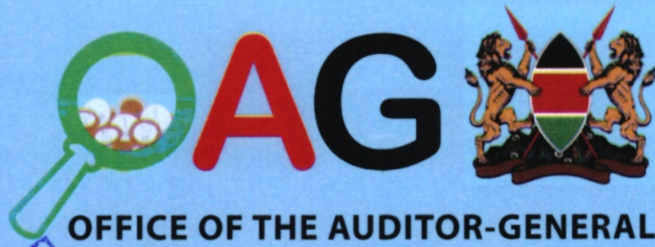


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**TOWARDS ENDING DROUGHT EMERGENCIES
(TWEENDE): ECOSYSTEM BASED ADAPTATION
IN KENYA'S ARID AND SEMI-ARID
RANGELANDS PROJECT
(IUCN GRANT NO. P02886)**

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

**STATE DEPARTMENT FOR LIVESTOCK
DEVELOPMENT**

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 DEC 2024

DAY:

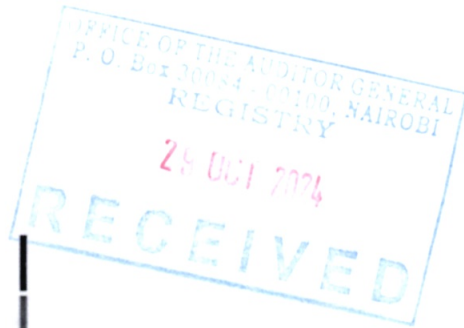
Thursday

TABLED
BY:

Hon-Kimani Ichungwaa
(Leader of the Majority Party)

CLERK-AT
THE TABLE:

Anastacia



TOWARDS ENDING DROUGHT EMERGENCIES
STATE DEPARTMENT OF LIVESTOCK DEVELOPMENT
PROJECT GRANT/CREDIT NUMBER: P02886

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
FY	Financial year.
TWENDE	Towards Ending Drought Emergencies Project
CI	Conservation International
GOK	Government of Kenya
OAG	Office of the Auditor-General
USD	US Dollars
KES	Kenya shillings
PhD	Doctors of Philosophy
CPA (K)	Certified Public Accountants of Kenya
BSC	Bachelors of Science
SDA	Special Deposit Account

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Towards Ending Drought Emergencies.

Objective

The key objective of the project is to reduce the cost of climate change induced drought on Kenya national economy by increasing resilience of livestock and other land use sectors to be effectively be restored.

Address

The project headquarters offices are Nairobi (city), Nairobi County, Kenya. The address of its registered office is: P.O. Box 34188 – 00100, Nairobi

The project covers the following counties with landscape offices in Isiolo, Kitui and Makueni (Kibwezi)

- Kitui
- Isiolo
- Marsabit
- Kajiado
- Garissa
- Makueni
- Samburu
- Tana River
- Tharaka Nithi
- Taita Taveta
- Meru

Contacts: The following are the project contacts

P.O. Box: 34188 – 00100, Nairobi

Telephone: (254) 2099167

E-mail: pslivestock@kenya.go.ke ;

Website: www.kilimo.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	1 st November 2019
Project End Date:	31 st December 2024
Project Manager:	The Project Manager is Mr. Blaise Okinyi
Project Sponsor:	Project Sponsor is International Union For Conservation of Natural Resources (IUCN) and GOK

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture and Livestock Development / State department of Livestock.
Project number	P02886
Strategic goals of the project	The strategic goals of the project is Restoration of rangeland landscapes for ecosystem based adaptation
Summary of Project Strategies for achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> i. Implement priority community-based rangeland restoration activities. ii. Implement priority actions plans for integrated land/water management in identified catchments. iii. Install community-validated strategic water sources for sustainable rangeland utilization. iv. Assist communities to formulate bylaws and incorporate into county laws. v. Build capacity of local institutions to implement climate-sensitive landscape management.

Other important background information of the project	The Project is being implemented in State department of Livestock, National Drought Management Authority and Conservative International. The Kenya TWENDE has the national Project coordinating unit at the Project headquarters and 11 counties which are divided into three landscape namely Chyulu, Mid Tana and Saparwawa. The Project will achieve its objectives by facilitating relevant line ministries and state departments to implement Project activities.
Areas that the project was formed to intervene	The project was formed to intervene in the following areas: <ul style="list-style-type: none"> (i) Component one: climate change adapted planning for drought resilience (ii) Component two: Restoration of rangeland landscapes for ecosystem- based adaptation (iii) Component three: Climate change resilient ecosystem management for investments
Project duration	The project started on 1 st November 2019 and is expected to run until 31 st June 2024

2.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya Designated Account (USD Account) A/C No. 1000542508
- (ii) Central Bank Of Kenya Operational Account (KES Account) A/C No. 1000495685

2.5 Independent Auditor

The project is audited by Office of the Auditor-General (OAG)

Project Information and Overall Performance (Continued)

2.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Blaise P. Okinyi	Ag Deputy Director of livestock Production Officer	<ul style="list-style-type: none"> • Bachelors of Science • Masters of Arts in Community and Rural Development 	<ul style="list-style-type: none"> • Project Coordinator, • Lead focal Liaison person for the SDDL TWENDE component 2.
Caleb Kisiyena	Assistant Deputy Director of livestock Production Officer	<ul style="list-style-type: none"> • Bachelors of science in agricultural and economics • Certified M&E 	<ul style="list-style-type: none"> • Project Desk Officer • Overall M & E • Focal person for Sabarwawa landscape
Dr. Petronilla W. Nduthu	Assistant Deputy Director of livestock Production Officer	<ul style="list-style-type: none"> • Bachelors of Science • Masters of Science • PhD 	<ul style="list-style-type: none"> • Assistant Project Desk Officer • Project GARL • Focal liaison person for Chyulu landscape.
James Libako	Assistant Deputy Director of livestock Production Officer	<ul style="list-style-type: none"> • BSc in Agric • MSc (ongoing) 	<ul style="list-style-type: none"> • Project Strategist/TOT on pastoral field schools, • Training and Capacity Development • Focal liaison person for mid Tana landscape.
Peter Mung'ayo	Assistant Director Livestock Production	<ul style="list-style-type: none"> • Bachelor of Science • Master of Science 	<ul style="list-style-type: none"> • Budget Monitoring • Focal liaison person for Chyulu Landscape
Beatrice Tuei	Assistant Director Livestock Production Officer	<ul style="list-style-type: none"> • Bachelor of Science • Masters of Science • PhD 	<ul style="list-style-type: none"> • Project Extension and Training social and environmental expert • Focal liaison person for Sabarwawa
James Muriuki	Director Livestock Production Officer	<ul style="list-style-type: none"> • Bachelors of Science 	<ul style="list-style-type: none"> • Project Extension and Training liaison for the county

