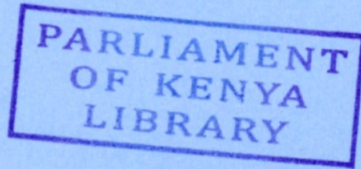


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

ON

NATIONAL IRRIGATION AUTHORITY

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

DATE: 25 FEB 2026

DAY.

WEDNESDAY

TABLED
BY:

HON. NAOMI WAQO, MP
DEPUTY MAJORITY WMP

CLERK-AT
THE-TABLE:

R. ESTER NGWTO



NATIONAL IRRIGATION AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

National Irrigation Authority
Annual Report and Financial Statements
For the year ended June 30, 2025.

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1. Acronyms and Definition of Key Terms

A. Acronyms and Abbreviations

CEO	Chief Executive Officer
NIA	National Irrigation Authority
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
MIAD	Mwea Irrigation Agricultural Development Centre
AIRS	Ahero Irrigation Research Station
MRM	Mwea Rice Mills Ltd
WCRM	Western Kenya Rice Mills
O & M	Operations and Maintenance
PAP	Project Affected Persons
M&E	Monitoring and Evaluation
JICA	Japan International Cooperation Agency
BADEA	Arab Bank for Economic Development in Africa
OPEC	Organization of the Petroleum Exporting Countries
FIEM	Fund for Internationalization of the Spanish companies
GOK	Government of Kenya
ENG	Engineer
A/C	Account
NO.	Number
B/F	Brought forward
C/F	Carried forward
FY	Financial Year

B. Glossary of Terms

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

Comparative Year- June 30 2024

2. Key Entity Information and Management

(a) Background information

The National Irrigation Authority (NIA) is a State Corporation established under the Irrigation Act No. 14. The Authority operates under the State Department for Irrigation, which falls within the Ministry of Water, Sanitation, and Irrigation, as outlined in Executive Order No. 1 of 2025 on the Reorganization of Government. The Mandate of NIA is to develop and improve irrigation infrastructure for national or public schemes; provide irrigation support services to private medium and smallholder schemes, in consultation and cooperation with county governments and other stakeholders; and to provide technical advisory services to irrigation schemes in design, construction supervision, administration, operation and maintenance under appropriate modalities, including agency contracts. Consequently, NIA is objected to provide for the development, management and regulation of irrigation, to support sustainable food security and socioeconomic development in Kenya and for connected purposes.

To fulfill this mandate, NIA implemented the 2024/25 component of its newly developed 5-year Strategic Plan, which was anchored on Kenya Vision 2030 and aligned with other national goals and priorities. The Strategic Plan provided the framework through which the Authority addressed strategic issues while pursuing its goals and objectives. It outlined the identified priorities and interventions articulated in various sectoral policies, legal frameworks, strategies, and the Fourth Medium Term Plan (2023–2027). These efforts were geared towards actualizing the Authority’s vision of *Irrigation for a food secure and prosperous nation*.

The Plan outlines strategic choices on development of irrigation infrastructure, expansion, and management of irrigation schemes specifically with the following fourteen (14) strategic objectives in a span of 5 years;

1. To ensure optimum utilization of all existing schemes
2. To increase irrigated rice & maize production from 192,299 tons & 195,921 (90kg) bags in FY 2022/23 to 700,000 & 3.0M (90kg) bags in FY 2027/28 respectively

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3. To Strengthen stakeholders' engagement
4. To optimize adoption of operational research on irrigation technologies and production
5. To increase the area under irrigation from 711,993 acres in FY 2022/2023 to 1,289,142 acres in 2027/28
6. To increase capacity of water harvested and stored for irrigation from 55.4 MCM in FY2022/2023 to 330 MCM by 2027/2028
7. To Enhance Governance Capacity of NIA
8. To enhance Institutional Capacity of NIA
9. To develop and adopt appropriate Policy, Legal and Regulatory Framework
10. To ensure financial sustainability
11. To enhance Audit, Quality Assurance and Risk Management
12. Establish Environmental and Social Safeguards
13. To promote smart technologies and innovation.
14. To enhance a positive branding and corporate image

In FY 2024/25, the Authority pursued specific objectives that included:

1. Expanding the area under irrigation by 80,487 acres by 2025.
2. Increasing irrigation water storage capacity to 3.3 million m³ by 2025.
3. Achieving at least 150% utilization of each developed irrigation scheme by 2025.
4. Maximizing irrigated rice production to 280,000 tons and maize to 72,000 tons by 2025.
5. Promoting adoption of operational research on irrigation technologies and production through the development and application of two research and innovation products by 2025.

However, based on the resource allocation to the Authority, its strategic intent for the financial year was streamlined to focus on three priority outcomes: expanding the area under irrigation by 10,895 acres; increasing irrigation water storage capacity by 3 million m³; and achieving at least 150% utilization of irrigation schemes in support of national food security under the *Bottom-Up Economic Transformation Agenda (BeTA)*.

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(b) Principal Activity

The core mandate of the National Irrigation Authority is to facilitate sustainable agriculture by developing, rehabilitating, modernizing, and promoting irrigation and drainage systems. In doing so, the Authority seeks to enhance food security, uplift livelihoods, and drive economic growth in Kenya. Its work is guided by the vision *Irrigation for a food secure and prosperous nation* and the mission *to develop, coordinate, and manage sustainable irrigation services for socio-economic development in Kenya.*

(c) Key Management

The National Irrigation Authority's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	Eng. Gilbert Mutua Maluki <i>Chairman</i>
		Ms. Mary Mwiti <i>Representative of the Council of County Governors</i>
		Mr. George Githae <i>Representative of the Council of County Governors</i>
		Ms. Ubah Kahiye <i>Representative of the Private Sector in Kenya</i>
		Mr. Daniel O. Odero <i>Alternate, Principal Secretary State Department for Irrigation</i>
		Eng. Samuel O. Alima, EBS <i>Alternate, Principal Secretary, State Department for Water and Sanitation</i>
		Eng. Laban Kiplagat <i>Alternate, Principal Secretary, State Department for Crop Development</i>
		CPA Samwel Otieno Onyango <i>Representative of the National Treasury</i>
		Mr. Victor Momanyi <i>Representative of the Inspectorate of State Corporations</i>
		Eng. Charles Muasya, MBS <i>Chief Executive Officer</i>
2.	Chief Executive Officer	Eng. Charles Muasya, MBS
3.	Head of Corporate Services	Mr. Daniel Atula Masatia

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No.	Designation	Name
4.	Head of Strategy & Planning	Ms. Florence Ndai
5.	Head of Irrigation Development Services	Eng. Loise Wanjiku Kahiga
6.	Head of Irrigation Management Services	Mr. Joel Kipkemboi Tanui Eng. Jairus Imbenzi Serede
7.	Head of Finance and Accounts	CPA Jedidah Narocho Oduori
8.	Head of Human Resource & Administration	Ms. Victoria Akinyi Aloo
9.	Head of ICT	Ms. Nancy Muthoni Wambugu
10.	Ag. Corporation Secretary y	Ms. Jullyanne Awino Okello
11.	Head of Corporate Communication	Mr. Daniel Mwanzi Nzonzo
12.	Head of Procurement	Ms. Evaline Akoth Ochieng
13.	Head of Internal Audit	CPA Daniel Ochieng Opiyo

(d) Fiduciary Management

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

	Designation	Name
1.	- Chief Executive Officer	Eng. Charles Muasya, <i>MBS</i>
2.	Head of Corporate Services	Mr. Daniel Atula Masatia
3.	Head of Strategy & Planning	Ms. Florence Ndai
4.	Head of Irrigation Development Services	Eng. Loise Wanjiku Kahiga
5.	Head of Irrigation Management Services	Mr. Joel Kipkemboi Tanui Eng. Jairus Imbenzi Serede
6.	Head of Finance and Accounts	CPA. Jedidah Narocho Oduori
7.	Head of Human Resource and Administration	Ms. Victoria Akinyi Aloo
8.	Head of ICT	Ms. Nancy Muthoni Wambugu
9.	Ag. Corporation Secretary	Ms. Jullyanne Awino Okello
10.	Head of Corporate Communication	Mr. Daniel Mwanzi Nzonzo
11.	Head of Procurement	Ms. Evaline Akoth Ochieng
12.	Head of Internal Audit	CPA Daniel Ochieng Opiyo

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(e) Fiduciary Oversight Arrangements

The Board of Directors exercise the oversight role on the Authority. The Board of Directors who held office during the financial year ended 30th June 2025 were:

No.	Name	Board Position
1.	Eng. Gilbert Mutua Maluki	Chairman
2.	Eng. Laban Kiplagat	Alternate, Principal Secretary State Department of Crop Development
3.	CPA Samwel Otieno Onyango	Representative of The National Treasury
4.	Eng. Samuel O. Alima	Alternate, Principal Secretary State Department of Water and Sanitation
5.	Ms. Mary Mwiti	Representative of the Council of County Governors
6.	Mr. George Githae	Representative of the Council of County Governors
7.	Ms. Ubah Kahiye	Representative of the Private Sector in Kenya
8.	Mr. Daniel O. Odero	Alternate, Principal Secretary State Department for Irrigation
9.	Mr. Victor Momanyi	Alternate ,Inspectorate of State Corporations
10.	Eng. Charles Muasya, <i>MBS</i>	Chief Executive Officer

Board of Directors

The following committees of the Board and Parliament provide fiduciary oversight to National Irrigation Authority.

The following committees of the Board and Parliament provide fiduciary oversight to National Irrigation Authority.

1. Development, Infrastructure and Schemes Committee(DISC)

The role of the committee is primarily to provide technical leadership, oversight and supervision on the technical matters to the Authority. This DISC shall provide expertise, insight, advice, direction, action, guidance and support on technical issues relevant to the Authority's mandate and development plan. Typical areas include strategy and plans for development and improvement of irrigation Infrastructure, growth and sustainability of irrigation projects and schemes, stakeholder engagement and project/ scheme management.

Notwithstanding the above general responsibility, the following provides more specific ToRs to the DISC:

- i. Participate in review of technical aspects during formulation and approval of the Board's strategic plans, policies and procedures.
- ii. Review and recommend programmes and projects that contribute to NIA mandate and strategic plan.
- iii. Ensure that proposed programmes and projects adopt a holistic approach that responds to the Government's tenets, NIA mandate and strategic plan, economic, social and environmental concerns. Review and recommend for approval, annual work plans, development budgets and procurement plans for Irrigation Infrastructure Development (IIDs) and Operations and Irrigation Management (OIMS) departmental programmes, projects and activities.

2. Risk and Audit Board Committee (RAC)

The role of RAC is to assist the Board of Directors in fulfilling its responsibility of oversight, accountability and effective governance on the following;

- a) The independence, scope, results and effectiveness of internal & external audit
- b) The effectiveness of the processes used for the preparation and audit of the annual financial statements
- c) The effectiveness of the internal control and risk management systems;
- d) The Authority's level of compliance with internal and external policies, laws and procedures

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e) The employment and effectiveness of the processes of good governance

In carrying out its Risk and Audit responsibilities, the committee will be relying, in part, on the expertise of Internal Audit, the External Auditor and any other party as may be necessary.

The key responsibilities of the committee are;

- i. Participate in review of audit, risk, compliance and governance aspects during formulation and approval of the Board's strategic plan.
- ii. Take lead in the development and/or review of the
 - a) NIA's Audit and Risk Policy,
 - b) The Governance Policy,
 - c) Code of conduct and ethics
 - d) Whistle blowing policy
 - e) Gifts policy
- iii. Review and recommend annual work plans, budgets and procurement plans for internal audit unit and ensure it is well equipped to perform its functions.
- iv. Review and make recommendations on the reports on work carried out by the internal audit function in relation to financial reporting, internal control, compliance, corporate governance, fraud, significant investigations or any other relevant matter.
- v. Follow up and ensure that the internal audit function monitors the implementation of resolutions given by the Board.
- vi. Review the integrity of the financial statements prepared by management and determine whether they accurately and fairly present the state of affairs of the Authority before recommend them for approval by the Board of Directors.
- vii. Review the quality, integrity, reliability and effectiveness of the design and operation of the NIA's system of internal control and management of risk and ensure risk assessment is carried out on a continuous basis.
- viii. Identify policies, laws and regulations affecting NIA operations and service delivery and ensure compliance assessment is carried out on a continuous basis.
- ix. Review quarterly audit reports on implementation of development programmes and operations of the schemes. Consider challenges and emerging issues and make recommendations.
- x. Ensure all members of NIA subscribe to the code of conduct and ethics and provide advice to the Board on issues of conflict of interest, ethics, finance and audit.

- xi. Receive reports from the Head of internal audit, Head of Corporate Security or any other party on fraud, that involves employees and recommend the appropriate action

3. Finance, Human Resource, Strategy and Governance Committee (FHRSGC)

This FHRSGC shall be responsible for the NIA strategic plans and policy formulation, their operationalization and monitoring, operational procedures and manuals /guidelines and various leadership, governance and oversight action on matters that relate and /or emanate from the following areas of responsibility:

1. Finance

The role of the committee is primarily to provide financial oversight of the Authority. The areas include financial policy, financial planning and financial reporting.

2. Human Resource & Administration

The role of the committee is primarily to provide human capital management and general administration oversight of the Authority. The areas include human resource capital, administration and support services and compliance with laws and regulations.

3. Strategy and performance management

The role of the committee is primarily to formulate/ review and table for approval all necessary policies and procedure manuals and lead in collaboration with the other committees and management in the formulation of the Boards strategic plan.

4. Governance and Ethics

The role of the committee is primarily monitor and consider trends in corporate governance, governance level and accountability and make recommendations to the full Board.

5. Support logistics

This includes;

a) Procurement

Consolidate and recommend the overall NIA annual procurement plans and periodically review the implementation of the procurement plan.

b) Public Relations and Communication;

Formulate a framework for Authority's participation on Corporate Social Responsibility and framework for promotion of a positive image and enhancing the Authority's visibility, and for addressing any negative publicity.

c) Information and Communications Technology (ICT)

Plan and monitor the integration of ICT in operations and monitoring of the Authority and ensure there are appropriate Business Continuity Plan in place

(f) National Irrigation Authority Headquarters

P.O. Box 30372-00100

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Irrigation House
Lenana Road
Nairobi, Kenya

(g) National Irrigation Authority Contacts

Telephone: (254) 711061000

E-mail: ceo@irrigationauthority.go.ke and communication@irrigationauthority.go.ke

Website: www.irrigationauthority.go.ke

(h) National Irrigation Authority Bankers

Co-operative Bank of Kenya Ltd
Nairobi Business Centre Branch.
P.O. Box 19555-00202
Nairobi, Kenya

Equity Bank Kenya Limited
Equity Centre, Hospital Road, Upper Hill
P.O. Box 75104-00200
Nairobi, Kenya

Kenya Commercial Bank Group Limited
Kencom House 6th Floor Moi Avenue
P.O. Box 48400-00100
Nairobi, Kenya

NIC Bank
ICEA Lion Centre
P.O. Box 45599-00100
Nairobi, Kenya

Absa Bank Kenya PLC
Absa HQS Level 4 Waiyaki Way
P. O Box 30120-00100
Nairobi Kenya

(i) Independent Auditors

Auditor-General

Office of the Auditor General

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Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) 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



Eng. Gilbert Mutua Maluki

Eng. Gilbert Mutua Maluki

Eng. Gilbert Mutua Maluki was born on 23/03/1980. He was appointed as the Chairman of National Irrigation Authority Board of Directors through Kenya Gazette Notice No. 6281 of the Kenya Gazette Vol. CXXV-No. 116, dated on May 19, 2023. He holds a Bachelor of Science Degree in Agricultural Engineering from Jomo Kenyatta University of Agriculture and Technology (JKUAT) and certificates in Finance Management and Sales & Marketing. Some of his key achievements include the design and development of a token-based Smart Meter for Liquefied Petroleum Gas (LPG) cylinders and facilitating its implementation and rollout in the East Africa region (Kenya, Uganda, and Tanzania) at M-Gas PLC. He was also a principal member of the team involved in building Pro Gas from inception to become the regional leader in LPG, with a 48% market share. He is a proactive, conscientious and adaptable professional with over ten years of experience in multi-layered projects and operational works in the oil and gas industry in East and Southern Africa (Kenya, Tanzania, and Mozambique), with an impeccable track record of performance. He has outstanding leadership and management skills that have ensured exemplary achievements which have propelled organizations he has worked for to higher levels.

His background in Agricultural Engineering, coupled with his experience in various leadership and management roles from M-Gas Kenya PLC, Proto Energy Kenya Limited, Oryx Energy PLC, and Total Kenya PLC, will enable him to lead the National Irrigation Authority Board in implementing the Authority’s mandate and vision of providing water to every irrigable acre. This will contribute towards reducing the cost of living by improving agricultural productivity within the framework of the Bottom-Up Economic Transformation Agenda (BeTA).





CPA Samwel Otieno Onyango

CPA Samwel Otieno Onyango – Alternate To Principal Secretary, National Treasury

CPA Samwel Otieno Onyango was appointed to the Board on July 22, 2024. He is a holder of a Master of Business Administration, Finance Option (University of Nairobi), Certified Public Accountant of Kenya and Member of the Institute of Certified Public Accountants of Kenya (ICPAK).

Mr. Onyango is a highly experienced professional with over 20 years in public sector financial management with expertise in budgeting, disbursements, accounting, reporting and auditing. Currently serving as the Head of Finance and Administration at the Public Private Partnership Directorate in the National Treasury, he oversees all financial and administrative matters, supporting procurement processes and ensuring

	<p>effective resource management. His previous roles include Project Financial Controller for the GoK/IFAD Upper Tana Catchment Natural Resource Management Programme, where he managed all financial aspects of the project, and Chief Accountant at the National Treasury, overseeing disbursements from bi-lateral and multi-lateral organizations. His vast experience and leadership in financial management will greatly benefit the National Irrigation Authority, bringing strategic insight and fostering sustainable, accountable growth within the organization. His contributions are expected to advance the Authority's objectives and enhance its impact on stakeholders and communities.</p>
 <p>Eng. Laban Kiplagat</p>	<p>Eng. Laban Kiplagat, Alternate to The Principal Secretary, State Department Of Agriculture.</p> <p>Eng. Kiplagat was born on 20/12/1966. He was appointed to the Board on 10th February 2020 as an alternate to the Principal Secretary State Department for Crop Development. He is currently the Director/ Chief Engineer, Agricultural Land and Environment Management. Eng. Kiplagat has a Bachelor's Degree in Agricultural Engineering from Egerton University and a Master's Degree in Project Planning and Management from the University of Nairobi and is currently pursuing a PhD in Project Management at Jomo Kenyatta University of Agriculture and Technology.</p> <p>Eng. Kiplagat has attended several seminars and workshops both locally and internationally on Irrigation management and is a member of the Engineer's Board and Institution of Engineers of Kenya, Kenya Institute of Management as well as certified Monitoring and evaluation professional from the Kenya Institute of Management, Kenya. He has been in the Civil Service for over 29 years working in different stations and institution including NIB.</p>
 <p>Eng. Samuel O. Alima</p>	<p>Eng. Samuel O. Alima-Alternate Representative Of the Pricipal Secretary, Water ,Sanitation And Irrigation.</p> <p>Eng. Samuel O. Alima was born on 15/12/1968. He was appointed to the Board on 22nd April 2020</p> <p>He is a Civil Engineer by profession and holds Masters Degree in Civil Engineering, Masters Degree in Business Administration (MBA), Operations Management and Bachelor's Degree in Civil Engineering, all from University of Nairobi. He is currently undertaking a PHD in Project Planning and Management.</p> <p>He currently holds the office as the Water Secretary and has previously worked as a Director of Water, Sewerage and Sanitation, Deputy Director Operations and Maintenance, Deputy Director Construction, Technical Manager, Water sector Trust Fund, Provincial Development Engineer, Central Province, Provincial Water Officer, Nyanza Province, Provincial</p>

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	<p>Water Officer Rift Valley Province, District Water Officer, Koibatek and District Water Officer Taita/Taveta.</p> <p>He is a registered Engineer with Engineers Board of Kenya (EBK) and a Corporate Member of Institution of Engineers of Kenya.</p>
 <p>Ms. Mary Kanana Mwiti</p>	<p>Ms. Mary Kanana Mwiti -Representative of the Council of Governors</p> <p>Ms. Mary Kanana Mwiti was born on 13/06/1974. She was appointed to the Board on July 21, 2023 via Gazette Notice Vol. CXXV No. 168. She is a holder of a Master of Science (MSC) in Human Resource Management and Bachelor of Business Administration in Human Resource Management, both from Jomo Kenyatta University of Agriculture & Technology, and a Diploma in Management Studies from St. Mary’s College.</p> <p>Ms. Mwiti is an accomplished Business Management and Corporate Governance professional with over 27 years of experience. She is recognized for her results-oriented leadership, expertise in administrative functions, human resource planning, budgeting, financial planning, program coordination, and management.</p> <p>Her achievements include spearheading a comprehensive Devolution book, creating a CPD policy for TVET trainers and advancing water sector strategies among others. She is also engaged in community development and is a member of the Institute of Human Resource Management. She is the chair of the Development and General Purpose Committee.</p>
 <p>Mr. George Gatongu Githae</p>	<p>Mr. George Gatongu Githae- Representative of the Council of Governors</p> <p>Mr. George Gatongu Githae was born on 20/02/1985. He was appointed to the Board on July 21, 2023 via Gazette Notice Vol. CXXV No. 168. He is a holder of a Master of Science in Data Communication from KCA University, Bachelor of Science in Computer Science from Kenyatta University, and Oracle Certified Professional (OCP), and Cisco Certified Network Associate (CCNA) from New Horizon Learning Center.</p> <p>Mr. Githae has worked as a part-time lecturer in Kenyatta University, University of Embu, Mama Ngina University College, Dedan Kimathi University of Technology, and The Technical University of Kenya. In addition, he is an ICT consultant having consulted for various organizations and institutions including: KIRIWASCO, National AIDS & STI Control Programme, Relief Reconstruction and Development Organization, Transwest Savings and Credit Sacco Ltd, District Water Office Siakago, Thirikwa Farmer’s Cooperative Society, and Mt Kenya</p>

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	<p>East Pilot Project for Natural Resources Management Mbeere among others.</p> <p>His experience will be valuable to the Board as it steers the institution towards realizing its mandate in line with the Bottom-Up Economic Transformation Agenda (BeTA).</p>
 <p>Ms. Ubah Kahiye</p>	<p>Ms. Ubah Kahiye- Representative of the Chamber of Commerce in Kenya</p> <p>Ms. Ubah Kahiye was born on 08/03/1988. She was appointed to the Board on July 21, 2023 via Gazette Notice Vol. CXXV No. 168. She is a holder of a Master of Arts in Public Policy and Administration from Kenyatta University, Bachelor of Commerce and Business Administration from Jomo Kenyatta University of Agriculture and Technology, and CPA Section IV with Kenya Accountants and Secretaries National Examinations Board (KASNEB).</p> <p>In addition, she has completed multiple trainings and received certifications in Project Management for the Development Sector (PMD Pro), Strategic Design and Implementation of Adolescent Girls’ Program and the Regional Resilience through Economic Market Development (R-EMD) Workshop by Mercy Corps. She also completed the Online Project Management in Development course (LINGOs), the 8th Regional BDS Training course on Value Chain Development, and an Induction Workshop on Islamic Banking and Finance.</p> <p>Ms. Ubah Kahiye has amassed a decade of experience in leadership roles within humanitarian and development programs.</p>
 <p>Mr. Daniel O. Odera</p>	<p>Mr. Daniel O. Odera-Alternate, Principal Secretary State Department for Irrigation Mr. Daniel O. Odera-Alternate, Principal Secretary State Department for Irrigation</p> <p>Mr. Daniel Odhiambo Odera was born on 01/01/1969. He was appointed to the Board on September 28, 2023. He holds a Master of Science (MSc.) degree in Agricultural and Applied Economics (CMAAE) and a Bachelor of Science (BSc.) in Agriculture both from the University of Nairobi, Kenya.</p> <p>Currently, Mr. Odera holds the position of Director – Irrigation Water Management at the State Department of Irrigation since June 2019. In this role, leads a division responsible for planning, monitoring and evaluation, resource mobilization, and data and information management related to irrigation schemes. Among others, his responsibilities include formulating and implementing programs and projects for irrigation scheme management, promoting climate-smart and water-saving irrigation technologies, and overseeing irrigation water development.</p>

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	<p>Moreover, he serves as the National Programme Coordinator for KfW-funded projects on irrigation and water harvesting and storage in Kenya</p> <p>Prior to his current roles, Mr. Odero has held positions in the Ministry of Agriculture, Livestock, and Fisheries, in several roles including Monitoring & Evaluation Officer for the Drought Resilience and Sustainable Livelihoods Programme in the Horn of Africa and Chief Agriculture Officer.</p>
 <p>Mr. Victor Momanyi</p>	<p>Mr. Victor Momanyi , Alternate Representative Of Inspector General, State Corporations.</p> <p>Mr Victor Momanyi was born on 21/9/1967. He was appointed to the Board on 8th June 2022. He is a holder of Masters Degree in Public Sector Management from Africa University and Bachelor’s Degree in Education from Kenyatta University.</p> <p>He currently holds the office as Deputy Inspector General (Investigations), Inspectorate of State Corporations ,Cabinet Affairs office. He is a member of Association of Public Administration and Management(APAM)(Kenyan Chapter).).</p>
 <p>Eng. Charles Muasya,- MBS</p>	<p>Eng. Charles Muasya, MBS – Chief Executive Officer.</p> <p>Eng. Charles M. Muasya was appointed the Chief Executive Officer on December 7, 2023.</p> <p>He has a Masters in Civil Engineering from University of South Australia and BSc. Agricultural Engineering from Egerton University.</p> <p>He is a proficient Engineer with over 20 years of experience in the Engineering field. Preceding his appointment as Deputy General Manager, Infrastructure and Irrigation Development Services, he was the Chief Engineer for Planning and Design at the Authority.</p> <p>He is a registered Engineer with Engineers Board of Kenya (EBK) and a Corporate Member of Institution of Engineers of Kenya (MIEK), AUSI-AID Ex-participants and JICA Ex-Participants</p>



Ms. Jullyanne Awino Okello

Ms. Jullyanne Awino Okello –Ag. Corporation Secretary

Ms. Jullyanne is the Ag. Corporation Secretary of the Authority since 28th February 2023. She provides Board Secretarial Duties and ensures that the Board has the resources required to fulfil its fiduciary duties. She is also the Deputy Director heading the Monitoring and Evaluation function of the Institution. Ms. Okello holds a Bachelor of Science from Kenyatta University, a Master of Business Administration from The University of Nairobi and a Master of Science in Project Management from Jomo Kenyatta University of Agriculture and Technology. .

4. Key Management Team



Eng. Charles Muasya, MBS

Eng. Charles Muasya, MBS – Chief Executive Officer.

Eng. Charles M. Muasya was appointed the Chief Executive Officer on December 7, 2023.

He has a Masters in Civil Engineering from University of South Australia and BSc. Agricultural Engineering from Egerton University.

He is a proficient Engineer with over 20 years of experience in the Engineering field. Preceding his appointment as Deputy General Manager, Infrastructure and Irrigation Development Services, he was the Chief Engineer for Planning and Design at the Authority.

He is a registered Engineer with Engineers Board of Kenya (EBK) and a Corporate Member of Institution of Engineers of Kenya (MIEK), AUSI-AID Ex-participants and JICA Ex-Participants.



Mr. Daniel Atula Masatia

Mr. Daniel Atula Masatia – Head of Corporate Services.

Mr. Daniel Atula Masatia was appointed the Director Corporate Services on February 1, 2023. Preceding his appointment as the Director Corporate Services, he was the Deputy General Manager, Operations & Irrigation Management Services of National Irrigation Authority since 2018.

He holds an MBA in Strategic Management and Bachelor of Science degree in Agriculture from University of Nairobi.

He is an accomplished Agriculturalist and Manager with experience of over 30 years in Scheme, Projects and Research Operations, Planning and Strategy Formulation and Implementation, Resource Mobilization, Formulation and Execution of Irrigation Programmes ranging from Development to Operations. His experience and expertise is valuable in Policy Formulation and in the provision of Irrigation Services.



Mr. Joel Kipkemboi Tanui

Mr. Joel Kipkemboi Tanui- Head of Irrigation Management Services

Mr. Tanui the Ag. Director Irrigation Management Services formerly Ag. Deputy General Manager, Operations and Irrigation Management Services of the National Irrigation Authority. He was appointed on February 1, 2023. He is in charge of all Irrigation Schemes in the country. Preceding his appointment, he served as the Scheme Manager, Western Kenya Schemes for 6 years and a Regional Co-ordinator, Nyanza Region for 2 years.

Mr. Tanui holds a Master of Science in Agricultural Production Chain Management from Van Hall Laventein University, the Netherlands and a Master of Business Administration in Strategic Management from Maseno University. He holds a Certificate in Irrigated Rice Cultivation and Post-Harvest Management from Yamagata University, Japan; Post Graduate Fellowship in Irrigation and Water Resource Management from University of Queensland, Australia as well as Diploma in Innovations Management from International Business Management Institute, Germany.



Eng. Loise Wanjiku Kahiga

Eng. Loise Wanjiku Kahiga – Head of Irrigation Development Services

Eng. Loise W. Kahiga was appointed as Ag. Director Irrigation Development Services on February 2, 2023 and heads Irrigation Development Services.

She holds a Masters of Arts Project Planning & Management from The University of Nairobi and a BSc Civil Engineering from Jomo Kenyatta University of Agriculture & Technology.

She is a proficient Engineer with over 13 years of experience in the Engineering field. Preceding her appointment as Ag. Deputy General Manager, Infrastructure and Irrigation Development Services, she was the Chief Engineer (Planning and Design) in the Department.

She is a registered Engineer with Engineers Board of Kenya (EBK) and a Corporate Member of Institution of Engineers of Kenya (MIEK).



Eng. Jairus Imbenzi Serede

Eng. Jairus Imbenzi Serede – Head of Strategy & Planning

Eng. Jairus Imbenzi Serede was appointed Ag. Deputy Director, Planning in 2025 and heads Strategy & Planning Directorate

He is an accomplished Irrigation Engineer and Water Resources Expert with over 15 years' experience in Large-scale agricultural water infrastructure.

He holds MSc Degree in Water Resources & Environmental Management and BSC Agricultural Engineering both from Egerton University.

He is a Registered Professional Engineer with EBK and IEK. As Director of Irrigation Management Services at NIA, he leads initiatives to boost agricultural productivity, strengthen food security, and advance climate-resilient irrigation through innovative technologies and strategic Public-Private Partnerships (PPs), aligning government priorities with private sector capabilities for sustainable development.



CPA Jedidah Narocho Oduori

CPA Jedidah Narocho Oduori, Head Of Finance

CPA Jedidah was appointed as the Deputy Director Finance & Accounts on January 1, 2021 and heads the Finance Division.

Prior to this appointment, she had served in various capacities within the Finance and Audit Sections of the Authority both at the Head Office and in the Western Kenya Schemes.

She has a Master in Business Administration and Strategic Management degree from Daystar University, a Bachelor of Commerce (Accounting Option) degree from Punjab University, India and a CPA (K) graduate. She has over 25 years of experience in Audit and Finance. Having diverse experience in the Finance and Audit Sections, she brings in a lot of expertise to the Authority. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).



Ms. Nancy Muthoni Wambugu

Ms. Nancy Muthoni Wambugu – Head of ICT

Ms. Wambugu is currently the Deputy Director ICT and head ICT Division.

She is a holder of MSc Information Security from Strathmore University and BSc in Computer Studies. She also holds a Diploma in Computer Studies, CCNP, A+ and N+ Certifications. Her immersive contribution in ICT Service delivery in the Public Service has seen her awarded a Certificate of Excellence in Public Sector Innovation, 2011 Edition, by the Head of Public Sector in Kenya.

She has over 15 years of experience in ICT Infrastructure Operations, Information Security and Innovations both in Private and Public Sectors.

She has greatly contributed to the transformation of National Irrigation Authority in Digitization and Automation Processes.



Ms. Victoria Akinyi Aloo

Ms. Victoria Akinyi Aloo – Head of Human Resource and Administration

Ms. Victoria is the Deputy Director HR & Administration and heads HR & Administration Division.

She is a holder of a Master of science degree with specialization in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology and a Bachelor of Arts in Social Development from Agra University – India.

Prior to joining the Public Service she worked for 8 years in the Private sector both in the hospitality and manufacturing sector as an HR Executive.

She has over 25 years’ wealth of experience in Human Capital Management, Training & Development, Welfare Administration and Employee relations.

She is a Full member of the Institute of Human Resource Management (IHRM) in good standing and currently pursuing a Certification course for HR practitioners..



Ms. Jullianne Awino Okello

Ms. Jullianne Awino Okello –Ag. Corporation Secretary

Ms. Jullianne is the Ag. Corporation Secretary of the Authority since February 28, 2023. She provides Board Secretarial Duties and ensures that the Board has the resources required to fulfil its fiduciary duties. She is also heads the Monitoring and Evaluation function of the Institution.

Ms. Okello has a Master of Business Administration from The University of Nairobi; Master of Science in Project Management from Jomo Kenyatta University of Agriculture and Technology and holds a Bachelor of Science from Kenyatta University.



CPA Daniel Ochieng Opiyo

CPA Daniel Ochieng Opiyo – Head of Internal Audit.

CPA Opiyo was appointed as Assistant Director on June 1, 2025 and heads Internal Audit Division.

Before his appointment he served as a Principal Internal Auditor in the Audit Division.

CPA Opiyo is a holder of a Master of Business Administration from the University of Nairobi, a Bachelor of Commerce (Accounting Option) degree from Kenyatta University and a CPA (K) graduate.

He is a member of Institute of Internal Auditors (IIA) and Institute of Certified Public Accountants of Kenya (ICPAK).

He has attended various management seminars, workshops, conferences and trainings locally. Owing to his wide experience in the field of Finance and Audit, he brings in a wealth of expertise to the Authority.

He has over 20 years' experience in the field of Audit



Mr. Daniel Mwanzi Nzonzo, HSC

Mr. Daniel Mwanzi Nzonzo, HSC – Head of Corporate Communication

Mr. Nzonzo is the Head of Corporate Communication since March 19, 2018.

He is a Communication and Public Relations expert with more than six (6) years’ experience in Public Service Corporate Communication. He has been involved in development and execution of Public Relations and Communication Strategies, Campaigns, Media Management and Monitoring, Events Planning and execution among others.

Mr. Nzonzo holds a Master of Arts degree in Communication specializing in Public Relations and a Bachelor of Arts degree with a double major in Communication, Political Science and Public Administration both from the University of Nairobi.

