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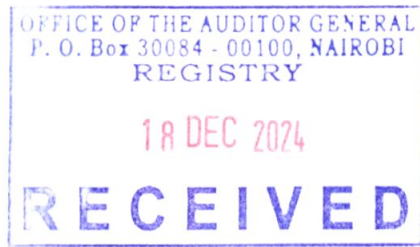
THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 09 APR 2025 Wednesday
BY: Hon. Naani Waaga MP
Clerk-at-Table: Deputy Majority Party Whip
Halima Ahmed

THE AUDITOR-GENERAL

ON

NATIONAL ENVIRONMENT TRIBUNAL

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



NATIONAL ENVIRONMENT TRIBUNAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

**National Environment Tribunal
Annual Report and Financial Statements
for the year ended June 30, 2024**

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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

(This list is an indication of the common acronyms and abbreviations; The Entity should customize the acronyms and abbreviation to capture all that has been used in the preparation

2. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

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

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

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

Key Entity Information and Management (continued)

(c) Fiduciary Oversight Arrangements

Name of the Committee
Finance & Procurement committee
Governance & Strategy committee
Audit Risk & Compliance
Administration and Human Resource committee

(d) Entity Headquarters

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

(e) Entity Contacts

Telephone: (+254-020) 6003729 extension-295
Email: nettr@court.go.ke
Website: www.net.or.ke

(f) Entity Bankers

Kenya Commercial BankKCB
KICC Branch
Nairobi, KENYA

Key Entity Information and Management (continued)

(g) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue



P.O. Box 40112

City Square 00200

Nairobi, Kenya


3. The Board of Directors/Council

 <p>Hon. Emmanuel Mumia Chairperson</p>	<p>Education Background:</p> <ul style="list-style-type: none"> ✓ Bachelor of Law- LL. B ✓ Master of Laws- LL.M ongoing <p>Work Experience:</p> <p>Emmanuel is an Advocate of the High Court of Kenya, Partner & Head of Litigation & Dispute Resolution Department at Mwaniki Gachoka & Co. Advocates.</p> <p>He is an expert in Commercial and Civil Litigation, Procurement Law, Arbitration and Conveyancing</p>
 <p>Hon. Winnie Tsuma Vice- Chairperson</p>	<p>Education Background:</p> <ul style="list-style-type: none"> ✓ Bachelor of Law- LL. B ✓ Master’s in public policy (University of Bristol, UK) <p>Work Experience:</p> <p>Winnie Tsuma is an Advocate of the High Court of Kenya with vast experience and knowledge in research, negotiations, Legal audit and compliance, policy formulation, legislative drafting and litigation among others</p>
 <p>Hon. Duncan Kuria, OGW Member</p>	

 <p>Hon. Ronald Allamano Member</p>	<p>Education Background:</p> <ul style="list-style-type: none"> ✓ Bachelor of Law- LL. B ✓ Master of Laws- LL.M (Deakin University Australia) ✓ PHD Ongoing (University of Cape Town) <p>Work Experience: Ronald has a wealth of experience in Commercial and Corporate law at an advisory and dispute resolution level. He has assisted individuals and corporates in solving complex legal problems. Ronald similarly practices Constitutional and Human Rights Litigation, Election, Oil and Energy, Banking and Finance, and Environment and Climate Change laws.</p> <p>Besides practice, Ronald is a law lecturer at Kabarak Law School</p>
 <p>Hon. Bellinda Akello, OGW Secretary</p>	<p>Education Background:</p> <ul style="list-style-type: none"> ✓ Environmental Social and Impact Assessment Focus on Oil and Gas Project ✓ Social Assessment Community involvement and Stakeholder engagement in Oil and Gas sector ✓ Legal and Governance Audit ✓ Professional Mediation Training ✓ Certificate in Public Administration - High Distinction ✓ Master of Public Policy – High Distinction (Australian National University) ✓ Master of Diplomacy - Distinction (Australian National University) ✓ Bachelor of Laws- LL. B ✓ PHD Ongoing

	<p>Work Experience: Bellinda is an advocate of the high court of Kenya with vast experience in Land matters, Commercial Law, Arbitration and mediation. she is a Deputy Director Legal Department National Land Commission</p>
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4. Key Management Team

