on complaints arising from dam construction • To ensure compliance with environmental standards and regulations • Awareness creation on water harvesting and storage methods
Integrated Regional Development Programme	• Investigate and make policy recommendations on complaints arising from the multi-purpose dam projects • Ensure compliance with the requisite legal frameworks • Advocate for environmental conservation projects in areas covering mega projects

The National Environmental Complaints Committee faces challenges in its endeavour to perform its functions, namely:

- a) Delay in approval on implementation of NECC establishment plan
- b) Inadequate legislation to establish NECC independence.
- c) Operationalization of NECC staff below optimal
- d) Inadequate budgetary allocation to enable environmental investigations country wide.
- e) NECC lacks;
 - (i). adequate office space and facilities;
 - (ii). requisite equipment for air, noise, soil and water sampling for scientific testing and analysis;
 - (iii). adequate number of vehicles to enhance mobility noting that investigations are carried out in the field.

The elevation of environmental rights into fundamental rights under Articles 42 and the right to quick and fair administrative action under Article 47 of the Constitution places a great responsibility on NECC to serve all citizens with urgency. The lack of facilitations as outlined above has inhibited NECC ability to meet its role and responsibilities in upholding environmental rights enshrined in the Constitution.

3. Employee Welfare

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NECC undertakes to ensure that there is gender mainstreaming as captured in its performance contracts. There is strict observance of gender ratio in its recruitment and hiring. The process strives to be as transparent as possible with the inclusion of stakeholders and strives to ensure that there is continuous improvement in the process.

NECC has also developed career progression guidelines for its staff, with regular staff appraisal and renewal systems to boost its workforce.

At its premises, NECC observes the provisions of the Occupational Health and Safety Act, 2007 to ensure that its workers are safe at all times. The same has been trickled down to all cadres at the office during several trainings and sensitization workshops on safety.

4. Market Place Practices

NECC is committed to observe the provisions of the procurement process as outlined in its performance contract. In essence, NECC will observe responsible competition amongst its suppliers while ensuring that a minimum of 30% of value of goods and service procured is reserved for youth, women and people with disabilities (PWDs), at least 2% of the amount going to PWDs. NECC also will ensure that it prequalifies the registered groups as affirmative action and ensure that Youth, Women and persons with disabilities are given opportunities for quotation.

To facilitate responsible supply chain management, NECC commits to make prompt payments to its suppliers and honour its contracts. Additionally, NECC will ensure that 40% of procurement budget is on local products and services. This is aimed at ensuring the practice of good business practice is promoted in all its procurement process.

5. Community Engagements

To support and encourage environmental conservation amongst communities, NECC has been involved in several CSR activities during the report period, including; sensitization of staff and stakeholders on Covid 19 prevention and management and promotion of sanitation in all its activities

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VIII. REPORT OF THE DIRECTORS

The Directors hereby submit their report together with the audited financial statements for the Year ending on 30th June 2022 which show the state of the NECC affairs.

Principal activities

The Principal activity of NECC is to investigate the degradation of the environment. Its mission and vision are as follows;

Vision: To be the leading environmental ombudsman in Africa

Mission: To facilitate access to environmental justice to the public by providing a forum for expeditious and affordable environmental conflict resolution and to contribute to environmental policy development.

The Principal activity of the National Environmental Complaints Committee is to conduct in-depth investigation of any allegations against any person in relation to the condition of the environment in Kenya or on its own motion; any suspected case of environmental degradation. Further, parliament through Section 32 of EMCA mandates NECC to: prepare and submit to the Cabinet Secretary periodic reports of its activities which report shall form part of the annual report on the state of the environment; undertake Public Interest Litigation (PIL) on behalf of the citizens in environmental matters and to perform such other functions and exercise such powers as may be assigned to it by the Cabinet Secretary

Results

The results of the NECC for the year ended 30th June 2022 are set out on pages 1

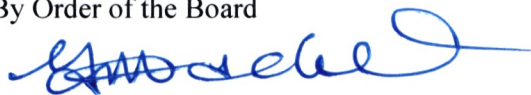
Directors

The members of the Board of Directors who served during the period are shown on page (ii).

Auditors

The Auditor General is responsible for the statutory audit of the NECC in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for year ended June 30th, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Audit General to appoint an auditor to audit on his behalf.

By Order of the Board



Committee Chairman

Nairobi

Date15/03/23.....