He is a full member of the Public Relations Society of Kenya (PRSK).



Ms. Evaline Akoth Ochieng

Ms. Evaline Akoth Ochieng – Head of Procurement

Ms. Evaline Akoth was appointed the Head of Supply Chain Management in June 2018.

She holds a Bachelor of Commerce (Purchasing and Supplies Option) from University of Nairobi, Kenya, Diploma in Purchasing and Supplies from Kenya institute of Management (KIM), and is a member of Kenya Institute of Supplies Management (KISM).

She has over 10 years’ experience in management of Public Procurement and Asset Disposal for the purpose of ensuring compliance with obligations such as timely delivery, quality and quantity inspection, acceptance, negotiation among others. Prior to her appointment she had been working as a Procurement Officer at the Authority.

5. Chairman's Statement

The FY2024-2025 saw notable contributions by the National Irrigation Authority to the Agricultural Transformation pillar of the Bottom-Up Economic Transformation Agenda (BeTA) through various programmes and projects across the country. The Authority also participated in the formulation and launch of the National Irrigation Sector Investment Plan (NISIP) whose aim is to establish and operationalize a robust coordinated investment and financing plan for the irrigation sector with a 10-year timeline. The Authority has aligned its programmes and projects to contribute to the Expanded Farmer-Led Irrigation Development (FLID), High Performing Public Schemes and Revitalized Irrigation in ASALs Pathways. Key achievements during the year include;

Successful on-boarding of a private proponent to the Galana Kulalu Food Security Project. The Authority successfully negotiated and reached an agreement with SELU Ltd for crop production within the project. Under this arrangement, 20,000 acres will be put under maize and other high-value crops, ensuring the project remains fully productive. This initiative is expected to make a significant contribution to national food security, while also creating employment opportunities and increasing household incomes.

Completion of Bura Irrigation Scheme Lot 1 and Lot 2 project. The Authority successfully completed the construction of intake works and a new gravity canal for Bura Irrigation Scheme. This development enabled the scheme to transition from diesel-powered pumps to gravity-fed water abstraction, resulting in annual savings of approximately Kshs. 120 million in pumping costs. The availability of sufficient irrigation water has also facilitated an increase in the area under cultivation, thereby enhancing productivity. Moreover, the project's completion has created opportunities to on-board private investors for corporate agribusiness, positioning Bura Irrigation Scheme to realize its full potential.

In a bid to transition to green energy and reduce carbon emissions, the Authority successfully converted the Tana Irrigation Scheme pump station from diesel power to electricity, resulting in a projected 70% reduction in irrigation water abstraction costs. Similarly, in Ahero Irrigation Scheme, the Authority has commenced the solarization of the pump station, a move that will not only significantly lower abstraction costs but also enhance the long-term sustainability of the scheme.

During the short rains season of 2024 long rains season of 2025, the Authority was able to participate in 25 tree growing events countrywide and engaged 13 key stakeholders during the events. Through this, the

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Authority was able to grow 274,190 assorted indigenous and fruit trees. By integrating tree growing into irrigation practices, the National Irrigation Authority not only supported environmental sustainability but also enhanced the resilience and efficiency of agricultural systems. This holistic approach underscores the Authority's commitment to fostering sustainable development and securing the future of irrigation-dependent communities across Kenya.

The Authority also participated in the 2024 National Agricultural Shows in Nairobi and Mombasa with the theme dubbed, *Promoting Climate Smart Agriculture and Trade Initiatives for Sustainable Economic Growth*. The Authority was able to emerge the best in Best Agro-Processing stand, Best Organization that promotes community projects and Best Stand that promotes National Cohesion and Integration Development.

The above-mentioned achievements highlight just a few of the activities undertaken by the Authority to enhance food and nutrition security in the country. These efforts reflect the Authority's commitment to developing sustainable irrigation infrastructure and practices, in line with its mandate of promoting reliable and climate-resilient agricultural production.



.....
Eng. Gilbert Mutua Maluki

Chairman

Date. 11/12/2025

6. Report of the Chief Executive Officer

The Authority remains steadfast in supporting the Government’s agenda of lowering the cost of living, eradicating hunger, creating jobs, improving foreign exchange earnings, and fostering inclusive growth through irrigation in line with the Bottom-up Economic Transformation Agenda (BeTA). This commitment is anchored in its mission: *“To develop, coordinate and manage sustainable irrigation services for socio-economic development in Kenya.”* This mission entrusts the Authority with the lead role in irrigation development and management across the country.

Over the years, the Authority has made notable progress in expanding and upgrading irrigation infrastructure to sustain continuous agricultural production nationwide. Currently, the total area under irrigation stands at **762,767 acres**, up from **733,068 acres in FY 2023/24**, against a national potential of 1.913 million acres. The increase of **29,699.06 acres in FY 2024/25** was achieved through the implementation of:

1. **National Expanded Irrigation Programme** – 17 irrigation projects covering 12,125 acres.
2. **Supplemental Irrigation (Household Water Harvesting)** – 2,174 acres.
3. **Community-Based Irrigation (Waga Machame Project)** – 1,200 acres.
4. **Expansion of Existing Schemes** – 3,150 acres (Bura – 2,000 acres, Tana – 450 acres, Ahero – 500 acres, Bunyala – 200 acres).
5. **Large-scale Irrigation Projects Expansion** – 11,050 acres (Lower Kuja – 2,200 acres, Lower Nzoia – 3,000 acres, Galana – 5,000 acres, Turkana Development Irrigation Project – 850 acres).

In addition, the Authority enhanced **water harvesting and storage capacity** by **7,374,092 m³**, bringing the national capacity to **170,500,828 m³**. This was realized through the rehabilitation and construction of **76 community water pans** (5,200,015 m³) and **1,181 household water pans** (2,174,077 m³).

On production, irrigated agriculture continued to play a vital role in food security. During the review period, **paddy rice production rose to 289,577 tonnes**, compared to 282,152 tonnes in FY 2023/24. Production was distributed as follows: Mwea – 160,297 tonnes; Bura – 8,713 tonnes; Tana – 10,557 tonnes; Ahero – 75,804 tonnes; West Kano – 2,660 tonnes; Bunyala – 8,741 tonnes; Lower Kuja – 10,548 tonnes; and Taita cluster (Burma) – 12,495 tonnes

During FY 2024/2025, the Authority carried out the following programmes in line with its mandate:

1. Bura Irrigation Scheme
2. Galana Kulalu Irrigation development project (10,000). Galana Kulalu Food Security Project)

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3. National Expanded Irrigation Programme
4. Mwea Irrigation Development project (Thiba Dam and Irrigation Area)
5. Rwabura Irrigation Development Project.
6. Turkana Irrigation Development Project.
7. Lower Kuja Irrigation Scheme
8. Drought Mitigation Projects
9. Rehabilitation of Strategic Water Facilities
10. National Irrigation Authority Projects
11. Upgrading of Ahero Irrigation Development Project

1. **Mwea Irrigation Development Project** consists of two main packages. ICB Package I, which involves the construction of Thiba Dam and related structures, achieved 100% completion and was commissioned by HE Dr. William Samoei Ruto in October 2023. ICB Package II covers irrigation and drainage facilities. Lot 1 was awarded to Joycott General Contractors Ltd but the contract was terminated in December 2024 when the project was 43.47% due to non-renewal of the performance bond. Procurement of new contractors to complete the remaining works was ongoing in June 2025. Lot 2 was awarded to Mutahi Engineering Services Ltd and was 80.03% complete.
2. **Bura Irrigation Development Project** aims to convert the current pump-fed irrigation system to a gravity-fed system. Lot 1 involves construction of diversion canal, head regulator, siltation basin and associated structures. Tender for construction of Lot 1 was awarded to Afrikon Ltd at a cost of Kshs. 1,786,927,859. By June 2025, the project was 99.4% complete. Lot 2 of the project, currently ongoing, involves the construction of a 26 km main canal from Korakora to Nanighi and lining, as well as construction of a dyke, a service road and the construction of associated civil structures. The tender for construction for Lot 2 was awarded to Tunasco Insaat AAnonim Sirketi, in joint venture with Marsh Construction Company Ltd and Marfa Construction Ltd, at a project cost of KSh 1,764,278,550,858.10. By the end of the financial year 2024/25, Lot 2 was 90.5% complete.

3. **Turkana Irrigation Development Project** is situated in Turkana County. This program was extracted from the National Expanded Irrigation Project to give the region the impetus it deserves pertaining irrigation as desired by the irrigation sector leadership during budgeting process in 2018/19 FY. The project main objective was to construct new projects, rehabilitate and expand existing irrigation projects in Turkana County. During the FY 2024/25, the planned activities included rehabilitating and expanding Nadoto irrigation schemes and completing 50% of the Lokapel expansion works. By the end of the financial year, the Authority had developed 850 acres in Turkana.

4. **Rwabura Irrigation Development Project** is located in Gatundu South Constituency of Kiambu County in Central province. The project entails construction of intake, laying of conveyance main and distribution pipeline for 1500 acres. The project aims at providing irrigation infrastructure for 1500 acres that will support production of horticultural crops and fruits valued at Kshs.390 million by 2022. The Authority contracted Riegos Agricolas Espanoles, S.A (RAESA), at a contract price of Euro: 6,825,738.12 (Kshs. 750,831,193.2) for Infrastructure works. The works commenced on 1st September 2019 for a period of 24 months. Main objective of the project is to determine and develop the optimal irrigable area within Rwabura and Thiririka river system through development of efficient conveyance and irrigation system including water storage reservoirs. The project was completed and commissioned by HE Dr. William Samoei Ruto on 16th February 2024.

5. **Lower Kuja Irrigation Development Project** is located in Nyatike District, Nyanza Province close to the shores of Lake Victoria within the Lower Kuja River basin. The contract for construction works of Lower Kuja irrigation development project was signed between the Authority and different contractors to develop irrigation infrastructure. The main aim for 2024/25 was to expand the irrigation area in Lower Kuja by an additional 2,000 acres through the construction of tertiary canals in Block BC-2, with an estimated length of 2,000 meters and related structures. By the end of the financial year, the Authority successfully developed 2,200 acres.

6. **Galana Kulalu Food Security Project** is located in the coastal region within Kilifi and Tana River Counties, situated about 105km North West from Malindi town off the Malindi-Voi Road. In January 2023, HE Dr. William Samoei Ruto issued a directive for the project to move forward under implementation of the project through Public Private Partnership (PPP) model. The Authority embarked on the process of requesting, evaluation and negotiation of Privately Initiated Proposals. Selu Africa Limited was successful and the project agreement was finalized, initialized and presented to the PPP committee for approval then Attorney General. During the FY 2024/25 the agreement was approved and Selu took over the project. In May 2025, the private party commenced production of seed maize on 1,000 acres after meeting the conditions precedent for production and harvesting is expected to be carried out in September. In addition, during the FY 2024/25, a Memorandum of Understanding was signed between Al Dahra Group LLC with National Irrigation Authority and Agricultural Development Corporation to expand the project to 200,000 acres. This initiative is driven by the Kenya-UAE Comprehensive Economic Partnership Agreement and will bring innovative agricultural practices, create vital irrigation infrastructure, boost agricultural production to enhance food security, improve livelihoods and contribute to the Bottom Up Transformation Agenda.
7. **National Expanded Irrigation Project** was started in 2011. The main objective of the NEIP is to accelerate irrigation development so as to attain national food security in Kenya and eliminate hunger amongst Kenyans, to improve livelihood for households in Kenya and to make Kenya a net exporter of food. The scope of the project is rehabilitation and expansion of existing irrigation schemes; provision of greenhouses and the accessories to farmer associations; development of large-scale and smallholder (County) schemes in various parts of the country; and development of irrigation water storage reservoirs and water pans to stabilize irrigation water availability. There has been construction of more than 200 irrigation projects across all the 47 Counties since the program commenced. As of the end of the year 2024/25, 12,125 acres had been realized through the construction of 17 irrigation projects across the country.

8. **Household Irrigation Water Storage Programme** rolled out in 2017 by the Government of Kenya (GoK) through the National Irrigation Authority (NIA), involved construction of 125,000 localized water storage reservoirs with a capacity of $1000\text{m}^3 - 3000\text{m}^3$ in 24 counties. The reservoirs would harness approximately 125 million cubic liters of water. This would in turn increase the water holding capacity in communities in order to support crop and livestock irrigation activities thereby enhancing agricultural productivity for farmers to increase their food security and earnings. As at end of June 2025, 1,181 household water pans with a cumulative volume of $2,174,077\text{ m}^3$, had been constructed with a capacity to irrigate 2,174 acres.

9. **Community water pans and small earth dams** entails construction or rehabilitation of water pans and earth dams with a capacity ranging from $50,000\text{m}^3$ to $200,000\text{m}^3$. These infrastructural projects aim at providing water for irrigation and domestic consumption by extension. Farmers can either pump water from them to their farms or access water through the communal water points constructed strategically adjacent to the water pans or earth dams. There has been an observable positive change in the livelihoods of the citizens using these water pans in crop production. During the financial year, the Authority, under community water storage, the Authority constructed 76 water pans with a total capacity of $5,007,565\text{ m}^3$.

10. Operation and maintenance for public Irrigation schemes and provision of Irrigation management services in other schemes developed by NIA on request by farmers.

This involves operation and maintenance of the primary Irrigation and drainage infrastructure for the 7 public Irrigation schemes (Mwea, Ahero, Perkerra, Bura, Tana, Bunyala, West Kano and Katilu Irrigation Schemes) to ensure that the production is sustained. It entails, maintenance of canals, drains, water control structures and intakes (gravity or pump stations), cropping programme development and implementation, capacity building of farmers, extension services on irrigated agriculture and linkages for access to credit and market for products.

This is done through the Participatory Irrigation Management (PIM) and Irrigation Management Transfer (IMT) model. The services are also extended to other smallholder Irrigation schemes developed by the Authority and managed/owned by farmers on request by farmers.

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During the FY 2024/25 the Authority produced 289,557 tons of Rice for consumption and 15,640 tons of Maize for Consumption. In addition to the Rice for and Maize consumption, the Authority also produced 15,717 tons of Seed Maize and 483MT of Seed Rice.

In conclusion, investment in Irrigation remains vital in Kenya since it would increase the area under Irrigation and sustain the country's food production which is a guaranteed means of creating employment, improving the trade balance, spur growth of agro-industries and service sector, enhance internal security by minimizing conflicts between communities and minimizing radicalization. The Authority initiated additional projects to be implemented under PPP, climate proofing concept, and renewable energy.



.....
Eng. Charles Muasya, MBS
Chief Executive Officer

Date...11/12/2025.....

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7. Statement of Performance against Predetermined Objectives for F/Y 2024/2025

The National Irrigation Authority has five Key Result Areas (KRA's) and objectives within its Strategic Plan 2023-2027;

Pillar 1: Sustainable Irrigation Management

Pillar 2: Irrigation Research and Innovation

Pillar 3: Sustainable Irrigation Development

Pillar 4: Sustainable Water for Irrigation

Pillar 5: Governance and Service Delivery

The Authority develops its annual work plans based on the above five pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the 2024/25 in the SP 2023-2027 period for its five strategic pillars, as indicated in the table below;

	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements for 2024/25
1.	Sustainable Irrigation Development	Increase area under irrigation by 80,487 acres by 2025	No. of acres developed	Develop large scale irrigation projects	Ongoing. 11,050 acres was put under irrigation through implementation of Large Scale Irrigation Projects (Lower Kuja - 2,200 acres, Lower Nzoia - 3,000 acres, Galana - 5,000 acres and Turkana - 850 acres).
			No. of acres developed	Construction of new small scale irrigation projects	Ongoing 18 projects were established (17 National Expanded Irrigation Programme projects covering a total of 12,125 acres
			Acres under irrigation	Construction of household irrigation water pans	Cumulatively achieved 2,174 acres were put under irrigation through the construction of 1,545 water pans under the Household Water Harvesting Programme.

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	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements for 2024/25
2.	Sustainable Irrigation Water Harvesting and Storage	Increase irrigation water storage holding capacity to 3.3 m3 by 2025	Volume of water potential to be harvested for irrigation	Carry out feasibility studies, detailed designs for household irrigation water pans	Feasibility studies, detailed designs were done for 1,545 households irrigation water pans constructed within the period.
			Volume of water harvested for irrigation; Acres under irrigation	Construction of household irrigation water pans	Cumulative household water pans with 2,174,077 M ³ water storage capacity constructed
			Volume of water stored	Rehabilitation and expansion of existing community water pans and small dams	Rehabilitated and expanded water pans with a capacity of 32.55 million M3
			Volume of water harvested for irrigation; Acres under irrigation	Construction of new community water pans/small dams	Constructed 76 water pans with a a total capacity of 5,200,015 m ³
3.	Sustainable Irrigation Management	Achieve at least 150% utilization in each of the irrigation schemes	No. of plans	Develop and implement scheme sustainability plans for public schemes including other schemes with NIA Offices	Crop intensification and annual work plans developed and implemented for 150% utilisation of irrigation infrastructure in all schemes.
			Develop Deficit plan	Developed deficit plan	During the period under review the Authority developed a deficit plan.
		Improve operation and maintenance service in irrigation schemes	Revised operation and maintenance fees	Annual irrigation service fees	Review and submission were done in 8 irrigation schemes.
			Value chains established for key irrigation	Mainstream value chain approach in schemes	This is ongoing as farmers are encouraged to crop profitable

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	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements for 2024/25
			enterprises		horticultural crops which boost the country's food and nutrition security as well as their income
			No. of Interventions	Mitigate against environmental degradation out of operation of irrigation schemes	The Authority coordinated growing of 274,190 Avocado assorted seedlings.
			No. of cropping programs	Develop typical cropping programmes for identified value chain	Cropping programmes developed and implemented in all schemes
4.	Irrigation Research and Innovation	Distill Farmer led Irrigation	IWUA Capacity Development	IWUA Capacity Development	During the period under review, the Authority developed a framework for formation , training and management of IWUAs and 86 IWUAs in smallholder irrigation schemes were capacity build. <small>through rehabilitation and construction of 76 community water pans with a total capacity of 3,206,011 m³</small>
			Review and assess the level of compliance of NIA to the Irrigation Act and Irrigation Regulations.	compliance reports	The Authority reviewed and assessed the compliance of the Irrigation Act and Irrigation regulation and a report was done
			Implement the revised functions in the organization structure	Implement the reviewed NIA organization structure and functions	Implementation of the New Authority's organization structure

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	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements for 2024/25
				Implement the Institutional Policies	Implementation of the reviewed institutional policies is ongoing
				implement the reviewed Authority Service Charter	Implementation of the reviewed charter is ongoing.
		Enhance institutional capacity to improve efficiency	No of departmental/ business plans	Cascade and implement the strategic plan	Departmental plans and Performance contracts aligned to the Authority's Strategic Plan were developed.
			Integrated Project Management guidelines developed	Develop and implement an integrated Project Management guidelines throughout the project lifecycle	Project management information system developed and implementation ongoing.
			Monitoring, evaluation and learning plan/strategy/framework developed	Develop and implement a comprehensive monitoring, evaluation and learning plan/strategy/framework for the institution	Development of a monitoring, evaluation and learning framework has been done and incorporated in the MEL guide to guide in monitoring and evaluation reporting.
			M&E Unit established	Establish M&E Unit	M&E Unit established and officers posted.
			Liaison and Resource Mobilization Unit established	Establish a Liaison and Resource Mobilization Unit	Resource Mobilization Unit established and officers posted.
			Resource mobilization strategy reviewed	Review and implement resource mobilization strategy	Review of the strategy ongoing
			No. of financial reports	Streamline financial	Quarterly and annual reports submitted;

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	Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements for 2024/25
				management processes and controls	Implementation of financial controls being implemented on programme and project budget basis.
			Communication Strategy developed	Review and implement comprehensive communication Strategy	Communication strategy reviewed and implementation is ongoing
		Mainstreaming ICT in NIA processes	Operationalize the National Irrigation Management System (NIMS)	National Irrigation Management System operationalized	Level of implementation was at 75%
			Customize and operationalize HRIS.	HRIS customized and operationalized	Functional HRIS The HRIS is integrated in the ERP

8. Corporate Governance Statement

National Irrigation Authority was established on August 16, 2019 by the Irrigation Act No. 14 of 2019 as a successor institution of the National Irrigation Board. This was after His Excellency the President assented to the Irrigation Bill of 2019 on July 29, 2019, paving way for its gazetment via Kenya Gazette Supplement No. 136 (Acts No. 14) of August 2, 2019.

National Irrigation Authority's Board has a membership of nine (9) members, comprising of five (4) directors representing the Government of Kenya and three (5) Independent Directors.

The Chairman of the Board is an appointee of the president while the Cabinet Secretary in line with the irrigation Act No 14 of 2019 is responsible for appointment of independent board members. The appointments /removal of Board members shall be done via a Kenya Gazzette notice.

The basic responsibility of the Board members is to exercise their best judgement and to act in a manner that they reasonably believe to be in the best interest of the organization and its stakeholders. In discharging this obligation, the members are entitled to rely on the honesty and integrity of the organization's management, staff and its external professional advisors and auditors.

In furtherance to its responsibilities, the Board:

- a) Determines the organization's mission, vision, purpose and core values;
- b) Reviews, evaluates and approves, on regular basis, long-term plans for the organization;
- c) Reviews, evaluates and approves the organization's budget and financial forecasts;
- d) Reviews, evaluates and approves major resource allocations and capital investments;
- e) Ensures that the procurement process is cost effective and delivers value for money;
- f) Reviews and approves the operating and financial results of the organization;
- g) Ensures effective, accurate, timely and transparent disclosure of pertinent information on the organization's operations and performance;
- h) Ensures that effective processes and systems of risk management and internal controls are in place;

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- i) Reviews, evaluates and approves the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Reviews, evaluates and approves the remuneration structure of the organization;
- k) Adopts, implements and monitors compliance with the organization's Code of Conduct and Ethics;
- l) Reviews on quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the government of Kenya.
- m) Reviews periodically the Organization's strategic objectives and policies relating to sustainability and social responsibility/investment
- n) Protects the rights of shareholders and optimize shareholder value;
- o) Enhances the Organization's public image and ensure engagement with stakeholders through effective communication;
- p) Monitors compliance with the Constitution, all applicable laws, regulations and standards; and
- q) Reviews, monitors and ensures that the organization is effectively and consistently delivering on its mandate.

In order to effectively undertake the afore-mentioned roles, the Board of directors formed two (2) Committees namely;

- i) Development and General Purpose Committee whose main role is primarily to provide technical, financial and human capital management and general administration oversight of the organization.
- ii) Audit and Risk Committee whose main role is to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

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During the year, the Board transacted its business by holding six (6) committee meetings and four (4) full board meeting. Majority of the Board members participated in the meetings.

The induction of the new Board members was conducted in line with the Mwongozo Code of Governance for State corporations, and the Authority did not conduct any Board training during the year under review.

During the financial year, there was no Conflict of Interest that recorded from any of the Board Members on the Agendas of the meeting, and all the Board meetings were conducted in line with the existing Board's Charter. Subsequently, members of the Board who attended any of the scheduled Board meetings were remunerated as stipulated in Circular reference no OP/SCAC.9/21.2 V1 (164) dated 25th April 2015 from the Office of the President.

**9. Management Discussion and Analysis
1. Revenues**

(i) Grants

Grants (Million Ksh)

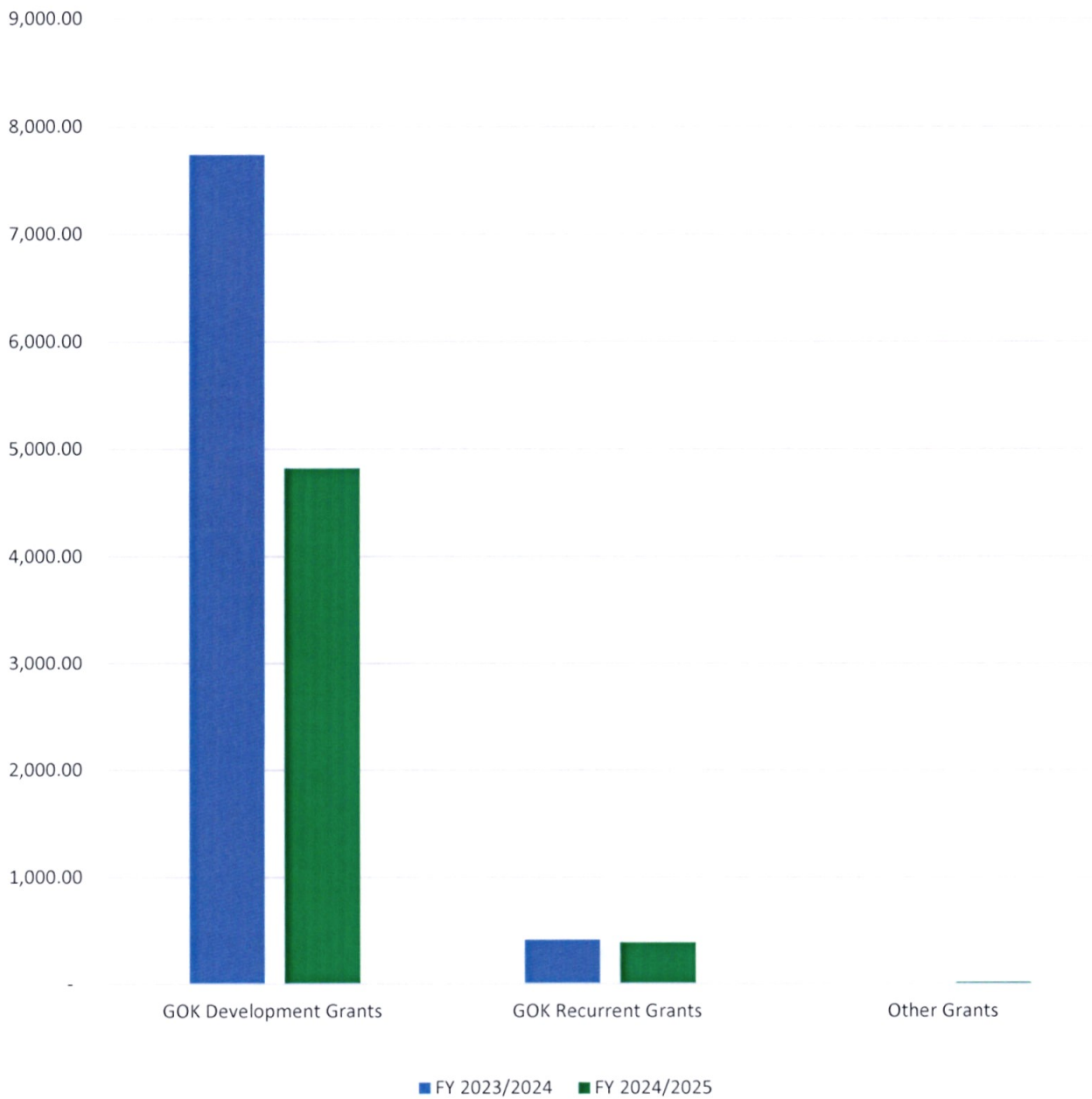
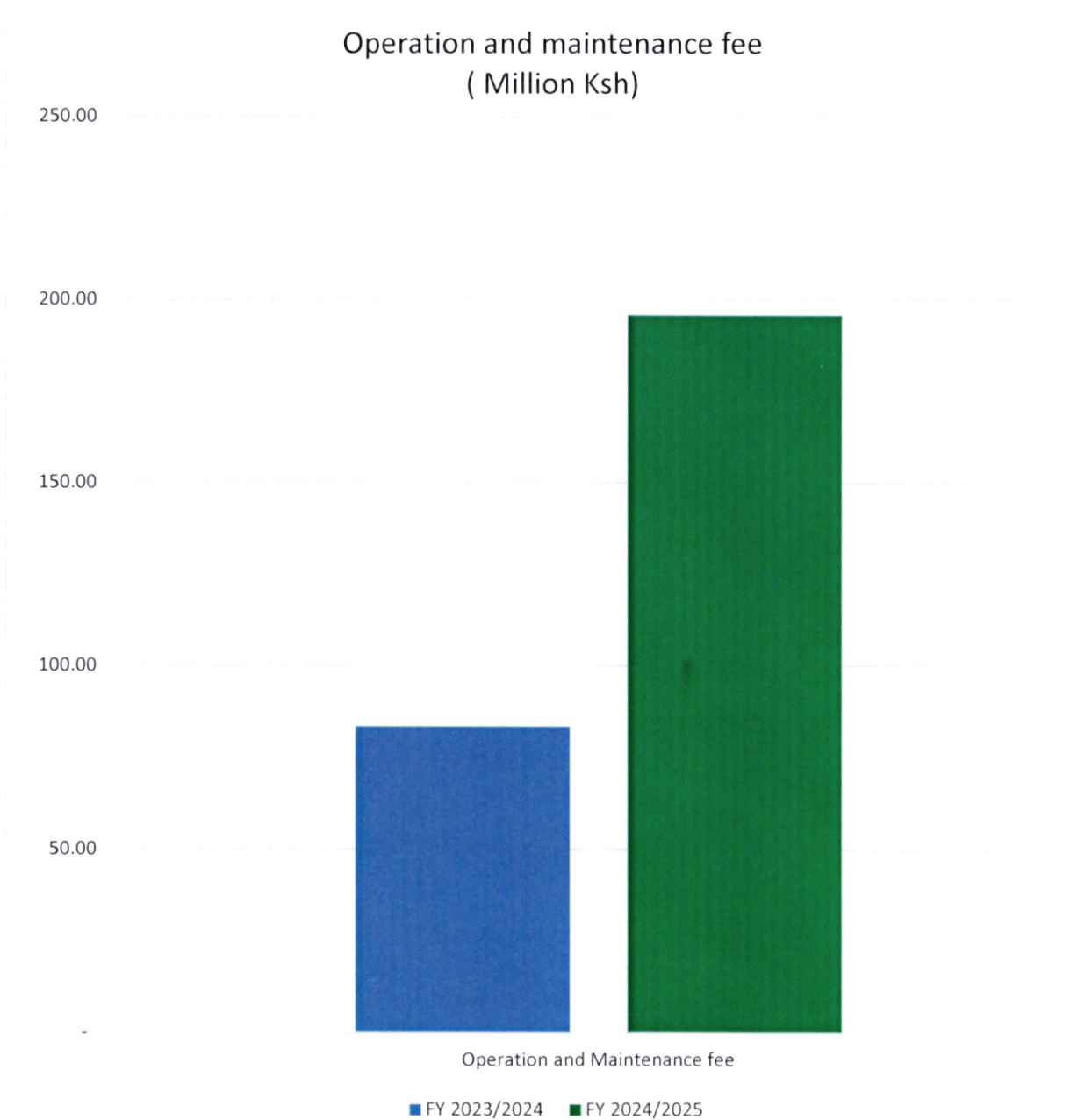


Chart 1: Revenue from Non-Exchange Transactions

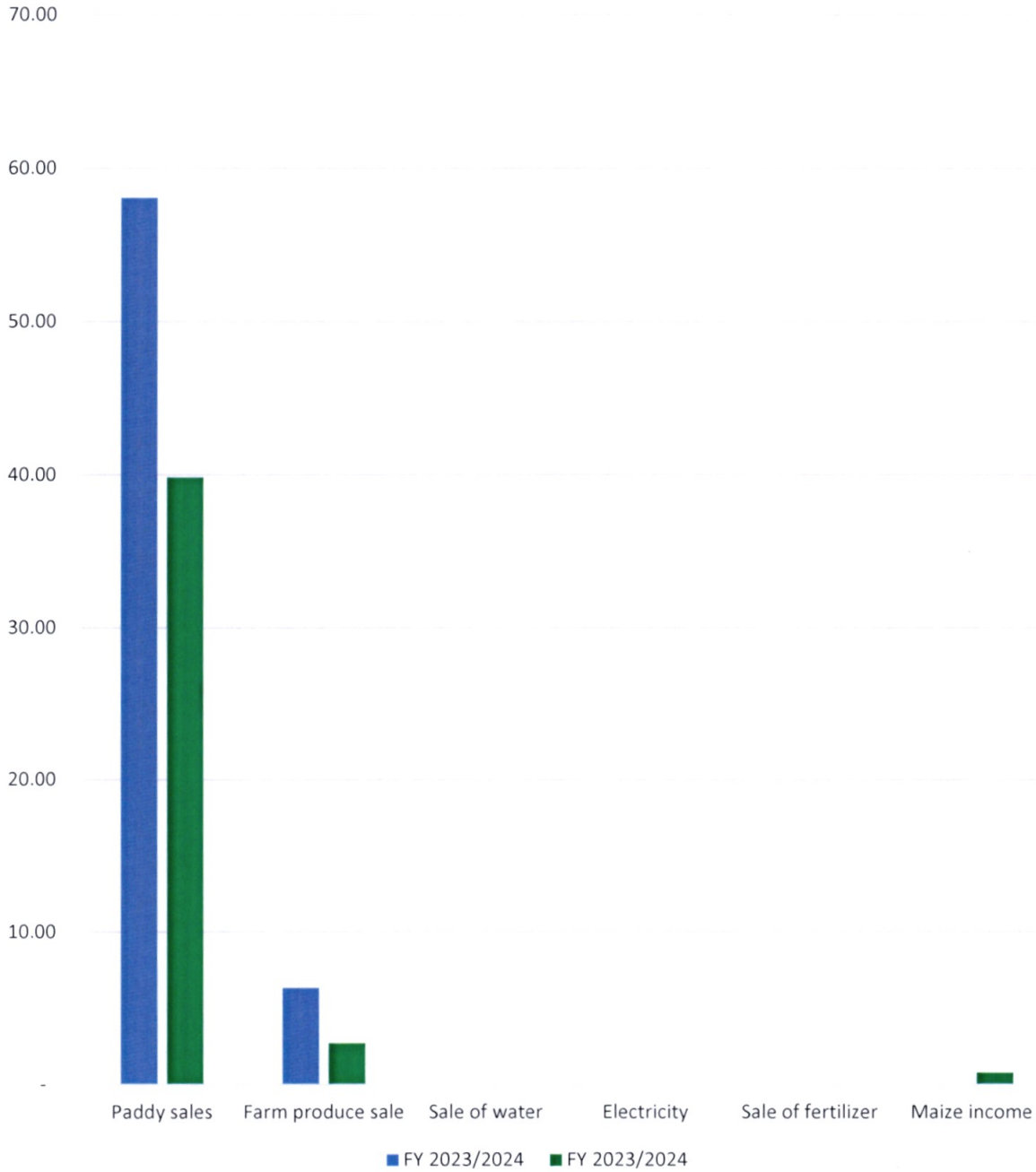
Rendering of Services

(ii) Operation and Maintenance fee

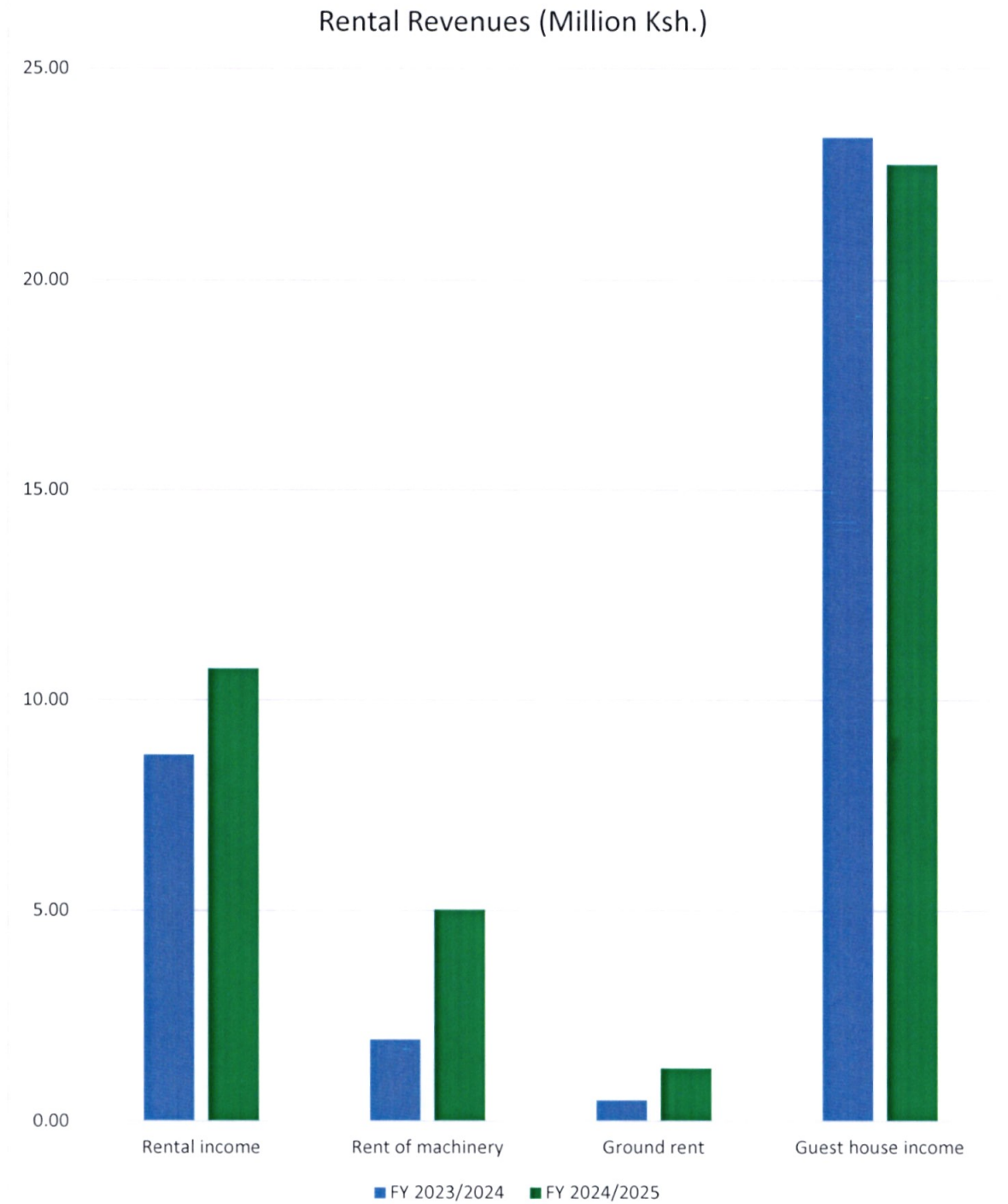


(ii) Sale of goods

Sale of Goods (Million Ksh)