Name of the Staff	Responsibility
 <p>M/s Bellinda Akello, OGW-CEO LL.B, Bsc. IBA (Finance), Masters in Diplomacy</p>	<p>Accounting officer and head of Administration</p>
 <p>Mr. Duncan Kombo</p> <p><u>Date of Birth</u> - 20th March 1967</p> <p><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-Kaganru School</p> <p><u>Work Experience</u> KENAO Auditor KFS - Cashier</p>	<p>Senior Accountant - Head of Finance</p>

5. Chairman's Statement

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

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

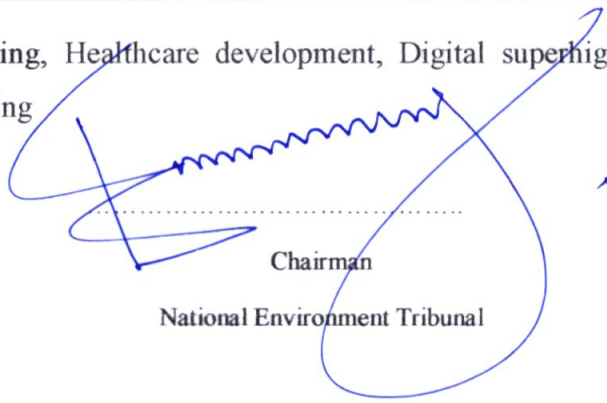
The Tribunal therefore is an important institution towards achieving environmental justice for sustainability. It is imperative to note that access to justice is not merely the determination of appeals but also entails awareness creation on access to justice, the time taken to determine an Appeal and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

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

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

**National Environment Tribunal
Annual Report and Financial Statements
for the year ended June 30, 2024.**

development in the Housing, Healthcare development, Digital superhighway infrastructure,
Transport and Manufacturing

A large, stylized handwritten signature in blue ink, consisting of several overlapping loops and a wavy line, is written over the text and extends into the signature block below.

Chairman
National Environment Tribunal

6. Report of the Chief Executive Officer

The National Environment Tribunal as established under **Section 125** of the Environmental Management and Co-ordination Act has a composition of 4 members currently sitting on Appeals and Referrals. The members were appointed via gazette notices 7052 dated 31st May 2023, 7514 dated 7th June 2023 and 2117 dated 8th February 2023. All appointments as per the act were made by the Cabinet Secretary Ministry of Environment Climate Change and Forestry. NET also has a secretary who oversees day to day administration of the Tribunal. The Secretary to the Tribunal was appointed vide Gazette Notice No. 145 dated 1st December 2022. The Secretary to the Tribunal oversees a staff of 8 members drawn from both the Ministry and the Judiciary.

During the period under review, the Tribunal was able to achieve a 162.5 % resolution of disputes, an equivalent of the total Appeals and Applications filed during the year were resolved. The Tribunal was also able to reduce backlog for the previous years by 62.5 %. To enhance access to justice, the Tribunal undertook and participated in various awareness creation forums such as shows, Environmental days, and awareness creation/sensitization forums and stakeholder engagement forums. The Tribunal was also able to deliver to the ELC and other parties all proceedings requested for.

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



.....
Chief Executive Officer
National Environment Tribunal

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

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

Key result areas

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

Strategic Objectives

The Strategic Objectives serve as a roadmap to achieve the National Environmental Tribunal's mission and vision. During the FY 2023/2024 the National Environmental Tribunal focused on the following strategic objectives:

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

Achievements

The National Environmental Tribunal has achieved the following strategic objectives

- Strengthened environment and climate change governance through development and implementation of bills, policies and regulations;
- Implemented strategies to reduce environmental and land degradation;

- Put in place strategies to improve waste management through inspections of the ban of single use plastic, development of material recovery facilities;
- Improved functioning of aquatic and terrestrial ecosystems through implementation of biodiversity strategies;
- Strengthened research in environment and natural resources;
- Strengthened national climate change actions and responses through development and implementation of National Climate Change Action Plan (NCCAP III 2023-2027);
- Enhanced access to means of implementation for local climate action
- Strengthened multilateral engagements and obligations on climate change;
- Strengthened early warning and early action through meteorological services;