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

		<ul style="list-style-type: none"> • Masters of Science 	<ul style="list-style-type: none"> • Focal liaison person for Mid Tana landscape
Peter Musila	Assistant Accountant General	<ul style="list-style-type: none"> • Phd Finance (on going) • MBA Finance • Bcom (accounting option) • CPA (K) 	<ul style="list-style-type: none"> • Project Finance/Accounting
Joseph Mwaura	Principal Clerical officer (accounts)	<ul style="list-style-type: none"> • CPA Part 2 • Diploma in Procurement 	<ul style="list-style-type: none"> • Project Finance/Accounting
Charles Anyona	Supply Chain Mgt. Officer	<ul style="list-style-type: none"> • BSc Purchasing and supplies • Diploma in Procurement 	<ul style="list-style-type: none"> • Project Procurement
Florence Akinyi	Senior Office Administrative	<ul style="list-style-type: none"> • Higher Diploma in Secretarial Management 	<ul style="list-style-type: none"> • Project Secretary/Administrative Assistant
Prof. Kassim Farah Omar	Project Technical Advisor (TA)	<ul style="list-style-type: none"> • PhD in Range Management 	<ul style="list-style-type: none"> • Project Technical advisor
George Samuel	Senior Project Officer	<ul style="list-style-type: none"> • Bachelors International Business Administration-Finance • 	<ul style="list-style-type: none"> • Project Technical advisor
Festus Kiprotich	Project Officer	<ul style="list-style-type: none"> • Bachelor of Economics 	<ul style="list-style-type: none"> • Project Technical advisor

2.7 Funding summary

The Project is for duration of five years from 2019 to 2024 with an approved budget of USD 9,482,095.68 while the Government of Kenya will provide co-financing of USD 3,900,000 as CI provides co-financing of USD 1,500,000. Ministry of Agriculture and Livestock Development State department of Livestock Development are implementing component 2 as highlighted in the table below:

*Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Grant						
International Union for Conservation of Nature (IUCN)	9,482,096	1,079,062,488	2,871,874	386,354,622	6,610,222	692,707,866
(ii) Counterpart funds						
Government of Kenya	3,900,000	614,520,000	1,118,219	138,470,832	4,281,781	476,049,168
CI	1,500,000					
Total	14,882,096	1,693,582,488	3,990,093	524,825,454	10,892,003	1,168,757,034

*Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
International Union for Conservation of Nature (IUCN)	2,871,874	386,354,622	2,806,512	376,635,907	65,362	9,718,715
(i) Counterpart funds						
Government of Kenya	1,118,219	138,470,832	1,118,219	138,470,832	0	0
CI						
Total	3,990,093	524,825,454	3,924,731	515,106,739	65,362	9,718,715

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

2.8.1 Budget performance against actual amounts for the current year and for cumulative to-date,

TWENDE project has performed well in relation to absorption rate, in the year ended 30th June 2023, the project had an expenditure of Ksh 309,139,922 against a budget of Kshs 318 million giving an absorption rate of 97%. Cumulatively, the overall project absorption is 80.2% (a total expenditure of 524, 825,454 against a total budget of 654 million since the inception of the project. as indicated in the table below.

	<i>Budget</i>	<i>Actual</i>	<i>Absorption</i>
<i>2023-24</i>	<i>318,000,000</i>	<i>309,139,922</i>	<i>97%</i>
<i>Cumulative to date</i>	<i>654,000,000</i>	<i>524,825,454</i>	<i>80.2%</i>

2.8.2 List the implementation challenges and recommend the next steps.

The project faced the following implementation challenges;

- ❖ Delayed flow of funds from the National treasury to the SDL operational account,
- ❖ Insufficient Rainfall in the first 2 quarters of the year slowing the restoration efforts in affected landscapes,
- ❖ Some landscapes, especially parts of Mid-Tana, Garissa and Tann-River were difficult to be accessed due to insecurity challenges.
- ❖ Inadequate disbursement, mainly due to budget limitation. The National Treasury declined to expand the budget ceiling despite IUCN willing to provide additional grant from GCF funds. The inadequate disbursement led to delayed implementation of planned activities.

Recommended next steps include:

- Engaging the national treasury to expand the budgetary ceiling through direct consultation and through the parliamentary Committee on Agriculture
- Proper timing of rainy seasons and using weather advisories
- Embracing irrigated pasture production

- Consultation with the Accredited Entity so that some activities can be planned and executed jointly

2.9 Summary of Project Compliance:

The project did not have any cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants during the year under review.

3. Statement of Performance against Project’s Predetermined Objectives

TWENDE Project has made significant strides towards attainment of its objectives, demonstrating notable achievements in ecosystem protection, community resilience, and institutional strengthening. The project targets benefiting 620,000 people in 104,000 households, and protect or restore 500,000 hectares of rangelands within a 2.5-million-hectare landscape. These landscapes are critical dry season grazing areas, essential for providing refuge during droughts. The project addresses challenges such as weak landscape planning capacities, poor access to climate data, and low market and financial service access.

Achievements of the project are as indicated in the following table;

Project	Objective	Outcome	Indicator	Performance
Towards Ending Drought Emergencies in Kenya(TWENDE)	Restoration of Rangeland Landscapes for Ecosystem-Based Adaptation done	Prioritized rangeland resources including water resources are brought under restoration safeguarded and sustainably managed	Area (ha) of rangeland ecosystems under rehabilitation and restoration	219,719 ha of rangeland ecosystems have been put under restoration trajectory .
			No of communities implementing “planned grazing” for climate smart pastoralism	18 communities/Wards are implementing planned grazing.
			Proportion of households adopting “planned grazing” for climate smart pastoralism	49% of households are practicing planned grazing.
			No of of grass seed banks	9 grass seed banks established.
			Proportion of households adopting grass seed banks	10% of households practicing grass seed banking. Indicator to be removed.

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

		for improved climate change resilience	No of soil and water conservation works	12 soil and water conservation work
			Proportion of households adopting soil and water conservation	Proportion of households adopting soil and water conservation: 64.46%
			No of rangeland users trained in climate change resilient natural resource management and governance	1608 rangeland users trained in climate resilient natural resource management
			No of county laws enabling community action (bylaws) for climate change resilient natural resource management	16 county bylaws/community action have been established as of June 2024 and one national policy on land reclamation supported and now ready cabinet approval

4. Environmental and Sustainability Reporting

Introduction

The Towards Ending Drought Emergencies (TWENDE) project is a collaborative initiative implemented by the International Union for Conservation of Nature (IUCN), the Sustainable Dryland Landscapes Development (SDL), the National Drought Management Authority (NDMA), and Conservation International (CI). The core mandate of the TWENDE project is to build resilience and reduce the vulnerability of communities in Kenya's drought-prone areas by enhancing sustainable land use practices, improving water resource management, and fostering ecosystem restoration. TWENDE's sustainability strategy focuses on creating long-term solutions to climate-related risks, ensuring that communities can sustainably access vital resources such as water, food, and energy while preserving biodiversity.