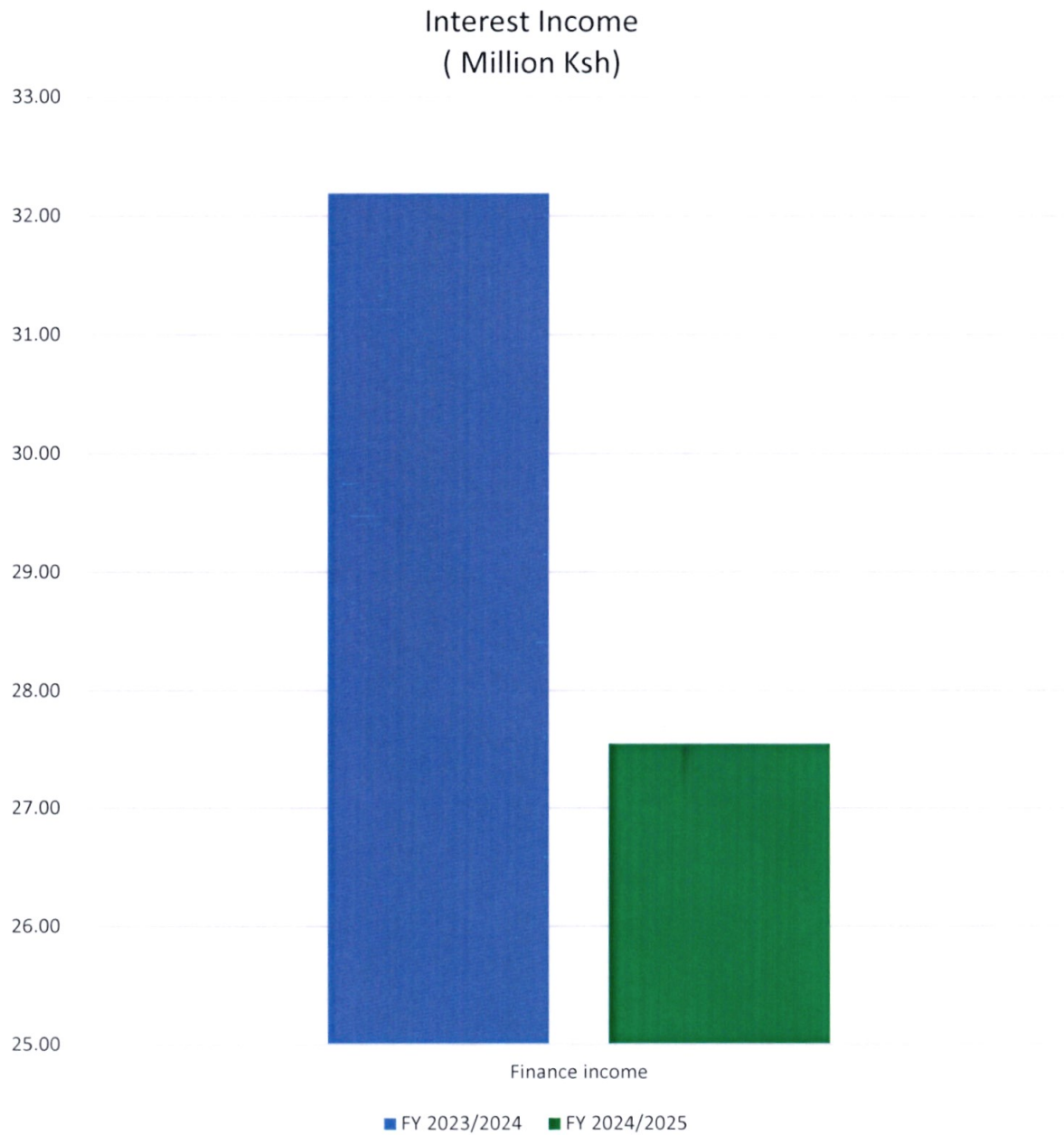


(iv) Rental Revenues

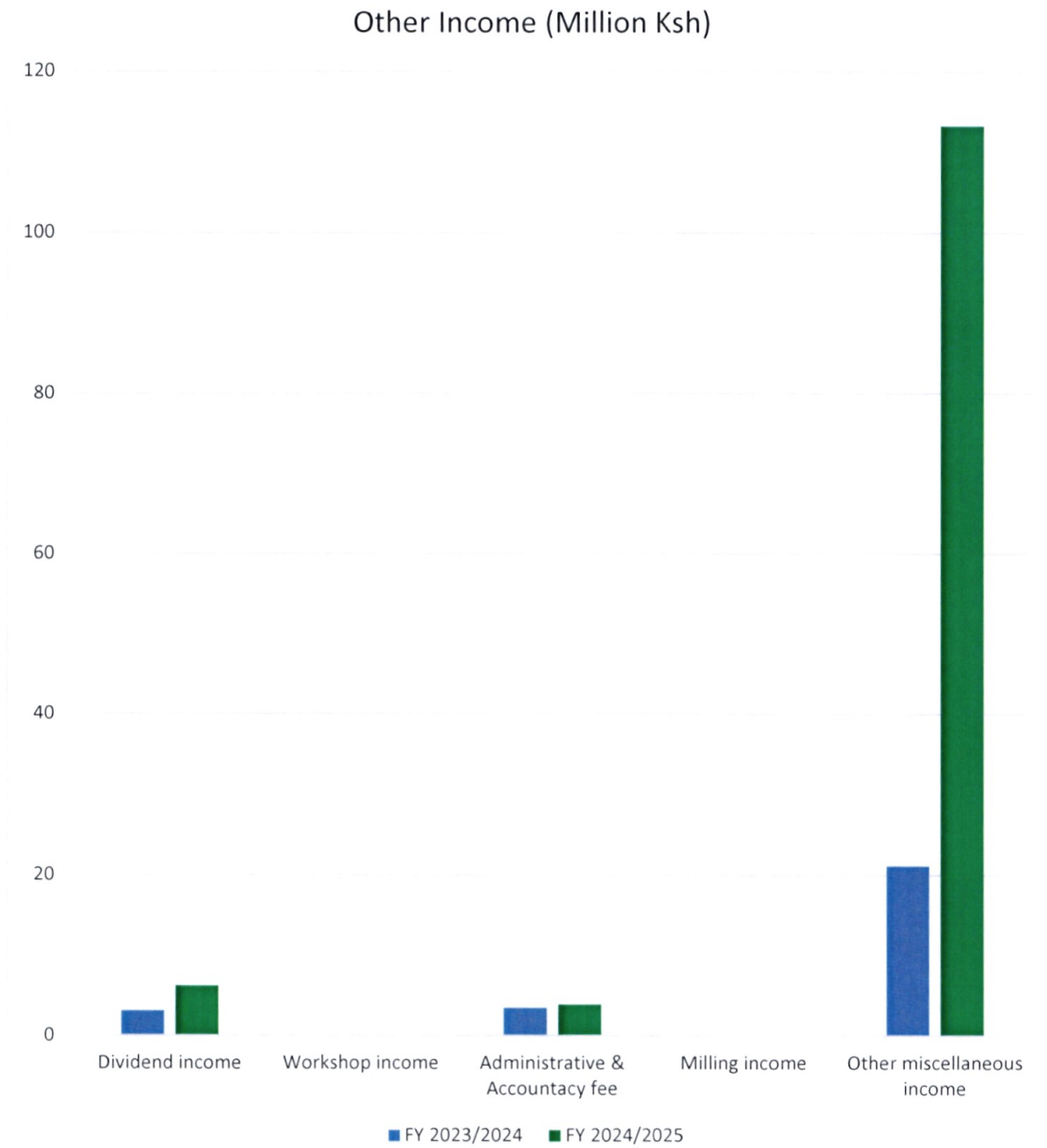




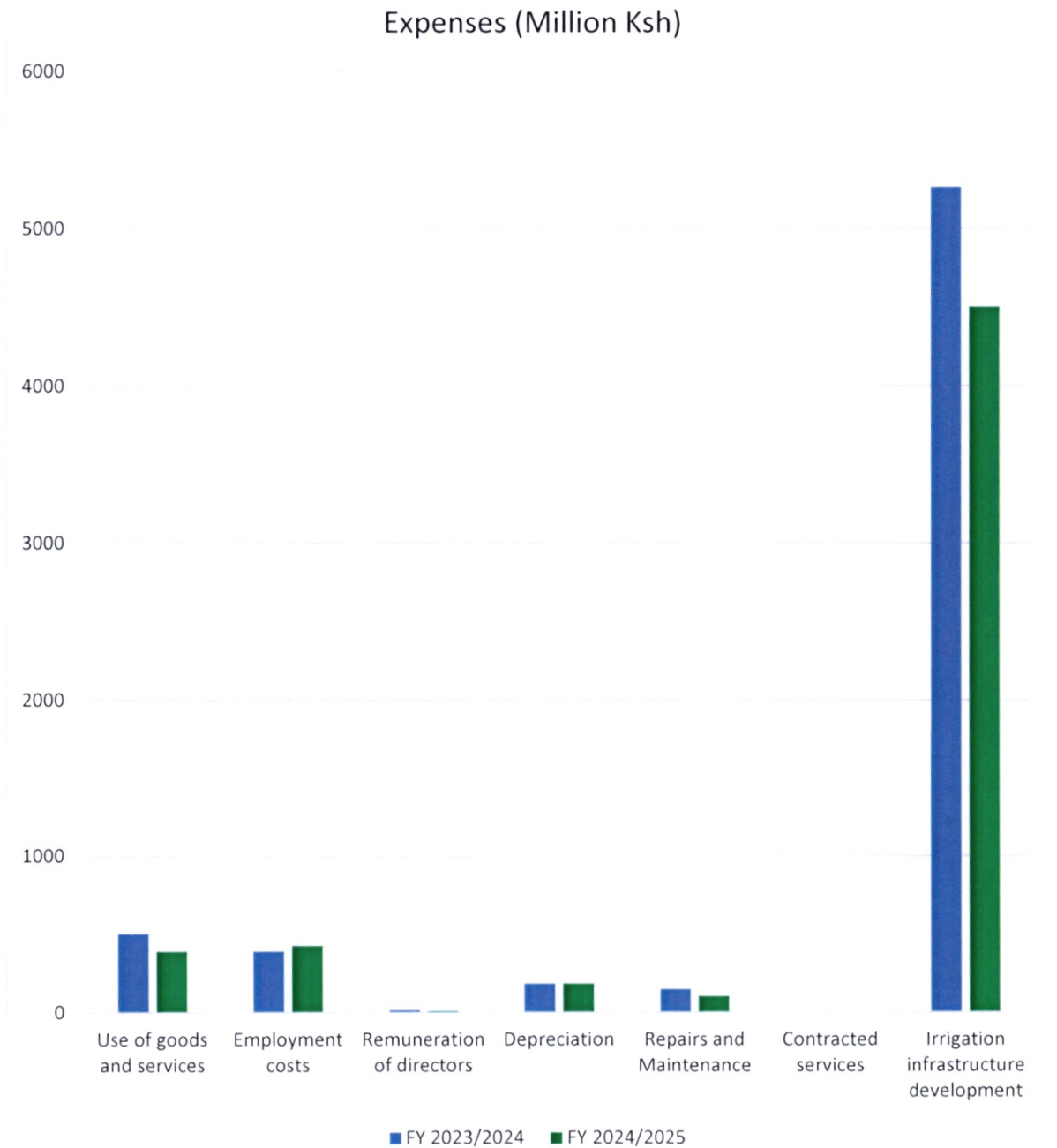
(v) Finance Income



(vi) Other Income



(vii) Expenses



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Grants:

Chart i above indicates grants received by the institution both from the government and other development partners. Grants from GoK to the institution decreased from Ksh 8,154,416,668 in the financial year 2023-2024 to Ksh. 5,225,227,082 in the financial year 2024-25. This represents 35.92% decrease when compared with the previous year. The decrease was in both recurrent and development grants. Development grants decreased by 37.72 % while recurrent grants decreased by 6.38 %.

Rendering of services:

Chart ii shows changes in operational income. The revenue in this category increased from Ksh 83.42 million in the year 2023-2024 to Ksh 195.69 million in the year 2024-2025. This translates to 134.58% increase. This was also attributed to enhancement of Operation and Maintenance fees.

Sale of goods:

Chart iii shows the revenues collected from sale of goods and services. The main items of revenue in this category is paddy sales and farm produce sales. The overall decrease in this category of income is 33.62%.

Rental Revenues:

Chart iv shows the revenues collected from Rent of facilities and machinery and equipment. National irrigation Authority operates a guest house at Mwea Irrigation Scheme. It is one of the key sources of revenue in this category. Revenue from the guest house reduced by Ksh 3.6 million from Ksh 23.38 million in 2024 to Ksh 19.70 million in 2025. This represented a 15.74% decrease. The other major source of revenue in this category is house rent. The Authority has houses occupied by staff in all the major traditional Irrigation Schemes. Staff occupying these houses pay monthly rent. Overall revenue from this category of income increased by 5.48%.

Finance Income:

Chart v shows revenue from call deposit account. This is money held in the bank account to clear contactors retention money after the end of the defect liability period. This money has to be readily available and hence can only be put in such an arrangement otherwise if invested in treasury bills retiring the same might prove challenging since it may not coincide with the defect liability expiry period. The revenue in this category decreased from Ksh 32.19 million to Ksh 27.55 million in 2025.

Other Income:

Chart vi shows revenue from other miscellaneous sources of income such as administration & accountancy fee for NIA subsidiaries. The overall revenue in this category increased by 103.29 % in the year 2025 as compared to 2024. The sources of this revenue do not form part of the key revenue sources and therefore can be erratic in nature. In the financial year 2024-25 NIA received dividend

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from Mwea Rice Mills Ltd of Kshs.6M, research income of Kshs.23M and recall of advance payment of 70M

Expenses

Chart vii shows the various categories of expenses. The overall expenses for the Authority decreased from Ksh 6.51 billion in 2024 to Ksh 5.62 billion in 2025. This represents a 13.72% decrease. The main items of expenditures that registered huge increase were irrigation infrastructure development these are projects undertaken by the National Irrigation Authority in line with its core mandate of providing and coordinating sustainable development and management of irrigation services in Kenya. These expenses are for water pans, Dams, and green houses for the communities.

The expenditure for employee cost increased by 8.76%.

The remuneration of directors decreased by 49.76% as a result of reduced board meetings.

Repairs and maintenance decreased by 30.71% in 2025 as compared to 2024. When major repairs and maintenance are done to facilities and equipment in one year occasioning an increase in expenditure the expenses in the following year tend to decrease and the pattern continues.

The contracted services decreased by 41.3 % in 2025 as compared to 2024. This expenditure is for security services for equipment including machinery working in the field. When the equipment's are working near the main offices they are taken to the station where they don't require additional staff hence saving on security hire.

The other major component in the expenses for the institution is the irrigation infrastructure development. These are projects undertaken by the National Irrigation Authority in line with its core mandate of providing and coordinating sustainable development and management of irrigation services in Kenya. These expenses are for water pans, dams, and green houses for the communities. Expenses in this category decreased from 5.263 billion in 2024 to 4.503 billion in 2025.

10. Environmental and Sustainability Reporting

The vision for NIA as captured in the Strategic Plan 2023-2027 is ‘Irrigation for a food secure and prosperous nation.’ This vision embodies what the Authority seeks to achieve and clearly outlines the steps which need to be undertaken to achieve it. Below is a brief highlight of the sustainability activities conducted in the year:

i) Sustainability strategy and profile

The global environment is increasingly shaped by climate change, geopolitical uncertainty, and inflationary pressures that affect water and energy costs, as well as infrastructure development. Our sustainability priorities are geared towards emphasizing climate resilience, cost efficiency, and social equity as well as enhancing stronger governance.

Key achievements include solar energy adoption, improved water efficiency through reduced losses, ecosystem restoration, and expanded service coverage to vulnerable communities. Governance improvements such as grievance resolution have also advanced transparency. However, challenges such as project delays, equipment outages, and low uptake of AGPO opportunities were encountered. Mitigation measures include improved contractor screening, solar-hybrid solutions, and outreach programs for special groups.

The Authority maintains a service delivery charter that outlines standards for timely water connections, fault resolution, grievance handling, and access to information. Clients can expect transparency, clear timelines, and remedies for service gaps through escalation and compensation mechanisms. These processes are accessible through physical offices and digital platforms which reinforce accountability and trust with stakeholders.

ii) Environmental performance

National Irrigation Authority (NIA) is the Government Agency mandated to provide for the development, management and regulation of irrigation, to support sustainable food security and socioeconomic development in Kenya, and for connected purposes. NIA recognizes that our activities

**National Irrigation Authority
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may result in disturbance to the environment in its areas of operation. NIA acts as a responsible environmental steward in compliance with the applicable environmental laws and regulations.

Some of the measures NIA has undertaken in line with its environmental policy requirements include:

- Undertake climate mitigation and adaptation activities such as tree planting activities with a focus on fruit trees
- Ensure we promote the adoption of solar energy systems to power our infrastructure and adopt measures to conserve energy by restricting its use to when it is necessary.
- Ensure our vehicle fleet and machinery are well maintained and regularly serviced to maintain their efficiency.
- Encourage waste segregation at source and installing waste collection bins at identified locations.

The successes, shortcomings, and mitigation measures to reduce environmental impacts of our activities can be summarized as follows:

Successes	Shortcomings	Mitigation Measures
Increased agricultural productivity (higher yields, year-round farming)	Water resource over-extraction (river and groundwater depletion)	Implement environmental flow requirements and promote water-saving technologies (drip, sprinkler)
Economic development and job creation in agriculture	Land degradation (soil salinization, waterlogging)	Install drainage systems and promote soil testing for efficient fertilizer use
Water infrastructure development (canals, reservoirs)	Loss of biodiversity (wetland destruction, fish decline)	Rehabilitate wetlands, create riparian buffers
Adoption of modern irrigation technologies	Pollution from fertilizer and pesticide runoff	Introduce buffer strips, integrated pest management

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Community involvement through Irrigation Water Users Associations (IWUAs)	Inefficient water use (conveyance losses, low adoption of technology)	Develop rotational water schedules and enhance farmer training on water efficiency
Capacity building for farmers	Institutional capacity to supervise and monitor the irrigation projects	Staff capacity building and increased staff establishment

Under climate change, National Irrigation Authority strives to enhance climate change adaptation whilst implementing mitigation measures. Some of these initiatives include;

- a) Adoption of Climate-Smart Technologies in irrigation such as Drought-Resistant and Early-Maturing Crop Varieties including sorghum, millet, drought resistance maize, early maturing maize
- b) Efficient Irrigation Systems such as Drip and sprinkler irrigation, smart irrigation scheduling which reduces water wastage and improves water productivity.
- c) Adoption of Green and Renewable Energy such as solar powered water pumping systems to replace diesel pumps.
- d) Water Resource Management Innovations including Rainwater Harvesting and Storage through water pans that harvest surface runoff that is then used for irrigation.

iii) Employee welfare

The Authority is an ‘equal opportunity employer’ and thus committed to fair recruitment and selection practices underpinned by principles of merit, equity and its core values. It is therefore the policy of NIA to attract, retain and develop staff of the highest quality consistent with diversity principles in terms of gender, age, and national character; ensure fair and equitable treatment to its staff; and provide opportunities for professional growth and development.

The Authority is committed to continuous development and professional growth of its staff through a systematic and structured approach to training in order to attract and retain highly knowledgeable, skilled and competent employees who are productive, efficient and effective in

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service delivery. The Authority ensures that its employees build the requisite professional competence through a systematic process of continued learning and that they are fairly treated and appropriately rewarded within the constraints of its budgetary allocation.

The Authority has in place a Performance Management System in order to promote productivity and motivate employees for performance. The PMS contains strategies for setting performance targets, monitoring and evaluating achievements, identifying and solving performance gaps including requisite programs to support those with performance challenges.

The Authority has established a Performance Specific Rewards and Sanctions Framework, which establishes a basis for rewarding exemplary performance and administering sanctions for under-performance whilst motivating employees to have positive attitude towards work and for enhancing productivity in the Authority.

The Authority considers Health and Safety to be an integral part of responsible management. Therefore, the Authority is committed to the provision of a safe and healthy work place for all employees and stakeholders. The Authority has undertaken to inculcate a safety and health-oriented culture, which emphasizes attitude change and employee participation in establishing and observing safe working practices.

The primary objectives of the Authority's safety policy are:

Ensure compliance with all legal and statutory obligations;

- (ii) Ensure quality employee health and safety at work;
- (iii) Educate employees on their roles and responsibilities and equip them with adequate knowledge and resources to carry out their duties;
- (iv) Implement and continuously improve Health and Safety performance in the Authority in accordance with appropriate health and safety standards;
- (v) Involve all the employees, customers, contractors, suppliers and other strategic partners in improving Health and Safety standards at the work place; and
- (vi) Ensure periodic audit in achieving Health and Safety objectives.

iv) Market place practices

a) Responsible competition practice.

National Irrigation Authority (NIA) promotes competitive procurement to the maximum extent practicable. The Authority maintains and continuously update lists of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. The selection of suppliers, contractors and consultants is done based on objective criteria such as quality, technical excellence, cost/price, schedule/delivery, services and maintenance of adequate sources of supply.

The standard tender documents used and issued by a procuring entity contains sufficient information to allow fairness, equitability, transparency, cost-effectiveness and competition among interested and participating tenderers. Specific requirements relating to the goods, works or services being procured are clear and give a correct and complete description of what is to be procured thus allow for fair and open competition among those who may wish to participate.

Due diligence is also conducted on firms to be awarded contracts prior to contract award to ensure that there is no a misrepresentation of facts in order to influence a procurement or disposal process and to assure of free and open competition.

NIA continually works with different government agencies and regulatory bodies that monitor assess and review the public procurement and asset disposal system to ensure that they respect the national values, enforce any standards developed, and provide advice and technical support and to investigate and act on complaints received on procurement and asset disposal proceedings.

b) Responsible Supply chain and supplier relations

As stakeholders are becoming increasingly interested in business affairs, NIA continually ensures that, their partners conduct themselves in a socially responsible manner. This is done through sensitization on government procurement opportunities in the Authority's all schemes/stations to ensure that the public is aware of the available opportunities and how to participate for free, fair, transparent and competitive procurement process.

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National Irrigation Authority (NIA) advertises its tenders in Government Advertising Agency's MY Gov publication distributed by local newspapers, Public Procurement Information Portal (PPIP), <https://tenders.go.ke/> and NIA's website, <https://irrigationauthority.go.ke/tenders/> thus ensuring the interested tenderers have access to information and can freely seek clarifications through various channels of communication provided.

c) Responsible marketing and advertisement

National Irrigation Authority (NIA) is required to advertise the invitation to tender in Kenya's dedicated tenders portal or one or more English-language newspapers or other publications that, together, have sufficient circulation outside Kenya to allow effective competition for the procurement. This is done through Government Advertising Agency's MY Gov publication distributed by local newspapers, Public Procurement Information Portal (PPIP), <https://tenders.go.ke/> and NIA's website, <https://irrigationauthority.go.ke/tenders/>

d) Product stewardship

National Irrigation Authority (NIA) conducts environmental impact assessment on all its projects prior to implementation to ensure that all projects are evaluated on their the economic, environmental and social impact thus promoting environmentally sound and sustainable development through the identification of appropriate alternatives and mitigation measures. NIA conduct public participation prior to commencement of mega projects to ensure that the public who are the ultimate users accept the project. The notice for public participation is usually conducted through Kenya Gazette which is accessible to the public and opinions for the public is received, evaluated.

v) Corporate Social Responsibility/ Community Engagements

The Authority conducted an inspection and familiarisation tour of its Board Members in Western Region Irrigation Projects and Schemes from September 2nd to 6th, 2024 to ensure they have sufficient information to fulfill their oversight roles and responsibilities.

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NIA Board Members during an inspection and familiarization tour in West Kano Irrigation Scheme

1. Environmental Responsibility.

The Authority distributed fruit-tree and indigenous-tree seedlings to farmers and local communities respectively across the Country for planting during the rainy seasons in an effort to increase forest and tree cover as part of the National Tree Growing Campaign and Corporate Social Responsibility initiatives as shown below:

No.	Scheme/Station	Tree planting Site	Number of trees grown
1.	National Irrigation Authority – Head Office	Kona Baridi Forest in Ngong on June 5, 2025.	2,500
2.	Representatives from Head Office , Perkerra Irrigation Scheme, Western Kenya Scheme staff,	Kipkurere Forest, Nandi County on June 5, 2025.	70,000

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	central and lower Rift Valley Region		
3.	Representatives from Head Office, Mwea Irrigation Scheme, MIAD Center Mt Kenya West and East region	Shamaneck Forest in Laikipia County on June 5, 2025	70,000
4.	Representatives from Head Office, Perkerra Irrigation Scheme central and lower Rift Valley Region	Radat Dam on June 13, 2025.	2,000
5.	Representatives from Head Office, Perkerra Irrigation Scheme central and lower Rift Valley Region	Kimore Secondary School on June 13, 2025	3,000
	Total		147,500

2. Social/Philanthropic Responsibility.

The Authority conducted the following activities:

- i. Mobilized staff in donating voluntarily their personal items in good condition including clothes, shoes, bags, household utensils, appliances. The collected donations included: clothes 403No., shoes 60No., bags 7No., dish washing sponges 30No., rice 48kgs, Minute maid juice 48 pieces, all-purpose flour 24kgs, and maize flour 24kgs. The items were donated to Nyumbani Children's home in Karen, Nairobi on December 20, 2024.
- ii. Coordinated 40No.of staff to participate in the Standard Chartered Nairobi Marathon on October 27, 2024 at Uhuru Gardens.
- iii. Coordinated 46No.of staff participated in the Nairobi City Marathon on September 8, 2024 at Nyayo Stadium.
- iv. 166No. of tree seedlings where grown through the two marathons contributing to "National Tree Growing Restoration Campaign"

3. Ethics and Transparency Responsibility.

The Authority staff maintained high standards of integrity when executing CSR activities. They also adhered to all the existing regulations, laws, statutes, rules and regular Government circulars on CSR.

4. Health and Safety Responsibility.

During execution of CSR activities, NIA staff welfare was catered for. No mishap that occurred during the execution of CSR activities.

Corporate Social Responsibility (CSR) is an important humanitarian deed aiming at helping the less fortunate and marginalized in society while also upholding the Authority’s brand. During the Financial Year 2024/2025, the Authority conducted five (5) CSR activities in line with the six (6) broad objectives in the CSR Policy across the Country.



NIA staff participating in tree growing initiative in Shamaneck Forest in Laikipia County on June 5, 2025

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NIA staff participating in tree growing initiative in Kipkurere Forest, Nandi County on June 5, 2025.



NIA staff participating in tree growing initiative in Kona Baridi Forest in Ngong on June 5, 2025

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NIA members of staff after finished the race during the Nairobi City Marathon in Nairobi.



NIA members of staff after finished the race during the Standard Chartered Marathon in Nairobi.

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Community engagement emerged as a central pillar in the operationalization of smallholder irrigation schemes. The Capacity Needs Assessment emphasized that the success of these schemes relies heavily on mobilizing farmers and ensuring they fully understand scheme dynamics, including infrastructure, roles of stakeholders, and their own responsibilities. Early adopters were identified as key change agents, as their involvement not only demonstrated the practical benefits of irrigation farming but also inspired fellow farmers to embrace modern agricultural practices. This participatory approach fostered a sense of ownership and accountability within the communities.

Engagement with Irrigation Water Users Associations (IWUAs), Community-Based Organizations (CBOs), cooperatives, and self-help groups further strengthened community involvement. These institutions provided structured platforms for dialogue, training, and decision-making, enabling farmers to collectively address challenges such as poor water management, vandalism of infrastructure, and limited market access. Building the capacity of IWUAs through targeted training in leadership, financial management, and irrigation system maintenance was identified as an essential strategy to enhance community-led management of schemes.

Collaboration with county officers, including Sub-County Agricultural Officers, Ward Agricultural Officers, and County Irrigation Development Units, also enriched community engagement. Their participation created opportunities for farmers to align with broader county and national agricultural programmes, while also benefiting from technical extension services. The presence of National Government Administration Officers further helped in mobilizing farmers and reinforcing government support. Such multi-level collaboration bridged gaps between policy, technical expertise, and farmer needs, thereby reinforcing trust and cooperation among stakeholders.

Community engagement was also advanced through demonstrations, field days, and exposure visits. Demonstration farms, in particular, proved effective as hands-on learning centers where farmers could practically observe improved irrigation and agronomic practices. Exposure visits allowed farmers to learn from the experiences of other schemes, while field days facilitated exchange of knowledge between experts and communities. These interactive platforms ensured that capacity building went

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beyond theory to practical, relatable experiences, ultimately promoting sustainability and collective responsibility in managing irrigation schemes.



Figure 1: Kitobo Irrigation Scheme



Figure 2: Kamuno Irrigation Scheme



Figure 3: Kamleza Marodo Irrigation Scheme



Figure 4: Afrika Kusini, Majengo, Lumi Murabani Irrigation Scheme



Figure 5: Kiboi Irrigation Scheme



Figure 6: Challa Tuhire Irrigation Scheme



Figure 7: Narok Clusters Irrigation Project



Figure 8: Namelok Irrigation Scheme



Figure 9: Nyambogichi Irrigation Scheme



Figure 10: Kinyaiti Borehole Irrigation Scheme

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ISO 9001:2015 Certified

Environmental Policy

National Irrigation Authority recognizes that Provision, coordination, development and management of irrigation services may result in disturbance to the environment in its areas of operation. We also aim at minimizing the negative environmental impact whilst enhancing environmental protection and conservation.

The Authority will act as a responsible steward in compliance with the applicable environmental laws and regulations. We will strive to improve our environmental performance over time and to initiate additional projects and activities that will further reduce our impacts on the environment.

Our Commitments

We will work to achieve the commitments by:

- We identify the potential environmental and ecological risks and impacts of our activities and initiate mitigation measures at the design stage.
- We strive to improve operational efficiency and monitor our water use, energy use and greenhouse gas and air emissions in efforts to promote the efficient use and conservation of natural resources.
- Provide appropriate environmental awareness training to staff and stakeholders
- Work collaboratively with our customers, suppliers, and the surrounding community on environmental issues
- We ensure that all our people, our customers and the general public can access our policy
- Where we do not have operational control, we encourage, support and work with our operating partners to the extent possible to act in a manner consistent with the commitments set out in this Policy.

National Irrigation Authority will make every effort to ensure continual improvement in environmental performance.

Signed.....

Date: ...11/12/2025.....

Eng. Charles Muasya, *MBS*
Chief Executive Officer

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ISO 9001:2015 Certified

Waste Management Policy Statement

National Irrigation Authority is committed minimize waste generation and promote re-use, recovery and recycling of waste to protect human health and the environment. To support this common goal, the Authority will:

- Contributing to sustainable use of natural resources, e.g. avoiding & reducing waste wherever possible
- Promotes adoption of best waste management practice that protect the environment and community
- Deploying technologies appropriate to prevailing conditions

We will work to achieve the commitments by:

- Implementation of Application of Service Delivery Innovations
- Awareness creation on behavior change on waste
- Participating in supporting any untapped opportunities on waste recycling initiatives
- Minimize the generation of waste, associated with our office-based activities.