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

IX. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Sec 14 of State Corporations Act requires the directors to prepare Financial Statement in respect of National Environmental Complaints Committee (NECC) which give a true and fair view of National Environmental Complaints Committee (NECC) at the end of the Financial Year ending 30th June 2022; and the operating results of NECC for the Financial Year ending 30th June 2022.

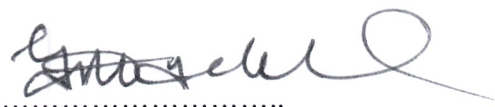
This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of NECC; (iii) 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 NECC; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for NECC 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 NECC's financial statements give a true and fair view of the state of NECC's transactions during Financial Year ending 30 June 2022, and of NECC financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for NECC, which have been relied upon in the preparation of the NECC'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 NECC will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NECC's financial statements were approved by the Board on 30th September 2022 and signed on its behalf by:



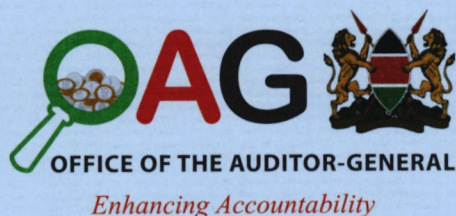
COMMITTEE CHAIRMAN



ADMINISTRATOR

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE FOR THE YEAR ENDED 30 JUNE, 2022

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 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Environmental Complaints Committee set out on pages 1 to 25, which comprise of the statement of

financial position as at 30 June, 2022, statement of financial performance, 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 Environmental Complaints Committee as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Environmental Management and Co-ordination (Amendment) Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Environmental Complaints Committee Management in accordance with ISSAI 130 on 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON 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 matters described in the Basis for Conclusion on 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

Internship Programs Exceeding One Year

As previously reported, the Committee has engaged individuals under internship program since the year 2014. Although Management has attributed the state of affairs to lack of own staffs, the program contravenes Section H.22(3) of the Public Service Commission's Human Resource Policies and Procedures Manual of May, 2016, on

internship which states that internship programs shall be guided by the relevant provisions of the Constitution, relevant professional bodies and other policy guidelines and shall not exceed one year.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing has else come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Manual Accounting System

Review of the accounting records revealed that Committee maintains them in manual form which exposes the records to errors of omissions and commissions. The Management indicated that it's in the process of procuring an accounting system.

In the circumstances, errors and manipulations cannot be easily detected.

2. Lack of a Risk Management Policy

During the year under review, the Committee had not put in place a Risk Management Policy, strategies and risk register to mitigate against risks. This is contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the absence of an approved Risk Management Policy, it is not clear how the Committee identifies and mitigates emerging risks in the day to day operations.

3. Lack of Segregation of Duties

The Finance Department is manned by only one staff, being the Head of Department who is assisted by interns. The head of finance processes payments, maintains cashbook, prepares bank reconciliation statements and posts the ledger.

In the circumstances, the lack of segregation of duties possesses a risk of lack of oversight on accounting processes.

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

Responsibilities of Management and 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 (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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Committee's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Committee or 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 are in compliance 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 Committee'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Committee's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Committee's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Committee to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Committee to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 April, 2023

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

I. FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022

	Note	2021-2022	2020-2021
<u>Revenue from non-exchange transaction</u>			
		Kshs.	Kshs.
Government Grant	5	135,900,000	134,500,000
Other grants	5	-	14,000,000
Total Revenue		135,900,000	148,500,000
<u>Expenses</u>			
General expenses	6	43,651,068	39,103,565
Employee costs	7	8,200,881	4,874,277
Board expenses	8	7,997,537	6,309,375
Committee Operational Expenses	9	71,909,330	82,227,400
Other Grants expenses	10	-	13,918,970
Depreciation and amortization Expenses	11	1,171,726	809,945
Repair and Maintenance	12	1,787,909	1,321,404
Total expenses		134,718,451	148,564,936
Surplus/Deficit for the period		1,181,549	(64,936)



HEAD OF FINANCE



ADMINISTRATOR

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

II. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	13	463,891	361,355
Receivables from Non-Exchange Transactions			
Total Current Assets		463,891	361,355
Non-Current Assets			
Property, Plants & Equipment	14	3,790,464	2,711,451
Total Assets		4,254,355	3,072,806
Current Liabilities			
Trade Payables	15	604,000	604,000
Total Current Liabilities		604,000	604,000
Represented by;			
Revenue Reserves	16	3,650,355	2,468,806
Total Net Assets & Liabilities		4,254,355	3,072,806

The Notes set on pages 6 to 26 form an integral part of the Financial Statements.