TWENDE is a five-year project effectively running from 26th November 2020 to 26th November 2025 with a funding from GCF. It aims at increasing resilience thereby contributing to improved adaptation to climate change. This is achieved through climate change adapted planning for drought resilience, restoration of rangeland landscapes for ecosystem-based adaptation and climate change resilient ecosystem management for investments. When completed, it targets to benefit **620,000 people in 104,000 households** and restore **500,000 hectares** of rangelands. The sustainability strategy of the TWENDE project hinges on integrating environmental protection, social welfare, and economic stability. It prioritizes long-term environmental stewardship through the restoration of ecosystems and ensures that the resources it provides remain accessible to future generations.

i. Sustainability Strategy and Profile

The TWENDE project's sustainability strategy is rooted in strengthening the resilience of communities in arid and semi-arid regions (ASALs) of Kenya. The project's leadership, including the accounting officer, have reinforced their commitment to ensuring that the project's efforts are in line with global sustainability trends, such as climate change mitigation and adaptation, while tailoring these practices to local conditions. Broad political and macroeconomic challenges, such as resource allocation and drought response funding, have shaped TWENDE's priorities. These challenges are addressed through ongoing dialogue with the Kenyan government and international bodies, ensuring a sustainable framework for project activities.

The project contributes to implementation of Kenya Vision 2030" and the national policy of "Ending Drought Emergencies", which is included in the NAP. This will be accomplished by capitalizing on the national process of devolution, which is advancing but many counties still require assistance to establish new ways of working that take advantage of increased local autonomy, accountability, legal frameworks, larger budget allocations and enhanced coordination. The explicit focus of the project is to build the capacities and institutions required for improved implementation of devolution to achieve greater climate change resilience in the ASALs. Kenya has a large body of relevant policies and legislation but these are not well reflected at the county level. The project will support establishing or strengthening the climate adaptation and rangeland management laws at the county level.

The county legal framework will be supported to specifically empower community land management rights. By linking these rights with national water management at the catchment level, this allows the development of legally mandated sub-catchment management plans (SCMPs). It is a priority of the project to support

communities to formulate participatory land use and resilience plans to establish local bylaws, and to develop compliance with the bylaws for improved governance.

TWENDE's key sustainability achievements include:

- Restoring over 219,000 hectares of degraded land in drought-prone areas in the 3 Landscapes of Sabarwawa, Mid tana and Chyulu.
- Supporting over 100,000 households in adopting drought-resilient livelihoods.
- Enhancing water management systems in over 300 communities.
- However, the project has also faced setbacks, such as delays in implementation due to poor funds flow mechanisms, delays in startup activities and funding gaps exacerbated by economic downturns.

ii. Environmental Performance

TWENDE's environmental policy is anchored in sustainable natural resource management, biodiversity conservation, and climate adaptation. The project is guided by an overarching framework to protect and restore dryland ecosystems, promote sustainable agricultural practices, and combat deforestation.

Environmental co-benefits

- Improved governance of rangelands will reduce soil erosion and enable more sustainable management of rangeland resources, allowing natural and assisted regeneration
- Restoration of degraded rangelands will lead to an increase in biodiversity and rehabilitation of ecosystem services
- Restored rangelands will sequester and store higher levels of carbon in soil and in vegetation
- Restored rangelands will infiltrate and store more moisture, contributing to recharge of aquifers and boosting range productivity, biodiversity, and sequestration of atmospheric carbon

Successes:

- Significant efforts have been made to conserve biodiversity through reforestation and sustainable grazing techniques.
- TWENDE has reduced the environmental footprint of its operations by promoting green technologies and water conservation in the targeted regions.
- Enhanced community participation in land management, resulting in reduced soil erosion and increased soil fertility in project areas through the Pastoral Field Schools.

Shortcomings:

- Waste management remains a challenge, especially in areas with limited infrastructure for proper disposal of non-biodegradable waste.

- The continued use of unsustainable agricultural practices in some communities has hindered full compliance with the project's environmental guidelines.

Efforts to Manage Biodiversity and Waste: TWENDE has launched initiatives to protect rangeland habitats, particularly in areas prone to overgrazing and deforestation. Waste management policies have been promoted in collaboration with local governments to ensure communities adopt waste separation, recycling, and composting practices, although capacity-building in this area remains a challenge.

iii. Employee Welfare

The TWENDE project maintains a transparent and inclusive hiring process that emphasizes diversity and gender balance. The organization actively engages stakeholders, including community representatives, in recruitment processes to ensure the hired staff possess both technical skills and a deep understanding of the communities they serve. Gender parity is a priority, with 50% of the project's workforce being women.

Efforts to enhance skills and career development include regular training workshops, leadership development programs, and access to external courses in environmental management and community development. Appraisal and reward systems are in place, ensuring that employees' contributions are recognized through performance-based bonuses and promotions.

Regarding safety, TWENDE complies with Kenya's Occupational Safety and Health Act of 2007 (OSHA). All employees undergo safety training, and the project ensures that appropriate health and safety protocols are observed, particularly in areas prone to extreme weather conditions. Additionally, the Accredited Entity provides weather, disaster and environmental risk advisories to partners and employees which ensures minimization of occupational risks.

iv. Marketplace Practices

a) Responsible Supply Chain and Supplier Relations:

The TWENDE project adheres to ethical business practices by ensuring fair procurement processes and responsible supplier relationships. Suppliers are selected based on transparency, local content, and adherence to sustainability practices. TWENDE honours all contracts promptly and works closely with local suppliers to build their capacity, ensuring they can meet both projects needs and ethical standards. The supply processes are regulated, adhere to and are guided by Public Procurement and Disposal Act 2015, and ensures that 30% of all procurements are reserved for Women, Youth and PWDs.

b) Responsible Ethical Practices:

TWENDE is committed to maintaining high ethical standards in all its operations. Anti-corruption policies are strictly enforced, with all staff required to undergo training on ethical conduct and transparency. The project also refrains from engaging in any form of political lobbying, ensuring its efforts remain neutral and focused on humanitarian and environmental outcomes.

c) Regulatory Impact Assessment:

TWENDE ensures compliance with all relevant Kenyan laws and international environmental protocols. Regulatory impact assessments are conducted regularly to evaluate the project's impact on stakeholders' rights and the local environment. This ensures that all interventions safeguard the rights of local communities while advancing sustainable development goals.

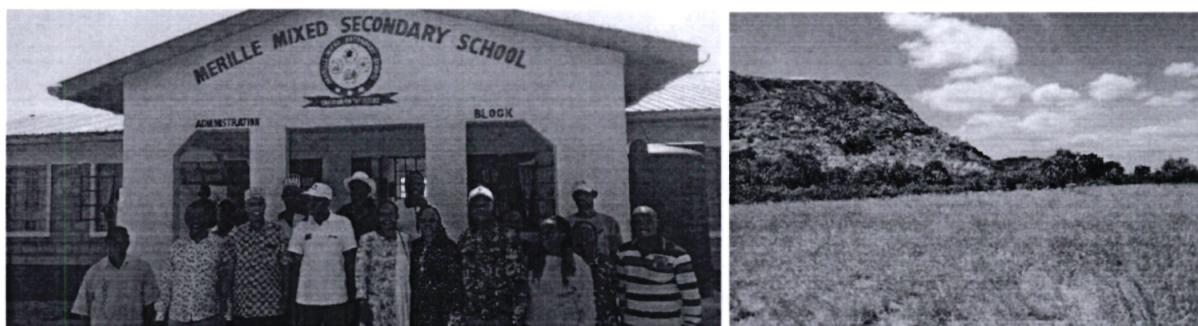
v. Community Engagements

TWENDE is deeply rooted in community engagement, and it has initiated a range of community-oriented activities aimed at improving the well-being of local populations. Charitable giving, including the provision of grass seeds and agricultural tools, has been a central aspect of its community support efforts. The project has invested heavily in local social infrastructure, including the construction of water harvesting facilities and rehabilitation of water harvesting structures for local schools affected by drought.