We will make every effort to ensure that waste management policy is an integral part of National Irrigation Authority's performance.

Signed..........

Date: ...11.12.2025.....

Eng. Charles Muasya, *MBS*
Chief Executive Officer

**National Irrigation Authority
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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025 which show the state of the National Irrigation Authority's affairs.

i. Principal activities

The principal activity of the National Irrigation Authority is to provide water for sustainable farming through development, rehabilitation, modernization and promotion of Irrigation and drainage for improved livelihoods, food security and economic growth in Kenya. This is achieved through the Authority's vision of Water to every Irrigable Acre

ii. Results

The results of the National Irrigation Authority for the year ended June 30, 2025 are set out on pages 1 to 6.

iii. Directors

The members of the Board of Directors who served during the year are shown on page xi-xviii in accordance with Irrigation Act 2019 of the Laws of Kenya.

iv. Surplus remission

In accordance with Regulations 219(2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

National Irrigation Authority did not make any surplus during the year (FY 2024-2025 Kshs Nil) and hence no remittance to the Consolidated Fund

v. Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 and no Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, 2025 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



.....
Jullyanne Awino Okello

Corporation Secretary/Secretary to the Board

Date: 11/12/2025.....

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the Irrigation Act 2019 require the Directors to prepare financial statements in respect of National Irrigation Authority, which give a true and fair view of the state of affairs of the National Irrigation Authority at the end of the financial year ended 30th June, 2025 and the operating results of National Irrigation Authority for the year ended 30th June, 2025. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of National Irrigation Authority. The Directors are also responsible for safeguarding the assets of the Authority


The Directors are responsible for the preparation and presentation of National Irrigation Authority financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended 30th June, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of National Irrigation Authority; (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 National Irrigation Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for National Irrigation Authority'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 the Irrigation Act Cap.347. The Directors are of the opinion that National Irrigation Authority's financial statements give a true and fair view of the state of the Authority's transactions during the financial year ended June 30, 2025, and of National Irrigation Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for National Irrigation Authority, which have been relied upon in the preparation of the Authority'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 National Irrigation Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The entity's financial statements were approved by the Board on11/12/..... 2025 and signed on its behalf by:


.....

Chairman of the Board


.....

Chief Executive Officer

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL IRRIGATION AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, 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

Qualified Opinion

I have audited the accompanying financial statements of National Irrigation Authority set out on pages 1 to 79, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Irrigation Authority at 30 June, 2025 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 the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Misclassification of Expenditure

The statement of financial performance reflects irrigation infrastructure development expenditure of Kshs.4,502,683,210 as disclosed in Note 18 to the financial statements. However, review of the detailed expenditure schedule provided for audit revealed that the entity included various costs such as staff training, travelling, meals and accommodation, fuel, oil and greases, totaling Kshs.358,799,922, under irrigation infrastructure development expenditure. As a result, irrigation infrastructure development expenditure was overstated by Kshs.358,799,922 while use of goods and service expenditure was understated by a similar amount.

Further, the statement of financial performance reflects irrigation infrastructure development expenditure of Kshs.4,502,683,210 as disclosed in Note 18 to the financial statements which includes Kshs.181,615,613 in respect of three donor-funded projects which are separate reporting entities.

In the circumstances, accuracy and completeness of the reported irrigation infrastructure development expenditure of Kshs.4,502,683,210 could not be confirmed.

2. Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.42,923,773,207 as disclosed in Note 23 to the financial statements. However, review of the balances revealed the following anomalies; -

2.1. Failure to Value Fully Depreciated Assets

Included in the balance are fully depreciated assets with original cost/valuation of Kshs.792,028,449 that are still in use. The fully depreciated assets might indicate a possible material variance between the fair value and the carrying value of the assets. The continued use of fully depreciated assets without reassessment of their useful lives indicates that the entity's depreciation policy may not accurately reflect the economic life of assets. This practice understates the asset base, distorts depreciation charges and misrepresents asset replacement needs.

In the circumstances, the accuracy of the property, plant and equipment balance of Kshs.792,028,449 could not be confirmed.

2.2 Capitalization of Operating Costs as Work-in-Progress

The work in progress balance of Kshs.35,874,383,687 which further includes expenses amounting to Kshs.222,927,209 relating to travel, accommodation, meal allowances and capacity building for farmers. These are operating expenses and could not be linked to any interim payment certificate to justify their recognition as work in progress. The inclusion of operating expenses amounting to Kshs.222,927,209 in work in progress results in overstated assets and understated expenses.

In the circumstances, the accuracy of the reported work in progress balance of Kshs.35,874,383,687 could not be confirmed.

3. Receivables from Exchange Transactions

3.1. Receivables from Long Term Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.459,991,348 net of a provision for bad debts of an amount of Kshs.420,176,936 as disclosed in Note 21(b) to the financial statements. Included in the balance are long term receivables from exchange transaction amounting to Kshs.218,447,644. However, these amounts have remained outstanding for more than one year and the debt recovery policy was not provided for audit review raising concerns about the effectiveness of Management's strategies for recovering these long-outstanding debts.

In the circumstances, the accuracy and recoverability of the receivables balance of Kshs.459,991,348 could not be confirmed.

3.2. Uncollected Rental Revenue from Tana River County Government

The statement of financial position reflects receivables from exchange transactions balance of Kshs.459,991,348 and as disclosed in Note 21 to the financial statements include other receivables of Kshs.37,896,971 which further includes Kshs1,130,000 in respect of rent owed by the Tana River County Government arising from the formal occupation of the house by the Tana River County Governor. However, there was no evidence that the outstanding rent had been recovered.

In the circumstances, the accuracy and recoverability of the rent receivables amounting to Kshs.1,130,000 could not be confirmed.

4. Unreconciled Related Party Transactions

The statement of financial position reflects payables from exchange transactions balance of Kshs.2,045,210,105 as disclosed in Note 27 to the financial statements which further includes an amount of Kshs.38,453,559 in respect of other payables. Included in this balance is an amount of Kshs.16,813,131 reported as owed by Mwea Rice Mills. However, a review of the National Irrigation Authority's transactions in the books of Mwea Rice Mills reflects a receivable balance of Kshs.2,108,736, resulting in an unexplained variance of Kshs.14,704,395.

In the circumstances, the accuracy and completeness of other payables balance of Kshs.38,453,559 could not be confirmed.

5. Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.426,059,659 as disclosed in Note 13 to the financial statements. Review of these expenditure revealed the following anomalies: -

5.1. Variance in Employee Costs

A comparison of employee costs reported in the financial statements amounting to Kshs.426,059,659 with the actual payroll costs processed during the year amounting to Kshs.444,891,108 resulting to an unreconciled variance of an amount of Kshs.18,831,449.

5.2. Variance between System Generated Basic Pay and Recalculated Basic Pay

Review of the system-generated basic pay records revealed that one thousand four hundred and sixty (1,460) casual workers received monthly basic pay even though both their daily rates and days worked were recorded as zero resulting in unsupported payments totalling Kshs.25,864,432. In addition, fifty-eight (58) cases were identified where casual workers were paid amounts exceeding what was supported by their approved rates and days worked, leading to excess payments of Kshs.326,503.

In the circumstances, the accuracy and completeness of the employees' costs amounting to Kshs.426,059,659 could not be confirmed.

6. Irregular Recognition of Transfers from other Government Entity as Grant

The statement of financial performance reflects transfers from other government entities amount of Kshs.5,225,227,082 as disclosed in Note 6 to the financial statements which includes Kshs.16,084,878 received for the Authority Project Implementation Unit in respect of activities under the Kenya Water Security and Climate Resilience Project for the first half of financial year 2024/2025. The basis for recognizing this amount as a Government of Kenya grant in the Authority financial statements is unclear, given that the funds relate to a donor-funded project and are accounted for separately in the project's financial statements.

In the circumstances, the accuracy and completeness of Kshs.5,225,227,082 in respect of transfers could not be confirmed.

7. Variance in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalent balance of Kshs.449,661,855. Review of the cash balance amounting to Kshs.1,335,916 as disclosed in Note 20 to the financial statements revealed that the cash balance included nine (9) M-Pesa/PesaFlow accounts for various MIAD, MIAD Seed, Mwea, Tana, Bura, Perkerra and Lower Kuja Irrigation Schemes reported with Nil balances. However, review of the cashbooks and bank reconciliation statements indicated that these accounts had a total balance of Kshs.9,153,100 as at 30 June, 2025 resulting in an unreconciled variance of an amount of Kshs.9,153,100.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.449,661,855 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Irrigation Authority 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 qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actuals reflects final budget of Kshs.5,447,599,188 and actual receipt on comparable basis of Kshs.5,664,890,282 resulting to excess receipts of Kshs.197,291,094. Similarly, the statement of comparison of actual amounts reflects actual receipts of Kshs.5,664,890,282 against an actual expenditure of Kshs.5,621,073,726 resulting to under expenditure of Kshs.23,731,055.

The under expenditure may have affected implementation of planned activities impacting negatively on the service delivery to the public.

2. Long Outstanding Payables from Exchange Transactions

The statement of financial position reflects trade payables from exchange transactions balance of Kshs.2,045,210,105 as disclosed in Note 27 to the financial statements. Included in this balance is an amount of Kshs.1,066,756,171 which has been outstanding for more two (2) years and should have been settled as a first charge. This is contrary to Regulation 42(1)(a) of the Public Finance Management (National Governments) Regulations, 2015 which provides debt service payments shall be a first charge and the Accounting Officer shall ensure this is done to the extent possible that the government does not default on debt obligations.

Failure to settle payables during the year which they relate adversely affects subsequent budget implementation as unpaid bills form a first charge to that year's budget provisions.

My opinion is not modified in respect of these matters.

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. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the previous year's audit report, several issues were raised under the Basis for Qualified Opinion, Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management, and Governance. A review of Appendix 1: Implementation Status of Auditor General's Recommendations indicated that management had not resolved four (4) issues while it had resolved nine (9) of the issues raised. However, there was no documentary evidence supporting how these issues were addressed as listed below.

No.	Financial Year	Outstanding Issues
1	2023/2024	Long Outstanding Receivables
2	2023/2024	Un-Explained Provision for Bad Debts
3	2023/2024	Outstanding Balances from E-Citizen Platform
4	2023/2024	Lack of Ownership Documents for Land
5	2023/2024	Payables from Exchange Transactions
6	2023/2024	Non-Payment of VAT and WHT to KRA
7	2023/2024	Employee Costs
8	2023/2024	Delay in Completion of Projects
9	2023/2024	Lack of a Human Resource Plan
10	2023/2024	Over-Staffing and Under-Staffing
11	2023/2024	Information and Communication Technology (ICT)
12	2023/2024	Non-disposal of Unserviceable Assets
13	2023/2024	Management of Staff Houses and Guest Rooms/Assets

Other Information

The Directors are responsible for the Other Information set out on page iv to lxxv which comprise of Key Entity Information and Management, The Board of Directors, 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, 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 Authority'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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Engagement of Casual Employees

The statement of financial performance and as disclosed in Note 12 to the financial statements reflects an amount of Kshs.395,483,422 in respect to use of goods and services which further includes casual wages of Kshs.85,985,294. Review of the casual payroll data showed that four hundred and twenty-four (424) employees listed as casuals have worked for more than three (3) months. This was contrary to Section 37(1)(b) of the Employment Act, 2007 which stipulates that where a casual employee performs work that cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three (3) months or more the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

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

2. Employee Cost

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.426,059,659 in respect to employee cost. However, the following were noted;

2.1. Non-Compliance with Disability Inclusion in Recruitment

Review of the payroll revealed that as at 30 June, 2025 the Authority had three hundred and fourteen (314) staff in the payroll out of which nine (9) or 3% are persons with disabilities. Further, an examination of the staff data recruited during the year revealed that the Authority engaged fifty-nine (59) staff. Analysis of the staff details in comparison to the PWD list revealed that none of the thirty-eight (38) staff hired includes people with disability. This was contrary to Paragraph 2.15.7 of the National Irrigation Authority HR Policy and Procedures Manual October, 2023 which requires the principles of affirmative action, gender and persons living with disability and national values will apply in the recruitment procedure.

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

2.2. Non-Compliance with One Third Basic Salary Rule

Review of the payroll for the year under review revealed that two hundred and ten (210) officers were receiving net salaries of less than one-third of their respective basic salary. This was contrary to Section 19(3) of the Employment Act, 2007 which requires

that all deductions made by an employer from the wages or salaries of his employees at any one time shall not exceed two-thirds of such wages or salaries.

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

2.3. Irregular Annual Salary Increments

Review of the payroll data revealed that forty-one (41) staff received multiple salary increments during the year under review, while thirty-three (33) staff received annual increments prior to their designated payroll increment month. Management did not provide evidence to justify these adjustments. This was contrary to Paragraph C.3 of the Human Resource Policies and Procedures Manual for the Public Service, May 2016, which provides that an officer's annual incremental date shall be the first date of the month in which they were appointed.

In the circumstances, Management was in breach of the Human Resources policies and procedures.

3. Gender Composition of the Board

Review of the records including the Board composition paper and draft financial statements revealed that only two (2) out of ten (10) board members are female. This was contrary to Article 27(8) of the Constitution of Kenya, which requires that, in addition to measures contemplated under clause (6), the State shall adopt legislative and other measures to ensure that no more than two-thirds of the members of elective or appointive bodies are of the same gender.

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

4. Bank Accounts Opened Without National Treasury Approval

The statement of financial position reflects cash and cash equivalent balance of Kshs.449,661,855 and as disclosed in Note 20 to the financial statements. Included in this balance is Kshs.448,325,939 held in thirty-five (35) bank accounts out of which only four (4) donor project accounts had the requisite authority to operate, resulting in unauthorized operation of thirty-one (31) bank accounts. The Authority requested the Parent Ministry for assistance in regularizing continued operation of twenty-eight (28) bank accounts by acquiring National Treasury approval as revealed in a letter dated 26 October, 2020. However, as at the time of audit in October, 2025 the authority for continued operation of the bank accounts was not granted. This was contrary to Regulation 82 (4) of the Public Finance Management (National Government) Regulations, 2015 which provides that accounting officers should not open bank accounts for public funds without prior approval of the National Treasury.

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

5. Incomplete and Delayed Projects

The statement of financial performance includes irrigation infrastructure development amount of Kshs.4,502,683,210 as disclosed in Note 18 to the financial statements. Review of the project's completion status revealed that various contractors had not

completed the work as per their timelines. The reasons for their delay are documented as shown below:

5.1. Delays in Construction Works for Galana Model Farm Project

The Authority awarded contract for construction works for Galana Model Farm Project (GMFD) Lot 1, electro-mechanical works in Tana River County at a contract sum of Kshs.519,424,559. The contract agreement was signed on 26 January, 2021 and works commenced on 28 February, 2021 to be completed on 31 December, 2023. However, physical inspection carried out in July, 2025 revealed the following observations:

- i. Excavation works at the intake were incomplete and the site had been abandoned
- ii. Out of the fifteen (15) 15KVA gensets that were to be supplied and installed only six (6) were operational, one (1) had broken down while eight (8) were not in use and stored in the open exposing them to harsh weather conditions which accelerates their wear and tear shortening their useful economic life.
- iii. Out of the three (3) 1MVA gensets that were to be supplied and installed, two (2) were not in use.
- iv. The last mile power connection to the 25 pivots had not been done and as a result none of the pivots were functional. Further, the area where the pivots were installed had not undergone bush clearing or land preparation raising questions on the project planning and readiness of the site for irrigation operations.
- v. Several pivots had been vandalized with some units observed to have deflated tires indicating neglect and lack of security at the site.
- vi. Internal road network within the farms was poorly done limiting access to the farm's infrastructure.

In the circumstances, the value for money may not be obtained.

5.2. Delays in Construction Works of Kisiiki Irrigation Development Project

Note 18 to the financial statements reflects Kshs.4,502,683,210 for infrastructure development which includes an amount of Kshs.59,687,725 paid to a contractor for construction of the Kisiiki Irrigation Development Project in Yatta Constituency, Machakos County on 16 January, 2023 at a contract sum of Kshs.124,684,799 with a commencement date of 30 August, 2023 and an expected completion date of 30 November, 2025. However, as at 30 June, 2025, the project was only 51% complete indicating a delay and prompting the contractor to request an extension which is currently under review.

Further, the project is community-based supporting six hundred (600) registered farmers who are organized as a Water Users Association (WUA) having completed the registration procedures and paid the requisite fees to the Office of the Attorney General however, they have not yet received their registration certificates and remain unregistered.

In addition, the contractor was not on site, the project signboard had not been erected as per the bill of quantities and excavation for the distribution lines had not commenced.

In the circumstances, the value for money may not be obtained.

5.3. Construction of the Household Irrigation Water Harvesting Projects in Makueni County

The Authority awarded a contract for construction of the household irrigation water harvesting drought mitigation project in Makueni County on 18 April, 2024 at a contract sum of Kshs.29,300,000 with a commencement date of 25 April, 2024 and an original completion date of 25 July, 2024. Although the project was completed and the full contract sum paid to the contractor, field inspection revealed the following anomalies:

- i. Most of the household water pans were dry due to water seepage as the water pans do not have dam liners.
- ii. The water pans present a significant health and safety risk, as they are unfenced and pose a danger to farmers.
- iii. There was a slow uptake of farming activities, with some water pans containing water but no corresponding agricultural activity, raising questions about the actual need for the project by the farmers.
- iv. There is no formal collaboration framework with the County Government, limiting coordination, extension services, and effective integration of resources, which reduces the impact of irrigation projects on local livelihoods despite agriculture being a devolved function.

In the circumstances, the value for money may not be obtained.

5.4. Construction Works at Yikita Irrigation Scheme Kibwezi in Makueni County

Construction works for Yikita Irrigation scheme Development Makueni County project was awarded on 30 July, 2019 at a contract sum of Kshs.234,490,778 with a commencement date of 1 August, 2019 with original completion date of 1 February, 2021 and has since been revised seven (7) times to 28 August, 2025 as per the Addenda No. 7 signed on 27 February, 2025. The project uses the turbine system which will pump water to storage masonry tanks located 10Kms away from which water will be distributed to farms by gravity flow using various pipes. The scheme is set to benefit two hundred and fifty (250) farmers putting one hundred and twenty-five (125) acres into productive use. Further, accessories including pipes were left abandoned at the site, exposing them to extreme weather conditions, which may compromise their useful economic life once installed.

Physical inspection in July, 2025 revealed that the project was at 75% complete and had stalled as the pump (turbine) had not yet been installed.

In the circumstances, the value for money may not be obtained.

5.5. Construction of Namelok Irrigation Scheme Canals in Kajiado County

Note 18 to the financial statements reflects an amount of Kshs.4,502,683,210 for infrastructure development which includes an amount of Kshs.41,711,043 paid to a contractor for

for the construction of the Namelok Irrigation Scheme canals in Kajiado County for a period of eighteen (18) months at a sum of Kshs.86,631,864 with a commencement date of 22 March, 2024 and an expected completion date of 22 September, 2025. Physical inspection in July, 2025 revealed that the project was 53% complete and the contractor had abandoned the site since December, 2024.

In the circumstances, the value for money may not be obtained.

5.6. Construction of Clusters Irrigation Project Lot 1 in Tharaka Nithi County

Note 18 to the financial statements reflects Kshs.4,502,683,210 for infrastructure development which includes an amount of Kshs.81,650,525 paid to a contractor for works at Nithi Kari and Rianthiga Irrigation Project at contract sums of Kshs.81,628,946.90 and Kshs.214,149,307.20 respectively, with the contract signed on 11 March, 2021, a commencement date of 11 May, 2021 and an original completion date of 11 May, 2023. The contract was subsequently extended by twenty four (24) months, revising the completion date to 11 May, 2025 and the project was only 29% complete.

Physical inspection conducted in July, 2025 further revealed that the Rianthiga Irrigation Project is designed to serve one thousand (1,000) members, benefiting an estimated five thousand (5,000) individuals and targets 0.5 acres of irrigatable land per member, thereby putting five hundred (500) acres into productive use. However, field inspection revealed that no signboard had been erected as provided in the bill of quantities and although intake works (weir body and wing walls) were nearly complete, the contractor was not on site. The sedimentation basin was constructed but unfinished, main line works, laterals and feeder lines had not started, the conveyance line had just commenced and gully and river crossings were approximately 5% complete.

Further, Mukui Uri Mbugi Irrigation Project which is also part of the Tharaka Nithi cluster revealed that the contractor was not on site and the required signboard was absent. Ndiruini sub-marine lines, laterals from the main line, infield systems and farm feeders had not been constructed nor had laterals from the Ndiruini sub-marine line. Excavation, filling, sedimentation basin, weir and chambers at the intake point were about 90% complete, while the main pipe had been laid for 9.9 kilometers from the intake.

In the circumstances, the value for money may not be obtained.

5.7. Construction Works for Meru Clusters Irrigation Project

The construction of the Meru Clusters Irrigation Projects was awarded at a contract sum of Kshs.258,351,919 with a commencement date of 12 May, 2021 and an original completion date of 11 November, 2022. The contract was subsequently extended by twenty six (26) months, revising the completion date to 12 February, 2025 and the

project was 47% complete with payments of Kshs.121,410,885 representing 47% of the contract value having been made. Physical inspection conducted in July, 2025 further revealed that Iraru Irrigation Project in South Imenti Constituency was designed to serve two hundred (200) members with each member expected to cultivate one acre, totalling two hundred (200) acres of productive land. During field inspection it was observed that there was no signboard and the contractor was not on site.

Further, inspection of the Gamanti Irrigation Project revealed that the contractor was not on site and the required signboard was absent. Intake chamber construction, main line and lateral pipe works, as well as river and gully crossings had not been carried out.

In the circumstances, the value for money may not be obtained.

5.8. Rehabilitation for Rombo Clusters Irrigation Scheme in Kajiado County

The Rombo Clusters Rehabilitation and Expansion Project, awarded on 12 August, 2022 at a contract sum of Kshs.221,269,836, commenced on 17 October, 2022 for twenty-four (24) months, which lapsed on 16 June, 2025. The project is expected to benefit 1,697 households, putting 0.40 hectares per farmer and a total of seven hundred (700) hectares into productive use. As at 30 June, 2025 progress was 57% despite 98% of the contract period having elapsed. Physical inspection carried out in July, 2025 revealed that Matepes intake, main canal and branch canals have not been completed, with branch canals abandoned at the starting point and Oltepes main canal is complete but most division boxes, culverts, road crossings (25% complete) and spring protection works remain unfinished. Further, no project signboard has been erected and the contractor had abandoned the site.

In the circumstances, the value for money may not be obtained.

5.9. Rehabilitation Works for Ziwa Earth Dam in Uasin Gishu County

Contract for the rehabilitation and expansion of Ziwa 2 Earth Dam was awarded at a contract sum of Kshs.147,306,298 on 2 February, 2024, with a commencement date of 1 August, 2024 and an expected completion date of 31 July, 2025 including a 12-month defects liability period.

Physical inspection carried out in July, 2025 revealed incomplete works and key activities remained unfinished including the embankment, masonry tanks, spillway, dam desilting and installation of solar pumping. The dam was not fenced, with concrete poles for fencing incomplete and sub-main and distribution pipelines at Kerotet and Saramek had not been installed.

Further, the tanks were constructed on community land and the project's performance guarantee also expired on 28 December, 2024.

In the circumstances, the value for money may not be obtained.

5.10. Construction Works for Narok Clusters Irrigation Scheme in Narok County

Contract for the construction of the Narok Clusters Irrigation Scheme was awarded at a contract sum of Kshs.212,653,156. The contract was signed on 9 September, 2022

with a commencement date of 24 November, 2022 and an expected completion date of 24 May, 2024 including an 18-month defects liability period.

Physical inspection in July, 2025 revealed that the sedimentation basin, manhole covers were loose or vandalized, metal works had been damaged and the concrete protection barrier was poorly constructed. The protection barrier at the intake had eroded and gabions at the intake were cracked and washed away by floods. Further, works at Oloshaiki, Olodokulupuoni, Olokirisiai in-field systems and Koseka Irrigation Schemes had not commenced despite the contract period expiring on 24 May, 2024 with no proof of extension provided and the project's performance guarantee expired on 30 January, 2025.

In the circumstances, the value for money may not be obtained.

5.11. Construction Works at Pala Pan in Kisumu County

The contract for the construction of two (2) water pans in Pala, Nyando Constituency, Kisumu County was awarded at a sum of Kshs.19,898,000 with an agreement signed on 24 April, 2024. The contract was scheduled for three (3) calendar months from the commencement date followed by a three-month defect's liability period. Physical inspection in July, 2025 revealed that one project signboard had been installed and excavation works were incomplete, with boulders in the water pans, while spillways, collector drains and the silt trap had not been excavated and embankment works and compaction were not carried out according to approved specifications. Further, installation of the 5,000-litre water tank and 5HP motorized pump was pending and no feasibility study was provided to confirm the project's viability.

In the circumstances, the value for money may not be obtained.

5.12. Construction Works for Nyalbiengo Twin Pans in Kisumu County

The contract for the construction of Nyalbiengo Twin Pan in Nyando Constituency, Kisumu County was awarded at a sum of Kshs.19,882,000 with an agreement signed on 24 April, 2024. The contract was scheduled for three (3) calendar months from the commencement date, followed by a three-month defects liability period. At the time of audit the contract period had elapsed while the scope of works remained incomplete. No documentation for a request or approval of a contract extension was provided for audit confirmation and the performance guarantee had expired on 6 October, 2024. Physical inspection carried out in July, 2025 revealed that the first pan compaction was not done according to approved specifications and the excavation of spillways was incomplete. Further, the perimeter fence and steel gate had been vandalized, while concrete poles were poorly aligned with the water tank platform and cattle troughs exhibiting visible cracks.

In addition, the second pan revealed that the silt trap had not been excavated and perimeter fencing was partially completed with the gate missing and the contractor was not on site with no progress report provided to confirm completion status.

In the circumstances, the value for money may not be obtained.

5.13. Construction Works for Nyakongo-Waradho Pan, Nyando Constituency

The Authority entered into a contract agreement on 24 April, 2024 for the construction of two (2) water pans at Nyakongo and Waradho, Nyando Constituency, Kisumu County at a contract sum of Kshs.19,864,000 for a period of three (3) months. Physical inspection carried out in July, 2025 revealed the following unsatisfactory matters: -

- i. The contract period had expired while the scope of works remained incomplete and no documentation for a contract extension or its approval was provided for audit confirmation.
- ii. Project signboards for both Nyakongo and Waradho water pan projects had not been installed and poor workmanship was observed, including substandard concrete works in the cattle troughs and a community water point that was stabilized with soil instead of stones and sand, with visible cracks and a partially demolished top.
- iii. Two (2) 5,000-litre water tanks and connecting 100mm HDPE pipes had not been installed for both Nyakongo and Waradho water pan projects, with only one (1) 5,000-litre tank observed uninstalled at the site.
- iv. The entry gates to the pans were made of wire mesh instead of the steel gates specified in the Bill of Quantities.

In the circumstances, the value for money may not be obtained.

5.14. Development Works for Ugambe Irrigation Scheme in Siaya County

The Authority entered into contract on 10 June, 2024 for the construction of the Bondo Community Drought Mitigation – Ugambe Irrigation Scheme at a contract sum of Kshs.118,142,610. At the time of the audit, the project was 40% complete and the contractor had claimed 32% of the contract sum. The field inspection revealed land ownership documents for the site of construction of the reservoir were not provided for review and the half-excavated reservoir had boulders around it that would cause injuries and the contractor was also not on site.

In the circumstances, the value for money may not be obtained.

5.15. Rehabilitation Works of Kibaratani Irrigation Project in Kirinyaga County

The construction of the Kibaratani Irrigation Water Project Works in Kirinyaga County, was awarded at a contract sum of Kshs.197,019,875. The project encompassed the construction of the intake and sedimentation tank, conveyance system, mainline, submain and distribution chambers. The project commenced on 31 May, 2021 with an expected completion date of 31 November, 2022. A physical inspection conducted in July, 2025 revealed vandalized intake steel pipe fittings, galvanised sluice gate and a destroyed drainage piping chamber.

In the circumstances, the value for money may not be obtained.

5.16. Construction Works for Household Irrigation Water Harvesting in Uasin Gishu County

The Authority entered into contract agreement dated 1 July, 2024 for construction works for Household Irrigation Water Harvesting Drought Mitigation Project, Tembelio

Ward, Moiben Constituency, Uasin Gishu County at a contract sum of Kshs.19,930,000 with contract period of six (6) months. Scope of works included construction of a total of fifty-eight (58) waterpans of varying capacities accumulating to 118,000 cubic metres. However, physical inspection of eleven (11) sampled water pans had an average capacity of one thousand (1000) cubic meters. Further, the inspection and acceptance report dated February, 2025 reveals actual construction of ninety-three (93) trapezoidal water pans of varying capacities with cumulative volume of 100,202 cubic metres which was 100% complete. This implies unapproved variation of original works from fifty eighty (58) to ninety-three (93) water pans and 118,000 cumulation capacity volume.

Physical inspection in July, 2025 revealed that the water pan is in a private land of a farmer who had adequate water from alternative sources hence it was not clear on how the land was selected for the water pan to be constructed in his private land. Further, the terms of engagement between Authority and private land owners (project beneficiaries) could not be established since agreements were not availed for audit review. In addition, the inspection and Acceptance dated February, 2025 shows that capacity building of project beneficiaries was not done.

In the circumstances, the value for money may not be obtained.

6. Status of Irrigation Development Projects

6.1. Lower Kuja Irrigation Development Project in Migori County

The Authority awarded three (3) separate contracts totalling Kshs.89,721,550 for the Lower Kuja Irrigation Development Project which includes comprehensive water distribution system comprising the main canal, distribution canals, tertiary canals and related structures. It was designed for phased implementation with each contractor responsible for distinct components of the works. However, procurement records including tender opening, evaluation, professional opinions and contract agreements were not provided for audit review.

Field inspection conducted in July, 2025 revealed that one (1) contractor had not completed the construction of one (1) of the six (6) box culverts specified in their contract. No progress had been made on the Owiro infields and associated infrastructure, and sections of the Bala Canal had experienced erosion with some canal walls collapsing, suggesting potential weaknesses in both design and construction quality.

In the circumstances, the value for money may not be obtained.

6.2. Lower Kuja Irrigation Scheme in Migori County

A field visit to the gravity intake of the Lower Kuja Irrigation scheme showed that the water turbulence caused by water dropping from the constructed Weir had caused erosion that had spread to adjacent riverbank and is potentially causing a hazard to nearby intake walls and sedimentation basin.

The original reinforcement to the basin walls with riprap (large stones) or gabions had already been eroded leaving the sedimentation basin exposed to erosion. This may cause interference with the integrity of basin walls and the canal intake, leading to

cracks, collapse or failure of the structure resulting in costly repairs or even total irrigation system failure as this may disrupt the continuous and clean supply of irrigation water, negatively impacting farming activities in the Lower Kuja Irrigation Scheme.

6.3. Compensation for Lower Kuja Irrigation Project in Migori County

Review of the records provided including payment vouchers and valuation reports indicated that the Authority paid an amount of Kshs.16,228,758 to Project Affected Persons (PAPs) at the Lower Kuja Irrigation Scheme for way-leave compensation, based on valuations conducted by GIBBS and GEDO Companies. However, the following anomalies were noted:

- i. There was no evidence that the companies that did the valuation were registered valuers and thus it was not possible to establish that the amounts were commensurate to the land acquired.
- ii. Management did not provide evidence of how the valuers were sourced and the contract agreements.
- iii. Although records indicate that fifty-three (53) PAPs disputed the valuation amounts and eight hundred and fifty-eight (858) others claimed they were not included in the valuation reports, Management did not provide clear guidelines on how these disputes would be resolved to prevent future conflicts once the project is operational.
- iv. As at the time of audit in June, 2025 the Management did not provide acknowledgement of receipts of the funds by the PAPs. The audit could therefore not establish if the money was actually received by the rightful beneficiaries or not.

In the circumstances, the value for money may not be obtained.

6.4. Bunyala Irrigation Scheme in Busia County

Review of accounting records and a physical inspection conducted in July, 2025 at the Bunyala Irrigation Scheme revealed several issues, as detailed below:

- i. Only two intake pumps were operational, and high electricity costs have led to staggered block operations, highlighting the need to supplement the pumping system to reduce reliance on electricity.
- ii. Although the scheme's total cropping area is estimated at 3,126 acres, the presence of homesteads and other structures reduces usable land, and cropping cannot be fully controlled due to individual land ownership.
- iii. Access roads to the newly expanded areas were not planned, creating logistical and transport challenges during harvesting.
- iv. The Scheme is not gazetted and is understaffed, limiting effective management given the vast area and number of farmers.

In the circumstances, the value for money may not be obtained.

6.5. Mwea Irrigation Scheme in Kirinyaga County

Review of records and physical inspection done in the month of July, 2025 in the Mwea Irrigation Scheme revealed various issues as highlighted below: -

- i. The Scheme gazette acreage was 30,350 acres however, 19,700 acres had been allocated for irrigation activities with further expansion works increasing the acreage to 28,500 acres.
- ii. The Scheme collected operation maintenance fee amounting to Kshs.70,788,531 being 75% of the targeted collection of an amount of Kshs.93,425,000. No clear reasons and explanations were provided on the shortfall. The uncollected fee affected service delivery and payment of casuals at the scheme.
- iii. Review of expenditure returns revealed an amount of Kshs.16,328,290 being production support to farmers for which no supporting documentation was provided.

In the circumstances, the value for money may not be obtained.

6.6. Ahero Irrigation Scheme in Kisumu County

Review of accounting records and physical inspection done in the month of July, 2025 in the Ahero Irrigation Scheme revealed various issues as highlighted below:

- i. Intake water pumps 3 and 4 were not working/stalled/damaged hence inadequate supply of the irrigation water to the scheme's farmlands. The damaged pumps have caused rationing of water due to the number of hours the pump is supposed to be operated.
- ii. The pumps need proper rehabilitation due to reduced water pumping levels and increased electricity bills.
- iii. Impellers were worn out in pump 3 reducing the degree in which the pumping and abstraction was done. The reduced efficiency was also observed in the pumping rate of pumps 1 and 2.
- iv. The main and feeder canals have widened hence need for major rehabilitation.
- v. Water hyacinths, water lilies and other water weeds are a major problem to the canals.
- vi. Frequency of siltation is high.
- vii. Inadequate machinery hence the scheme has to procure/hire machines including tractors, excavators and graders which is cost inefficient over a period of time.
- viii. Water guards to control off take gates for water distribution are under staffed.
- ix. Pumps need to be increased to enable cropping by farmers in the scheme.
- x. The equipment with a repair cost of an amount of Kshs.5,616,013 had not been repaired and delivered back to the Irrigation Scheme.

