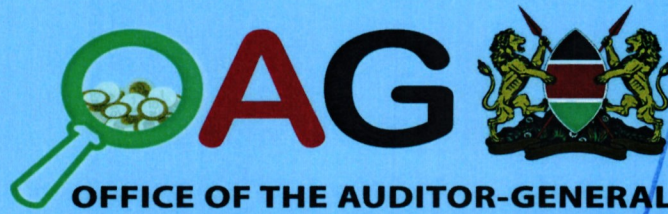


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| TABLED BY:                           | LEADER OF THE MAJORITY PARTY |
| CLERK-AT THE TABLE                   | R. U. TIAMPATI               |

**THE AUDITOR-GENERAL**

**ON**

**STRENGTHENING FERTILIZER QUALITY  
AND REGULATORY STANDARDS IN  
KENYA PROJECT**

**FOR THE YEAR ENDED  
30 JUNE, 2019**

**MINISTRY OF AGRICULTURE, LIVESTOCK,  
FISHERIES AND IRRIGATION – STATE  
DEPARTMENT FOR AGRICULTURAL  
RESEARCH**



**STRENGTHENING FERTILIZER QUALITY AND REGULATORY STANDARDS IN  
KENYA PROJECT**

**STATE DEPARTMENT FOR CROP DEVELOPMENT**

**PROJECT GRANT/CREDIT NUMBER: 2013 SHIP 001**

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**REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

---

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

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

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| 2. Statement Of Project Management Responsibilities .....  | v  |
| 3. Report of the Independent Auditors on the Strengthening Fertiliser Quality Regulatory Standards in Kenya project..... | vi |
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**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**1. Project Information and Overall Performance**

**1.1 Name and Registered office**

**Name:** Strengthening Fertilizer Quality & Regulatory Standards in Kenya Project

**Objective**

The key objective of the project is:

- To establish a legal and regulatory framework for fertilizer quality
- To increase awareness of new fertilizer act among stakeholders and,
- To strengthen human and institutional capacity to enforce fertilizer policy regulations.

**Address:**

The project headquarters offices are:

Kilimo House, Cathedral Road,  
P.O Box 30028-00100,  
NAIROBI

**Contacts:**

**Telephone:** (020) 2718870/9  
**E-mail:** psagriculture@kilimo.go.ke  
**Website:** www.agriculture.go.ke

**1.2 Project Information**

|                     |                            |
|---------------------|----------------------------|
| Project Start Date: | January 2015               |
| Project End Date:   | 30 <sup>th</sup> June 2018 |
| Project Manager:    | Rebecca Githaiga           |
| Project Sponsor:    | AGRA                       |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**1.3 Project Overview**

|  |   |
|--|---|
| Line Ministry/State Department of the project              | The project is under the supervision of the Ministry of Agriculture, Livestock & Fisheries (State Department of Agriculture).   |
| Project number   | 2013 SHP 001  |
| Strategic goals  | The strategic goals of the project are as follows:  |
| Achievement of strategic goals                             | Improve fertilizer Quality Standards  |
| Other important background information                     | Improve awareness of fertilizer laws to stakeholders  |
| Current situation that the project was formed to intervene | The project was formed to intervene in the following areas:<br>-In ensuring farmers get quality fertilizer<br>-Capacity building of personnel dealing with fertilizer issues<br>-Equipping the existing laboratories with the necessary equipment |
| Project duration   | 3 Years.  |

**1.4 Bankers:** Central Bank of Kenya-Account No.1000220837

**1.5 Auditors:**

Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
Nairobi, Kenya

**Roles and Responsibilities**

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

| Names                   | Title designation             | Key qualification         | Responsibilities                      |
|-------------------------|-------------------------------|---------------------------|---------------------------------------|
| Rebecca Githaiga        | Asst. Director of Agriculture | Msc Entreprenuership      | Project manager                       |
| Edwin .O. Oseko         | Principal Agriculture officer | Bsc Agri Economics        | D/Project manager                     |
| Simon Mucigiri          | Principal Agriculture officer | Bsci Agri.economics       | Coordinator monitoring and evaluation |
| Mugambi Micubu          | Stds .Officer                 | BSC Horticulture          | Coordinator policy                    |
| Catherine Njeri Kibunja | D/Director of Agriculture     | Phd in soil Microbioplogy | Coordinator Soil Fertility            |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

|                  |                            |                        |            |
|------------------|----------------------------|------------------------|------------|
| Catherine Mutuku | Asst. Office Administrator | Diploma in Secretarial | Secretary  |
| Mercy W.Gitu     | Senior Accountant          | C.P.A. K               | Accountant |