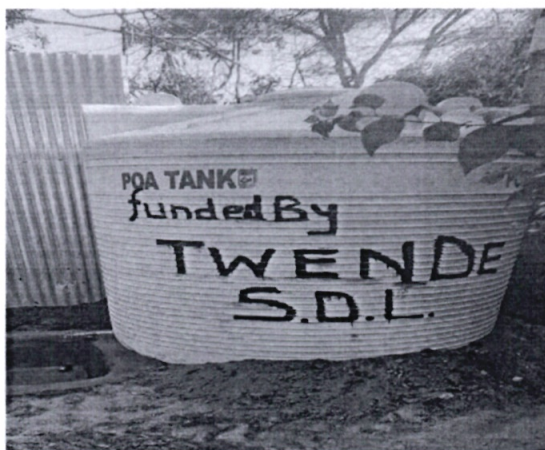


Key community engagement activities include:

- **Water and Sanitation Initiatives:** TWENDE has installed over 4 boreholes and 60 rainwater harvesting systems, improving access to clean water for more than 30,000 households.
- **Establishment of Community Pasture Production Demonstration Sites, Tree Nurseries and Water Structures**
- **Educational Support:** The project has donated and supported schools with water tanks, tree nurseries and school demonstration sites that have helped students from marginalized communities to promote education in drought-prone regions.



- **Healthcare and Labour Relations:** TWENDE regularly partners with local health authorities and dispensaries where water structures are established to promote hygiene for better health education programs, with a focus on improving maternal and child health. The project also ensures fair labor practices by involving community members in project activities and offering fair wages and benefits.



i. Wamba Disabled Group tank



ii. Pasture Demo site

In conclusion, the TWENDE project has made significant strides toward environmental sustainability, social development, and economic resilience in drought-affected areas of Kenya. However, it acknowledges the need to continuously improve its operations, particularly in areas such as waste management and community capacity-building, to ensure long-term sustainability.

5. Statement of Project Management Responsibilities

The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud,(iv)

safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Approval of the Project Financial Statements

The Project financial statements were approved by The Principal Secretary for the Ministry of Agriculture and livestock Development state department of Livestock Development and the Project Coordinator for Towards Ending Drought Emergencies Project on _____ 2024 and signed by:



Name
Principal Secretary/
Chief Officer



Name
Project Coordinator



Name
Project Accountant

ICPAK Member No: 9984

REPUBLIC OF KENYA



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON TOWARDS ENDING DROUGHT EMERGENCIES (TWEENDE): ECOSYSTEM BASED ADAPTATION IN KENYA'S ARID AND SEMI-ARID RANGELANDS PROJECT (IUCN GRANT NO. P02886) FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 of the Auditor-General on Towards Ending Drought Emergencies (TWEENDE): Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands Project for the Year Ended 30 June, 2024 – State Department for Livestock Development

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Towards Ending Drought Emergencies : Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands Project set out on pages 1 to 25, which comprise of the statement of financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Towards Ending Drought Emergencies : Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No. P02886 between International Union For Conservation of Nature and Natural Resources (IUCN) and the Government of the Republic of Kenya.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Towards Ending Drought Emergencies: Ecosystem Based Adaptation in Kenya's Arid and Semi-Arid Rangelands Project Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.318,000,000 and Kshs.309,139,922 respectively, resulting in under-funding of Kshs.8,860,078 or 3% of the budget. Similarly, the project spent Kshs.299,867,834 against actual receipts of Kshs.309,139,922 resulting to under-utilization of Kshs.9,272,088 or 3% of actual receipts. In addition, the statement of comparison of budget and actual amounts shows an under-expenditure of 21% and 11% in compensation of employees and purchase of goods and services respectively.

The under-funding and under-utilization may affect the planned activities and may have impacted negatively on delivery of goods and services to the public.

My report is not modified in respect of this matter.

Other Information

Conclusion

The Management is responsible for the other information set out on page i to xxiii which comprise of project Information and overall performance, Statement of Performance Against Predetermined Objectives, Environmental and sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Commingling of Project Funds

The statements of receipts and payments reflects Kshs.74,373,281 in respect of transfers from government entities. However, the funds are operated from the Ministry's bank account which is separate from the Project's bank account at Central Bank of Kenya. This implies that the Project is sourcing funds from two accounts against Regulation 76(1) of the Public Finance Management (National Government) Regulations, 2015 which requires Project bank account to be at the Central Bank of Kenya.

In the circumstances, Management is in breach of the law and there is a risk of inadequate accountability over the funds received.

2. Delay in Funding and Implementation of Project Workplans

The project prepared a budget, work plans and operational plans for various activities to be undertaken to completion in specific counties during the financial year under review. The activities were to be funded under Green Climate Fund (GCF) and Government Counterpart Funds as per a pre-arranged funding model tabulated below. However, none of the Organizations adhered to the funding arrangement resulting to under-funding and incomplete project activities as detailed in the table below: -

1.Grass Bulking Project – Garissa, Kajiando, Kitui, Makueni, Meru and Marsabit Counties				
Total Budget – USD 185,000				
Entity	Budget Portion (USD)	Received (USD)	Variance (USD)	Under-Funding
GCF	114,700	80,575	34,125	30%
GOK	70,300	0	70,300	100%
2.Strengthening and Establishment of 33 tree Nurseries – 3 wards per county				
Total Budget – USD 148600				
Entity	Budget Portion (USD)	Received (USD)	Variance (USD)	Under-Funding
GCF	92,132	75,525	35,664	40%
GOK	56,468	0	56,468	100%
3. Provision of live Fencing – Isiolo, Meru, Marsabit, Kitui and Kajiado Counties				
Total Budget – USD 260,000				
Entity	Budget Portion (USD)	Received (USD)	Variance (USD)	Under-Funding
GCF	161200	0	161,200	100%
GOK	98,800	65,792	33,008	33%

In the circumstances, the delayed funding results to incomplete project activities and will impact negatively on the realization of the overall project objectives.

3. Lack of Monitoring and Evaluation of Project Activities

An audit inspection of the field reports revealed that adequate monitoring and evaluation of project activities was not carried out during the financial year despite having a project technical team responsible for the project's Monitoring and Evaluation. As a result, some of the activities implemented such as tree seedlings nursery failed since the farmers did not take up their roles of watering them as initially agreed with the project team.