Opportunities and challenges

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

8. Corporate Governance Statement

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

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

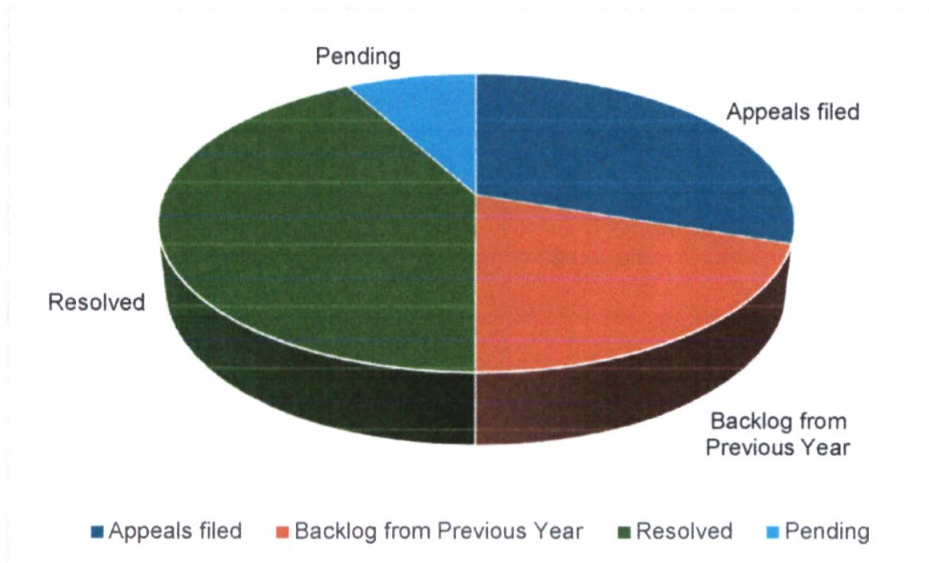
In the plan period 2023 – 2027, the National Environmental Tribunal will focus on pursuing four key result areas namely Environment and Climate Change Governance and Coordination; Conservation, Protection, Restoration and Management of Environment Ecosystems; Climate Change Adaptation and Mitigation;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

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

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

9. Management Discussion and Analysis

The following is a report of the Appeals NET has handled and pending matters for the financial yearended 30th June 2024.



The Tribunal in carrying out its core mandate has conducted a few site visits and sittings to facilitate decision making. In enhancing its mission towards expeditious and inexpensive access to justice, the Tribunal has held sitting at various locations as a measure to ensure witnesses in various cases are able to reach the court and give testimony in relation to various matters before it. The Tribunal as per the F/Y 2022/23 report had a backlog of 25 Appeals, an additional 38 new Appeals were filed in the reporting year 2023/24 while several Applications were filed. The Tribunal was able to make decisions as follows; 43 Rulings on Applications with 17 Rulings fully settling the Appeals, 29 Judgments and 7 Consents. As at 30th June 2024, the Tribunal had a backlog of 10 Appeals which was an achievement of 162.5 in dispensing of appeals and Applications filed within the financial year.

The Tribunal has also participated in various environmental activities geared towards enhancing its visibility and creating awareness among the public who are the greatest beneficiaries of a healthy and safe environment as provided under the Constitution of Kenya 2010. A total of 6 awareness activities were conducted in collaboration with the Ministry of Environment Climate Change and Forestry.

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

The Tribunal has finalized the National Environment Tribunal Draft Procedure rules 2022 within the financial year which awaits gazettelement

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

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

- a) **Climate change:** Kenya is experiencing the effects of climate change, including rising temperatures, changing rainfall patterns, and increased frequency and intensity of extreme weather events such as droughts and floods. The National Environmental Tribunal is working to reduce greenhouse gas emissions and adapt to the changing climate to protect the country's ecosystem and biodiversity.
- b) **Biodiversity Loss:** Biodiversity loss is a critical global issue that has been described as the sixth mass extinction in the history of the planet. It refers to the gradual or rapid reduction of the variety of living species on earth as well as the loss of genetic diversity within species and ecosystems that support them. Biodiversity loss is a global issue that requires coordinated action at local, national, and international levels. The National Environmental Tribunal will protect biodiversity through the establishment of protected areas, the promotion of sustainable land use practices, and the development of policies and programs to address the root causes of biodiversity loss.
- c) **Land Degradation:** Land degradation is a major global challenge, and Kenya is not exempt from this problem. Land degradation refers to the reduction or loss of the productive capacity of land, which can be caused by a range of factors, including human activities, climate change, and natural disasters. In Kenya, land degradation is a significant issue that affects both rural and urban areas. According to a report by the World Bank¹, over 80 percent of the land in Kenya is classified as arid and semi-arid, making it particularly susceptible to degradation. The National Environmental Tribunal will ensure there are sustainable land management practices and the restoration of degraded lands. These practices will help to improve soil fertility, reduce erosion, and increase the productivity of the land. Additionally, there is a need for policy interventions to support

sustainable land management practices and ensure the protection of natural resources in Kenya.