6.7. West Kano Irrigation Scheme in Kisumu County

A review of accounting records and physical inspection done in the month of July, 2025 in the West Kano Irrigation Scheme revealed various issues as highlighted below: -

- i. The scheme has 3,309.62 acres of land however the land ownership document has not been acquired from relevant statutory bodies.
- ii. Review of West Kano irrigation schemes ICT equipment including computers and infrastructure revealed that the schemes were connected to the Authority network for ease of work, synchronization of information and access to data to

the relevant staff. However, the computer laptops being connected to the system were privately owned. Privately owned computers can be used by multiple users off the work station posing a threat to the confidentiality and Integrity of the Authority's information/data to third parties.

- iii. Farmers had constructed multiple houses in the schemes. The Authority did not provide land user permits issued for existing houses in the scheme land contrary to section 35 (1) of the Irrigation Regulations 2021
- iv. Farmers grazed their livestock including cattle, sheep and chicken within the schemes. However, the Authority did not provide measures taken by the Board to mitigate the free grazing of animals

6.8. Perkerra Irrigation Scheme in Baringo County

Records available as at the time of audit including the minutes of the Board of Directors revealed the following cases of land encroachment;

- i. Land measuring 100 by 100 feet directly opposite the scheme's offices had been encroached and fenced using iron sheets, the owner had also drilled a borehole.
- ii. Land measuring approximately three (3) acres near the senior staff houses had been encroached, fenced and houses erected by a private developer.
- iii. Land measuring about Fifty-four (54) acres had been encroached by African Inland Church.

Further, review of records revealed that the Irrigation Scheme store contained chemicals that had been expired for over thirty (30) years, some of which had spilled on the shelves. These chemicals were originally provided to farmers before the scheme collapsed in 1997 and remained in storage when the National Irrigation Authority resumed operations in 2002. Although Management recognized the need for proper disposal, no explanation was provided for the prolonged delay, highlighting a lapse in the entity's internal control systems and posing a significant hazard.

In the circumstances, the Management of Irrigation Schemes may not serve the intended purpose and value for money could not be confirmed

7. Irregular Co-Mingling of Funds

The Authority receives all Government of Kenya (GoK) development grants through the headquarters bank account from which the funds are subsequently transferred to the respective project and programme bank accounts to which the grants relate. At the end of the third quarter, the National Irrigation Authority received Quarter one and Quarter two grants amounting to Kshs.1,351,647,500 and Kshs.1,351,647,486, respectively. However, a review of the bank account revealed the following anomalies:

- i. Bura Irrigation Development Project received grants totalling Kshs.225,000,000 in the National Irrigation Authority Headquarters Co-operative Bank development account for Quarter I and Quarter II. However, amounts transferred from the Co-operative Bank development account to the project amounted to Kshs.463,990,820, resulting in an unreconciled variance of Kshs.238,990,820.

- ii. Mwea Irrigation Development Project received grants totalling Kshs.300,000,000 in the National Irrigation Authority Headquarters Co-operative Bank development account for Quarter I and Quarter II. However, amounts transferred from the Co-operative Bank development account to the project totalled Kshs.545,396,879, resulting in a transfer variance of Kshs.245,396,879.
- iii. Galana Kulalu Irrigation Development Project received grants totalling Kshs.500,000,000 in the National Irrigation Authority Headquarters Co-operative Bank development account for Quarter I and Quarter II. However, amounts transferred to the project's respective bank account totalled Kshs.552,000,000, resulting in an excess transfer of Kshs.52,000,000.
- iv. Rwabura Irrigation Development Project received grants totalling Kshs.4,000,000 in the National Irrigation Authority headquarters Co-operative Bank development account for Quarter I and Quarter II. However, amounts transferred from the Co-operative Bank development account to the project amounted to Kshs.39,570,602, resulting in an excess transfer of Kshs.35,570,602.
- v. Review of the records revealed that development budget allocations amounting to Kshs.131,500,000 were disbursed to operational bank accounts instead of accounts dedicated to development purposes.
- vi. Review of the records revealed that retention amounts deducted from payments of certificates for work done were not remitted directly to the designated retention account as required. Instead, Management transferred two (2) tranches of Kshs.20,000,000 each on 4 October, 2024 and 22 November, 2024 to the retentions accounts without any supporting documents. Further, it was noted that funds amounting to Kshs.10,000,000 were transferred on 11 October, 2024 from the retention account to the National Irrigation Authority Co-operative Bank development account.

In the circumstances, the effectiveness of the controls on prudent management of funds could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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. Failure to Conduct Governance Audit

The Authority's Board did not initiate governance audit during the year under review. This was contrary to the requirement of Mwongozo Code of Conduct for State Corporations issued under presidential Executive Order No.7 dated 25 March, 2015 under item 1.13 which provides that the Board of Directors in consultations with the State Corporation Advisory Committee is required to initiate governance audit of the company through an Institute Of Certified Public Secretaries of Kenya (ICPSK) member and that the governance audit should among other areas cover the governance practices of the organization.

In circumstances, the Management was in contravention of the Mwongozo code of conduct.

2. IT Internal Control Weaknesses

2.1. Weaknesses in ERP Payroll System Configuration and Processing Controls

Review of the payroll processing records and controls identified several weaknesses in the ERP configuration that led to irregularities in the payment of allowances, contrary to the National Irrigation Authority HR Policy and Procedures Manual 2023 and government guidelines, summarized as follows:

- i. Three (3) staff were paid leave allowance twice, totalling to Kshs.164,139, despite not being stationed in designated hardship areas.
- ii. Six (6) staff received house allowance in excess of the stipulated regional rates, resulting in overpayments totalling Kshs.1,084,646.
- iii. One (1) staff member was paid commuter allowance above the prescribed rate. Further analysis revealed that this staff member had not received commuter allowance for the previous two (2) months, highlighting a critical system weakness that allows manual override of controls.
- iv. Two (2) staff members stationed at the head office and Bunyala locations not classified as hardship areas were paid hardship allowance.

2.2. Integrity of Casual Workers Records Maintained in the Payroll Systems

Review of the casual payroll records identified sixty-three (63) employees whose unique identifiers were recorded with irregular identification numbers. The ID numbers were either incomplete or excessively long, failing to comply with the standard format for national identification numbers.

1.1. Lack of Change Logs, Change Management Register, Test Scripts and User Acceptance Test (UAT) Sign-Off

Management did not provide documentations such as authorized change approvals, formal change management registers, test scripts or signed user acceptance testing (UAT) documents for review. In the absence of these documents, the audit could not confirm whether changes made to the system were properly tracked, tested or accepted by the intended users prior to deployment.

1.2. Use of Personal Email Addresses in the ERP System

Review of user configurations of the NAVISION ERP system revealed that personal email addresses were still used to capture employees' unique identities. This practice is contrary to the head of public service directive and undermines secure information handling practices. Further, it increases the risk of unauthorized access, data leakage and loss of audit trail in cases where the user leaves public service. In addition, there was no enforcement mechanism in the system to restrict account creation or communication through non-official email domains.

1.3. Inadequate Enforcement of Physical Security Controls at The Data Centre

Review of physical security at the data center revealed the following weaknesses:

- i. Although the site had both biometric and lock-and-key controls, the upper part of the door was covered with glass, which could easily be broken and access data center was not difficult.
- ii. The register maintained did not track the activities of the people accessing the data center.
- iii. Failure to have a raised floor in the data center which may have a major impact during a time of flooding.
- iv. Failure to have a fire extinguisher inside the data center.
- v. The data center lacked appropriate signage to clearly identify it as a restricted data center facility.

1.4. Inadequate Surveillance and Weak Security Controls in Critical Infrastructure Areas

The CCTV monitoring coverage of critical areas was inadequate. Specifically, the data centre was under active surveillance by only one camera which was positioned to capture the entry point but did not record activities taking place inside the facility. In addition, other sensitive areas, including the generator yard, parking lot and the rear section of the building, lacked CCTV coverage altogether. This gap exposes the institution to heightened security risks, as unauthorized activities within and around these areas may go undetected.

1.5. Inadequate Input Validation Allowing Special Characters in User Fields

Review of the payroll system revealed that the ERP system permits users to input special characters in the identification number (ID) field. This demonstrates a lack of input validation controls within the system, creating vulnerabilities that could be exploited hacker attacks. Consequently, fifteen (15) employee records were found to contain ID numbers with special characters.

In the above circumstances, the effectiveness of the controls and safeguards on IT internal controls could not be confirmed.

2. Under Staffing of the Entity

Examination of the approved staff establishment against the June, 2025 payroll revealed that only three hundred and fifteen (315) staff were in post against an approved establishment of four hundred and ninety-seven (497), resulting in

understaffing by one hundred and eighty-three (183) positions, an equivalent of thirty-seven percent (37%). Further, analysis of the establishment revealed that twenty-seven (27) designations, requiring fifty-four (54) staff, had no personnel recruited at all with zero staff in post. This indicates significant deviations between the approved staffing structure and the actual staffing levels in place.

In the circumstances, the lack of alignment between staffing levels and the approved human resource management plans undermines effective recruitment and retention practices.

3. Internal Audit

3.1. Failure to Automate the Internal Audit Function

As at the time of the audit in June, 2025, the internal audit function had not been automated. The absence of automated templates and workpapers results in manual processes that require more effort and time, reducing efficiency and consistency. Automation would support alignment with the International Professional Practices Framework, enhance documentation of methodologies and applicable laws, improve accuracy, minimize errors and allow auditors to focus on higher-value activities such as strategic analysis and risk management.

3.2. Lack of a Three (3) Year Internal Audit Strategic Plan

Examination of the internal audit documents and discussions with the internal audit function revealed that the authority does not have a three-year strategic plan. This is in contravention of Regulation 170 of the Public Finance Management (National Government) Regulations, 2015 which requires that internal audit planning be based on a risk assessment and developed within a three-year strategic framework.

3.3. Lack of an Action Plan for Implementation of Audit Recommendations

Review of internal audit documents and discussions with the internal audit function revealed that while Management provides responses to audit reports during audit committee meetings, it does not have a formal action plan to implement the recommendations contained in those reports. An action plan is essential as it outlines a proposed strategy and course of action, ensuring that audit findings are addressed and acted upon.

3.4. Failure to have the Audit Function Assessed by a Recognized Body

Review of internal audit documents and discussions with the internal audit function revealed that the function has not been assessed on its effectiveness by a professionally recognized institution contrary to Regulation 166(3) of the Public Finance Management (National Government) Regulations, 2015 which requires the function to be assessed on its effectiveness at least once every three (3) years but not more than five (5) years by a professionally recognized body or institution.

In the circumstances, the oversight on effectiveness of internal controls, risk management and overall governance could not be confirmed.

4. Failure to Maintain Staff Houses and Guest Rooms

Examination of documents provided for audit revealed that the Authority owns rental houses and guest rooms across various schemes in the country. Physical inspection conducted in July, 2025 at Bura, Mwea, Ahero, Tana and Bunyala Irrigation Schemes revealed that several condemned houses occupy substantial portions of the organization's land resulting in uneconomical use. Some houses are fitted with asbestos roofs, posing health hazards to occupants, while others are in poor condition that they would not attract any rental income. In addition, repairs, maintenance and roof replacements had not been carried out as of the time of the audit.

In the circumstances, the adequacy of the controls and safeguards on management of assets could not be confirmed.

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

Responsibilities of the Management and Board of Directors

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

22 December, 2025

National Irrigation Authority
Annual Report and Financial Statements
For the year ended June 30, 2025.

1. Statement of Financial Performance for the Year Ended 30 June 2025

	NOTE	2024-2025	2023-2024
REVENUE FROM NON EXCHANGE TRANSACTIONS		KSH	KSH
Transfers from Other Government Entities	6	5,225,227,082	8,154,416,667
REVENUE FROM EXCHANGE TRANSACTIONS			
Rendering of services (O & M)	7	195,685,082	83,417,788
Sale of Goods	8	43,379,057	65,350,385
Rental revenues from facilities and Equipment	9	39,808,608	34,505,336
Finance Income	10	27,548,001	32,192,146
Other Income	11	113,242,452	21,101,333
TOTAL REVENUE		5,644,890,282	8,390,983,655
EXPENSES			
Use of Goods and Services	12	395,483,422	504,615,094
Employee Costs	13	426,059,659	391,751,059
Remuneration of Directors	14	7,201,082	14,334,396
Depreciation and Amortization	15	184,175,265	184,034,680
Repairs and Maintenance	16	103,163,600	148,876,856
Contracted Services	17	2,307,489	3,930,711
Irrigation Infrastructure Development	18	4,502,683,210	5,262,626,629
TOTAL EXPENSES		5,621,073,726	6,510,169,425
OTHER GAINS/(LOSS)			
Gain/(Loss) on disposal of assets	19	(85,500)	(6,735,647)
Surplus/(Deficit) for the year		23,731,055	1,874,078,583

Sign.....
 Eng. Charles Muasya, *MBS*
 Chief Executive Officer

Sign.....
 CPA. Jedidah N. Oduori
 NO.29724

Sign.....
 Eng. Gilbert Mutua Maluki
 Board Chairman

Date.....11/12/2025

Date.....11/12/2025


Date.....11/12/2025

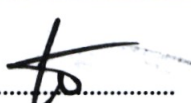
National Irrigation Authority
Annual Report and Financial Statements
For the year ended June 30, 2025.

2. Statement of Financial Position as at 30 June 2025

	NOTE	2024-2025	2023-2024
ASSETS		KSH	KSH
CURRENT ASSETS			
Cash and Cash Equivalent	20	449,661,855	860,507,733
Receivables from Exchange Transactions	21	459,991,348	274,688,074
Inventories	22	43,591,401	42,041,500
Total current assets		953,244,604	1,177,237,307
NON CURRENT ASSETS			
Property Plant and Equipment	23	42,923,773,207	38,322,462,752
Intangible Assets ICT	24	14,620,154	22,281,756
Investment Mortgage	25	209,153,540	206,391,417
Long-term Investments	26	27,950,000	27,950,000
Total non- current Assets		43,175,496,901	38,579,085,925
TOTAL ASSETS		44,128,741,505	39,756,323,232
LIABILITIES			
CURRENT LIABILITIES			
Payables From Exchange Transactions	27	2,045,210,105	1,799,945,913
Current Provision	28	36,387,793	18,568,940
TOTAL CURRENT LIABILITIES		2,081,597,898	1,818,514,853
NON CURRENT LIABILITIES			
TOTAL NON CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		2,081,597,898	1,818,514,853
NET ASSETS			
Retained Earnings	29	22,310,803,124	18,779,645,453
Revaluation Reserve	30	1,563,261,418	1,563,261,418
Capital Fund	31	694,921,649	694,921,649
JICA Fund	32	10,767,293,702	10,678,315,716
BADEA Grant	33	584,612,738	584,612,738
KUWAIT Fund	34	1,116,987,894	769,414,663
OFID Fund	35	571,145,277	571,145,277
Double Crop Grant	36	27,707,439	27,707,439
Bank of Leumi Israel	37	3,443,133,322	3,443,133,322
FIEM-Spanish Fund	38	838,023,444	825,650,704
Hungarian Export-Import Private	39	129,253,600	-
TOTAL NET ASSETS		42,047,143,607	37,937,808,379
TOTAL NET ASSETS & LIABILITIES		44,128,741,505	39,756,323,232

Sign.....
 Eng. Charles Muasya, *MBS*
 Chief Executive Officer

Sign.....
 CPA. Jedidah N. Oduori
 NO.29724

Sign.....
 Eng. Gilbert Mutua Maluki
 Board Chairman

Date.....11/12/2025

Date.....11/12/2025

Date.....11/12/2025

National Irrigation Authority
Annual Report and Financial Statements
For the year ended June 30, 2025.

3. Statement of Changes in Net Assets for the Year Ended 30 June 2025

DESCRIPTION	RETAINED EARNINGS	REVALUATION RESERVE	CAPITAL FUND	JICA GRANT	BADEA GRANT	KUWAIT GRANT	OFID GRANT	LOAN CAPITAL	BANK OF LIUMI ISRAEL	FIEM-SPANISH FUND	HUNGARIAN EXPORT-IMPORT PRIVATE	TOTAL
As At 1st July 2023	16,794,652,845	1,563,261,418	694,921,649	9,550,354,810	584,612,738	687,171,596	571,145,277	27,707,439	3,443,133,322	337,689,002	-	34,254,650,095
Additions During the Year	1,874,078,583	-	-	1,127,960,906	-	82,243,067	-	-	-	487,961,702	-	3,572,244,258
Adjustments	110,914,025	-	-	-	-	-	-	-	-	-	-	110,914,025
												-
As At 30th June 2024	18,779,645,453	1,563,261,418	694,921,649	10,678,315,716	584,612,738	769,414,663	571,145,277	27,707,439	3,443,133,322	825,650,704	-	37,937,808,379
As At 1st July 2024	18,779,645,453	1,563,261,418	694,921,649	10,678,315,716	584,612,738	769,414,663	571,145,277	27,707,439	3,443,133,322	825,650,704	-	37,937,808,379
Additions During the Year	23,731,055	-	-	88,977,986	-	347,573,231	-	-	-	12,372,740	129,253,600	601,908,612
Adjustments	3,507,426,616	-	-	-	-	-	-	-	-	-	-	3,507,426,616
												-
As At 30th June 2025	22,310,803,124	1,563,261,418	694,921,649	10,767,293,702	584,612,738	1,116,987,894	571,145,277	27,707,439	3,443,133,322	838,023,444	129,253,600	42,047,143,607

Note:

- i) The adjustment in retained earnings includes SJV for recalled performance bond of IVRCL and Joycot assets erroneously recognized under MIDP and Bura and correction of Badea opening balance.
- ii) Capital fund represent initial capital provided by the Government to establish National Irrigation Authority, it is represented by land and buildings in the statement of financial position.
- iii) JICA grants represent donor Funding for Mwea Irrigation Development project
- iv) Badea, Kuwait and Ofid represent donor funding for development of Bura Gravity Irrigation Project 8.43%, 14.63% and 6.32% respectively. GOK carries the balance of 70.62%
- v) Bank Of Liumi Israel represent donor Funding by Israel Government for development of Galana Kulalu Food Security Project
- vi) FIEM-Spanish Fund represent donor Funding by Government of Spain for development of Rwabura Irrigation Development Project
- vii) Hungarian export import private represent donor Funding by Government of the Republic of Hungary for Upgrading of Ahero Irrigation Development Project

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4. Statement of Cash Flows for the Year Ended 30 June 2025

		2024-2025	2023-2024
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	5,225,227,082	8,154,416,667
Rendering of services	7	195,685,082	83,417,788
Sale of goods	8	43,379,057	65,350,385
Rental revenue from facilities and equipment	9	39,808,608	34,505,336
Finance income	10	27,548,001	32,192,146
Other income	11	113,242,452	21,101,333
Total receipts		5,644,890,282	8,390,983,655
Payments			
Use of goods and services	12	395,483,422	504,615,094
Employee costs	13	426,059,659	391,751,059
Remuneration of Directors	14	7,201,082	14,334,396
Repairs and maintenance	16	103,163,600	148,876,856
Contracted services	17	2,307,489	3,930,711
Irrigation Infrastructure Development	18	4,502,683,210	5,262,626,629
Total payments		5,433,052,565	6,326,134,745
Net cash flows from/(used in) operating activities	40	3,795,569,396	924,045,862
Cash flows from investing activities			
Purchase of PPE and Intangible assets	23	(92,685,590)	(109,172,716)
Proceeds from sale of PPE		602,100	1,506,110
Work In Progress additions	23	(4,689,747,216)	(2,656,163,176)
Mortgage	25	(2,762,123)	(2,006,687)
Net cash flows from/(used in) investing activities		(4,784,592,829)	(2,765,836,469)
Cash flows from financing activities			
JICA Grants	32	88,977,986	1,127,960,907
KUWAIT Fund	34	347,573,231	82,243,067

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		2024-2025	2023-2024
	Notes	Kshs	Kshs
FIEM-Spanish Fund	38	12,372,740	487,961,702
HUNGARIAN EXPORT-IMPORT PRIVATE	39	129,253,600	-
Net cash flows from financing Activities		578,177,557	1,698,165,676
Net increase/(decrease) in cash & Cash equivalents		(410,845,878)	(143,624,931)
Cash and cash equivalents at 1 July 2023/4	20	860,507,733	1,004,132,664
Cash and cash equivalents at 30 June 2024/5	20	449,661,855	860,507,733

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5. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2025

	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Performance Difference	% of utilization
	2024-2025	2024-2025	2024-2025	2024-2025	2024-2025	
Revenue						
Government grants and subsidies	5,614,340,000	(474,740,812)	5,139,599,188	5,225,227,082	(85,627,894)	101.67
Rendering of services	168,900,000	-	168,900,000	195,685,082	(26,785,082)	115.86
Sale of goods	39,900,000	-	39,900,000	43,379,057	(3,479,057)	108.72
Rental revenues from facilities and Equipment	34,000,000	-	34,000,000	39,808,608	(5,808,608)	117.08
Finance income	25,500,000	-	25,500,000	27,548,001	(2,048,001)	108.03
Other Income	39,700,000	-	39,700,000	113,242,452	(73,542,452)	285.25
Total Income	5,922,340,000	(474,740,812)	5,447,599,188	5,644,890,282	(197,291,094)	103.62
Expenses						
Use of Goods and Services	400,000,000	-	400,000,000	395,483,421	4,516,579	98.87
Employee Costs	207,750,000	181,220,919	388,970,919	426,059,659	(37,088,740)	109.54
Remuneration of Directors	7,500,000	-	7,500,000	7,201,082	298,918	96.01
Depreciation and Amortization				184,175,265		
Repairs and Maintenance	103,000,000	-	103,000,000	103,163,600	-163,600	100.16
Contracted Services	2,500,000	-	2,500,000	2,307,489	192,511	92.30
Irrigation Infrastructure Development	5,201,590,000	(655,961,731)	4,545,628,269	4,502,683,210	42,945,059	99.06
Total Expenditure	5,922,340,000	(474,740,812)	5,447,599,188	5,621,073,726	10,700,727	103.18
Loss on disposal of fixed assets				(85,500)		
Surplus For The Period		-		23,731,055		

The adjustment is as per supplementary II and III.

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6. Notes to the Financial Statements

1. General Information

National Irrigation Authority is established and derives its authority and accountability from the irrigation Act cap 347.

National Irrigation Authority is wholly owned by the Government of Kenya and is domicile in Kenya. The principal activities is to promote, develop and improve irrigated agriculture to ensure food security in the country.

2. Statement Of Compliance And Basis Of Preparation

National Irrigation Authority adopted IPSAS in the year 2013-2014 following the gazzertment of Public Sector Accounting Standards Board (PSASB), which was established by the Public Financial Management Act (PFM) No. 18 of 24th July 2012. PSASB issued financial reporting standards and guidelines to be adopted by all state organs and public sector entities, which National Irrigation Authority complies with. The Financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of National Irrigation Authority. The Financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS).

3. Adoption Of New And Revised Standards

IPSAS 39. The objective to issue IPSAS 39 was to relate convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach. The standard does not have any impact on the entity.

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

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

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

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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

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Standard	Effective date and impact:
	<p>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> <p><i>The standard does not have any impact on the entity</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<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> <p><i>The standard does not have any impact on the entity</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<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> <p><i>The standard does not have any impact on the entity</i></p>
<p>IPSAS 46</p>	<p><i>Applicable 1st January 2025</i></p>

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Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across 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> <p><i>The standard does not have any impact on the entity</i></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> <p><i>The standard does not have any impact on the entity</i></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</p>

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Standard	Effective date and impact:
	geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>The standard does not have any impact on the entity</i>
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>The standard does not have any impact on the entity</i>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <i>The standard does not have any impact on the entity</i>

iii. Early adoption of standards

National Irrigation Authority did not early – adopt any new or amended standards in the financial year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Property Plant and Equipment

IPSAS 17

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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. Nia shall carry out revaluation of its assets after every five years.

The depreciation rates are as tabulated below	
Buildings	2%
Computers	33.33%
Furniture & Equipment	10 %
Irrigation works	None
Land	None
Motor vehicles ,Tractors & Heavy Equipment	20 %
Plant & Machinery	10 %
Intangible assets	10%
Depreciation is on straight line basis from the date an asset is acquired.	

b) 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. Intangible assets for National Irrigation Authority are basically softwares and the ERP system. These have a finite useful life which is ten years with regular upgrades by Microsoft to new versions.

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c) Inventories IPSAS12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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 the Entity.

d) 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.

e) Government grants

National Irrigation Authority being wholly owned by the Government of Kenya receives funding for both development grants and recurrent grants each year. The grants are recognized in the books when received. Development grants are utilized in capital projects and recurrent grants for staff costs and other recurrent expenditures.

f) Interest on loans

Interest on loans to the Authority is included as an expense as it accrues and is calculated on the principal amount of the loan outstanding. Currently National Irrigation Authority is not servicing any loan hence no interest on loans in the books of account.

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g) Taxation

The National Irrigation Authority is exempted from Kenya Income Tax.

h) Investments

Long term investments are valued at cost. These are investment in shares held at Mwea Rice Mills Ltd and Western Kenya Rice Mills Ltd.

i) Receivables

Trade and other receivables are recognized at fair value less allowances for any uncollectible amounts. These are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end. The Authority does full provision for bad and doubtful debts for all debts that are over five years as we wait for approval for write off by The National Treasury.

j) Payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to National Irrigation Authority or not, less any payments made to the supplier. The Authority writes back all credit balances, which have been outstanding for over seven years without demand notices from creditors/ suppliers.

k) Donor Funding

National Irrigation Authority receives grants in form of donor funds from bilateral and multilateral donors. The donor funds are either in form of donor revenue or donor A-in-A. Both donor revenue and donor A-in-A funds are recognized when received or settled respectively.

Donor Revenue

These are donor funds which are factored in the National budget and which the donor pays to the consolidated fund of the GOK and later the funds are transferred to the National Irrigation Authority to settlement various obligations as stipulated in the funding agreement.

Donor A-in-A

These are donor funds which are factored in the National budget and which the donor pays directly to the supplier of goods or services offered to National Irrigation Authority to as stipulated in the funding agreement.

l) Revenue recognition IPSAS 9

i. Revenue from non-exchange transactions

Transfers from the Government

Revenues from non-exchange transactions with Government are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from

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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.

The revenues are in form of development and recurrent grants respectively.

ii. Revenue from exchange transactions

Rendering of services

National Irrigation Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Interest income

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

m) Investment mortgage

The Board has an investment mortgage with Development bank of Kenya Ltd, whose aim is to assist staff access loans for assets acquisition at affordable rates.

n) Investment in Fixed Deposit

This relate to amounts invested in banks as short term deposits so as to earn interest within the year

The balances in the fixed deposit account is part of the bank balances reported in the financial statements under bank balances.

o) Contingent Liabilities

The entity does not recognise 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.

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 ending June 30, 2024.

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q) Budget Information IPSAS 24

The original budget for FY 2023-2024 was approved by the National Assembly on June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations in June 2023 on the 2023-2024 budget following the governing body's approval. The entity'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 on page 6 of these financial statements.

r) Operating Risk

National Irrigation Authority did not have any operating lease obligation during the year under review.

s) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers. Except as disclosed in financial statements, no transactions involving management and others requiring disclosure in the financial statements have been entered into. The identity of and balances and transactions with related parties have been properly recorded and when appropriate, adequately disclosed in the financial statements.

t) Work in Progress and Retained earnings adjustments

National Irrigation Authority undertakes construction of irrigation infrastructure as one of its core activities. During the construction period all expenses related to the construction works are accumulated under work in progress. After completion the projects are handed over to the beneficiary community. The total cost of construction and related expenses are then adjusted against retained earnings to write them off from the books. This is due to the fact that they are not part of Authority's assets.

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5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION CERTAINTY

The preparation of National Irrigation Authority financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. There were no significant judgements or assumptions that affected the entity.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 28. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material

6. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Development grants	4,820,171,285	7,738,916,667	
Operational grant	388,970,919	415,500,000	
Other grants	16,084,878		
Total Government Grants	5,225,227,082	8,154,416,667	

These are GOK grants for Development and recurrent expenditures received within the year under review. Other grants refers to loan revenue received for Lower Nzoia Irrigation Development Project.

6. (b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS)

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (2024-2025)	2023-2024
	KShs	KShs	KShs	KShs	KShs
State Department Of Irrigation	5,225,227,082			5,225,227,082	8,154,416,667
Total	5,225,227,082			5,225,227,082	8,154,416,667

7. RENDERING OF SERVICES

	2024-2025	2023-2024	IPSAS 9
	KSH	KSH	
Operation and Maintenance Fee	195,685,082	83,417,788	
Total	195,685,082	83,417,788	

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This refers to operation and maintenance fees charged to farmers for irrigation infrastructure maintenance.

8. SALE OF GOODS

	2024-2025	2023-2024	IPSAS 9
	KSH	KSH	
Paddy sales	39,801,109	58,059,405	
Farm Produce sales	2,717,100	6,330,020	
Disposal of scrap Income	70,855	960,960	
Sale of Water	1,800	-	
Maize Income	788,193	-	
Total	43,379,057	65,350,385	

These are revenues generated from various non-core activities as shown above

9. RENTAL REVENUES FROM FACILITIES & EQUIPMENT

	2024-2025	2023-2024	
	KSH	KSH	
Rental Income	10,753,681	8,685,093	
Rent/hire of Machinery	5,016,890	1,940,182	
Ground Rent	1,296,491	502,141	
Guest house Income	22,741,546	23,377,920	
Total	39,808,608	34,505,336	

These are revenues generated from hiring out of machinery and facilities like the guest house in Mwea Scheme and MIAD Centre.

10. FINANCE INCOME

	2024-2025	2023-2024	
	KSH	KSH	
Interest Income	27,548,001	32,192,146	

This is income generated from call deposit account.

11. OTHER INCOME

	2024-2025	2023-2024	IPSAS 9
	KSH	KSH	
Dividend Income	6,195,954	3,083,295	
Workshop Income	20,820	15,000	
Administration & Accountancy Fee	3,893,194	3,448,442	
Research Income	23,350,255	-	
Recalled advance guarantee	70,351,673		
Other miscellaneous income	9,430,556	14,554,596	
Total	113,242,452	21,101,333	

These are revenues from miscellaneous sources, which are in most cases a one off revenue. The recalled advance guarantee is for Joycot General Contractors Ltd.

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12. USE OF GOODS AND SERVICES

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Casual Wages	85,985,294	83,829,251	
Staff Training	7,250,538	9,764,657	
Staff Uniforms	1,549,908	123,680	
Printing and Stationery	7,656,602	12,514,632	
Bank Charges	2,611,661	1,772,993	
Rents & Rates	528,000	528,000	
Subscriptions and Periodicals	1,737,656	2,603,302	
Advertising	916,383	1,205,583	
Telephone, Internet and Postages	29,829,129	24,827,263	
Electricity Charges	7,188,704	9,042,483	
Water Charges	1,406,223	856,881	
Audit Fee	2,320,000	2,320,000	
Consultancies	4,868,827	13,763,611	
Travelling ,Meals & Accommodation	60,288,898	69,164,900	
Legal Fees	454,675	2,683,130	
Licenses	510,000	-	
Office Tea & Beverages	7,740,055	9,671,386	
Consumables	3,320,670	9,782,218	
Fuel, oils & Greases	32,093,801	38,365,048	
Agricultural expenses	83,178,869	139,101,255	
Hire of Equipment & Facilities	8,663,590	22,979,442	
Insurance	39,826,514	47,208,566	
Other expenses	5,557,425	2,506,813	
Total	395,483,422	504,615,094	

These are expenses incurred in the normal cause of business as outlined in the expenditure description. Included in other expenses is Kshs. 3,813,617 for provision of obsolete general store stocks at the Head office.

13. EMPLOYEE COST

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Salaries & Wages Basic	240,224,305	224,996,083	
Internship Stipends	-	6,175,000	
Commuter Allowance	17,388,812	16,523,282	
Overtime Pay	598,723	775,754	
Leave Allowance	4,594,194	5,447,246	
Transfer Allowance	570,347	3,136,374	
N.S.S.F	10,232,696	4,981,347	
Medical Expenses	18,462,764	17,246,322	
Pension Employer	30,819,730	28,726,772	
House Allowance	65,688,983	60,707,138	
Gratuity	21,490,002	8,127,384	

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Affordable Housing Levy Employer	5,715,725	4,944,655	
Other Allowances	10,273,378	9,963,702	
Total	426,059,659	391,751,059	

These are costs related to employees in terms of salaries and allowances paid as part of the salary. Five (5) staff members are deployed at National Irrigation Authority but are assisting Mwea Rice Mills Limited.

14. REMUNERATION OF DIRECTORS

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Directors Sitting Allowance	3,822,500	6,631,400	
Directors Mileage Allowance	221,697	560,472	
Directors Accommodation Allowance	1,201,200	4,205,986	
Directors Lunch Allowance	461,400	686,400	
Directors Training	60,000	1,040,000	
Directors Medical Insurance	462,285	153,338	
Airtime Allowance	12,000	98,000	
Chairman's Honoraria	960,000	958,800	
Total	7,201,082	14,334,396	

These are payments relating to directors as they carry out official assignments

15. DEPRECIATION AND AMORTIZATION

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Buildings depreciation	17,216,910	16,728,565	
Plant & Machinery depreciation	77,062,547	81,578,756	
Tractors & Vehicles depreciation	73,259,618	69,266,871	
Furniture & Fittings depreciation	3,729,389	4,210,132	
Computers & Accessories	5,245,199	5,518,664	
Amortization	7,661,602	6,731,691	
Total	184,175,265	184,034,680	

These are depreciation expenses for each category of assets

16. REPAIRS AND MAINTENANCE

	2024-2025	2023-2024	
	KSH	KSH	
Irrigation Works -Canals & Roads Maintenance	34,759,372	58,268,582	

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Motor Vehicles Maintenance	30,159,169	53,660,402	
Plant , Equipment & Machinery Maintenance	12,884,988	11,122,743	
Buildings Maintenance	11,685,107	17,366,128	
Computers & Accessories Maintenance	13,674,964	8,459,001	
Total	103,163,600	148,876,856	

17. CONTRACTED SERVICE

	2024-2025	2023-2024	
	KSH	KSH	
Hire of Security Guards	2,307,489	3,930,711	
Total	2,307,489	3,930,711	

These expenses relate to outsourced security services from security firms.