Further, the team also failed to offer capacity building to the farmers on how to handle the projects and also enlighten them on the projects overall benefit to the community.

In the circumstances, effective strategies to ensure that the project success and expected results are realized in an effective and efficient manner could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and 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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Union for Conservation of Nature and Natural Resources, except for the matters discussed in the Basis for Lawfulness and Effective Use of Public Resources section of my report, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of the Management and the Project Steering Committee

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

In preparing the financial statements, the Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

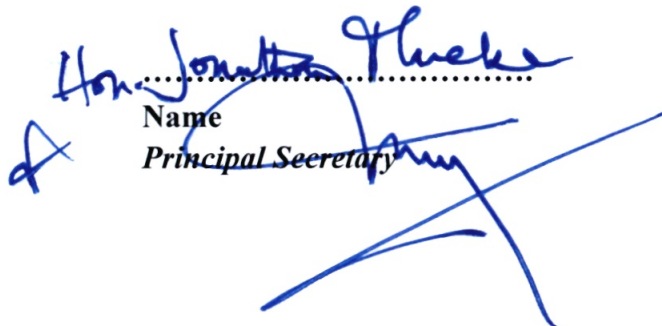
30 October, 2024

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity			Payments made by third parties			Total	Cumulative to-date (From inception)
		FY 2023/2024			FY 2023/2024				
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.		
Receipts									
Transfer from Government entities	1	74,373,281	-	74,373,281	40,383,384	-	40,383,384	138,470,832	
Proceeds from domestic and foreign grants	2	234,766,641	-	234,766,641	51,762,591	-	51,762,591	386,354,622	
Total receipts		309,139,922	-	309,139,922	92,145,975	-	92,145,975	524,825,454	
Payments									
Compensation to employees	3	13,434,466	-	13,434,466	6,190,073	-	6,190,073	21,525,341	
Purchase of goods and services	4	88,452,171	-	88,452,171	56,645,474	-	56,645,474	249,260,861	
Acquisition of non-financial assets	5	45,498,798	-	45,498,798	3,790,000	-	3,790,000	53,605,738	
Transfers to other government entities	6	152,482,400	-	152,482,400	38,232,400	-	38,232,400	190,714,800	
Total payments		299,867,834	-	299,867,834	104,857,947	-	104,857,947	515,106,739	
Surplus/ (deficit)		9,272,088	-	9,272,088	-12,711,972	-	-12,711,972	9,718,715	

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


 Name
 Principal Secretary

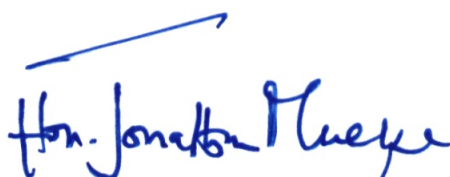
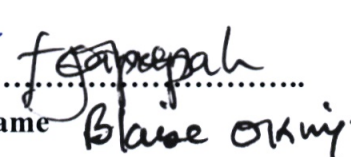


 Name
 Project Coordinator


 Name
 Project Accountant
 ICPAK Member No: 9984

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents	7	9,718,715	446,627
Total Financial Assets (A)		9,718,715	446,627
Financial Liabilities			
Total Financial Liabilities (B)		-	-
Net Financial Assets (A-B)		9,718,715	446,627
Represented By			
Fund Balance B/fwd.	8	446,627	13,158,599
Surplus/(Deficit) for the Year		9,272,088	-12,711,972
Net Financial Assets		9,718,715	446,627

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

 Name Principal Secretary	 Name Project Coordinator	 Name Project Accountant
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ICPAK Member No: 9984

*Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

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

Description	Note	FY 2023/2024	FY 2022/2023
Cashflow from operating activities		Kshs	Kshs
Receipts			
Transfer from government entities	1	74,373,281	40,383,384
Proceeds from domestic and foreign grants	2	234,766,641	51,762,591
Total receipts		309,139,922	92,145,975
Payments			
Compensation of employees	3	-13,434,466	-6,190,073
Purchase of goods and services	4	-88,452,171	-56,645,474
Transfers to other government entities	6	-152,482,400	-38,232,400
Total Payments		-254,369,037	-101,067,947
Net receipts/(payments)		54,770,886	-8,921,972
Adjustments during the year		-	-
Net cash flow from operating activities		54,770,886	-8,921,972
Cashflow from investing activities			
Acquisition of non-financial assets	5	-45,498,798	-3,790,000
Net cash flows from investing activities		(45,498,798)	(3,790,000)
Net increase in cash and cash equivalents		9,272,088	-12,711,972
Cash & cash equivalent at beginning of the year	7	446,627	13,158,599
Cash and cash equivalent at end of the year	7	9,718,715	446,627

Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Transfer from Government entities	78,000,000	-	78,000,000	74,373,281	3,626,719	95%
Proceeds from domestic and foreign grants	240,000,000	-	240,000,000	234,766,641	5,233,359	98%
Total Receipts	318,000,000	-	318,000,000	309,139,922	8,860,078	97%
Payments						
Compensation to employees	16,960,568	-	16,960,568	13,434,466	3,526,102	79%
Purchase of goods and services	99,657,032	-	99,657,032	88,452,171	11,204,861	89%
Acquisition of non-financial assets	48,900,000	-	48,900,000	45,498,798	3,401,202	93%
Transfers to other government entities	152,482,400	-	152,482,400	152,482,400	-	100%
Total Payments	318,000,000	-	318,000,000	299,867,834	18,132,165	94%
Surplus or Deficit				9,272,088		

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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for Towards Ending Drought Emergencies Project under the State Department of Livestock Development. The financial statements are for the reporting entity TWENDE Project as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (KES), the project's functional and reporting currency and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

Towards Ending Drought Emergencies Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

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

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

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

f) In-kind donations

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

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

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

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

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

Significant Accounting Policies (Continued)

k) Contingent Assets

Towards Ending Drought Emergencies Project 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 Towards Ending Drought Emergencies Project in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Pending bills

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

m) Budget

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

Significant Accounting Policies (Continued)

n) Third-party payments

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

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). TWENDE Project did not have prior period adjustments.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	FY 2023/2024	F/Y 2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
Counterpart funding through Ministry of agriculture and Livestock Development state Department Livestock Development			
Counterpart funds Quarter 1	1,140,329	-	1,140,329
Counterpart funds Quarter 2	2,263,091	-	2,263,091
Counterpart funds Quarter 3	55,769,838	3,271,276	63,900,379
Counterpart funds Quarter 4	15,200,024	37,112,108	71,167,034
Total (See Annex 3)	74,373,281	40,383,384	138,470,832
<i>Other transfers from government entities</i>			
<i>Ministry/County Department xx</i>	-	-	-
Total	=	=	=
Total	<u>74,373,281</u>	<u>40,383,384</u>	<u>138,470,832</u>

The sum of Ksh. 74,373,281 is the payments paid by the Ministry of Agriculture and Livestock Development state department of Livestock Development on behalf of the TWENDE Project for the current financial year under review