Duncan M. Kombo

HEAD OF FINANCE

Sign 

Date 15-03-2023

Dr. Justry Nyaberi

CHAIRMAN

Sign 

Date 15/03/2023

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

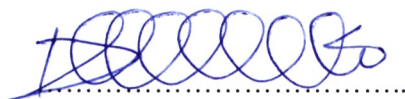
XIII STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Revenue Reserves	Total
	Kshs	Kshs
Balance as at 30 June 2021	2,533,742	2,533,742
Deficit for 2020-2021	(64,936)	(64,936)
Accumulated at 30 June 2022	2,468,806	2,468,806
As at 01 July 2021	2,468,806	2,468,806
Surplus for year 2021/22	1,181,549	1,181,549
Accumulated at 30 June 2022	3,650,355	3,650,355

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

XIV STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

		2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Government grants and subsidies	5	135,900,000	134,500,000
Other grants		-	14,000,000
Total Receipts		135,900,000	148,500,000
Payments			
Use of goods and service	6	43,651,068	39,103,565
Employees costs	7	8,200,881	4,874,277
Board Expenses	8	7,997,537	6,309,375
Committee Operational Expenses	9	71,909,330	82,227,400
Other grants expenses	10	-	13,918,970
Repairs and Maintenance	12	1,787,909	1,321,404
Total Payments		133,546,725	147,754,991
Net cash flows from operating activities	17	2,353,275	745,009
Cash flows from investing activities			
Purchase of property, plant, equipment		(2,250,740)	(822,700)
Net cash flows used in investing activities		(2,250,740)	(822,700)
Net increase/decrease in cash and cash equivalent		102,535	(77,691)
Net cash flows used in financing activities			
Cash and cash equivalents as at 1st July 2021		361,355	439,046
Cash and cash equivalents as at 30th June 2022	13	463,891	361,355



HEAD OF FINANCE



ADMINISTRATOR

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

XV STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget 2021-2022	Adjustments /supplementary	Final budget	Actual on comparable basis	Performance difference	% change	Notes
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs		
Government grants and subsidies	135,900,000		135,900,000	135,900,000	-		
Total in come	135,900,000	-	135,900,000	135,900,000	-		
Expenses							
Goods and services	135,900,000	-	129,900,000	133,536,902	3,636,902	2.7%	1.
Compensation of employees	6,000,000		6,000,000	8,200,881	1,220,881	3.6%	2.
Total expenditure	135,900,000	-	135,900,000	134,718,451			
Surplus for the period	-	-	-	1,181,549			

NOTES

1. The increase of 2.7% was due to increased activity after COVID 19
2. The increase of 3.6% was due to increase of staff (more employment)

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

XVI NOTES TO THE FINANCIAL STATEMENTS

1. General Information

National Environmental Complaints is established by and derives its authority and accountability from EMCA Act 1999. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is with the mandate of investigating allegations or complaints regarding the condition of the environment in Kenya, or on its own motion, suspected cases of environmental degradation and also Public Interest Litigation. According to the Act, every person is entitled to a clean and healthy environment.

2. Statement of compliance and basis of preparation - IPSAS 1

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.

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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 2022.*

Standard	Impact:
Other Improvements to IPSAS	Applicable: 1st January 2022: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Standard	Effective date and impact:
	performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020/2021.

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Pronouncements from the Public Sector Accounting Standards Board (PSASB)

The Public Finance Management (PFM) Act 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary National Treasury, gazetted members of the Board through Gazette Notice No. 1199 of 28 February, 2014. Following the Board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as Commercial Business Entities and The International Public Sector Accounting Standards (IPSAS) for non-commercial entities, the Institute has adopted the pronouncements made by the IPSAS board in preparation of its current year financial statements. The Financial Statements have therefore been prepared in accordance with the Accrual basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Conti...

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition (Continued)

ii) Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on 15th June, 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by NECC upon receiving the respective approvals in order to conclude the final budget. Accordingly, NECC recorded

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

additional appropriations of 15th June, 2021 on the 2021-2022 budget following the governing body's approval.

The NECC's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 1 of these financial statements.

c) Taxes

NECC 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.

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

g) Research and development costs (continue)

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.

h) 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 ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

POLICY ON EXPENDITURE RECOGNITION

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) 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 NECC 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.

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.

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.