- d) **Pollution:** Pollution is a significant global challenge that affects various aspects of human life and the environment, and Kenya is not immune to its effects. Kenya is facing several pollution challenges that have detrimental impacts on the country's natural resources, public health, and economic development. Air pollution, water pollution and Land pollution are the forms of pollution in Kenya. The National Environmental Tribunal and relevant stakeholders will take appropriate measures such as enforcing environmental regulations, promoting sustainable waste management practices, and raising public awareness to combat pollution in the country.
- e) **Technological Changes:** Technology has revolutionized the way people live, work and interacts with each other, but it has also created new challenges for the environment. While technology has the potential to help address environmental issues, it also contributes to environmental problems such as climate change, pollution and depletion of natural resources. Some of the way's technology poses challenges are through E-waste, Carbon footprint among others. To address these challenges the National Environmental Tribunal will develop and implement sustainable technologies and practices that minimize the environmental impact of technology while still meeting the needs for connectivity and information.
- f) **Global Economic Crisis:** The Global Economic Crisis presents a significant challenge to the National Environmental Tribunal such as budget cuts, increased poverty, reduced or lack of investments on projects and initiatives, and reduced international cooperation. The National Environmental Tribunal will employ careful planning and strategic thinking to continue making progress on environmental issues in such times.
- g) **Inadequate Funding:** The current levels of funding to the sub-sector from the exchequer as well as from other sources are inadequate and this hampers the sub-sector's performance. The sector has frequently experienced late disbursal leading to slow implementation of programs and activities. The sub sector steers the initiative towards realization of 30% tree cover by 2030. Other areas affected include research, generation of data for weather forecasting and aviation industry, monitoring environmental degradation and enforcement of environmental laws and standards.

ii) *Environmental performance/climate change/mitigation of natural disasters*

National Environment policy

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

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

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

iii) *Corporate Social Responsibility / Community Engagements*

The Tribunal was able to participate and undertake CSR activities in the financial year 2022/23, through participation in Environmental days and activities in collaboration with the Ministry of Environment, Climate Change and Forestry.

11. Report of the Directors

The directors' presents, audited financial statement reports for the quarter ended 30th June 2023, which gives an opinion on the position of NET.

i) Principal activities

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

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on page 1

iii) Directors

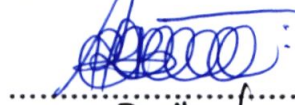
**National Environment Tribunal
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The members of the Board of Directors who served during the year are shown on pages viii-ix. During the year no director retired/ resigned and none was appointed.

iv) Auditors

The Auditor-General is responsible for the statutory audit of NET in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2024 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
Name *Bellinda Accello*

Corporation Secretary/Secretary to the Board

12. Statement of Directors Responsibilities

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

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

The Directors are responsible for the preparation and presentation of the Tribunal's financial statements, which give a true and fair view of the state of affairs of the Tribunal for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Tribunal; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Tribunal; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

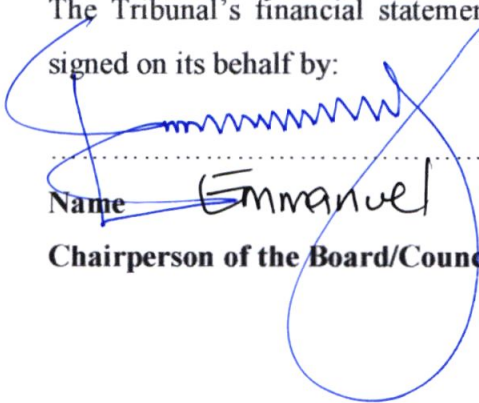
The Directors accept responsibility for the Tribunal's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and EMCA Act 1999 (Amended 2015). The Directors are of the opinion that the Tribunal's financial statements give a true and fair view of the state of the Tribunal's transactions during the financial year, and of the Tribunal's financial position as at 30th June 2023. The Directors further confirm the completeness of the accounting records maintained for the Tribunal, which have been relied upon in the preparation of the Tribunal's financial statements as well as the adequacy of the systems of internal financial control.