18. IRRIGATION INFRASTRUCTURE DEVELOPMENT

	2024-2025	2023-2024	
	KSH	KSH	
Community Project expenses	4,502,683,210	5,262,626,629	

These are expenses incurred by the Authority in discharging its core activities of ensuring water is available to every irrigable acre.

19. GAIN/(LOSS) ON DISPOSAL OF ASSETS

	2024-2025	2023-2024	
	KSH	KSH	
Tractors & Motor Vehicles	135,967	25,762	
Tractors & Motor Vehicles	(1,036)	(2,192,136)	
Plant and Machinery	(220,431)	(4,569,273)	
Total	(85,500)	(6,735,647)	

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20. CASH AND CASH EQUIVALENTS

	2024-2025	2023-2024	
	KSH	KSH	
Cash Balances	1,335,916	27,005,906	
Bank Balances	448,325,939	833,501,827	
Total	449,661,855	860,507,733	

20. (a) Detailed Analysis of the Cash and Cash Equivalents

		2024-2025	2023-2024
FINANCIAL INSTITUTIONS	Account Number		
a) Current Account			
COOPERATIVE BANK			
COOPERATIVE BANK- NAIROBI BUSINESS CENTRE BRANCH			
Co-op Bank 217 Head Office	01136128012900	12,761,644	39,394
Co-op Bank Retention A/C Head Office	01136128012902	26,585,219	34,299,362
Cooperative Bank Recurrent A/C Head Office	01136128012901	12,161,824	169,547,017
COOPERATIVE BANK- SIAYA BRANCH			
Co-op Bank -Bunyala Irrigation Scheme	01141237592000	575,175	333,678
EQUITY BANK-KENYATTA AVENUE			
Equity bank-NIA Head Office	1290297813162	35,234	34,787,041
Equity Bank Galana Kulalu Food Sec. Project- H/O	1600280082813	7,774	53,480,474
Equity National Irrigation Authority Bura Gravity	1510284335931	86,785,384	61,341,508
Equity National Irr. Authority Mwea Irr. Development Project	1510284335969	370,568	132,193,666
EQUITY BANK –HOLA BRANCH			

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Equity Bank- Tana Irrigation Scheme	0580295576683	846,617	3,776,593
Equity Bank-Bura Irrigation Scheme	0580293746943	1,957,788	1,437,687
EQUITY BANK –THIKA BRANCH			
Equity Bank Eastern Regional Office	1600270952006	19,031,625	837,208
EQUITY BANK –MALINDI BRANCH			
Equity Bank Galana Kulalu Food Sec Project-Malindi	1600280082747	152,850	61,524
EQUITY BANK –MIGORI BRANCH			
Equity Bank-Lower Kuja Irrigation Dev. Project	1600280082704	2,240	2,084,776
ABSA BANK KENYA-QUEENSWAY BRANCH			
Absa Bank-Head Office Queensway House Branch	0945036826	124,714,484	73,158,719
ABSA BANK KENYA-KISUMU BRANCH			
Absa Bank Ahero Regional Office	0091010127	133,655	1,047,645
KENYA COMMERCIAL BANK			
KENYA COMMERCIAL BANK –MOI AVENUE BRANCH	1333763816	42,841,632	-
KENYA COMMERCIAL BANK -HOLA BRANCH			
Kenya Commercial Bank- Tana Irrigation Scheme	1104605481	165,252	2,013,602
Kenya Commercial Bank- Bura Irrigation Scheme	1108161944	679,426	168,687
Kenya Commercial Bank- Bura Commercial Farm	1115111027	392	392
KENYA COMMERCIAL BANK-KISUMU BRANCH			
Kenya Commercial Bank Recurrent Ahero Irrigation Scheme	110828799	1,244,848	224,869
Kenya Commercial Bank Development Ahero Irrigation Scheme	1125402237	60,220	22,899

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Kenya Commercial Bank Bunyala Irrigation Scheme	1125401931	3,433	349,126
KENYA COMMERCIAL BANK-MWEA BRANCH			
Kenya Commercial Bank Recurrent Miad	1103977776	2,470,526	1,004,758
Kenya Commercial Bank Development Miad	1125550813	5,646,453	7,033,189
Kenya Commercial Bank Recurrent Mwea Irrigation Scheme	1103977458	4,668,584	12,027,815
Kenya Commercial Bank Development Mwea Irrigation Scheme	1125550775	6,656,615	8,976,585
Kenya Commercial Bank Miad Seed	1117094669	1,404,729	162,790
KENYA COMMERCIAL BANK-MARIGAT BRANCH			
Kenya Commercial Bank Recurrent Perkerra	1103663917	233,680	401,831
Kenya Commercial Bank Development Perkerra	1124921761	10,100	2,412,832
Kenya Commercial Bank ESP Perkerra	1124922237	5,382	3,402
KENYA COMMERCIAL BANK-LODWAR BRANCH			
Kenya Commercial Bank Katilu	1130948382	391,842	68,862
NCBA BANK			
NCBA HOUSE BRANCH			
NCBA Bank MIDP	1000584588/1797370158	1,813,449	1,607,148
NCBA Bank Western Regional Office	1797370145	4,509	4,509
NCBA Bank Kenya Water Security & Climate Res. Project	1004150167/1797370137	3,151,329	6,118,655
a) On- Call Deposits			
COOPERATIVE BANK- NAIROBI BUSINESS CENTRE BRANCH			
Co-op Bank –NIA Head Office	011501280012906/9	90,751,457	222,473,584
SUB-TOTAL		<u>448,325,939</u>	<u>833,501,827</u>

b) Cash In Hand			
Cash in Hand Head Office		146,360	109,471
Cash in Hand Tana		37,751	9,461

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Cash in Hand Miad Seed		57,981	391
Cash in Hand Mwea		3,045	53,099
Cash in Hand Perkerra		1,145	15,710
Cash In Hand Bura		30,461	5,318
Cash in Hand Lower Kuja		5	5
Cash in Hand Miad		70,611	39,679
Cash in Hand Katilu		11,262	89,522
Cash in Hand Bunyala		41,418	68
Cash in Hand Eastern Regional Office			23,976
Cash in Hand Western Regional Office		577	577
Cash in Hand Galana		-	-
Mpesa/Pesaflow Account Mwea		-	6,603,426
Mpesa/Pesaflow Account -Tana		-	420,330
Mpesa/Pesaflow Account-Bura		-	1,497,975
Mpesa/Pesaflow Account-Katilu		-	1
Mpesa/Pesaflow Account-Perkerra		-	16,852
Mpesa/Pesaflow Account-Bunyala		935,300	51
Mpesa/Pesaflow Account-Lower Kuja		-	4
Mpesa/Pesaflow Account-Miad		-	347,950
Mpesa/Pesaflow Account-Miad Seed		-	17,772,040
SUB-TOTAL		<u>1,335,916</u>	<u>27,005,906</u>
GRAND TOTAL		<u>449,661,855</u>	<u>860,507,733</u>

The bank balance amount refers to all monies held in all bank accounts of National Irrigation Authority. The cash balance refers to all monies held in cash form in all cash offices of National Irrigation Authority. Included in this figure is Ksh. 3,151,329 for Kenya Water Security and Climate Resilience Project, Kshs. 86,785,384 for Bura Irrigation Development Project, Kshs. 370,568 for Mwea Irrigation Development Project and Kshs.42, 841,632 for Rwabura Irrigation Development Project.

21. RECEIVABLES FROM EXCHANGE TRANSACTIONS

a) Receivables From Exchange Transactions (Current)

			IPSAS 1
	2024-2025	2023-2024	
	KSH	KSH	
Staff Imprests	4,512,508	5,344,479	
Trade Receivables	199,134,225	55,792,774	

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Others Receivables	37,896,971	-	
Total Current Receivables	241,543,704	61,137,253	

b) Receivables From Exchange Transactions (Long-Term)

			IPSAS 1
	2024-2025	2023-2024	
	KSH	KSH	
Trade Receivables	107,517,815	120,522,323	
Farmers	419,490,083	363,752,761	
Others Receivables	111,616,682	150,158,251	
Provision for bad debts	(420,176,936)	(420,882,514)	
Total non-current receivables	218,447,644	213,550,821	
Total receivables (a+b)	459,991,348	274,688,074	

Included in the total receivables is Kshs. 20,000,000 paid to KRA as advance tax to be utilized in future to offset NIA tax obligations as they fall due.

c) Ageing analysis for receivables from exchange transactions

			IPSAS 1
	2024-2025	2023-2024	
	KSH	KSH	
Less than 1 year	241,537,851	61,137,253	
Between 1-2 years	41,012,405	5,821,909	
Between 2-3 years	12,692,946	14,123,381	
Over 3 years	164,748,146	193,605,531	
TOTAL	459,991,348	274,688,074	

22. INVENTORIES

			IPSAS 12
	2024-2025	2023-2024	
	KSH	KSH	
General Store	13,690,620	8,569,806	
Workshop Store	5,799,036	10,359,701	
Input Store	12,579,630	12,737,183	
Paddy Store	14,719,022	10,002,710	

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Farm Produce Store	616,710	372,100	
Provisions of obsolete stocks	(3,813,617)	-	
TOTAL	43,591,401	42,041,500	

These are the closing balances of inventories in various stores which include spares for motor vehicles, heavy equipment, maize, paddy stationery and other items for use by the Authority in discharge of its mandate. The provision is for obsolete general store stocks at the Head office.

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23. PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2025

IPSAS 17

	Irrigation Works & Sewerage	Freehold Land	Buildings	Plant Machinery	Computer	Furniture & Equipment	Tractors & Motor Vehicles	Work In Progress	Total
COST:	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
COST 1 July 2023	3,663,964,073	1,808,575,769	982,082,227	1,096,351,354	98,805,970	106,814,771	985,618,533	28,528,503,295	37,270,715,992
Additions	-	-	77,581,678	-	3,898,698	95,100	19,317,240	2,656,163,176	2,757,055,892
Disposals	-	-	-	(6,220,000)	-	-	(5,458,700)	-	(11,678,700)
Adjustment	-	-	-	-	-	-	-	(30,000)	(30,000)
30th June 2024	3,663,964,073	1,808,575,769	1,059,663,905	1,090,131,354	102,704,668	106,909,871	999,477,073	31,184,636,471	40,016,063,184
Additions	-	-	20,000,000	20,000,000	1,747,200	6,240,390	44,698,000	4,689,747,216	1,424,730,615
Disposal	-	-	-	(5,267,000)	-	-	(2,310,300)	-	(7,577,300)
30th June 2025	3,663,964,073	1,808,575,769	1,079,663,905	1,104,864,354	104,451,868	113,150,261	1,041,864,773	35,874,383,687	41,324,914,826
DEPRECIATION:									
1 July 2023	-	-	96,419,503	478,139,392	89,224,710	78,611,594	777,339,186	-	1,519,734,385
Charge	-	-	16,728,565	81,578,756	5,518,664	4,210,132	69,266,871	-	177,302,988
Disposal	-	-	-	(1,245,726)	-	-	(2,191,216)	-	(3,436,942)
Adjustment	-	-	-	-	-	-	-	-	-
30th June 2024	-	-	113,148,068	558,472,421	94,743,374	82,821,726	844,414,841	-	1,693,600,430
Charge	-	-	17,216,910	77,062,547	5,245,199	3,729,389	73,259,618	-	176,513,663
Disposal	-	-	-	(1,578,788)	-	-	(1,389,822)	-	(2,968,610)
30th June 2025	-	-	130,364,978	633,956,180	99,988,573	86,551,115	916,284,637	-	1,867,145,483
N.B.V 30th June 2025	3,663,964,073	1,808,575,769	949,298,927	470,908,174	4,463,295	26,599,146	125,580,136	35,874,383,687	42,923,773,207
N.B.V 30th June 2024	3,663,964,073	1,808,575,769	946,515,837	531,658,932	7,961,294	24,088,145	155,062,232	31,184,636,471	38,322,462,752

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The additions to Work In progress includes SJV for recalled performance bond of IVRCL and Joycot, assets erroneously recognized under MIDP and Bura and correction of Badea opening balance.

Revaluation of buildings and land was carried out by Ministry of Lands and Physical Planning on 30 June 2021. The fixed assets register was updated on 1 July, 2021.

Work in progress refers to ongoing projects on irrigation infrastructure development which have not been handed over to the beneficiary community while assets handed over to the Authority are capitalized

23 (b) Property, Plant and Equipment at Cost

The freehold land, buildings and other assets are stated on the historical cost basis and the amounts are as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Irrigation Works& Sewerage	3,663,964,073	-	3,663,964,073
Land	1,808,575,769	-	1,808,575,769
Buildings	1,079,663,905	130,364,978	949,298,927
Plant And Machinery	1,104,864,354	633,956,180	470,908,174
Motor Vehicles, Including Motorcycles	1,041,864,773	916,284,637	125,580,136
Computers And Related Equipment	104,451,868	99,988,573	4,463,295
Office Equipment, Furniture, And Fittings	113,150,261	86,551,115	26,599,146
Total	8,916,535,003	1,867,145,483	7,049,389,520

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	458,706,375	45,870,638
Motor Vehicles including Motorcycles	169,081,735	33,816,347
Computers and Related Equipment	91,581,357	30,221,848
Office Equipment, Furniture and Fittings	72,658,982	7,265,898
Total	792,028,449	117,174,731

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24. INTAGIBLE ASSETS

	2024-2025	2023-2024
	KSH	KSH
Cost		
At beginning of the year	165,844,924	157,564,924
Additions	-	8,280,000
At end of the year	165,844,924	165,844,924
<u>AMORTIZATION:</u>		
At beginning of the year	143,563,168	136,831,477
Amortization	7,661,602	6,731,691
At end of the year	151,224,770	143,563,168
N.B.V	14,620,154	22,281,756

The intangible assets referred to in this note are the various softwares procured by National Irrigation Authority e.g. ERP system, fleet management system and GPRS systems.

25. INVESTMENT MORTGAGE

			IPSAS 30
Investment in Kenya Development Bank	2024-2025	2023-2024	
	KSH	KSH	
Balance B/F	206,391,417	204,384,730	
Interest for the period	2,762,123	2,006,687	
	209,153,540	206,391,417	

NIA staff mortgage objective is providing a loan scheme for the purpose of residential property and motor vehicles for the staff. The Fund prepared and submitted separate financial statements for the Car Loan and Mortgage

26. LONG TERM INVESTMENTS

	2024-2025	2023-2024	
	KSH	KSH	
Mwea Rice Mills Ltd. 55% shareholding 137,500 shares of Ksh 20 Par Value	2,750,000	2,750,000	

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Western Kenya Rice Mills Ltd 60% shareholding 252,000 shares of Ksh 100 Par Value	25,200,000	25,200,000	
	27,950,000	27,950,000	

27. PAYABLES FROM EXCHANGE TRANSACTIONS

			IPSAS 1	
	2024-2025	2023-2024		
	KSH	KSH		
Trade	1,643,744,465	1,560,206,405		
Contractors	298,781,852	177,143,633		
Consultants	64,230,229	421,100		
Others	38,453,559	62,174,775		
TOTAL	2,045,210,105	1,799,945,913		
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	540,168,996	27%	368,855,370	20%
1-2 years	438,284,938	21%	271,766,501	15%
2-3 years	1,042,115,625	51%	207,534,736	12%
Over 3 years	24,640,546	1%	951,789,306	53%
Total	2,045,210,105		1,799,945,913	

Payables from exchange transactions refer to obligations by National Irrigation Authority to various service providers as categorised above. Included in the figure of trade payables is **Ksh 1,581,014,499** for Retention.

28. CURRENT PROVISIONS

Description	Leave provision	Bonus provision	Gratuity Provision	Other Provision(Audit fees)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	13,928,940	4,640,000	18,568,940
Additional provisions	-	-	21,490,002	2,320,000	23,810,002
Provision utilised	-	-	(4,791,149)	(1,200,000)	(5,991,149)

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Total provisions year end	-	-	30,627,793	5,760,000	36,387,793
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29. RETAINED EARNINGS

	2024-2025	2023-2024	IPSAS 1
	KSH	KSH	
Balance b/ f	18,779,645,453	16,794,652,845	
Excess/Deficit for the year	23,731,055	1,874,078,583	
Retained earnings adjustment	3,507,426,616	110,914,025	
Balance c/f	22,310,803,124	18,779,645,453	

The retained earnings refers to accumulated excess of revenue over expenditure. The adjustments in the retained earnings refer to prior period errors corrected.

30. REVALUATION RESERVE

	2024-2025	2023-2024	
	KSH	KSH	
Balance brought forward	1,563,261,418	1,563,261,418	
Balance C/Forward	1,563,261,418	1,563,261,418	

The revaluation reserve refers to revaluation gain on Land and Buildings carried out by the Ministry of Lands and Physical Planning.

31. CAPITAL FUND

	2024-2025	2023-2024	
	KSH	KSH	
Balance brought forward	694,921,649	694,921,649	
Balance C/Forward	694,921,649	694,921,649	

The adjustments to capital fund during the year refers to fertilizer donated by Yara East Africa Ltd to Bura Irrigation Scheme issued out to farmers in the previous financial year.

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32. JICA FUND

			IPAS 5
	2024-2025	2023-2024	
	KSH	KSH	
Balance b/f	10,678,315,716	9,550,354,810	
Received within the year	88,977,986	1,127,960,906	
Balance c/f	10,767,293,702	10,678,315,716	

The cumulative amounts refer to Loans and Grants from the Government of Japan to the Kenya government for construction of Thiba dam. The amount is not captured as a loan in NIA's books since NIA is just an implementing agent and the loan is to the National Treasury.

33. BADEA FUND

			IPAS 5
	2024-2025	2023-2024	
	KSH	KSH	
Balance brought forward	584,612,738	584,612,738	
Balance C/Forward	584,612,738	584,612,738	

This is a loan to the Kenya Government from BADEA, for development of Bura Gravity System.

34. KUWAIT FUND

			IPAS 5
	2024-2025	2023-2024	
	KSH	KSH	
Balance brought forward	769,414,663	687,171,596	
Received within the year	347,573,231	82,243,067	
Balance C/Forward	1,116,987,894	769,414,663	

This is a loan to the Kenya Government from Kuwait Government, for development of Bura Gravity System.

35. OFID FUND

			IPAS 5
	2024-2025	2023-2024	
	KSH	KSH	
Balance brought forward	571,145,277	571,145,277	
Balance C/Forward	571,145,277	571,145,277	

This is a loan to the Kenya Government from Ofid, for development of Bura Gravity System.

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36. DOUBLE CROP GRANT

			IPSAS 1
	2024-2025	2023-2024	
	KSH	KSH	
Kenya Government Grant in respect of Mwea	27,707,439	27,707,439	
	27,707,439	27,707,439	

The grant was for the double crop in Mwea Scheme which was irredeemable and interest free hence the amount remains constant.

37. BANK OF LEUMI ISRAEL

	2024-2025	2023-2024	IPAS 5
	KSH	KSH	
Balance brought forward	3,443,133,322	3,443,133,322	
	3,443,133,322	3,443,133,322	

This is a loan from Israel Government for development of Galana Kulalu Food Security Project

38. FIEM-SPANISH FUND

	2024-2025	2023-2024	IPAS 5
	KSH	KSH	
Balance brought forward	825,650,704	337,689,002	
Received within the year	12,372,740	487,961,702	
Balance C/Forward	838,023,444	825,650,704	

This is a loan from Government of Spain for development of Rwabura Irrigation Development Project.

39. HUNGARIAN EXPORT-IMPORT PRIVATE

	2024-2025	2023-2024	IPAS 5
	KSH	KSH	
Received within the year	129,253,600	-	
Balance C/Forward	129,253,600	-	

This is a loan from by Government of the Republic of Hungary for Upgrading of Ahero Irrigation Development Project.

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40. Cash Generated from Operations

		2024-2025	2023-2024
	NOTES	KSH	KSH
Deficit for the year		23,731,055	1,874,078,583
Adjustments of items not involving movement of Funds			
Depreciation and amortization	15	184,175,265	184,034,680
Disposal of assets	23	3,921,090	-
Work in progress adjustments	23	-	30,000
Retained Earnings Adjustments	29	3,507,426,616	110,914,026
Loss on disposal of fixed assets	19	85,500	6,735,647
Operating Profit before working capital changes		3,719,339,526	2,175,792,935
Working Capital Changes			
Increase/Decrease in Inventories	21	(1,549,901)	18,083,241
Increase/(Decrease) in Receivables from exchange transactions	21	(185,303,274)	(46,651,184)
Increase/Decrease in Payables from exchange transactions	28	263,083,045	(1,223,179,129)
Net Cash flows from operating Activities		3,795,569,396	924,045,863

41. FINANCIAL RISK MANAGEMENT

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

The entity's financial risk management objectives and policies are detailed below:

1. 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 company's management based on prior experience and their assessment of the current economic environment.

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

	Total amount	Fully performing	Past due	Impaired
At 30 June 2025	Ksh		Ksh	Ksh
Receivables from exchange transactions	880,168,282	459,991,348	420,176,934	420,176,934
Receivables from non-exchange transactions				
Bank balances	448,325,939	448,325,939	-	-
Total	1,328,494,221	908,317,287	420,176,934	420,176,934
At 30 June 2024				
Receivables from exchange transactions	695,570,588	274,688,074	420,882,514	420,882,514
Receivables from non exchange transactions				
Bank balances	833,501,827	833,501,827	-	-
Total	1,566,422,732	1,108,189,901	420,882,514	420,882,514

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from farmers

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

2. Liquidity Risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KSh	KSh	KSh	KSh
At 30 June 2025				
Trade payables	540,168,996	438,284,938	1,066,756,171	2,045,210,105
Total	540,168,996	438,284,938	1,066,756,171	2,045,210,105
At 30 June 2024				
Trade payables	859,158,411	597,892,651	411,051,198	1,818,514,853
Total	859,158,411	597,892,651	411,051,198	1,818,514,853

3. Market Risk

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

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

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in

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foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments. During the year there were no foreign exchange risks.

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant. During the year NIA did not operate in foreign currency.

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits. During the year NIA was not exposed to interest rate risk

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KSh A rate increase/decrease of 5% would result in a decrease/increase in profit before tax.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

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IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the entity's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The entity considers relevant and observable market prices in its valuations where possible.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value (Continued)

The following table shows an analysis of non- financial instruments recorded at fair value by level of the fair value hierarchy:

At 30 June 2025			
	Level 1 KSh	Level 2 KSh	
Non- financial Assets			
Investment property	27,950,000.00	27,950,000.00	
Land and buildings	2,757,874,696	2,757,874,696	
At 30 June 2024			
Non- financial Assets			
Investment property	27,950,000.00	27,950,000.00	
Land and buildings	2,694,238,493	2,694,238,493	

There were no transfers between levels 1, 2 and 3 during the year.

Fair value of financial assets and liabilities

a) Financial instruments not measured at fair value (Continued)

Disclosures of fair values of financial instruments not measured at fair value have not been made as the carrying amounts are a reasonable approximation of their fair values.

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4. Capital Risk Management

	2024-2025	2023-2024	
	KSh	KSh	
Revaluation reserve	1,563,261,418	1,563,261,418	
Retained earnings	22,310,803,124	18,779,645,453	
Capital reserve	694,921,649	694,921,649	
Total funds	24,568,986,191	21,037,828,520	
Total borrowings			
Less: cash and bank balances	(449,661,855)	(860,507,733)	
Net debt/(excess cash and cash equivalents)	24,119,324,336	20,177,320,787	
Gearing			

42. RELATED PARTY BALANCES

IPSAS 20

a) Nature of related party relationship

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

The entity is related to:

- i) National Government
- ii) Ministry of Water & Irrigation
- iii) Board members
- iv) Key Management

b) Transactions with related parties

	2024-2025	2023-2024	
	KSH	KSH	
Transfers from Ministry of Water & Irrigation parties	5,225,227,082	8,154,416,667	
Net Balance	5,225,227,082	8,154,416,667	

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c) Key Management remuneration

	2024-2025	2023-2024	
	KSH	KSH	
Directors	7,201,082	14,334,396	
Key Management remuneration			
Net Balance	7,201,082	14,334,396	

43. CONTINGENT LIABILITY

The Authority entered into lease of land however, the Authority has contested the agreement since it was unfavourable. The liability has not been recognized in the books till the matter is settled. NIA has since written to the parent Ministry requesting for the reconsideration of the lease agreement as the implementation of the project, NIA was to develop the irrigation infrastructure and hand over to Agricultural Development Corporation for production.

KRA issued NIA with a letter dated 23 September 2024 on VAT Arrears that the Authority did not remit Tax due of Kshs.150,167,822 which resulted after reconciliations was done. The principal tax of kshs.103,584,161 was subjected to late payment penalties and interest of kshs.5,179,208 and Kshs.41,404,453 totalling to kshs.150,167,822. The matter is being handled by the tax consultant who has confirmed that KRA cannot claim VAT on invoices which were issued before NIA was registered for VAT which was done in June 2023. However, the liability was back dated to 2019.

KRA issued NIA with a letter dated 29 May 2025 on VAT and Withholding tax Arrears that the Authority did not remit Tax due of Kshs.724, 625,847 which resulted after reconciliations was done. NIA paid Kshs. 20,000,000 as advance tax to be utilized in future to offset its tax obligations as they fall due awaiting review of the filled objection.

As at 30th June NIA had tax credit of Kshs. Kshs.95,983,586

44. EVENTS AFTER REPORTING PERIOD

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

45. ULTIMATE AND HOLDING ENTITY

National Irrigation Authority is a State Corporation under the State Department for Irrigation. Its ultimate parent is the Government of Kenya.

46. CURRENCY

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

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7. Appendices

(a) 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.

Basis for Qualified Opinion				
Reference No. on the external audit Report	Issue /Observations from Auditor	Management Comments	Status	Timeframe
1.	Receivables from Exchange Transactions			
1.1	<p>Long Outstanding Receivables The statement of financial position reflects a receivable from exchange transactions balance of Kshs.274,688,074 and as disclosed in Note 21 to the financial statements. The balance includes Kshs.213,550,821 that have remained outstanding more than one year. Further, no recoveries were made in the prior and year under review casting doubt on their recoverability. No debt collection policy was provided for audit casting doubt on any measures taken by Management to recover these long understanding debts.</p>	Included in the figure of Kshs.213,550,821 which relate to other receivables and trade receivables respectively are historical debts which have been provided for under bad debts.	Not Resolved	FY 2025-2026
1.2	Un-explained Provision for Bad Debts	The figure of Kshs 420,882,514 relates to debts owed by farmers dating back to		

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	<p>The statement of financial position reflects receivables from exchange transactions balance of Kshs.274,688,074 as disclosed in Note 21 to the financial statements. This balance is net off Kshs.420,882,514 being provision for bad debts for the year under review. However, no individual debtor's summary report of the provision for bad and doubtful debts was provided for audit.</p> <p>In the circumstances, the accuracy, completeness and validity of receivables from exchange transactions balance of Kshs.274,688,074 could not be confirmed.</p>	<p>1998. These are debts which farmers in the schemes defaulted payment after skirmishes. The management prepared a board paper to the board based on the facts seeking write off which was approved and later through the Cabinet Secretary Parent Ministry sort the approval for the write off of these historical debts as per the requirement of the Public Finance Management Act, (No.18 of 2012) SPECIAL ISSUE 209, Kenya Gazette Supplement No.32 20th March, 2015 (Legislative Supplement No. 17) LEGAL NOTICE NO. 34, section 148</p>	<p>Not Resolved</p>	<p>FY 2025-2026</p>
<p>1.3</p>	<p>Outstanding Staff Receivables Note 21(a) to the financial statements reflects staff imprests amounting to Kshs.1,968,631 which relates to staff imprest. Review of the outstanding imprest revealed that these imprest have not been surrendered for over one year with some being held by staff who have already left employment. It is not clear why the imprest were not recovered before they were cleared from employment casting doubts on their recoverability. Further, no debt collection policy was provided for audit casting doubt on any measures taken by Management to recover these long outstanding debts. In the circumstances, the accuracy, completeness and full recoverability of the</p>	<p>The figure of Kshs.1,968,631 which relates to staff debts includes both historical and current figures of Ksh 1,487,708.96 that was advanced in the last month of the financial year and could not be surrendered as the officers were still in the field by 30 June, 2023. However, the historical figure of Ksh 480,922.00 has been surrendered within the current financial year 2023/2024.</p>	<p>Resolved</p>	

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	receivables balance of Kshs.228,036,890 could not be confirmed			
2	<p>Outstanding Balances from E-Citizen Platform</p> <p>The Authority on boarded the e-citizen platform as per Paragraph 2 of the Chief of Staff and Head of Public Service Circular SH/EOP/1 VOL.II (14) of 10 July 2023 on - boarding of Government services on the E- Citizen platform during the year under review. Human Resource, Strategy and Governance Committee of the Board meeting held on 10 July, 2024 disclosed that all payable services offered by the Authority were paid for via the e-Citizen pay bill No.222222 and amounted to Kshs.59,256,547 and a commission of Kshs.334,650 was charged as transaction fees by National Treasury. However, the National Treasury had disbursed Kshs.32,597,918 as at 30 June, 2024 resulting to an unexplained and unreconciled variance of Kshs.26,658,629. In addition, the outstanding balance was not disclosed under current receivables in the financial statements. Further, challenges experienced on the e-citizen payment platform included delayed reimbursement of funds thus affecting the</p>	The receipts for financial year 2023-2024 that were outstanding with the National Treasury as at 30th June 2024 have since been remitted to NIA in the current financial year 2024-2025	Resolved	

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	<p>scheme operations and low registration of farmers.</p> <p>In the circumstances, the accuracy, completeness and validity of revenue from E-Citizen could not be confirmed.</p>			
3	<p>Lack of Ownership Documents for Land</p> <p>The statement of financial position reflects property, plant and equipment balance of Kshs. 38,322,462,752 which as disclosed in Note 23 to the financial statements includes a balance of Kshs.1,808,575,769 in respect to land which exclude the value of seventeen (17) parcels of lands situated in the six (6) Irrigation Schemes for which the Authority has no ownership documents.</p> <p>In the circumstances, the ownership of land could not be confirmed</p>	<p>Currently, the Authority relies on gazette notices for public schemes as proof of land ownership. However, discussions are ongoing with the National Land Commission (NLC) to facilitate the acquisition of title deeds for all public schemes.</p>	Resolved	
4	<p>Payables from Exchange Transactions</p> <p>The statement of financial position reflects payables from exchange transactions balance of Kshs.1,799,945,913 and as disclosed in Note 27 to the financial statements. This balance includes amounts of Kshs,1,159,324,042 that have remained outstanding more than two years.</p>	<p>The figure of Kshs,1,159,324,042 which represents long outstanding payables as at 30th June 2024 was due to the fact that NIA experienced budget cuts of Kshs.1.5Billion and 810Million in the financial years 2022-23 and 2023-24 respectively. Hence, leading to these long outstanding payables. However, the same was settled in the first</p>	Resolved	

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		quarter of the current financial year 2024-2025.		
5	<p>Non-Payment of VAT and WHT to KRA The Kenya Revenue Authority through Letter KRA/1006/113/ENF/531 dated 3 April, 2019 on Agency Notice to the Authority declared and required a sum payment of Kshs.562,751,041 (VAT Kshs.176,858,509 and WHT Kshs.385,892,532) being tax due as per Section 42 of the Tax Procedures Act, 2015. Further, KRA letter dated 23 September, 2024 on VAT arrears showed that the Authority did not remit tax due of Kshs.150,167,822 which resulted after reconciliations was done. The principal tax of Kshs.103,584,161 was subjected to late payment penalties and interest of Kshs.5,179,208 and Kshs.41,404,453 totalling to Kshs.150,167,822. Although, the Authority procured tax advisory services at a contract sum of Kshs.2,880,000 on 03 June, 2024, the matters in dispute are yet to be resolved as at the time of audit. However, the Authority did not disclose the contingent liability in the financial statements.</p>	<p>In reference to the Tax Agency Notice of 2019, a settlement plan was agreed upon by the two Authorities and all the arrears were settled. On the issue of VAT arrears of Kshs.150,167,822, the matter has been handled by the tax consultant who has confirmed that KRA cannot claim VAT on invoices which were issued before NIA was registered for VAT which was done in June 2023. However, the liability was back dated to 2019. The contingent liability has since been disclosed in the financial statements</p>	Resolved	
1	<p>Emphasis of Matter Budget Control and Performance</p>		Resolved	

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	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.8,609,500,000 and Kshs.9,390,983,655 respectively resulting in an under-funding of Kshs.218,516,345 or 3% of the budget. Similarly, the statement reflects final expenditure budget and actual amounts on comparable basis of Kshs.8,609,500,000 and Kshs.6,516,905,072 respectively, resulting in an under-expenditure of Kshs.2,092,594,928 or 25% of the budget.</p> <p>The underfunding and under-performance affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.</p>	<p>The 3% of the budget Kshs.218,516,345, is attributed to under collection of O&M from farmers in the irrigation schemes. This is as a result of resistance by the farmers to pay following introduction of O&M payments through the e-Citizen platform.</p> <p>Additionally, the 25% under-expenditure Kshs.2,092,594,928, was attributed to the first charge towards clearance of pending bills.</p>		
	<p>Other Matters</p> <p>Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and effectiveness in use of Public Resources, and Report on Effectiveness of Internal controls, risk Management and Governance. However, the Management explained that the issues were have been resolved but no evidence was</p>	<p>Prior Year Audit Matters are still outstanding as NIA is yet to appear before Public Investment Committee (PIC)</p>		

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	provided to indicate how the issues were resolved.			
REPORT ON LAWFUNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Reference No. on the external audit Report	Issue /Observations from Auditor	Management Comments	Status	Timeframe
1.0 1.1	<p>Employee Costs Payment of Acting Allowance</p> <p>Note 13 to the financial statements reflects an amount of Kshs.391,751,059 in respect of Employee cost. This includes an expenditure of Kshs.588,720 on acting allowances paid to various officers who were appointed on acting capacity for a period exceeding six (6) months.</p> <p>In circumstances, the Management was in breach of the law.</p>	<p>The management has in place a HR Policy and Procedure Manual which guides the Board on matters of acting appointments. The acting appointments in question were approved for renewal by the Board. These positions could not be filled substantively due to budgetary constraints and further directive from the National Treasury on confirmation of availability of funds. Attached are the Board minutes approving the extension of the acting appointments</p>	Resolved	
1.2	<p>Noncompliance with a Third Rule on Salary</p> <p>Analysis of the payroll for the twelve months revealed that various employees received net pay which was below a third of their basic pay contrary to Section 19 (3) of the Employment Act, 2007 and Public Service Human Resources</p>	<p>The situation of staff with less than a third of their salary has arisen because of the;</p>	Resolved	