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor	FY 2023/2024			Total amount	FY 2022/2023	Cumulative to date
			Grants received in cash	Grants received as direct	Grants received in kind		Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Grants Received from Multilateral Donors (International Union for Conservation of Nature (IUCN))	17-05-22	1,578,900	234,766,641	-	-	234,766,641	51,762,591	386,354,622
Total		1,578,900	234,766,641	-	-	234,766,641	51,762,591	386,354,622

Notes to the Financial Statements (Continued)

3. Compensation to Employees

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total payments	Total payments	
-	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	13,434,466	-	13,434,466	6,190,073	21,525,341
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	13,434,466	-	13,434,466	6,190,073	21,525,341

4. Purchase of Goods and Services

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	2,000,000	-	2,000,000	1,668,000	4,068,000
Domestic travel and subsistence	40,597,645	-	40,597,645	29,000,192	81,773,437
Foreign travel and subsistence	-	-	-	3,393,395	3,960,175
Printing, advertising, and information supplies	3,380,950	-	3,380,950	2,809,400	6,631,480
Rentals of produced assets	-	-	-	-	-
Training payments	-	-	-	9,867,850	11,775,850
Hospitality supplies and services	1,225,550	-	1,225,550	104,000	1,649,550
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	-	-
Office and general supplies and services	94,777	-	94,777	-	94,777
Other operating payments	36,374,640	-	36,374,640	6,888,581	130,749,577
Routine maintenance – vehicles and other transport equipment	4,474,517	-	4,474,517	2,914,056	7,912,573
Routine maintenance- other assets	304,092	-	304,092	-	645,442
Exchange rate losses/gains (net)	-	-	-	-	-
Total	<u>88,452,171</u>	=	<u>88,452,171</u>	<u>56,645,474</u>	<u>249,260,861</u>

The amount of Ksh. 91,429,191 related to Consultancy services: – Technical and professional services form part of other operating payments.

Notes to the Financial Statements (Continued)

5. Acquisition of Non-Financial Assets

Description	FY 2023/2024			FY2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	7,095,460	-	7,095,460	-	7,095,460
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	5,035,338	-	5,035,338	-	5,035,338
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	7,264,700	-	7,264,700	845,000	8,109,700
Purchase of specialised plant, equipment and machinery	-	-	-	1,605,000	3,107,250
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	26,103,300	-	26,103,300	1,340,000	30,257,990
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	<u>45,498,798</u>	=	<u>45,498,798</u>	<u>3,790,000</u>	<u>53,605,738</u>

Notes to the Financial Statements (Continued)

6. Transfers to other Government Entities

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

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Transfers to National Government entities					
National Drought Management Authority	29,782,400	-	29,782,400	6,182,400	35,964,800
Water Resource Authority	102,700,000	-	102,700,000	32,050,000	134,750,000
Kenya Water Towers Authority	20,000,000	-	20,000,000		20,000,000
	-	-	-	-	-
Total	<u>152,482,400</u>	=	<u>152,482,400</u>	<u>38,232,400</u>	<u>190,714,800</u>

(We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipt

Notes to the Financial Statements (Continued)

7. Cash And Cash equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts (Note 7.A)	9,718,715	446,627
Total	<u>9,718,715</u>	<u>446,627</u>

The Project Towards Ending Drought Emergencies has 1 number of project accounts spread within the project implementation area and 1 number of foreign currency designated accounts that is shared by National Drought Management Authority and Conservative International managed by the National Treasury as listed below:

7. A Bank Accounts

Project Bank Accounts

Details	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	-	-
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total Foreign Currency balances	=	=
<u>Local Currency Accounts</u>		
Central Bank of Kenya A/c No 1000495685	9,718,715	444,627
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total local currency balances	<u>9,718,715</u>	<u>444,627</u>
Total bank account balances	<u>9,718,715</u>	<u>444,627</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
(i) A/c Name [A/c No1000495685]		
Opening balance	446,627	13,158,599
Total amount deposited in the account	234,766,641	51,762,591
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>225,494,553</u>	<u>64,474,563</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>9,718,715</u>	<u>446,627</u>
(ii) A/c Name [A/c No1000542508]	USD	USD
Opening balance (as per the SDA reconciliation)	44,295	475,219
Total amount deposited in the account	3,303,821	-
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>2,384,507</u>	430,924.
Closing balance (as per SDA bank account reconciliation attached)	<u>963,609</u>	<u>44,295</u>

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix xx support these closing balance.

The sum of USD 1,578,900 equivalent to KES. 234,766,641 was transferred to KES. Account under Towards Ending Drought Emergencies Project for state department of Livestock Development and the balance of USD 805,607 was transferred to KES. Account under National Drought Management Authority for executing component 1.

*Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

8. Fund Balance Brought Forward

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts	446,627	13,158,599
Total	446,627	13,158,599

Other Important Disclosures

9. Pending Accounts Payable (See Annex 4a)

Description	Balance b/f from FY 2022/2023	Additions for the year	Paid during the year	Balance c/f For FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	(-)	-
Construction of civil works	-	-	(-)	-
Supply of goods	7,985,388	1,131,330	-7,985,388	1,131,330
Supply of services	7,095,457	5,159,519	-7,095,457	5,159,519
Total	15,080,845	6,290,849	-15,080,845	6,290,849

10. Pending Staff Payables (See Annex 4b)

Description	Balance b/f from FY 2022/23	Additions for the year	Paid during the year	Balance c/f for FY 2023/24
	Kshs	Kshs	Kshs	Kshs
Senior management	589,025	-	589,025	-
Middle management	-	-	(-)	-
Union employees	-	-	(-)	-
Others	-	-	(-)	-
Total	589,025	-	(589,025)	-

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
1	The statement of comparison of budget and actual amounts reflects final receipts budget and actual comparable basis of KES 121,683,928 and KES 92,145,975 resulting to a shortfall of KES 29,537,953 OR 24.27% of the approved budget. Similarly, the Project Management spent an amount of KES 104,857,947 against an approved budget of KES 121,683,928 resulting to an under-expenditure of KES 16,827,981 or 16% of the budget. In addition, Note 6 to the financial statement reflects KES 38,232,400 in respect of transfer to other government entities. However the approved budget was KES 26,279,028 thereby resulting to over-expenditure of KES 11,953,372 that was not approved.		Not Resolved	6 months

Hon. Jonathan Mwangi

Name
Principal Secretary

f. G. G. G. G.