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

Nature and purpose of reserves

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

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.

f) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

g) Related parties

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

h) 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

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

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.

i) Comparative figures

The 2020/2021 comparative figures on Employee Costs and Board expenses have been reclassified under Committee Expenses.

j) 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, 2022.

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Transfers from other governments

Description	2021-2022	2020-2021
	Kshs.	KShs
Unconditional grants		
Operational grant	135,900,000	134,500,000
Conditional grants		
Covid 19 stimulus	-	14,000,000
Total government grants and subsidies	135,900,000	148,500,000

6. General Expenses

Description	2021-2022	2020-2021
	Kshs	KShs
Air travel	2,779,937	578,205
Conferences and delegations	12,321,870	15,021,710
Hospitality less	15,919,501	17,060,136
Fuel, oil and Lubricants	900,000	500,000
Insurance	205,220	222,788
Supplies/Stores	1,556,340	1,505,419
Training	7,693,900	1,610,000
Audit Fee	290,000	290,000
Other expenses	1,984,300	2,315,307
Total	43,651,068	39,103,565

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

7. Employee Costs

	2021-2022	2020-2021
	Kshs.	Kshs
Casuals payment	787,776	655,430
Interns Stipend	4,072,509	3,723,837
NHIF	314,750	139,000
NSSF	74,800	70,000
PAYE	971,046	286,010
Extreneous	1,980,000	
Total	8,200,881	4,874,277

8. Board Expenses

Description	2021-2022	2020-2021
	Kshs.	Kshs.
Honoraria	504,000	0
Sitting	892,500	153,750
Other Board Expenses	6,601,037	6,155,625
Total	7,997,537	6,309,375

9. Committee Operational Expenses

Description	2021/2022	2020-2021
	Kshs.	Kshs.
Travelling and accommodation	59,721,600	56,521,200
Other Expenses	12,187,730	25,706,200
Total	71,909,330	82,227,400

10. Other Grants Expenses

Particulars	Amount	Amount
	2021/2022	2020/2021
Training Youth	-	6,818,450
Nursery Materials	-	4,100,520
Seedlings	-	3,000,000
TOTAL	-	13,918,970

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

11. Depreciation and Amortization Expense

Description	2021/2022	2020/2021
	Kshs.	Kshs
Property, Plant and Equipment	1,171,726	809,945
Total depreciation and amortization	1,171,726	809,945

12. Repairs and Maintenance

Description	2021/2022	2020-2021
	Kshs.	KShs
Vehicles/Buildings/Equipment	1,787,909	1,321,404
Total repairs and maintenance	1,787,909	1,321,404

13. Cash and Cash Equivalents

Description	2021/2022	2020-2021
	Kshs	KShs
Cash book balance	463,891	361,356
Adjusted for - depreciation	-	-
Total cash and cash equivalents	463,891	361,356

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.

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

13. Detailed analysis of the cash and cash equivalents

		2021/2022	2020-2021
Financial institution	Account number	KShs	kshs
a) Current account			
Kenya Commercial bank	1103172972	463,891	361,356
Sub- total			--
COMMUNITY BRANCH			
b) On – call deposits			
Sub- total			
c) Fixed deposits account			
Sub- total			
d) Staff car loan/ mortgage			
Sub- total			
e) Others(specify)			
cash in hand			-
Sub- total			-
Grand total		463,891	361,356

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

14 A: Property, Plant and Equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Total
Property, plant and equipment		25%	12.50%	33.30%	
Cost	Shs	Shs	Shs	Shs	
At 1 July 2021	-	7,830,843	3,517,439	3,917,414	15,265,696
Addition 2021-2022			834,640	1,416,100	2,250,740
At 30th June 2022	-	7,830,843	4,352,079	5,333,514	17,516,436
Depreciation and impairment					
As at 01 July 2021	-	7,088,723	2,337,235	3,128,288	12,554,246
Charge for the year	-	185,530	251,856	734,340	1,171,726
Accumulated as at 30 June 2022	-	7,274,253	2,589,091	3,862,628	13,725,972
	-	-	-	-	-
Net book values					
At 30 th June 2022	-	556,590	1,762,988	1,470,886	3,790,464
At 30 June 2021	-	742,120	1,180,204	789,126	2,711,450

14B: Depreciation Computation for Year 2021-2022

	Motor Vehicles	Furniture and fittings	Computers	Total
Cost at June 2022	7,830,843	4,352,079	5,333,514	17,516,436
Depreciation to June 2022	7,274,253	2,589,091	3,862,628	13,725,972
NBV 2022	556,590	1,762,988	1,470,886	3,790,464
Addition 2022		834,640	1,416,100	2,250,740
Rate	25%	12.50%	33.30%	
Depreciation Charge	185,530	251,856	734,340	1,171,726