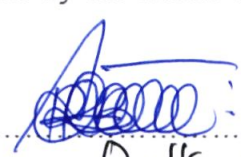
Nothing has come to the attention of the Directors to indicate that NET will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

**National Environment Tribunal
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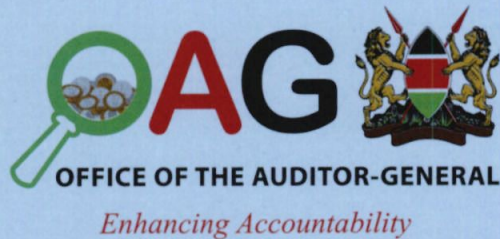
The Tribunal's financial statements were approved by the Board on **30th June 2024** and signed on its behalf by:


Name Emmanuel Nunka
Chairperson of the Board/Council


Name Bellruda Alcelto
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL ENVIRONMENT TRIBUNAL FOR THE YEAR ENDED 30 JUNE, 2024

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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report 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 Environment Tribunal set out on pages 1 to 20, which comprise of the statement of financial position as at 30 June, 2024 statement of financial performance, statement of changes in net assets,

statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Environment Tribunal as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Environmental Management and Co-ordination (Amendment) Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Other Matter

Unresolved Prior Year Issue

In the audit report of the previous year, an issue was raised under the Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issue as at 30 June, 2024.

Other Information

Management is responsible for the other information set out on page iv to xxiv which comprise of Key Entity Information and Management, The Board of Directors/Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Tribunal's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is

materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 and 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 section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion.

1. Lack of Segregation of Duties

The Finance Department is staffed with the Head of Finance and casuals. The Head of Finance initiates payments, makes payments, maintains cashbook, prepares bank reconciliation statements and posts the ledger in disregard of segregation of duties. Further, the accounting records are manually maintained.

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

2. Annual Board Work Plan not Approved

During the year under review, the Tribunal's Board operated without an approved Annual Work Plan contrary to paragraph 1.9 of the Mwongozo Code of Governance which requires Board Members to develop an Annual Work Plan.

In the circumstances, the Board activities for the year under review were not based on an Approved Work Plan.

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 control, 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 governance.

In preparing the financial statements, Management is responsible for assessing the Tribunal'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 Tribunal or to cease its 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 Tribunal's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


23 December, 2024

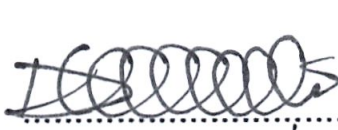
**National Environment Tribunal
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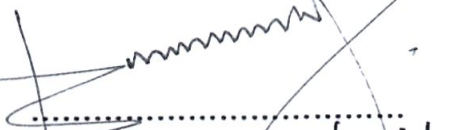
14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	5	64,000,000	62,079,826
Other Grants			1,251,546
		64,000,000	63,331,372
Expenses			
Use of goods and services	6	6,377,411	8,386,558
Employee costs	7	5,973,917	2,009,315
Tribunal Operational Expenses	8	46,520,010	49,663,801
Board Expenses	9	3,856,675	2,848,167
Depreciation and amortization expense	10	458,993	628,243
Repairs and maintenance	11	1,191,457	680,567
Total expenses		64,378,463	64,216,651
Net Surplus for the year		(378,463)	(885,279)

The notes set out on pages 6 to 21 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:


Name: Belkuda Aaelto
Accounting Officer


Name: Duncan Kombo
Head of Finance


Name: Emmanuel Mumia
Chairman of the Board

Date 17-12-2024

Date 17-12-2024


Date 17-12-2024

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15. Statement of Financial Position as at 30 June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	12	115,466	34,936
Total Current Assets		115,466	34,936
Non-Current Assets			
Property, Plant and Equipment	13	1,563,034	2,022,027
Total Non- Current Assets		1,563,034	2,022,027
Total Assets (A)		1,678,500	2,056,964
Liabilities			
Current Liabilities			
Trade and Other Payables	14	290,000	290,000
Total Current Liabilities		290,000	290,000
Total Liabilities (B)		290,000	290,000
Net Assets (A-B)		1,388,500	1,766,964
Reserves			
Reserves		1,388,500	1,766,964
Net Assets		1,388,500	1,766,964