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	Policies and Procedures Manual 2016 Section C. 1(3).	<ul style="list-style-type: none"> i. New government taxes which are Housing levy, NSSF and SHIF ii. Some staff privately secured loans with banks with commitments to repay with standing checkoff. <p>The management has intervened as per the attached memo instructing all staff not to commit their salary below a third rule</p>		
1.3	Medical Expenses and Allowances		Resolved	
	<p>Note 13 to the financial statement for the year ended 30 June, 20124 reflects an amount of Kshs.391,751,058 on employee cost out of which an amount on Kshs.17,246,322 relate to medical expenses. It was not clear why the Management did not consider a joint medical cover that incorporates both inpatient and outpatient medical cover but instead had opted to pay its employees a given amount per month as outpatient medical expenses.</p> <p>In the circumstances the value for money of Kshs.17,246,322 could not be confirmed.</p>	<p>The outpatient allowance is a historical issue that was implemented as per the previous terms and conditions of service for employees. The NIA also operated an in house medical scheme before transferring this to the Insurance Company. The management will pursue outsourcing of the outpatient cover from the Insurance Company. If effected immediately this would affect staff further since it's a benefit in the pay slip exposing more staff to</p>		

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		reduced salary which will be below the a third rule.		
2.0	Delay in Completion of Projects The statement of financial performance includes irrigation infrastructure development amount of Kshs.5,262,626,629 as disclosed in Note 18 to the financial statements. Review if the projects completion status revealed that, projects with a total contract amount of Kshs.6,138,274,385 out of which, payments of Ksh.4,005,933,309 made to various contractors had not been completed as per their timelines. The reasons for their delay are documented as shown below:			
2.1	Drilling, Equipping and allied Works at Geta Primary School in Kisumu County Note 18 to the financial statement reflects Kshs.5,262,626,629 for infrastructure development which includes an amount of Kshs.6,000,000 paid to a contractor for construction works for drilling, equipping and allied works for Geta Primary School whose contract sum of Kshs.8,420,240. The project included preliminary and general items, development & test pumping, equipping works, distribution works, concrete storage tank and pipeline & fittings & overhead storage tank. A	As at the time of audit, the works were ongoing and are yet to be certified by the Engineer. The contractor is obligated to complete the works during the project period and be paid for the works done accordingly.	Resolved	

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	<p>physical verification in November, 2024 revealed the following;</p> <ul style="list-style-type: none"> i. Supply and installation project signboard amounting to Kshs.50,000 was not verified. ii. Details pertaining to pump make, country of origin and make of motor were not provided for audit. iii. The contractor did not construct water distribution to two (2) water points within the surrounding community inclusive of all plumbing fittings and connection to water tanks, provide three (3) 10,000 litres irrigation storage amounting to Kshs.860,000. <p>In the circumstance, the value for money may not be obtained.</p>			
<p>2.2</p>	<p>Construction Works at Abuson Springs in Kisumu County</p> <p>The Management awarded a contractor for construction works including concrete and pipeline for Abuson Springs in Kisumu West Constituency, Kisumu county with contract sum of KShs.12,000,000 whose project start date was 24th March 2024 and expected completion date of 25 March, 2025. As at 30 June, 2024 no</p>	<p>As at the time of audit, the works were ongoing and are yet to be certified by the Engineer. The contractor is obligated to complete the works during the project period and be paid for the works done accordingly.</p>	<p>Resolved</p>	

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	<p>certificate had been paid. Physical verification in November 2024 revealed the following;</p> <ul style="list-style-type: none"> i. Supply, installation and test two (2) tanks were not done amounting to Kshs. 700,000. ii. Supply, installation and test water pump was not done amounting to Kshs.195,000. iii. Supply, install and test s 3” GI pipe amounting to Kshs.900,000 was not done. <p>In the circumstances, the value for money may not be obtained.</p>			
2.3	<p>Construction Works at Galana Kulalu Food Security Project in Tana River and Kilifi Counties</p> <p>Note i8 to the financial statement reflects of Kshs. of Kshs.5,262,626.629 for infrastructure development which includes an amount of Kshs.189,661,418. The Management awarded a contractor for construction works of siltation basin and channel for Galana for Galana Kulalu \food Security Project, Tana River and Kilifi Counties amounting to Kshs.519,424,559. The construction works included preliminary and general items, intake works, canal 1- intake to reservoir, reservoir, reservoir, reservoir to pump station canal and landscaping fences and gates and the contract was signed on 09 November,</p>	<p>Delays in completion attributed to flooding of Galana River in March June and November 2024 and lack of a bridge to cross materials to the project area. As at the time of audit, the works were ongoing and are currently at 97.5% complete. The contractor is obligated to complete the works by 15th February 2025.</p>	Resolved	

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	<p>2023 having a commencement date of 22 January, 2024 with original completion date of 22 July 2024. The Contract was extended for two (2) months having a revised completion date of 15 September, 2024. The Contract had a 5% contingency of Kshs.24,734,503. The Authority had paid to date Ksh.374,136,015 being 80% of the contract sum. A physical verification carried out in the month of November, 2024 revealed the project was not complete.</p> <p>In the circumstances, the value for money may not be obtained.</p>			
2.4	<p>Construction Works at Galana Kulalu Model Farm – Lot 1</p> <p>Note 18 to the financial statements reflects of Kshs. 5,262,626.629 for infrastructure development which includes an amount of Kshs.16,485,489.97. The Management awarded a contractor for construction works of Galana Kulalu Model Farm-Lot1 preliminary and general items, electrical, mechanical works, pump house and house construction at a contract sum of Kshs.131,221,044. The Lot I included installation of three (3) pumps and generators water cooled engines and power generators complete with controls, provide, install, test and commission electric motor driven pumps</p>	<p>A presidential directive issued in January 2023 directed for uptake of crop production of the developed area by a private party. This process commenced following the PPP Act 2021 where a PIP was submitted to NIA, due process followed and the project got into the project development phase. A proposal was developed after the successful implementation of the project development</p>	Resolved	

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	<p>mounted on a common base plate complete with cables and control panels and pump house construction and associated structural wlvments. The Authority had paid ato date Ksh.110,047,648 to the contractor representing 84% of the contractor sum. A physical verification in November, 2024 revealed the following;</p> <ul style="list-style-type: none"> i. The construction works siltation basin and channel for Galna Kulalu Food Security Project, Tana River and Kilifi Counties delayed the completion of the Lot 1 contract. ii. The generators and pumps were stored in the open and not covered subjecting them to wear and tear. iii. The supplied pumps and generators were yet to be installed hence not fully tested to capacity. <p>In the circumstances, the value for money may not be obtained.</p>	<p>phase which was submitted, evaluated and approved by the PPP committee. The private party undertook to complete the remaining works of LOT 1 & LOT 2 within the project. The concessional agreement is duly signed and the private party is in the process of mobilizing to complete the remaing works as well as commence crop production using the installed systems.</p> <p>Measures have been put in place for the contractor to handover project by 31.12.2024 for transition to Private investor for completion and production</p>		
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<p>2.5</p>	<p>Construction Works of Galana Model Farm Lot 2 Note i8 to the financial statements reflects of Ksh. 5,262,626.629 for infrastructure development includes amount of Ksh.17,384,155. The Management awarded a contractor for completion of Galana Model Farm Lot 2: Civil Works at a contract sum of Kshs.665,702,575 for the construction works included LINE B-1, Mailine, fencing & site works and contingency. The project components included Pipe work (Excavation, pipe supply and laying) for 36.9km, supply and installation of 25No. Centre Pivots (5,100 acres), Fencing and elephant moat. The authority had paid Ksh.456,086,421 to the contractor to date. A physical verification in the month of November, 2024 revealed the following;</p> <ul style="list-style-type: none"> i. Pipe work (excavation, pipe supply and laying) for 36.9km was incomplete to the 25No. Pivots and the incomplete pump house. ii. The supply and installation of 25No. Center pivots was don. However, connection to farming water pipeline was incomplete. iii. Reports on the testing of the pivots was not provided for review. iv. Renewed contract completion date and signed document was not availed for audit review. 	<p>A presidential directive issued in January 2023 directed for uptake of crop production of the developed area by a private party. This process commenced following the PPP Act 2021 where a PIP was submitted to NIA, due process followed and the project got into the project development phase. A proposal was developed after the successful implementation of the project development phase which was submitted, evaluated and approved by the PPP committee. The private party undertook to complete the remaining works of LOT 1 & LOT 2 within the project. The concessional agreement is duly signed and the private party is in the process of mobilizing to complete the remaining works as well as commence crop production using the installed systems. Measures have been put in place for the contractor to handover project by</p>	<p>Resolved</p>	
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	In the circumstances, the value for money may not be obtained.	31.12.2024 for transition to Private investor for completion and production.		
2.6	<p>Construction Works of Embu Cluster 1 Community Based Irrigation Project</p> <p>Construction works for Embu Cluster I Irrigation Project was awarded to Dual Deluxe Dealing Limited on 5th Oct 2020 at a contract sum of Kshs.508,809,920 with an expected completion date of 5th April 2022. However, as at November , 2024 the project was at 85% complete. The following challenges were highlighted;</p> <p>i. Conducting capacity building and training for the farmers for efficiency of project operations and maintenance to be done once project handed over.</p> <p>ii. Proper planning of activities by the contractor to avoid stagnation in one project.</p> <p>iii. Acquiring new equipment to prevent breakdowns slowing work progress.</p> <p>iv. Timely payment of IPCs raised by the authority.</p>	<p>Capacity building of the farmers has been scheduled to be undertaken as the works progresses. This is to prepare the farmers in taking over after project completeion. It is worth noting that the contractor is working closely with the project committee to allow for understanding of the installation in place.</p> <p>The contractor has been instructed to provide a revised work plan demonstrating mesures that will be undertaken to fast track completion of the remaining works. However, the contractor is onsite working</p>	Resolved	

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	<p>v. Fastrack and follow up with KERRA and KENHA to acquire the approvals for road crossings. In the circumstances, the value for money may not be obtained.</p>	<p>with the progress of works being at 85% complete. All pending IPCs have been paid.</p>		
2.7	<p>Construction works at Kibaratani Irrigation Water Project</p> <p>Note 18 to the financial statements reflects of Kshs 5,262,626,629 for infrastructure development which includes amount of Kshs 61,686,386. The Management awarded a contractor for construction works for the Kibaratani Irrigation Water Project at a contract sum of Kshs. 197,019,876. The project components included intake and sedimentation tank, Conveyance, Mainline, Submain and Distribution chambers. The project commenced on 31 May 2021 and was expected to be completed on 31 November,2022 but was further extended to 31 March 2025. However, as at 30 June,2024, the projects were at 56% while, certificates amounting to Kshs.61,686,386 had been paid. However, the project is still incomplete.</p>	<p>A number of challenges beyond the control of the contractor include acquisition of way leave made it impossible to complete the works as originally anticipated. The Community & Employer is fast tracking the issue of way leave acquisition. Therefore, the contracts were extended as per the provisions of the PPADA 2015 (revised 2022) and the Contract.</p>	Resolved	

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<p>2.8</p>	<p>Stalled Construction Works at Mirira Irrigation Project</p> <p>Note 18 to the financial statements reflects of Kshs 5,262,626,629 for infrastructure development which includes an amount of Kshs.21,056,952.01 The Management awarded a contractor for construction works for Mirira Irrigation Project was awarded on 28 August, 2020 at a contract sum of Kshs.544,469,765 with an expected completion date of 16 November, 2022. However, as at 30 June, 2024 the project was at 56% complete and certificates of Kshs.229,262,714 had been paid. The Project was further extended to 26 December, 2024 and the project had stalled.</p>	<p>Mirira irrigation project works is currently at 63% completion status. The major challenge that has affected the project progress is cash flow challenges as result of delayed payment and El nino rains that caused the area to be inaccessible. All the unpaid amounts have been settled and the contractor has purchased construction materials and hence works are ongoing</p>	<p>Resolved</p>	
<p>2.9</p>	<p>Construction of Intake Weir and Other Works at Bura Gravity Lot 1</p> <p>Note 18 to the financial statements reflects of Kshs.5,262,626,629 for infrastructure development which includes an amount of Kshs. 117,321,972. The Management awarded a contractor for Bura Gravity Lot 1 at a cost of Ksh. 1,786,927,859 for construction of intake weir and other works on Bura gravity project. A contract was signed and works commenced on 3 October, 2019. The certificate amounts paid to date is Kshs. 1,719,526,361 and the project is at 99.5%complete. Physical verification in 26 November, 2024 revealed that the following works had not been completed:</p>	<p>The works are substantially complete and the system is operating. The remaining works are within the snag list which the contractor is attending to during the defects liability period.</p>	<p>Resolved</p>	

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	<ul style="list-style-type: none"> i. Works on the housing units had not been completed. ii. Construction of the diversion canal. iii. The silting basin. iv. Construction of store, staff houses, road and parking area <p>In the circumstances, the value for money may not be obtained.</p>			
2.10	<p>Construction of Main Canal at Bura Gravity Lot 2</p> <p>Note 18 to the financial statements reflects of Kshs.5,262,626,629 for infrastructure development which includes amount of Kshs. 314,900,574. The Management awarded a contractor for contract for construction of main canal at Bura Gravity Lot 2 at a cost of Kshs. 1,764,278,550. A contract was signed and works commenced on 7 April 2021. The project was 75% complete and Kshs. 1,001,772,361 had been paid to date. However physical verification on 26 November, 2024 revealed that the following works had not been completed and the following works were slowing down the progress of the project:</p> <ul style="list-style-type: none"> i. Main canal excavation had not been completed in various stages 	<p>Management is fastracking the completion of Bura Gravity Projects to enable completion within the contract period. Priority is to deliver water to the scheme by gravity by January 2025. The management is providing all the necessary support to facilitate the contractor in successful completion of the works.</p>	Resolved	

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	<ul style="list-style-type: none"> ii. Construction of earth dykes iii. Construction of 14km irrigation scheme road had not been fully graded. iv. Animal & human bridges and crossings did not have guard rails as indicated in the bills of quantity v. Canal stone lining had not been done by the contractor. 			
	<ul style="list-style-type: none"> vi. The upstream dyke had not been completed. <p>National Irrigation Authority also stands exposed to unfavorable variations in the contract price commissioned by inflation and or changes in market prices, or fines and penalties in the accrued works payments if they do not fast track construction of the project.</p> <p>In the circumstances, the objectives of the above projects may not have been met and intended beneficiaries may not have received value for money of Kshs.4,005,933,309 due to the delays in completion of the projects.</p>			

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3.0	Status of Irrigation Development Project			
3.1	<p>Lower Kuja Irrigation Development Project in Migori County</p> <p>Review of records and physical verification in November 2024 in the Lower Kuja Irrigation Development Project as detailed in revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. Intake area spillway had been eroded. ii. There was slow implementation of the irrigation development project due to inadequate funding. iii. Operation management fee was not collected on time and from all the cultivating area. iv. The Authority constructed canals in the farmer owned land. However, no compensation was made hence resistance from the farmers. v. Non-compensation of farmers hindering development in the scheme. vi. The scheme is not gazetted and is categorized as Natural scheme. vii. Cropping cannot be fully controlled due to ownership of land by the farmers. viii. Scheme acreage area for cropping is estimated as 19,000. However, the scheme has homesteads and other buildings thus reducing the acreage. 	<ul style="list-style-type: none"> i. The floods experienced during the long rains season of March–May 2024 caused significant damage to the irrigation infrastructure within the scheme, including the headworks (intake and spillway) as well as the irrigation and drainage canals. In response, the Authority has mobilized resources, and rehabilitation of the damaged infrastructure is currently underway. ii. Compensation for farmers within the scheme was planned and budgeted for in FY 2024/2025. The verification process to identify eligible farmers is currently being finalized. 	Resolved	

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	<p>ix. Understaffing of the scheme given the vastness and number. of farmers to handle</p> <p>There were only 2 permanent staff, 2 on contract (1 yr and 3yrs) and 12 casuals.</p>	<p>iii. Upon the identification and compensation of project farmers, the collection of operation and maintenance fees is expected to become more efficient, ensuring timely contributions from all farmers participating in cropping activities.</p> <p>iv. Recruitment of adequate staff in the scheme is expected to commence once the Authorities Human Resource structure is approved for implementation by the National Treasury.</p>		
3.2	Ahero Irrigation Scheme in Kisumu County			
	<p>i. Review of records and physical verification in November, 2024 in the Ahero Irrigation Scheme as detailed in revealed various issues as highlighted below: -</p>	<p>i. The Authority has purchased a new pump for the pump station. Additionally, the Authority initiated the solarization of the Ahero</p>	Resolved	

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	<ul style="list-style-type: none"> i. Intake water pump 3 and 4 not working/stalled/damaged hence inadequate supply of the irrigation water to the scheme's farmlands. The damaged pumps have caused rationing of water due to number of hours the pump is supposed to be operated. ii. The pumps need proper rehabilitation due to reduced water pumping levels and increased electricity bills. iii. Impellers were worn out in pump 3 reducing the degree in which the pumping and abstraction was done. The reduced efficiency was also observed in pump 1 and 2 pumping rate. iv. The main and feeder canals have widened hence need for major rehabilitation. v. Water hyacinths, water lilies and other water weeds are a major problem to the canals. vi. Frequency of siltation is high. vii. Inadequate machinery hence has to procure/hire machines including tractors, excavators and graders hence cost inefficient over a period of time. i. Water guards to control off take gates for water distribution are under staffed. ii. Pumps to be increased to enable cropping by farmers in scheme. 	<p>Irrigation Scheme and successfully mobilized resources for the project with support from the Hungarian Government. The project focuses on installing solar-powered pumps to modernize the pump station. Implementation is already underway and is projected for completion by mid-FY 2025/2026. Upon completion, the upgraded pump station will replace the aging and inefficient pumps, ensuring a consistent and adequate water supply to support irrigation within the scheme. Solar powered pumps will also reduce the cost of pumping and in general the cost of operations in the scheme.</p> <ul style="list-style-type: none"> ii. The scheme conducts regular maintenance of irrigation water conveyance structures, including 		
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		<p>desilting and clearing vegetation. However, the aging irrigation infrastructure has become increasingly expensive to maintain, necessitating a long-term solution.</p> <p>As a result, the Authority is in the final stages of securing funding for a comprehensive rehabilitation project, which is scheduled to commence in FY 2026/2027. The project will be financed by JICA.</p>		
3.3	<p>West Kano Irrigation Scheme in Kisumu County</p> <p>Review of records and physical verification in November, 2024 in the West Kano Irrigation Scheme as detailed in revealed various issues as highlighted below: -</p> <p>i. Lake Victoria backflow submerged 80% of the scheme land from April 2024 to August 2024. Last crop was in March 2024 reducing the collection of operation and maintenance fee.</p>	<p>i. Following the backflow from the lake, the Authority rehabilitated the outlet and inlet pump stations along with irrigation water control structures, including canals, gates, and division boxes. As a result, cropping within the scheme has currently reached 90%.</p>	Resolved	

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	<ul style="list-style-type: none"> ii. The flooding destroyed the existing scheme infrastructure including gates, canals and boxes. iii. Inadequate machinery hence has to procure/hire machines including tractors, excavators and graders hence cost inefficient over a period of time. 			
3.4	<p>Bunyala Irrigation Scheme in Busia and Siaya Counties</p> <p>Review of records and physical verification in November, 2024 in the Bunyala Irrigation Scheme revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. Intake water pump 1 and 3 not working/stalled/damaged. ii. Pumps operation costs are high due to high electricity bills hence staggering of blocks hence the need to supplement the pumping system not to use electricity. iii. Scheme acreage area for cropping is estimated as 3126. However, the scheme has homesteads and other building reducing the area. iv. Access road to the new expanded area was not factored in hence farmers would face challenges on logistics 	<ul style="list-style-type: none"> i. The Lower Nzoia Irrigation Project is 99% complete. The project will supply water to the scheme through a gravity-fed system, eliminating the need to rehabilitate or purchase new pumps. This gravity system is expected to significantly reduce operational costs for the scheme. ii. The land within the scheme is predominantly owned by the community, with the exception of 534 acres owned by the Authority. Despite these ownership arrangements, the Authority effectively coordinates cropping 	Resolved	

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	<p>v. and transport during the harvesting period. The scheme collected operation maintenance fee of Kshs.7,911,480 being 63% of the targeted collection of Kshs. 12,504,000. No clear reasons and explanations were provided on the shortfall. The uncollected fee affected service delivery and payment of casualties at the scheme.</p>	<p>activities through a unified cropping program across the scheme.</p>		
	<p>vi. The scheme is not gazetted. vii. Cropping cannot be fully controlled due to ownership of land by the farmers. Understaffing of the scheme given the vastness and number of farmers to handle</p>	<p>iii. Recruitment of adequate staff in the scheme is expected to commence once the Authorities Human Resource structure is approved for implementation by the National Treasury.</p> <p>iv. The access road will be developed in phase 2 of the project. Phase 1 involved construction of irrigation canals and water control structures.</p> <p>v. The shortfall in the collection of Operation and Maintenance fees was attributed to the slow onboarding of farmers onto the e-Citizen platform. This issue has since been addressed through targeted farmer sensitization sessions.</p>		

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3.5	<p>Perkerra Irrigation Scheme in Baringo County</p> <p>Review of records and physical verification in November, 2024 in the Perkerra Irrigation Scheme revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. Stock taking was done on 30 June, 2024 by the finance and procurement department. However, the unit cost and book value of items were entered manually into the stock sheets as opposed to the items being system generated to avoid human errors and manipulation of the figures hence the balance of Ksh. 1,365,870 could not be ascertained as the true value of items in the inventory. ii. The farmers register indicates that the scheme has 762 farmers with a total acreage of 1807 acres. However, the list was not fully updated with the farmers details such as identification number, 	<ul style="list-style-type: none"> i. The scheme’s farmers register had been updated and to include the relevant details. As a result, the scheme has been able to collect 100% operation and maintenance fees. 	Resolved	

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	farmers contacts, type of crop being grown, crop rotation schedule to help in monitoring O&M fees, status of payment of O&M fees.			
3.6	<p>Katilu Irrigation Scheme in Turkana County</p> <p>Review of records and physical verification in November, 2024 in the Katil Irrigation Scheme revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. The scheme is not gazetted. Land agreements between farmers, Turkana County and National Irrigation Authority was not provided for audit review. ii. The total acreage of the Scheme cannot be confirmed as records pertaining to land ownership with acreage have not been provided for audit review. 	<ul style="list-style-type: none"> i. The scheme land is owned by the community. The Authority is therefore engaged as an Irrigation Service Provider in the scheme. 	Resolved	

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<p>3.7</p>	<p>Bura Irrigation Scheme in Tana River County</p> <p>Review of records and physical verification in November, 2024 in the Bura Irrigation Scheme revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. Diesel powered generators were used for water abstraction from river Tana at a cost of kshs.91,907,600 in the financial year 2023 -2024 vis a vis an operations and maintenance income of Kshs. 10,546,883. The Irrigation scheme requires capital injection from the head office as its not self-dependent and sustainable. ii. The scheme has a gazetted land area of 176,927 acres. However, only 6,000 acres is being utilized resulting to unutilized 170,927 acres. iii. The scheme manages a guest house with conferencing facilities and lodging rooms for hire. However, the pricing and price lists for the conferencing facility was not provided for audit review. The guest rooms are poorly maintained with cracks on the wall and floor, damaged window shutters, old furniture and lack water in the lavatories. 	<ul style="list-style-type: none"> i. The Authority is implementing the Bura Irrigation Development Project, which will deliver irrigation water to the scheme through a gravity-fed system. Upon completion, the project will eliminate fuel costs for running pumps, significantly reducing operational expenses and steering the scheme toward self-sustainability. ii. The Authority is in the process of onboarding private partners under the Public-Private Partnerships (PPP) Act of 2021, with the goal of bringing over 100,000 acres within the scheme into crop production. This initiative is expected to make a 	<p>Resolved</p>	
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		significant contribution to food security and nutrition in the country.		
3.8	<p>Hola Irrigation Scheme in Tana River County</p> <p>Review of records and physical verification in November, 2024 in the Bura Irrigation Scheme revealed various issues as highlighted below: -</p> <ul style="list-style-type: none"> i. Diesel powered generators were used for water abstraction from river Tana at a cost of kshs. 106, 103,440 for the financial year ending 30 June 2024 vis a vis an operations and maintenance income of Kshs.8,422,370. The Irrigation scheme requires capital injection from the head office as its not self-dependent and sustainable ii. The irrigation scheme relies on 10 water pumps for water abstraction from river Tana. However, the water pumps are old and suffer from overheating from continuous use. The last major service for the pumps was done in 2009. 	<ul style="list-style-type: none"> i. The Authority is in the process of connecting the scheme’s pump station to the national power grid, in collaboration with REREC and KPLC, with the project expected to be completed by December 2024. Upon completion, the scheme will reduce energy costs for running pumps, significantly reducing operational expenses and steering the scheme toward self-sustainability. 	Resolved	

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	In the circumstances, the projects may not serve the intended purpose and value for money may not be obtained.	ii. The Authority has purchased a new pump for the scheme to assist in conveying irrigation water to the scheme.		
4.0	<p>Terminated Contracts</p> <p>Review of project records revealed that the Authority had terminated contact agreements for Nginda-Kiharu, Mirira Irrigation Project -Kiharu and Lower Sio Irrigation Project, Busia County-Namabale/Matayos/Funyula Butula with contract sum of Kshs.217,463, 125, Kshs.544,469,765 and Kshs. 216,463,548 respectively with the project progress at 59%, 56% and 35% respectively. The Management had made payment certificate amounting to Kshs: 107,886,102, Kshs.229,262,714 and 54,115,887 respectively totaling to Kshs. 391,264,703..</p> <p>In the circumstances, the value for money may not be obtained.</p>	The management is fast tracking the conclusion of termination process, in consultation with the AGs Office, for Nginda Irrigation Project, Mirira Irrigation Project, Lower Sio Irrigation Project, all of which were carried out as per the provisions of PPADA 2015(Revised 2022) and the contract	Resolved	

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<p>5.0</p>	<p>Delay of Public Private Partnership Agreement at Galana Model Farm Food Security Project</p> <p>The Authority received a proposal from private company to farm in the 10,000 acres of Galana Kulalu model farm for food production. This was under the Nafaka Food Security Project being implemented by the National Irrigation Authority, Agricultural Development Corporation and Selu Limited (subsidiary of private developer). A presidential directive dated 4 January, 2023 provided for Submission of the PPP on 30 January, 2023 and a record of approval by the committee was on 15 February, 2023. The private investor was to carry out trial for maize production in at least 500 acres which was to be followed by the development of 10,000 acres. However, lack of a signed contract agreement between the Authority and investor due to delayed approval of the concession agreement from the Attorney General's Office has led to the 10,000 acres land lie idle instead of food production.</p> <p>In the circumstances, the objectives of the projects may not have been met and the food production may not be achieved due the delays in signing of the projects agreement.</p>	<p>Project Agreement between NIA, ADC and Selu Ltd was signed on 10.12.2024. As per the Agreement, Selu is to commence production by March, 2025.</p>	<p>Resolved</p>	
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<p>6.0</p>	<p>Non-Preparation of Car and Mortgage Financial Statements</p> <p>The statement of financial position reflects total Investment Mortgage of Kshs.206,391,417 as disclosed under Note 25 to the financial statements which includes staff mortgage loan and car loan of Kshs.206,391,417. However, the Fund did not prepare financial statements for the scheme and submit them for audit as required by a Circular of 17 December, 2014 on Car Loan and Mortgage Schemes for State Officers and other Public Officers of the Government of Kenya.</p> <p>In the circumstances, the Management is in breach of the law.</p>	<p>The Financial Statements for Car and Mortgage have been prepared and submitted for audit current financial year 2024/2025</p>	<p>Resolved</p>	
<p>7.0</p>	<p>Management of Irrigation Schemes</p> <p>The Irrigation Act 2019 is an Act of Parliament to provide for the development, management and regulation of irrigation, to support sustainable food security and socioeconomic development in Kenya, and for connected purposes. The Irrigation Regulations/Legal notice no. 199 of 2021 of the Irrigation Act further provides guidelines on the management of irrigation schemes. However, audit review of the Authority revealed the following observations;</p>	<p>The irrigation schemes have farmers settled in designated areas, each with allocated holdings identified by permit numbers. These allocations were made at the inception of the schemes.</p>	<p>Resolved</p>	

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	<p>A physical verification done in the month of November 2024 in the Lower Kuja, Bunyala, Ahero, and West Kano Irrigation schemes revealed that farmers had constructed multiple houses in the schemes. The Authority did not provide land user permit issued for existing houses in the scheme land contrary to section 35 (1) of the Irrigation Regulations, 2021.</p>	<p>In the irrigation schemes, the IWUA by-laws allow farmers to regulate their livestock in a way that prevents damage to crops and irrigation infrastructure. In case of disputes over livestock, the farmers solve</p>														
	<p>i. The Authority did not provide application records, evaluation and approval to issue land user permits contrary to section 35 (1) of the Irrigation Regulations, 2021</p> <p>ii. A physical verification done in the month of November, 2024 in the Lower Kuja, Bunyala, Ahero, and West Kano Irrigation schemes revealed that farmers grazed their livestock including cattle, sheep and chicken within the schemes. However, the Authority did not provide measures taken by the Board to mitigate the free grazing of animals.</p> <p>iii. The Authority did not provide a register of permits contrary to section 38 (1) of the Irrigation Regulations 2021 which stipulates that the Authority or the County Irrigation Development Unit shall maintain a register of all permits issued under these Regulations.</p>	<p>through their Dispute Resolution Committees</p> <p>The irrigation schemes have farmers settled in designated areas, each with allocated holdings identified by permit numbers. These allocations were made at the inception of the schemes</p> <p>All schemes have registered IWUAs as shown in the table below;</p> <table border="1" data-bbox="1077 963 1630 1410"> <thead> <tr> <th>No.</th> <th>Scheme</th> <th>IWUA</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mwea Irrigation Scheme</td> <td>Mwea Irrigation Scheme Water Users Association</td> </tr> <tr> <td>2</td> <td>Bura Irrigation Scheme</td> <td>Bura Irrigation Scheme Water Users Association</td> </tr> <tr> <td>3</td> <td>Tana Irrigation Scheme</td> <td>Tana Irrigation Scheme Water Users Association</td> </tr> </tbody> </table>	No.	Scheme	IWUA	1	Mwea Irrigation Scheme	Mwea Irrigation Scheme Water Users Association	2	Bura Irrigation Scheme	Bura Irrigation Scheme Water Users Association	3	Tana Irrigation Scheme	Tana Irrigation Scheme Water Users Association		
No.	Scheme	IWUA														
1	Mwea Irrigation Scheme	Mwea Irrigation Scheme Water Users Association														
2	Bura Irrigation Scheme	Bura Irrigation Scheme Water Users Association														
3	Tana Irrigation Scheme	Tana Irrigation Scheme Water Users Association														

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<p>iv. The Register maintained shall specify every permit holder, the number of his holding, the name of the authorized dependent, any successor nominated by the permit holder and the number of the holding in respect of which the successor has been nominated.</p> <p>v. The Authority did not provide a listing of associations in the schemes contrary to section 49, 50, 51, 52, 53,54, 55, 56 and 57 of the Irrigation Regulations, 2021 which details formation of association Service area of an association, name of association, legal personality and liability Cap. 108, membership of an association, management bodies of an association, general assembly, association management committees and bylaws of the association.</p>		Water Users Association			
	4	Perkerra Irrigation Scheme	Perkerra Irrigation Scheme Water Users Association		
	5	Ahero Irrigation Scheme	Ahero Irrigation Scheme Water Users Association		
	6	West Kano Irrigation Scheme	West Kano Irrigation Scheme Water Users Association		
	7	Bunyala Irrigation Scheme	Bunyala Irrigation Scheme Water Users Association		
	8	Lower Kuja Irrigation Scheme	Lower Kuja Irrigation Scheme Water Users Association		
	9	Katilu Irrigation Scheme	Katilu Irrigation Scheme Water Users Association		
	10	Lokubae Irrigation Scheme	Lokubae Irrigation Scheme Water Users Association		

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
Reference No. on the external audit Report	Issue /Observations from Auditor	Management Comments	Status	Timeframe
1	<p>Basis for Conclusion</p> <p>Lack of a Human Resource Plan</p> <p>During the year under review, it was observed that the Authority did not have a Human Resource Plan and an approved salary structure. Therefore, it is not clear on which basis promotions, transfers and recruitments took place during the year under review.</p> <p>In the circumstances, efficiency and effectiveness of the employees' management system in place could not be confirmed.</p>	<p>The Management is in the process of finalizing its HR strategy with the facilitation of a consultant as per the contract attached. The HR strategy will be aligned to the new approved Organization structure and staff establishment and the Corporate Strategic plan 2023-2027 which will assist the Board in HR planning</p>	Resolved	
2	<p>Over-Staffing and Under-Staffing</p> <p>The Authority's approved staff establishment allows for employment of a total number of four hundred ninety-seven (497) members of staff for the Authority to effectively carry out its duties</p>	<p>The Management has an approved establishment however, due to budgetary constraints the implementation of the same has been put on hold. A letter received from the National Treasury dated 3rd July 2024</p>	Not Resolved	FY 2025-2026

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	<p>and obligation as envisioned in the constitution of Kenya and the Irrigation Act 2019. However, out of the approved number of four hundred ninety-seven (497) employees, the Authority has only two hundred seventy-four (274) employees, thus resulting to understaffing of two hundred twenty-three (223) and in addition overstaffing of twenty-two (22) employees in sixteen grades was noted.</p> <p>In the circumstances, optimal utilization of existing staff, and effective delivery of service to the public could not be confirmed.</p>	<p>ref. TNT/CONF 144/01 'P' (40) directed that the review of the NIA salary structure be put on hold until conclusion of the state corporations' reforms. The management has initiated a follow with the Treasury on the budget to allow the Authority to initiate recruitment of staff.</p>		
<p>3.0</p> <p>3.1</p>	<p>Information and Communication Technology (ICT)</p> <p>Non-Integration of the Dynamics 365 - ERP System and Bank</p> <p>National Irrigation Authority utilizes an ERP system, which has various modules including the finance module. However, during the system walkthrough, it was noted that there was no integration between the bank and the system. This lack of integration means that data exchange and transaction processing between the system and the bank are not automated.</p> <p>Further, once payments are made by the finance department by cheque, they manually retrieve</p>	<p>The Management plans to approach the bank with the aim of integrating their system with NIA's ERP system after Board's approval.</p>	<p>Resolved</p>	