15. Trade and other payable

	2021/2022	2020-2021
	KShs	KShs
NEMA	24,000	24,000
Audit Fees	580,000	580,000
Total	604,000	604,000

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

- *There was a receivable from NEMA in the prior year in respect of one Mr. D. Nyamora of Kshs.393, 510. The amount received from NEMA was Kshs.417, 520 thus resulting in a payable figure of kshs.24, 000.*

16. Revenue reserve

	Revenue Reserves
	Ksh.
Accumulated at 30 June 2020	2,533,742
Deficit for year 2020/21	(64,936)
Accumulated at 30 June 2021	2,468,806
Surplus for year 2021/2022	1,181,549
Accumulated at 30 June 2022	3,650,355

17.Cash Generated from Operations

	2021/2022	2020-2021
	Kshs.	Kshs.
Deficit for the period	1,181,549	(64,936)
Adjusted for – depreciation	1,171,726	809,945
Provision for audit fee		
Working capital		
Decrease in receivables		
Net cash flow from operating activities	2,353,275	745,009

18.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 company'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 company 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 company'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

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

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

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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of directors sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

The table below represents cash flows payable by the company 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.

(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

**NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022**

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2021/2022		2020/2021
	Kshs		Kshs
Revaluation reserve	-	-	-
Retained earnings	3,650,355	-	2,468,806
Capital reserve		-	
Total funds	3,650,355	-	2,468,806
Total borrowings		-	
Less: cash and bank balances	463,891	-	361,356
Net debt/(excess cash and cash equivalents)	463,891	-	361,356
Gearing	3,186,464	-	2,830,162

19. EVENTS AFTER THE REPORTING PERIOD

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

1. ULTIMATE AND HOLDING NECC

The NECC is a State corporation/or a Semi-Autonomous Government Agency under the Ministry of Environment and Forestry. Its ultimate parent is the Government of Kenya

2. CURRENCY

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

NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

**XVII Appendix I: PROGRESS ON FOLLOW UP OF AUDITOR
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.

Reference No. on the external audit Report	Issue/observations from Auditor	Management comments	Focal point person to resolve the issue (Name and designation)	Status: (Resolved/Not Resolved)	Timeframe: (put a date when you expect the issue to be resolved.)
Audit Report 2018/2019	Lack of Draft IT Strategic Plan	done	Admin	Done	Nil
Audit Report 2019/2020	Lack of Staff	1. Done cabinet memo to make NECC body corporate under the proposes name National Environment Ombudsman (NEO) 2. Amend EMCA see Committee minutes	- Cabinet Secretary - Chairman	On-going/parliament level	Awaiting approval
Audit Report 2018/2019	Head of Administration	Resolved	Nil	Nil	Nil
Audit Report 2018/2019	Lack Chairman	Resolved	Nil	Nil	Nil



Dr. Justy P. L. Nyaberi
Chairman

Date ...15/03/2023...

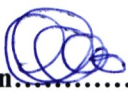
NATIONAL ENVIRONMENTAL COMPLAINTS COMMITTEE
FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2022

XVIII Appendix II: INTER-ENTITY TRANSFERS

	ENTITY NAME: NATIONAL ENVIRONMENT COMPLAINTS COMMITTEE		
	Break down of Transfers from the MINISTRY OF ENVIRONMENT & FORESTRY		
	FY 2020/2021		
A	Recurrent Grants		
	RECEIPTS	Bank Statement Date	Amount (KShs)
		06/08/2021	33,975,000
		28/10/2021	33,975,000
		4/02/2022	33,975,000
		04/05/2022	33,975,000
		Total	135,900,000
b.	Conditional Grants	-	-
		-	-
		-	-
	Direct Payments		
		Total	-
d.	Donor Receipts	-	
		Total	135,900,000

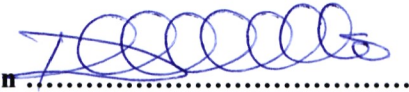
The above amounts have been communicated to and reconciled with the parent Ministry
Finance Manager
ME&F

Head of accounting Unit
Ministry of Environment & Forestry

Sign 

Date 15-03-2023

Head of Finance
National Environmental Complaints Committee

Sign 

Date 15-03-2023