**1.6 Funding summary**

Below is the funding summary:

| Source of funds                                 | Donor Commitment- |                   | Amount received to date 30 June 2019 |                   | Undrawn balance to date 30 June 2019 |                     |
|---|-------------------|-------------------|--------------------------------------|-------------------|--------------------------------------|---------------------|
|   | Donor currency    | KShs              | Donor currency                       | KShs              | Donor currency                       | KShs                |
|   | (A)               | (A')              | (B)                                  | (B')              | (A)-(B)                              | (A')-(B')           |
| Grant   |                   |                   |                                      |                   |                                      |                     |
| Alliance of Green Revolution in Africa. (AGRA). | 499,790           | 42,482,150        | 421,851                              | 38,216,863        | 77,939                               | 7,315,321.75        |
| <b>Total</b>                                    | <b>499,790</b>    | <b>42,482,150</b> | <b>421,851</b>                       | <b>38,216,863</b> | <b>77,939</b>                        | <b>7,315,321.75</b> |

**1.7 Summary of Overall Project Performance:**

The project has achieved almost all its deliverables.

The donor has released the last tranche of funds but the funds are still in custody of treasury.

**1.8 Summary of Project Compliance:**

The project did not have compliance issues.

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**2. Statement of Project Management Responsibilities**

The *Principal Secretary* for the State Department for Crop Department and the *Project Coordinator* for **Strengthening Fertiliser Quality & Regulatory Standards in Kenya Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

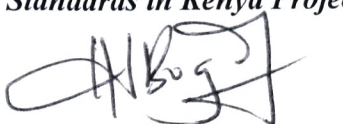
The *Principal Secretary* for the State department for Crop Development and the *Project Coordinator* for **Strengthening Fertiliser Quality & Regulatory Standards in Kenya Project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the State department for Crop Development and the *Project Coordinator* for **Strengthening fertiliser quality & Regulatory standards in Kenya Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2019, and of the Project's financial position as at that date. The *Principal Secretary* for State Department for Crop Development and the *Project Coordinator* for **Strengthening fertiliser quality & Regulatory standards in Kenya Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

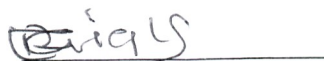
The *Principal Secretary* for the State department for Crop Development and the *Project Coordinator* for **Strengthening Fertiliser Quality & Regulatory Standards in Kenya Project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**

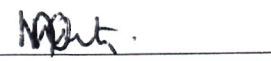
The Project financial statements were approved by the *Principal Secretary* for the State Department for Crop Development and the *Project Coordinator* for **Strengthening Fertiliser Quality & Regulatory Standards in Kenya Project** on ..... 14<sup>th</sup> Nov. .... 2019 and signed by.



Principal Secretary  
Prof. Hamadi Iddi Boga



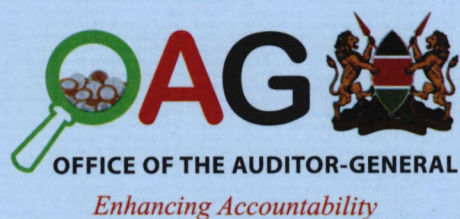
Project Coordinator  
Mrs. Rebecca Githaiga



Project Accountant:  
Miss Mercy Gitu  
ICPAK Member No.20360:

# REPUBLIC OF KENYA

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



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

## **REPORT OF THE AUDITOR-GENERAL ON STRENGTHENING FERTILIZER QUALITY AND REGULATORY STANDARDS IN KENYA PROJECT FOR THE YEAR ENDED 30 JUNE, 2019 - MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION – STATE DEPARTMENT FOR AGRICULTURAL RESEARCH**

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the 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, Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Grant No. 2013 SHIP 001 between Alliance for a Green Revolution in Africa (AGRA) and The Republic of Kenya dated 23 July, 2014 and the Public Finance Management Act, 2012.

#### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

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

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*Report of the Auditor-General on Strengthening Fertilizer Quality and Regulatory Standards in Kenya Project for the year ended 30 June, 2019 - Ministry of Agriculture, Livestock, Fisheries and Irrigation – State Department for Agricultural Research*

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **Project Completion Status**

According to the financing agreement dated 23 July, 2014, (Schedule II - Conditions of the Grant Agreement) the Project ought to have been concluded by 30 June, 2017. The grant period was however extended through a letter from AGRA dated 19 February, 2018, for a period of six months effective from January to June, 2018, after which the unspent fund balance was to be refunded to AGRA. However, the Management did not carry out or execute any activity during the extension period granted despite the availability of funds amounting to Kshs.7,315,322.