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	bank statements and perform month end bank balance reconciliations for the various bank accounts.			
3.2	<p>Access Control of Private Computers Users in the System/Network Review of the Lower Kuja, Bunyala, Ahero and West Kano irrigation schemes ICT equipment including computers and infrastructure revealed that the schemes were connected to the Authority network for ease of work, synchronization of information and access to data to the relevant staff. However, the computer laptops being connected to the system were privately owned. In addition, the laptops were not configured and installed security features including anti-virus, VPN and user name and passwords. Further, users/individuals did not fill any administrative request form and approved before accessing the network. Privately owned computers can be used by multiple users off the work station posing a threat to the confidentiality and Integrity of the Authority's information/data to the third parties.</p>	<p>The Authority has an ICT Policy in place that has outlined the security procedures for Bringing your own Device (BYOD). The personal computers can only access internet access and are not configured to access any system through the NIA's network since the two run on different Virtual Private Network (VPN)s. Due to budgetary constraints, we have allowed some of the staff to use their private owned computers but have ensured that they meet all the necessary security conditions in line with the Policy. The Authority will review and adhere to the security measures and ensure that the necessary documentations for</p>	Resolved	

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		admitting private owned machine are documented and kept well.		
3.3	<p>Non - listing of All Individual Farmers in ERP System</p> <p>The audit revealed that the Authority did not maintain a register of all the farmers including personal data, contacts, size of cropping land and permit number. The non-maintenance of the register hindered accurate analysis of harvest sales and expected collection of revenue. A physical verification done in the month of November, 2024 could not ascertain the individual farmers who paid the operation and maintenance fee. Further, no clear explanations and reasons were provided on why the information was automated yet the ICT infrastructure was at the schemes</p>	The farmers register is maintained in the ERP System.	Resolved	
4	<p>Non-disposal of Unserviceable Assets</p> <p>The statement of financial position reflects a balance of Kshs.38,322,462,752 in respect of the net book value for property, plant and equipment and as disclosed in Note 23 to the financial statements. A physical verification of Ahero, Bunyala, Galana, and West Kano revealed numerous assets, which were either grounded, unserviceable and abandoned, were stored in the open and depreciating further through rusting.</p>	The management has taken note and will ensure that the items are considered for disposal pursuant to Sec 164 of PPADA,2015 and regulation 80 of PPADR ,2020 upon approval by the Board.	Resolved	

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	Management has also not provided for strategy on the disposal plan for these assets. In addition, there was, no clear explanation provided on why the assets had not been disposed.			
5	Management of Staff Houses and Guest Rooms/Assets Examination of documents availed for audit revealed that NIA owns rental houses and guest rooms in various Schemes across the country. However, physical verification of the houses and guest rooms in Bura, Mwea, Ahero, Tana, Bunyala and Pekerra Irrigation schemes, in the month of November 2024 revealed that most houses are dilapidated due to poor maintenance since revenue collected from the buildings is remitted to the headquarter in its entirety leaving no allocation for repair and maintenance of the buildings. The condemned houses occupy vast chunks of the organization's land leading to uneconomical use.	The staff houses and guest houses within the schemes are outdated and in a deplorable condition. The Authority has therefore planned (FY2025/2026) to review the current charges to align with prevailing market rates. The funds collected from these revised charges will be utilized for the rehabilitation and improvement of the houses.	Not Resolved	FY2025/2026

SIGN.....
ENG. CHARLES MUASYA, MBS
CHIEF EXECUTIVE OFFICER
 DATE...11/12/2025

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(b) Appendix II: Projects Implemented By National Irrigation Authority
Projects implemented by the State Corporation/ SAGA Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Mwea Irrigation development project	1167100900	Jica	2024/2025	3,101,000,000	Yes	Yes
2. Bura irrigation rehabilitation project	1167100400	Kuwait Fund, Badea, Ofid	2024/2025	1,050,000,000	Yes	Yes
3. Rwabura Irrigation Development Project	1167100700	FIEM-Spanish Fund	2024/2025	701,000,000	Yes	Yes
4. Upgrading Of Pumping Station In Ahero Irrigation Scheme Project	HS00124000	Tied Aid Credit from the Government of the Republic of Hungary	2024/2025	USD. 5,000,000	Yes	Yes

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Status of Projects completion

No.	Project title	Total Project Cost (KES.)	Total Expended to date (KES.)	Project Status (Completion %)	Budget (FY 2024/2025)	Actual Expenditures (FY 2024-2025)	Source of Funds
MWEA IRRIGATION DEVELOPMENT PROJECT							
1	ICB PACKAGE 2 - LOT 1	920,711,000.00	230,177,750.00	43%	589,000,000	29,309,119.67	GoK & Donor
2	ICB PACKAGE 2 - LOT 2	700,000,000 (USD 6,487,899.83)	455,000,000.00	80%		88,977,985	GoK & Donor
BURA IRRIGATION DEVELOPMENT PROJECT							
3	Bura Irrigation & Settlement Scheme Rehabilitation Project Contract For Sheet Pilling And Associated Korakora Intake Works	1,786,927,858.00	1,767,927,858.00	100%	680,000,000		GoK & Donor
4	Construction Of New Main Canal And Associated Civil Works From Korakora To Nanighi	1,764,278,550.10	1,464,351,196.58	93%		597,573,230	GoK & Donor
LOWER NZOIA IRRIGATION PROJECT							
5	Construction Works of the Lower Nzoia Irrigation Project Phase 1 -Lot 1	3,873,317,854.47	3,192,006,412.42	70.00%	MINISTRY BUDGET	23,210,889.98	GoK & Donor
LOWER KUJA IRRIGATION PROJECT							
6	Construction works of Lower Kuja Irrigation Project, Migori County Lot 1	64,085,802.00	64,085,802.00	100%	66,000,000.00	21,101,037.84	GoK
GALANA MODEL FARM FOOD SECURITY PROJECT							
7	Construction works of siltation basin and channel for Galana Kulalu Food Security Project Tana River and Kilifi Counties	519,424,559.30	493,050,000.00	100%	500,000,000	233,615,387.46	GoK
RWABURA IRRIGATION DEVELOPMENT PROJECT							
8	Consultancy services for supervision of construction works of Rwabura Irrigation Development Project Phase I Kiambu County	20,873,040.00	20,873,040.00	100%	5,000,000.00	12,372,739.38	GoK & Donor

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NATIONAL EXPANDED IRRIGATION PROGRAMME							
9	Kieni Gathungu Irrigation Project	15,985,000.00	11,000,000.00	100%	0.00	0.00	GoK
10	Kyenini borehole, Mwingi North	10,000,000.00	8,750,450.43	100%	8,750,450.43	8,750,450.43	GoK
11	Kaumoni borehole	12,961,000.00	11,216,812.25	100%	11,216,812.25	11,216,812.25	GoK
12	Waitwa Secondary school borehole	13,967,200.00	-	100%	0.00	0.00	GoK
13	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 8	29,730,000.00	29,730,000.00	100%	29,730,000.00	29,730,000.00	GoK
14	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 6	29,657,500.00	21,281,488.07	100%	0.00	0.00	GoK
15	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 7	29,550,000.00	3,679,810.47	100%	0.00	0.00	GoK
16	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 4	29,701,000.00	23,760,800.00	100%	0.00	0.00	GoK
17	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT TAITA TAVETA COUNTY LOT 2	29,870,000.00	28,000,000.00	100%	0.00	0.00	GoK
18	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 1	28,855,000.00	23,781,770.38	100%	0.00	0.00	GoK
19	Muruai borehole	9,114,000.00	9,000,000.00	100%	-	-	GoK

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20	Wangai Secondary school borehole	25,000,000.00	13,000,000.00	100%	-	-	GoK
21	Gikindu Kandabibi	71,194,749.00	64,253,260.97	100%	-	-	GoK
22	Kenana borehole	13,619,000.00	13,619,000.00	100%	13,200,000.00	13,200,000.00	GoK
23	Ndungata borehole	12,863,000.00	12,000,000.00	100%	12,000,000.00	12,000,000.00	GoK
24	Kagagu shopping centre borehole	15,000,000.00	14,000,000.00	100%	5,000,000.00	5,000,000.00	GoK
25	Mugecha Secondary borehole	15,000,000.00	14,000,000.00	100%	7,865,383.00	7,865,383.00	GoK
26	Karagoine borehole	20,091,000.00	19,632,000.00	100%	-	-	GoK
27	Engineer Town Irrigation Project	19,997,110.00	13,198,614.00	100%	-	-	GoK
28	Rehabilitation Works Of Kamleza Irrigation Scheme And Marodo Irrigation Scheme Phase 2, Taita Taveta County	19,800,000.00	17,820,000.00	100%	-	-	GoK
29	Muthuini Irrigation project	44,433,207.00	35,746,635.00	100%	6,616,992.25	6,616,992.25	GoK
30	Maragua Ridge irrigation project	312,393,718.45	175,000,000.00	52%	-	-	GoK
31	Rehabilitation Works Of Flood Protection Works Of Mboghoni Ward-Kiwalwa And Kimorigo Irrigation Scheme Taita Taveta County	19,926,000.00	15,410,025.37	100%	-	-	GoK
32	Supply of pipes for Kii Njoga & Kibuka kiareni	29,548,812.50	18,571,345.80	100%	12,000,000.00	12,000,000.00	GoK
33	Kithumbu	11,114,010.60	8,448,372.00	99%	-	-	GoK
34	Drilling and Equipping works of Kahariro borehole	15,671,816.00	11,755,695.00	99%	11,755,695.00	11,755,695.00	GoK
35	Kamwangu	42,224,343.00	35,852,590.12	97%	-	-	GoK
36	Rumanthi	31,243,672.00	12,053,815.00	97%	-	-	GoK
37	Kiamboka	28,081,033.00	7,000,000.00	95%	-	-	GoK
38	Nithi Kari	110,659,560.16	60,245,444.00	95%	-	-	GoK
39	chepchobit irrigation project	70,000,000.00	16,000,000.00	95%	16,000,000.00	16,000,000.00	GoK
40	Drilling ,Equipping And Allied Works For Upper Matasia Primary School	15,738,500.00	-	95%	-	-	GoK
41	Drilling ,Equipping And Allied Works For Arap Moi	15,263,000.00	-	95%	-	-	GoK

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42	Drilling ,Equipping And Allied Works For Embulbul Primary School	14,992,500.00	-	95%	-	-	GoK
43	Drilling ,Equipping And Allied Works For Ongata Ronkai Primary School	14,417,500.00	-	95%	-	-	GoK
44	Drilling ,Equipping And Allied Works For Olikirorit Primary School	14,367,000.00	-	95%	-	-	GoK
45	Construction Works For Machakos Tvc Borehole, Mavoko Constituency, Machakos County	17,984,393.70	-	95%	-	-	GoK
46	Tuhire Challa Irrigation Development Project, Taita Taveta County, Lot I	29,962,786.25	28,697,455.80	95%	-	-	GoK
47	Rapora Mixed Borejole, Homabay	10,000,000.00	-	95%	-	-	GoK
48	Kapkoros irrigation project	465,324,000.00	392,525,400.00	95%	235,957,455.90	235,957,455.90	GoK
49	Rutunguru borehole	9,253,000.00	5,412,570.00	92%	-	-	GoK
50	Githigi borehole	18,853,862.20	17,505,121.50	91%	5,000,000.00	5,000,000.00	GoK
51	Munanda borehole	14,870,500.00	11,805,175.00	100%	11,805,175.00	11,805,175.00	GoK
52	Supply and Delivery of 50 No. Solarised Pumps	8,550,000.00	-	90%	194,792.75	194,792.75	GoK
53	Construction Works For Ngirambu Borehole, Ndia Constituency, Kirinyaga County	14,857,500.00	-	90%	-	-	GoK
54	Matasia irrigation water supply project/Silanga irrigation project	27,000,000.00	-	90%	-	-	GoK
55	Consultancy Services - Baringo county	20,000,000.00	-	90%	-	-	GoK
56	Consultancy Services - Turkana county	20,000,000.00	-	90%	-	-	GoK
57	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 3	29,720,000.00	26,748,000.00	90%	-	-	GoK
58	Kahithe Gitiri	26,530,494.00	23,877,444.60	90%	-	-	GoK
59	Kirirwa borehole	18,953,162.20	14,665,213.08	89%	7,000,000.00	7,000,000.00	GoK
60	DESILTING OF LOWER RIVER LUMI AND	29,875,000.00	15,013,565.45	87%	-	-	GoK

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	MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 5							
61	Itabua Muthatari	236,840,695.00	108,699,738.00	85%	-	-	GoK	
62	Gakaki	9,652,090.00	5,000,000.00	85%	-	-	GoK	
63	Njukini Irrigation Development Project, Taita Taveta County - Lot 1	18,894,373.00	14,695,040.70	85%	1,740,052.00	1,740,052.00	GoK	
64	Njukini Irrigation Development Project, Taita Taveta County - Lot 2	29,909,029.00	24,039,310.22	83%	-	-	GoK	
65	Drilling And Equipping Of Bangale Borehole, Bura Constituency, Tana River County	29,000,000.00	-	80%	-	-	GoK	
66	Construction Works For Last Mile Connectivity For Bangale Community Borehole, Bura Constituency, Tana River County	29,562,550.00	-	80%	-	-	GoK	
67	DESILTING OF LOWER RIVER LUMI AND MURABANI IRRIGATION PROJECT, TAITA TAVETA COUNTY LOT 9	26,700,000.00	-	80%	-	-	GoK	
68	Kiawambogo irrigation development project	124,684,799.40	17,000,000.00	80%	12,000,000.00	12,000,000.00	GoK	
69	Construction Works For Bultobanta Water Tower In Bura Constituency, Tana River County	7,770,000.00	-	80%	-	-	GoK	
70	Gaichanjiru mixed secondary school	8,155,424.55	-	80%	-	-	GoK	
71	Nithi Kari	110,659,560.16	60,245,444.00	80%	-	-	GoK	
72	Navakholo irrigation project	298,762,033.50	-	79%	-	-	GoK	
73	Yikitaa Irrigation Project	219,961,634.44	-	78%	205,045.00	205,045.00	GoK	
74	Gatitu borehole	24,792,920.00	4,159,527.50	75%	-	-	GoK	
75	Rehabilitation Of Rahole Canal - Kone jarajara	334,848,831.80	200,000,000.00	75%	63,498,053.50	63,498,053.50	GoK	
76	Gankondi	29,999,774.20	21,505,211.50	73%	-	-	GoK	

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77	Construction Works For Biyobombi Irrigation Project, Lagdera Constituency, Garissa County	29,887,850.00	-	-	70%	-	-	GoK
78	Nameelok Irrigation project, Kajiado	86,631,864.00	13,000,000.00	15,000,000.00	68%	15,000,000.00	15,000,000.00	GoK
79	Construction Works For Busstan Irrigation Project, Lagdera Constituency, Garissa County	29,887,850.00	-	-	65%	-	-	GoK
80	Kisiiki Irrigation Project, Machakos County	124,684,799.40	57,577,835.00	57,577,835.00	65%	57,577,835.00	57,577,835.00	GoK
81	Rehabilitation And Expansion Works For Buruma Irrigation, Selengwa Block, In Taveta Constituency, Taita Taveta County	29,967,980.00	-	-	60%	-	-	GoK
82	Mukami Infield	57,412,399.00	4,889,380.00	-	55%	-	-	GoK
83	Iraru	115,029,398.00	-	-	55%	-	-	GoK
84	Rombo Clusters Irrigation Project	221,269,836.50	87,521,303.25	87,521,303.25	55%	87,521,303.25	87,521,303.25	GoK
85	Mukui Uri Mbugi	97,978,555.50	33,682,355.68	-	54%	-	-	GoK
86	Kibaratani	197,019,875.96	61,686,386.00	-	50%	-	-	GoK
87	Rehabilitation And Expansion Works For Buruma Irrigation, Main Scheme Block, In Taveta Constituency, Taita Taveta County	29,977,050.00	-	-	50%	-	-	GoK
88	Kamburu Mbeu	93,514,248.00	38,736,970.00	-	47%	-	-	GoK
89	Narok Clusters Irrigation Project	212,653,156.20	37,000,000.00	16,999,960.00	45%	16,999,960.00	16,999,960.00	GoK
90	Kanyumbora	281,580,026.75	10,150,335.46	10,150,335.46	37%	10,150,335.46	10,150,335.46	GoK
91	Construction Works For Kimore Community Borehole, Keiyo North Constituency, Elgeyo Marakwet County	14,944,000.00	-	-	35%	-	-	GoK
92	Gamanti	141,800,645.00	45,390,890.00	-	33%	-	-	GoK
93	Mweteri Irrigation project	52,124,448.74	11,359,226.25	-	32%	-	-	GoK
94	Kamata irrigation project	124,920,785.00	15,000,000.00	15,000,000.00	30%	15,000,000.00	15,000,000.00	GoK
95	Wiyumiririe integrated irrigation project (Kiandeg, Nturukuma,	186,451,429.42	-	-	30%	-	-	GoK

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	Kahinga, Wiyumiririe, Nyamuguna)							
96	Iriari	98,627,820.00	-	26%	-	-	-	GoK
97	Baitigitu Rubiri	29,462,095.00	4,982,500.00	23%	-	-	-	
98	Muruka Secondary School borehole	20,030,508.00	-	20%	-	-	-	GoK
99	Kiamuringa	365,182,112.35	-	19%	-	-	-	GoK
100	Tuhire Challa Irrigation Development Project, Taita Taveta County, Lot 2	28,861,078.25	24,942,550.25	15%	-	-	-	GoK
101	El-gade irrigation project	218,495,500.00	22,200,000.00	12%	-	-	-	GoK
102	Rianthiga	243,179,920.45	20,218,040.00	12%	-	-	-	GoK
103	Boboti Kiamande phase 2 - last mile connectivity	20,000,000.00	-	5%	-	-	-	GoK
REHABILITATION OF STRATEGIC WATER FACILITIES								
104	Rehabilitation of Mlala community water pan	29,595,300.00	28,115,535.00	100%	26,044,000.00	26,044,000.00	-	GoK
105	Kwa itumo earth dam	19,995,000.00	11,000,000.00	100%	5,715,000.00	5,715,000.00	-	GoK
106	Mwatiki earth dam	25,604,000.00	19,419,300.00	100%	-	-	-	GoK
107	Oloolainyamuk water pan	25,012,800.00	19,807,500.00	100%	1,042,500.00	1,042,500.00	-	GoK
108	Enkusero water pan	29,940,000.00	28,443,000.00	100%	26,000,000.00	26,000,000.00	-	GoK
109	Ilkeremisho water pan, Narok	18,950,785.00	7,000,000.00	100%	7,000,000.00	7,000,000.00	-	GoK
110	Ondwat/Kabondo Twin Earth Dam	19,982,480.00	18,034,188.20	100%	-	-	-	GoK
111	Kwa Nyika Machakos	19,982,480.00	18,034,188.20	100%	-	-	-	GoK
112	Bekipon Water Pan, Baringo South Constituency, Baringo	19,880,000.00	5,000,000.00	100%	-	-	-	GoK
113	Dambala Gooni water pan, Sololo, Marsabit	19,990,000.00	18,040,975.00	100%	-	-	-	GoK
114	Kukub water pan	19,900,000.00	17,959,750.00	100%	15,000,000.00	15,000,000.00	-	GoK
115	Madina, Wajir West	19,595,435.00	10,115,663.25	100%	10,078,912.00	10,078,912.00	-	GoK
116	Nyambogichi water pan	50,422,341.75	33,104,528.00	90%	-	-	-	GoK
117	Kimegira water pan, Kajiado South	29,100,000.00	25,000,000.00	90%	23,116,000.00	23,116,000.00	-	GoK
118	Bisanhargesa water pan, Tana River	29,735,000.00	-	90%	-	-	-	GoK
119	Pala water pan	19,898,000.00	-	85%	-	-	-	GoK
120	Nyakongo -Waradho Water	19,864,000.00	-	82%	-	-	-	GoK
121	Nyalbiego water pan	19,882,000.00	-	82%	-	-	-	GoK
122	Mathabuta water pan	19,600,000.00	-	80%	-	-	-	GoK

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123	Olosinya water pan, Kajiado East	29,630,000.00	-	82%	-	-	GoK
124	Mweiga General earth dam	28,163,787.50	12,231,231.00	75%	12,231,231.00	12,231,231.00	GoK
125	Simbara water pan	55,466,049.45	26,023,892.50	54%	26,023,892.50	26,023,892.50	GoK
DROUGHT MITIGATION PROGRAMME/ DROUGHT MITIGATION PROGRAMME FOR N. EASTERN							
126	Household Irrigation Water Harvesting Drought Mitigation Project - Katakala Location, Narok North Constituency, Narok County	29,995,000.00	28,419,479.00	100%	28,419,479.90	28,419,479.90	GoK
127	Construction Of Household Irrigation Water Harvesting Drought Mitigation Project - Ololung'a Ward, Narok South Constituency, Narok County	29,905,000.00	29,871,650.00	100%	29,871,650.00	29,871,650.00	GoK
128	Household Irrigation Water Harvesting Drought Mitigation Project - Ngori Ngori Location, Narok West Constituency, Narok County	29,995,000.00	28,436,959.00	100%	-	-	GoK
129	Household Irrigation Water Harvesting Drought Mitigation Project, Kibwezi Constituency, Makueni County	29,300,000.00	29,195,000.00	100%	29,195,000.00	29,195,000.00	GoK
130	Household Irrigation Water Harvesting Drought Mitigation Project - Tigania East & Buuri Constituencies, Meru County	29,855,000.00	27,597,500.00	100%	27,597,500.00	27,597,500.00	GoK
131	Household Irrigation Water Harvesting Drought Mitigation Project, Mwala Constituency, Machakos County	29,605,000.00	27,825,500.00	100%	1,795,250.00	1,795,250.00	GoK
132	Household Irrigation Water Harvesting Drought Mitigation Project, Mbeere South	19,865,000.00	10,000,000.00	100%	10,000,000.00	10,000,000.00	GoK

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	Constituency, Embu County						
133	Household Irrigation Water Harvesting Drought Mitigation Project - Mbeere North Constituency, Embu County	29,997,000.00	29,867,000.00	100%	29,867,000.00	29,867,000.00	GoK
134	Household Irrigation Water Harvesting Drought Mitigation Project, Tembelio Ward, Moiben Constituency, Uasin Gishu County	19,930,000.00	19,000,000.00	100%	19,000,000.00	19,000,000.00	GoK
135	Household Irrigation Water Harvesting Drought Mitigation Project - Mwingi North Constituency, Kitui County	29,455,000.00	26,583,137.50	100%	29,455,000.00	29,455,000.00	GoK
136	Mwenzano earth dam	19,900,000.00	0.00	100%	-	-	GoK
137	Maisha Masha & Lumshi secondary boreholes	23,885,000.00	14,236,000.00	100%	14,236,000.00	14,236,000.00	GoK
138	Sisi Kwa Sisi CBO Group Borehole, Malindi	10,996,600.00	8,200,000.00	100%	-	-	GoK
139	Desilting and Expansion of Kimuri Dam (Kapsaret)	101,647,428.00	42,795,000.00	95%	17,941,525.00	17,941,525.00	GoK
140	Rehabilitation & Desilting of Kerita Dam (Kesses)	98,167,713.00	48,108,000.00	95%	18,221,000.00	18,221,000.00	GoK
141	Abuson spring water project	7,000,000.00	4,000,000.00	90%	6,000,000.00	6,000,000.00-	GoK
142	Nguba earth dam	19,870,000.00	10,000,000.00	90%	6,000,000.00	6,000,000.00	GoK
143	Kadokoyang' Borehole, Tiaty Constituency, Baringo County	13,456,000.00	6,000,000.00	75%	6,535,200.00	6,535,200.00	GoK
144	Komolion Irrigation development project (Tiaty)	53,958,828.00	17,000,000.00	67%	13,054,015.00	13,054,015.00	GoK
145	Sugutek Dam (Chepkanga)	47,680,200.00	15,659,000.00	62%	4,560,060.00	4,560,060.00	GoK
146	Excavation & Construction of embankment, intake structure and supply system Chepkosom Dam	62,597,000.00	11,000,000.00	56%	13,105,000.00	13,105,000.00	GoK
147	Household Irrigation Water Harvesting Drought	19,930,000.00	0.00	50%	12,000,000.00	12,000,000.00	GoK

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148	Mitigation Project, Moiben Constituency, Uasin Gishu County							
148	Golini & Nyando boreholes	20,000,000.00	0.00	50%	-	-	GoK	
149	Sosobora-Girimacha Water Pan, Malindi	16,995,000.00	0.00	50%	-	-	GoK	
150	Nguruna & Makararangwe boreholes	19,991,400.00	0.00	47%	-	-	GoK	
151	Bondo Community Irrigation Scheme	115,000,000.00	17,000,000.00	45%	13,000,000.00	13,000,000.00	GoK	
152	Mulwaper Irrigation Scheme	187,692,876.80	72,159,880.87	45%	72,159,880.87	72,159,880.87	GoK	
153	Ngandure & Iriamuria borehole	19,970,000.00	8,615,075.00	45%	-	-	GoK	
154	Excavation & Construction of embankment, intake structure and supply system Kisonei Dam	76,993,761.21	13,000,000.00	44%	12,000,000.00	12,000,000.00	GoK	
155	Desilting, Rehabilitation and Expansion of Ziwa 2 dam (soy)	147,306,297.60	25,000,000.00	40%	25,000,000.00	25,000,000.00	GoK	
156	Ndugaki Irrigation Water Project	907,813,725.63	333,176,298.80	29%	333,176,298.80	333,176,298.80	GoK	
157	Excavation & Construction of embankment, intake structure and supply system Chelelek Dam	88,524,502.50	14,263,000.00	21%	-	-	GoK	
158	Maji Moto Kipyakwai Irrigation Project	52,195,631.25	-	17%	-	-	GoK	
159	Mbora North Kamagak Yala (Bilo Area) boreholes	29,651,000.00	-	10%	-	-	GoK	
HOUSEHOLD IRRIGATION WATER STORAGE PROGRAMME - FY 2023/2024								
160	Construction Of Household Irrigation Water Storage Project In Kimimini Constituency, Trans Nzoia County, Phase 8	19,985,000.00	10,000,000.00	100%	10,000,000.00	10,000,000.00	GoK	
161	Construction Of Household Irrigation	29,755,000.00	28,048,750.00	100%	28,048,750.00	28,048,750.00	GoK	

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	Water Storage Project In Mwamunga, Ruruma, Rabai Constituency, Kilifi County, Phase 8						
162	Construction Of Household Irrigation Water Storage Project In Olkiriene, Narok South, Narok County, Phase 7	19,615,000.00	18,608,315.00	100%	17,708,315.00	17,708,315.00	GoK
163	Construction Of Household Irrigation Water Storage Project In Mukogondo, Laikipia North Constituency, Laikipia County, Phase 8	29,840,000.00	10,000,000.00	100%	10,000,000.00	10,000,000.00	GoK
164	Construction Of Household Irrigation Water Storage Project In Laikipia North Constituency, Laikipia County, Phase 8	19,765,000.00	18,757,750.00	100%	18,757,750.00	18,757,750.00	GoK
165	Construction Of Household Irrigation Water Storage Project In Nyeri County, Phase 8	19,715,000.00	18,420,500.00	100%	18,420,500.00	18,420,500.00	GoK
166	Construction Of Household Irrigation Water Storage Project In Nyangores Ward, Bomet County, Phase 8	29,893,000.00	20,000,000.00	100%	-	-	GoK
167	Construction Of Household Irrigation Water Storage Project In Elgeyo Marakwet County, Phase 8	19,996,000.00	18,798,030.00	100%	10,287,400.00	10,287,400.00	GoK
168	Construction Of Household Irrigation Water Storage Project In Kajiado East, Kajiado County, Phase 8	29,765,000.00	27,882,500.00	100%	26,000,000.00	26,000,000.00	GoK
169	Construction Of Household Irrigation Water Storage Project In Kajiado South, Kajiado County, Phase 8	29,755,000.00	27,597,500.00	100%	12,871,875.00	12,871,875.00	GoK
170	Construction Of Household Irrigation	29,890,000.00	28,931,100.00	100%	28,931,100.00	28,931,100.00	GoK

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	Water Storage Project Majimboni, Kubo Sub- County, Kwale County, Phase 8						
171	HH NJOGU-INI LAIKIPIA WEST, LAIKIPIA COUNTY PHASE 7	29,534,750.00	28,058,012.00	100%	-	-	GoK
172	HH RAMURIA LAIKIPIA WEST, LAIKIPIA COUNTY PHASE 7	29,534,750.00	28,058,012.50	100%	-	-	GoK
173	Construction Works For Household Irrigation Water Harvesting, Mbeere North Constituency, Embu County	29,605,000.00	25,000,000.00	100%	25,000,000.00	25,000,000.00	GoK
174	Construction Works For Household Irrigation Water Harvesting, Kajiado East Constituency, Kajiado County	29,800,000.00	25,000,000.00	100%	25,000,000.00	25,000,000.00	GoK
175	Construction Works For Household Irrigation Water Harvesting, Magarini Constituency, Kilifi County	29,755,000.00	25,000,000.00	100%	25,000,000.00	25,000,000.00	GoK
176	Construction Works For Household Irrigation Water Harvesting - Narok North Constituency, Narok County	29,845,000.00	29,222,500.00	100%	29,222,500.00	29,222,500.00	GoK
177	Construction Works For Household Irrigation Water Harvesting, Laikipia North Constituency, Laikipia County	29,795,000.00	25,000,000.00	100%	25,000,000.00	25,000,000.00	GoK
178	Construction Works For Household Irrigation Water Harvesting, Laikipia East Constituency, Laikipia County	29,965,000.00	-	59%	-	-	GoK
179	Construction Works For Household Irrigation Water Harvesting,	29,865,000.00	20,000,000.00	102%	20,000,000.00	20,000,000.00	GoK

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180	Ndaragwa Constituency, Nyandarua County Construction Works For Household Irrigation Water Harvesting,Sotik Constituency,Bomet County	29,625,000.00	15,000,000.00	0%	15,000,000.00	15,000,000.00	GoK
181	Construction Works For Household Irrigation Water Harvesting - Olkinyei,Narok South Constituency,Narok County	29,510,000.00	-	0%	-	-	GoK
182	Construction Works For Household Irrigation Water Harvesting,Mwingi West Constituency,Kitui County	29,670,000.00	28,186,500.00	105%	-	-	GoK
183	Construction Works For Household Irrigation Water Harvesting,Mwingi North Constituency,Kitui County	29,510,000.00	-	0%	-	-	GoK
184	Construction Works For Household Irrigation Water Harvesting - Makueni Constituency,Makueni County	29,505,000.00	-	0%	-	-	GoK
185	Construction Works For Household Irrigation Water Harvesting - Mbooni Constituency,Makueni County	29,625,000.00	-	0%	-	-	GoK
186	Construction Works For Household Irrigation Water Harvesting - Kibwezi East Constituency,Makueni County	29,865,000.00	28,371,750.00	85%	-	-	GoK
187	Construction Works For Household Irrigation Water Harvesting,Soke Ward,Ganze Constituency,Kilifi County	29,980,000.00	28,481,000.00	100%	28,481,000.00	28,481,000.00	GoK

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188	Construction Works For Household Irrigation Water Harvesting, Bamba Ward, Ganze Constituency, Kilifi County	29,985,000.00	-	0%	-	-	GoK
189	Construction Works For Household Irrigation Water Harvesting, Laikipia West Constituency, Laikipia County	29,923,500.00	28,427,325.00	100%	28,427,325.00	28,427,325.00	GoK
190	Construction Works For Household Irrigation Water Harvesting, Kinangop Constituency, Nyandarua County	29,984,000.00	28,484,800.00	100%	28,484,800.00	28,484,800.00	GoK
	SCHEMES						
	AHERO	108,403,495.00	108,403,495.00	100%	108,403,495.00	108,403,495.00	GoK
	BUNYALA	129,329,830.00	129,329,830.00	100%	129,329,830.00	129,329,830.00	GoK
	BURA	100,369,493.00	100,369,493.00	100%	100,369,493.00	100,369,493.00	GoK
	KATILU	3,151,290.00	3,151,290.00	100%	3,151,290.00	3,151,290.00	GoK
	LKUJA	64,571,951.00	64,571,951.00	100%	64,571,951.00	64,571,951.00	GoK
	MIAD	4,246,500.00	4,246,500.00	100%	4,246,500.00	4,246,500.00	GoK
	MWEA	85,912,426.00	85,912,426.00	100%	85,912,426.00	85,912,426.00	GoK
	PERKERRA	35,036,000.00	35,036,000.00	100%	35,036,000.00	35,036,000.00	GoK
	TANA	51,611,175.00	51,611,175.00	100%	51,611,175.00	51,611,175.00	GoK

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	WEST_KANO	74,981,539.00	74,981,539.00	100%	74,981,539.00	74,981,539.00	GoK
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(c) Appendix III: 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	Where Recorded/recognized				
					Capital Fund	Deferred Income	Receivables	Others-Donor funds	Total Transfers during the year
State Department of Irrigation	08/12/2024	Recurrent grant	17,312,500	17,312,500					17,312,500
State Department of Irrigation	08/28/2024	Development grants	1,351,647,500	1,351,647,500					1,368,960,000
State Department of Irrigation	10/03/2024	Development grants	129,543,030	129,543,030					1,498,503,030
State Department of Irrigation	10/24/2024	Recurrent grant	17,312,500	17,312,500					1,515,815,530
State Department of Irrigation	10/31/2024	Recurrent grant	17,312,500	17,312,500					1,533,128,030
State Department of Irrigation	11/18/2024	Recurrent grant	17,312,500	17,312,500					1,550,440,530
State Department of Irrigation	11/18/2024	Development grants	1,351,647,486	1,351,647,486					2,902,088,016
State Department of Irrigation	11/29/2024	Development grants	80,000,000	80,000,000					2,982,088,016
State Department of Irrigation	12/18/2024	Recurrent grant	17,312,500	17,312,500					2,999,400,516
State Department of Irrigation	01/03/2025	Recurrent grant	17,312,500	17,312,500					3,016,713,016

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State Department of Irrigation	01/14/2025	Development grants-Lower Nzoia	16,084,878	16,084,878					3,032,797,894
State Department of Irrigation	02/10/2025	Recurrent grant	17,312,500	17,312,500					3,050,110,394
State Department of Irrigation	03/10/2025	Recurrent grant	17,312,500	17,312,500					3,067,422,894
State Department of Irrigation	03/28/2025	Recurrent grant	17,312,500	17,312,500					3,084,735,394
State Department of Irrigation	5/9/2025	Development grants	1,148,647,500	1,148,647,500					4,233,382,894
State Department of Irrigation	5/16/2025	Recurrent grant	77,719,473	77,719,473					4,311,102,367
State Department of Irrigation	6/11/2025	Recurrent grant	77,719,473	77,719,473					4,388,821,840
State Department of Irrigation	6/11/2025	Recurrent grant	77,719,473	77,719,473					4,466,541,313
State Department of Irrigation	6/11/2025	Development grants	758,685,769	758,685,769					5,225,227,082