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

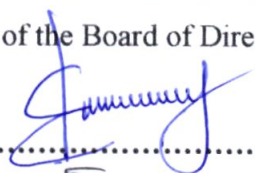

Name **Bellinda Aceito**
Accounting Officer

Date **17-12-2024**


Name **DUNCAN KOMBI**
Head of Finance

ICPAK Member Number:

Date **17-12-2024**


Name **Emmanuel Mumia**
Chairman of the Board

Date **17-12-2024**

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

Description	Retained earnings	Total
	Kshs	Kshs
As at July 1, (2022)	2,652,243	2,652,243
Surplus/ deficit for the year	(885,279)	(885,279)
Capital/development grants received during the year	-	-
As at June 30, (2023)	1,766,964	1,766,964
As at July 1, (2023)	1,766,964	1,766,964
Surplus/ (deficit) for the year	(378,463)	106,466
As at June 30, (2024)	1,388,500	1,873,430

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

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		64,000,000	62,079,826
Other income			1,251,546
Total receipts		64,000,000	63,331,372
Payments			
Use of goods and services		6,377,411	8,386,558
Employee costs		5,973,917	2,009,315
Tribunal Operational Expenses		46,520,010	49,663,801
Board Expenses		3,856,675	2,848,167
Repairs and maintenance		1,191,457	680,567
Total payments		63,919,470	63,588,408
Net cash flows from/(used in) operating activities		80,530	(257,036)
Cash flows from investing activities			
Purchase of PPE and Intangible assets		00	290,000
Net cash flows from/(used in) investing activities		00	290,000
Net increase/(decrease) in cash & Cash equivalents		00	32,964
Cash and cash equivalents at 1 July 2023	11	34,936	1,972
Cash and cash equivalents at 30 June 2024	11	115,466	34,936

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	64,000,000	00	64,000,000	63,919,470	80,530	100%
Total Income	64,000,000	00	64,000,000	63,919,470	80,530	100%
Expenses						
Use of Goods and Services	5,300,000	00	5,300,000	6,377,411	(1,077,411)	120%
Employee costs	7,400,000	00	7,400,000	5,973,917	1,426,083	81%
Tribunal Operational Expenses	46,000,000	00	46,000,000	46,520,010	(520,010)	100%
Board Expenses	4,000,000	00	4,000,000	3,856,675	143,325	96%
Repairs and Maintenance	1,300,000	00	1,300,000	1,191,457	108,543	92%
Total Expenditure	64,000,000	00	64,000,000	63,919,470	80,530	100%
Surplus for the period	00	00	00	80,530	00	00

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 2. (r,i)&ii).

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

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Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across</p>

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Standard	Effective date and impact:
	<p>IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

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Standard	Effective date and impact:

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

b) Budget information

The original budget for FY 2022-2023 was approved by the National Assembly on 15th June, 2022.

NET's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a 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.

Summary of Significant Accounting Policies (Continued)

c) Taxes

NET is not subject to government taxes

d) Property, plant and equipment

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

e) Intangible assets

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

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

f) Research and development costs

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

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

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Summary of Significant Accounting Policies (Continued)

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.

g) Financial liabilities

Classification

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

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

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

Provisions

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

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

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

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Summary of Significant Accounting Policies (Continued)

i) 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.

j) 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.

k) Nature and purpose of reserves

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

l) 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.

m) Related parties

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

n) 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.

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Summary of Significant Accounting Policies (Continued)

o) Comparative figures

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

p) 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.

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Notes to the Financial Statements (Continued)

5. Transfers from Other Government entities

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional Grants		
Operational Grant	64,000,000	62,079,826
Total Government Grants And Subsidies	64,000,000	62,079,826

6. Use of Goods and Services

Description	2023-2024	2022-2023
	Kshs	Kshs
Audit Fees	290,000	290,000
Hospitality	1,176,183	1,334,000
Fuel and Oil	1,600,000	1,600,000
Insurance	138,159	00
Training	00	60,000
Air Tickets	1,137,395	00
Supplies	2,035,674	5,102,558
Total	6,377,411	8,386,558

7. Employee Costs

Description	2023-2024	2022-2023
	Kshs	Kshs
Casuals	2,472,521	988,815
Extraneous	3,033,500	1,020,500
Foreign Travel	467,896	00
Employee costs	5,973,917	2,009,315