Name
Blaise Okinyi
Project Coordinator

Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

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

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	=a-b	d=b/a %	
Receipts					
Transfer from Government entities	78,000,000	74,373,281	3,626,719	95%	
Proceeds from domestic and foreign grants	240000,000	234,766,641	5,233,359	98%	
Total Receipts	318 000,000	309,139,922	8,860,078	97%	
Payments					
Compensation of employees	16,960,568	13,434,466	3,526,102	79%	
Purchase of goods and services	99,657,032	88,452,171	11,204,861	89%	
Acquisition of non-financial assets	48,900,000	45,498,798	3,401,202	93%	
Transfers to other government entities	152,482,400	152,482,400	-	100%	
Total payments	318,000,000	299,867,834	18,132,165	94%	

Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 3: Reconciliation of inter-entity transfers

Towards Ending Drought Emergencies Project			
Break down of transfers from the State Department of Livestock Development			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	FY 2023/2024
	Quarter 1	1,140,329	
	Quarter 2	2,263,091	
	Quarter 3	55,769,838	
	Quarter 4	15,200,024	
	Total	74,373,281	
B. Direct payments			
	Bank Statement Date	Amount (Kshs)	FY 2023/2024
		-	
	Total	-	
C. Others			
	Bank Statement Date	Amount (Kshs)	FY 2023/2024
		-	
	Total	-	
	Total (A+B+C)	74,373,281	

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

Project Coordinator
 Towards Ending Drought Emergencies Project

Sign 

Head of Accounting Unit
 State Department of Livestock Development

Sign 

*Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2023/2024	Outstanding Balance FY 2022/2023	Comments
		a	b	c=a-b		
Construction of buildings						
Sub-Total						
Construction of civil works						
1.						
Sub-Total						
Supply of goods						
M/S Crown Motors Group					5,035,388	
M/S Jevalyn Agencies					2,950,000	
M/s Gesam Merchants Traders		391,980		391,980		
M/s Holyman Ventures Company Limited		143,400		143,400		
M/s Newa Supplies		595,950		595,950		
Sub-Total		1,131,330		1,131,330	7,985,388	
Supply of services						
M/S Finetops Enterprises					7,095,457	
M/s 4B1 Investment Limited		1,998,660		1,998,660		
M/s European Automax (E.A)		241,379		241,379		
M/s Biringi Link Ventures		894,000		894,000		
M/s Ellabell Agencies Limited		52,980		52,980		
M/s Leantai Limited		1,972,500		1,972,500		
Sub-Total		5,159,519		5,159,519	7,095,457	
Grand Total		6,290,849		6,290,849	7,095,457	

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Sex	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2023/2024	Outstanding Balance FY 2022/2023	Comments
Permanent Employees - Management							
stanley humaiya	R					185,090	
various	various					280,035	
Blaise okinyi	P					31,500	
Beatrice tuei	P					31,500	
Petronilla nduthu	P					60,900	
Sub-Total						589,025	
Permanent Employees - Others							
1.							
2.							
Sub-Total							
Temporary employees							
3.							
4.							
Sub-Total							
Others (specify)							
5.							
6.							
Sub-Total							
Grand Total						589,025	

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/24	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) Kshs 2023/24	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land	-	-	-	-	-	-
Buildings and structures	-	-	7,095,460	-	-	7,095,460
Transport equipment	-	-	5,035,338	-	-	5,035,338
Office equipment, furniture and fittings	845,000	-	1,129,200	-	-	1,974,200
ICT Equipment,	-	-	6,135,500	-	-	6,135,500
Other Machinery and Equipment	3,107,250	-	-	-	-	3,107,250
Heritage and cultural assets	-	-	-	-	-	-
Biological assets	4,154,690	-	26,103,300	-	-	30,257,990
Infrastructure assets roads, rails	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Work in Progress	-	-	-	-	-	-
Total	8,106,940	-	45,498,798	-	-	53,605,738

Annex 9: Other Support Documents

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

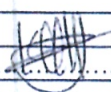
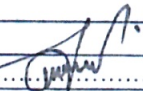
NOTE

GOK IFMIS comparison Trial Balance is not attached since in this, the GOK counterpart funds are drawn from one exchequer account for all ministry institutions/ departments. It will therefore not give a true picture of the project financials. Instead, we prepared the project trial balance and attached to reflect the balances and figures reported.

***Towards Ending Drought Emergencies Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Trial Balance

DETAILS	DR	CR
Opening balance		446,627
revenue Receipt		309,139,922
Basic wages of temporary employees	13,434,466	
Communication, supplies and services	2,000,000	
Domestic travel and subsistence	40,597,645	
Printing, advertising and information supplies	3,380,950	
Hospitality supplies and services	1,225,550	
office and general supplies and service	94,777	
other operating expenses	36,374,640	
Routine maintenance – vehicles and other transport equipment	4,474,517	
Routine maintenance- other assets	304,092	
Refurbishment of buildings	7,095,460	
Purchase of office furniture & general equipment	7,264,700	
Purchase of vehicles & other transport equipment	5,035,338	
Purchase of certified seeds, breeding stock and live animals	26,103,300	
Transfers to National Government entities	152,482,400	
Closing Balance	9,718,715	
TOTAL	309,586,549	309,586,549

FO 30	SDL-TWENDE		
REPUBLIC OF KENYA			
BANK RECONCILIATION AS AT 31ST JUNE , 2024			
STATE DEPARTMENT OF LIVESTOCK A/C NO. 1000209957			
		kshs	kshs
Balance as per Bank Certificate.....			56,158,804.55
Less.....			
1. Payments in the Cash Book not yet recorded in the Bank Statement (Unpresented Cheques).....		46,466,189.70	
2. Receipts in the Bank Statements not yet recorded in Cash Book.....		-	46,466,189.70
Add.....			
3. Payments in the Bank Statement Not yet recorded in the Cash Book.....		26,100.00	
4. Receipts in the Cash Book not yet recorded in the Bank Statement.....		-	26,100.00
BANK BALANCE AS PER CASH BOOK			9,718,714.85
I certify that I have verified the Bank Balance in the Cash Book with the the Bank Statement and that the above Reconciliation is correct.			
Prepared by:	<i>pebo musika</i>		
Signature.....		Date.....	<i>30/6/2024</i>
Checked by:	<i>Blaise Okinyi</i>		
Signature.....		Date.....	<i>30/6/2024</i>

RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK

DATE	DESCRIPTION	REF/NO.	AMOUNT
	TOTAL		0.00

PAYMENTS IN BANK STATEMENT NOT IN CASH BOOK

DATE	DESCRIPTION	REF/NO.	AMOUNT
29-May-24	CASUAL SALARY APRIL-NSSF	STD003153	14,500.00
29-May-24	CASUAL SALARY APRIL-NHIF	STD003153	11,600.00
	TOTAL		26,100.00