8. Tribunal Operational Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Travelling and Accommodation	32,815,785	38,564,369
Sitting Allowance	13,704,225	8,974,932
Other expenses		2,124,500
Tribunal Operational Expenses	46,520,010	49,663,801

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9. Board Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Sitting Allowances	2,472,250	2,848,167
Other expenses	1,384,425	
Total	3,856,675	2,848,167

10. Depreciation and Amortization Expense

Description	2023-2024	2022-2023
	Kshs	Kshs
Property, plant and equipment	458,993	628,243
Total depreciation and amortization	458,993	628,243

11. Repairs and Maintenance

Description	2023-2024	2022-2023
	Kshs	Kshs
Vehicles, Property and equipment	1,191,457	680,567
Total Repairs and Maintenance	1,191,457	680,567

12. Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Current Account	115,466	34,936
Total Cash And Cash Equivalents	115,466	34,936

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023-2024	2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1102293830	115,466	34,936
Cash In Transit		00	00
Cash In Hand		00	00
Grand Total		115,466	34,936

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Notes to the Financial Statements (Continued)

13. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Total
	Kshs	Kshs	Kshs	Kshs
As At 1 July 2022	12,535,567	4,314,629	6,054,985	22,905,181
Additions	00	00	00	00
Disposals	00	00	00	00
Transfers/Adjustments	00	00	00	00
As at 30th June 2023	12,535,567	4,314,629	6,054,985	22,905,181
Additions	00	00	00	00
Disposals	00	00	00	00
Transfer/Adjustments	00	00	00	00
As at 30th June 2024	12,535,567	4,314,629	6,054,985	22,905,181
Depreciation And Impairment				
At 1 July 2022	11,748,233	3,406,222	5,100,456	20,254,911
Depreciation	196,834	113,551	317,858	628,243
Impairment	00	00	00	00
Transfers/ Adjustments	00	00	00	00
As At 30th June 2023	11,945,067	3,519,773	5,418,314	20,883,154
Depreciation	147,625	99,357	212,011	458,993
Disposals	00	00	00	00
Impairment	00	00	00	00
Transfer/Adjustment	00	00	00	00
As at 30th June 2024	12,092,692	3,619,130	5,630,325	21,342,147
Net Book Values				
As at 30th June 2023	590,500	794,856	636,671	2,022,027
As at 30th June 2024	442,875	695,499	424,660	1,563,034

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Notes to the Financial Statements (Continued)

13 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	12,535,567	12,092,692	442,875
Computers And Related Equipment	6,054,885	5,630,130	424,660
Office Equipment, Furniture, And Fittings	4,314,629	3,619,130	695,499
Total	22,905,181	21,342,147	1,563,034

14. Trade and Other Payables

Description	2023-2024		2022-2023	
	Kshs		Kshs	
Audit Fees	290,000		00	
Total trade and other payables	290,000		00	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	290,000	100%	00	00
Total (tie to above total)	290,000	100%	00	00

15. Current Provisions

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

Notes To The Financial Statements (Continued)

16. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

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

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

17. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the NET, holding 100% of NET's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) Key management.
- iii) Board of directors.

18. Events after the Reporting Period

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

19. Ultimate And Holding Entity

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

20. Currency

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

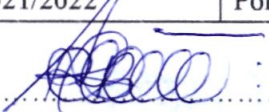
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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Audit Report 2020/2021	Additional personnel	Efforts made to add staff	Pending PSC to post interns	6 months
Audit Report 2021/2022	Board succession plan	Resolved	Resolved	Resolved
Audit Report 2021/2022	Manual Accounting	Procurement	Pending	Pending
Audit Report 2021/2022	Lack of Risk Management Policy	Policy	Resolved	Resolved

 :

Director General/C.E.O/M.D (enter title of head of Entity)

Date: 17-12-2024

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Appendix 2: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Total Transfers during the Year
Ministry of Environment and Climate Change	30/08/2023	Recurrent	16,000,000	16,000,000	16,000,000
Ministry of Environment and Climate Change	14/11/2023	Recurrent	16,000,000	16,000,000	16,000,000
Ministry of Environment and Climate Change	27/02/2024	Recurrent	16,000,000	16,000,000	16,000,000
Ministry of Environment and Climate Change	17/05/2024	Recurrent	16,000,000	16,000,000	16,000,000
Total			64,000,000	64,000,000	64,000,000