PAYMENTS IN CASH BOOK NOT IN BANK STATEMENT

DATE	DESCRIPTION	REF/NO.	AMOUNT
16/Apr/24	KASSIM OMAR FARAH PAYE MARCH	STD002699	111,110.45
16/Apr/24	KASSIM OMAR FARAH HOUSING LEVY MARCH	STD002699	11,964.00
16/Apr/24	FESTUS KIPROTICH PAY MARCH	STD002698	31,356.95
16/Apr/24	FESTUS KIPROTICH HOUSING LEVY MARCH	STD002698	3,988.00
16/Apr/24	SAMUEL GEORGE PAY MARCH	STD002697	71,233.55
16-Apr-24	SAMUEL GEORGE HOUSING LEVY MARCH	STD002697	7,976.00
9-May-24	KASSIM OMAR FARAH HOUSING LEVY APRIL	STD003142/120	12,012.00
9-May-24	FESTUS KIPROTICH NHIF APRIL	STD003140/122	1,700.00
24-Jun-24	SESIEN ENTERPRISES LIMITED	STD003366/157	19,468.95
28-Jun-24	DEVANI LIMITED	STD003808	755,829.85
28-Jun-24	EUROPEAN AUTOMAX EA LTD	STD003367	294,827.60
28-Jun-24	TESNEY ENTERPRISES	STD003425	1,957,870.00
28-Jun-24	GULIYE INVESTMENT	STD003961	1,996,500.00
28-Jun-24	VARIOUS SALARY	STD003719	771,952.35
28-Jun-24	BARKOG HOLDINGS LIMITED	STD003942	297,500.00
28-Jun-24	UNIBRAND LOGISTICS	STD003937	265,600.00
28-Jun-24	SAFARILAND ENTERPRISES COMPANY LIMITED	STD003939	420,500.00
28-Jun-24	ALIPAN COMPANY LIMITED	STD004026	1,872,500.00

28-Jun-24	NATIONAL DOUGHT MANAGEMENT AUTHORITY	STD003953	10,391,200.00
28-Jun-24	WATER RESOURCE AUTHORITY	STD003954	14,000,000.00
28-Jun-24	UNIBRAND LOGISTICS	STD003964	1,999,900.00
28-Jun-24	GULIYE INVESTMENT	STD003960	1,199,820.00
28-Jun-24	UNIBRAND LOGISTICS	STD003956	1,990,000.00
28-Jun-24	4BI INVESTMENT LIMITED	STD003962	1,995,900.00
28-Jun-24	KENTAF INVESTMENT LIMITED	STD003959	1,992,000.00
28-Jun-24	JIDAN COMPANY LIMITED	STD003958	1,997,100.00
28-Jun-24	FARAH CONTRACTORS AND GENERAL SUPPLI	STD003955	1,996,380.00
	TOTAL		46,466,189.70

RECEIPTS IN CASH BOOK NOT IN BANK STATEMENT

DATE	DESCRIPTION	REF/NO.	AMOUNT
	TOTAL		-

BANKI
KUU YA
KENYA

CENTRAL
BANK OF
KENYA

Halle Gelsale y.m.m.
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2550000 Fax: 3310192

July 12, 2024

CERTIFICATE OF BALANCES

Customer : 122556

STATE DEPT FOR LIVESTOCK DEVELOPMENT

Balance

Date: 30-Jun-24

Account No	Account Name	Currency	Balance
1000209957	DEV-STATE DEPT FOR LIVESTOCK DEV	KES	176,490,265.60
1000209984	CBK165-STATE DEPT.FOR LIVESTOCK DEV	KES	0.00
1000210109	REC-STATE DEPT. FOR LIVESTOCK DEV	KES	30,445,113.80
1000212632	DEP-STATE DEPT.FOR LIVESTOCK DEV	KES	23,143,429.70
1000216395	REG. PASTORAL LIVELIHOODS RES.PRJ	KES	0.85
1000495685	TOWARDS ENDING DROUGHT EMERGENCIES	KES	56,158,804.55
1000668016	DRIVE IN THE HORN OF AFRICA	KES	90,517,662.50

Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division

Micah Nabori
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA

RECURRENT

Date... 17/2024

Report of the Board of Survey on the Cash and Bank Balances of ... STATE DEPARTMENT FOR LIVESTOCK Dev...
TOWARDS ENDING DROUGHT EMERGENCIES as at the close of business on

...30TH JUNE 2024

The Board, consisting of Names and official titles

Chairman JUDE T. WABONGA SDS

Secretary JANET BETT PAC

Member GEOFREY JANKUI - SCMU

Assembled at the office of TWENDE

At 10:30am (time) on the 01/07/2024

And the following cash produced:-

Notes	...	...	...	...	...	Shs	.....
Silver	...	...	...	...	...	Sh	.....
Copper	...	...	...	...	...	Sh	.....
Cheques (as per details on reverse)	...	...	...	...	...	Sh	.....

I observed that CHEQUES AMOUNTING TO

Has been on hand for more that 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at close of business on the

The cash Book reflected the following balances as at the close of business on the 9718714.85

Cash on hand Sh.

Bank Account Sh. 56158804.55

The Bank certificate of Balance showed a sum of Shs. 56158804.55

Standing to the credit of the account on ~~30/6/2022~~ 30/6/2024

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

Chairman 

Secretary 

Member of the Board 

**GCF- DROUGHT EMERGENCIES PROJECT TWENDE
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2024**

GCF Grant- TWENDE

Bank Account No.1000542508 Held with CENTRAL BANK OF KENYA

		NOTES	MOUNT USD	AMOUNT USD
1	Amount advanced by GCF			5,178,018.55
	Less:			
2	Total amount justified to GCF			-
3	Outstanding amount advanced to be Justified			5,178,018.55
	Represented by:			
4	Ending Designated Account Balance at 30.06.2024			963,609.12
5	Amount claimed but not credited at 30.06.2024			-
6	Amount withdrawn and not claimed as at 30.06.2024			4,214,373.43
7	Service charges (if not included in 5 & 6 above)			36.00
	Less:			
8	Interest earning (if included in Designated Account)			-
9	Total advance to Designated Account year ended 30.06.2024			5,178,018.55

Discrepancy between total appearing on lines 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by GCF and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by European Union and shall be documented in subsequent IFRs



**AUTHORIZED REPRESENTATIVE
RESOURCES MOBILIZATION DEPARTMENT
THE NATIONAL TREASURY**


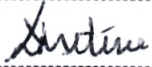
DATE: 02-08-2024

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2024
Account No.	1000542508
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	GCF DROUGHT EMERG. PROJECT TWENDE
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	44,294.97
Add:	
Total Amount deposited by World Bank	3,303,821.15
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	2,384,507.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June,2024	963,609.12

AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE:	
	DATE	01-08-2024
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE:	
	DATE	02-08-2024

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 15/07/2024 Run Time: 14:22:31
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000542508

ACCOUNT TITLE : GCF DROUGHT EMERG. PROJECT TWENDE
 30/06/2024

STATEMENT PERIOD: From 01/07/2023 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			44,294.97		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	03/10/2023	FT232765CL6V	FUNDING	0.00	2,453,232.15
2	09/10/2023	FT23282D952J	PA 131637	-1,578,900.00	0.00
3	24/10/2023	FT23297ZQDFW	FUNDING	0.00	850,589.00
4	09/01/2024	FT24009C6KT5	PA133041	-805,607.00	0.00
					Balance
					2497527.12
					918627.12
					1769216.12
					963609.12

CLOSING BALANCE : 963609.12

END OF ACCOUNT STATEMENT

Favourites	TAM.E.STMT.OF.ACCT.EPRM	More Options	Find
		Clear Selection	
Account	equals	✓	1000542508
Statement From	equals	✓	20230701
Statement To	equals	✓	20240630
	TAM.E.STMT.OF.ACCT.EPRM		