Further, the Project has ceased operations and has not been active for over a year while the handing over of the Project and its assets to the parent Ministry of Agriculture, Livestock, Fisheries and Irrigation – State Department for Agricultural Research has not been done. In addition, the closing balance of Kshs.7,315,322 has not been surrendered to AGRA contrary to Clause 7 of the Financing Agreement which states that, “any unused grant funds not spent or committed for purposes of the Project must be promptly returned to the donor at the end of the grant period”.

In the circumstances, the Management was in breach of the Financing Agreement.

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

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

### **Conclusion**

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

## **Basis for Conclusion**

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control 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 control, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Project 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

## **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

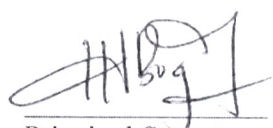
**24 September, 2020**

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

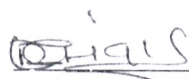
**4. Statement of Receipts and Payments for the Period Ended 30th June 2019**

|  | Note | FY 2018/19                                     |                                | FY 2017/18                                    |                                | Cumulative to-date<br>(Re-stated) |
|--|------|--|--------------------------------|---|--------------------------------|-----------------------------------|
|  |      | Receipts and payments controlled by the entity | Payments made by third parties | Receipts and payment controlled by the entity | Payments made by third parties |                                   |
|  |      | KShs   | KShs                           | KShs  | KShs                           | KShs                              |
| <b>Receipts</b>                        |      |  |                                |   |                                |                                   |
| Foreign Grants                         | 8.3  | 0  | 0                              | 13,084,658.                                   | 0                              | 38,216,863                        |
| <b>Total Receipts</b>                  |      | <b>0</b>                                       | <b>0</b>                       | <b>13,084,658</b>                             | <b>0</b>                       | <b>38,216,863</b>                 |
| <b>Payments</b>                        |      |  |                                |   |                                |                                   |
| Compensation of Employees- (Re-stated) | 8.4  | 0  |                                | 1,259,225                                     | -                              | 5,188,256                         |
| Use of Goods & Services                | 8.5  | 0  | 0                              | 6,337,046                                     | -                              | 20,239,885                        |
| Acquisition of Assets                  | 8.6  | 0  | 0                              | 0   | 0                              | 5,473,400                         |
| <b>Total Payments</b>                  |      | <b>0</b>                                       | <b>0</b>                       | <b>7,596,271</b>                              | <b>-</b>                       | <b>30,901,541</b>                 |
| <b>Surplus/(Deficit)</b>               |      | <b>0</b>                                       | <b>0</b>                       | <b>5,488,387</b>                              | <b>-</b>                       | <b>7,315,322</b>                  |

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



Principal Secretary  
Prof. Hamadi Iddi Boga



Project Coordinator  
Mrs. Rebecca Githaiga



Project Accountant  
Miss Mercy Gitu  
ICPAK Member No.20360

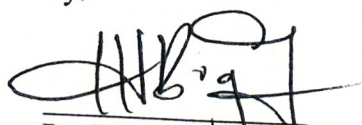
(IPSAS 1.3.24 requires an entity to separately disclose third party payments separately on the statement of receipts and payments. These are payments made by development partners directly on behalf of the entity. In recognising these transactions, the receipts must be equal to the payments made and therefore there is no surplus or deficit.)

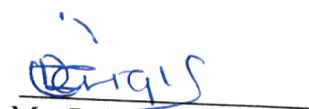
**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

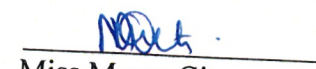
**5. Statement of Financial Assets as at 30th June 2019**

| Financial Assets                       | Note  | 2018/19<br>Kshs  | 2017/18<br>Kshs  |
|--|-------|------------------|------------------|
| Cash And Cash Equivalents              |       |                  |                  |
| Bank Balances                          | 8.11a | 7,315,322        | 7,315,322        |
| Cash Balances                          | 8.11b | 0                | 0                |
| Cash Equivalents (Short-Term Deposits) | 8.11C | 0                | 0                |
| Total Cash And Cash Equivalents        |       | 7,315,322        | 7,315,322        |
| <b>Total Financial Assets</b>          |       | <b>7,315,322</b> | <b>7,315,322</b> |
| Represented By                         |       |                  |                  |
| Fund Balance B/Fwd                     | 8.8   | 7,315,322        | 1,826,935        |
| Prior Year Adjustments                 | 8.9   | 0                | 0                |
| Surplus/(Deficit) For The Year         |       | 0                | 5,488,387        |
| Net Financial Position                 |       | 7,315,322        | 7,315,322        |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 14/11/2019, 2019 and signed by:

  
 Prof. Hamadi Iddi Boga  
 Principal Secretary  
 Date

  
 Mrs. Rebecca Githaiga  
 Project Coordinator  
 Date 14/11/2019

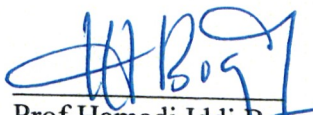
  
 Miss Mercy Gitu  
 Project Accountant  
 Date  
 ICPAK Number: 20360

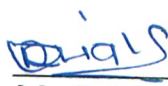
**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**


**6. Statement of Cash Flow for the Period 30th June 2019**

|   |      | 2018/19   | 2017/18          |
|---|------|-----------|------------------|
|   | Note | KShs      | KShs             |
| <b>Receipts For Operating Activities</b>          |      |           |                  |
| Proceeds From Domestic And Foreign Grants         | 8.3  | 0         | 13,084,658       |
| <b>Payments For Operating Activities</b>          |      |           |                  |
| Compensation Of Employees                         | 8.4  | 0         | (1,259,225)      |
| Purchase Of Goods And Services                    | 8.5  | 0         | (6,337,046)      |
| Adjusted For:                                     |      |           |                  |
| Adjustments During The Year                       | 8.9  | -         |                  |
| <b>Net Cash Flow From Operating Activities</b>    |      | <b>0</b>  | <b>5,488,387</b> |
| <b>Cashflow From Investing Activities</b>         |      |           |                  |
| Acquisition Of Assets                             |      | 0         | 0                |
| <b>Net Cash Flows From Investing Activities</b>   |      | <b>-</b>  | <b>0</b>         |
| <b>Cashflow From Borrowing Activities</b>         |      |           |                  |
| Proceeds From Foreign Borrowings                  |      | -         | 0                |
| <b>Net Cash Flow From Financing Activities</b>    |      | <b>-</b>  | <b>0</b>         |
| <b>Net Increase In Cash And Cash Equivalent</b>   |      | <b>0</b>  | <b>5,488,387</b> |
| Cash And Cash Equivalent At Beginning Of The Year |      | 7,315,322 | 1,826,935        |
| Cash And Cash Equivalent At End Of The Year       |      | 7,315,322 | 7,315,322        |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 14/11/2019... 2019 and signed by:

  
Prof. Hamadi Iddi Boga  
Principal Secretary  
Date

  
Mrs. Rebecca Githaiga  
Project Coordinator  
Date 14/11/2019

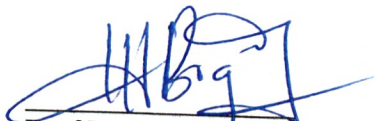
  
Miss Mercy Gitu  
Project Accountant  
Date  
ICPAK No: 20360

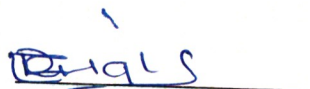
**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**


**7. Statement of Comparative Budget and Actual Amounts**

| Receipts/Payments Item                    | Original Budget | Adjustments | Final Budget | Actual on Comparable Basis | Budget Utilization Difference |
|---|-----------------|-------------|--------------|----------------------------|-------------------------------|
|   | A               | B           | c=a+b        | D                          | e=c-d                         |
| <b>Receipts</b>                           |                 |             |              |                            |                               |
| Proceeds from domestic and foreign grants | 0               | -           | 0            | 0                          | 0                             |
| <b>Total Receipts</b>                     | 0               | -           | 0            | 0                          | 0                             |
| <b>Payments</b>                           |                 |             |              |                            |                               |
| Compensation of employees                 | 0               | -           | 0            | 0                          | 0                             |
| Purchase of goods and services            | 0               | -           | 0            | 0                          | 0                             |
| Other grants and transfers                | -               | -           | 0            | 0                          | 0                             |
| <b>Total Payments</b>                     | 0               | -           | 0            | 0                          | 0                             |

Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.

  
 Prof. Hamadi Iddi Boga  
 Principal Secretary  
 Date

  
 Mrs. Rebecca Githaiga  
 Project Coordinator  
 Date 14/11/2019

  
 Miss. Mercy Gitu  
 Project Accountant  
 Date  
 ICPAKNo:20360

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**8. Notes to the Financial Statements**

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

**8.1. Basis of Preparation**

**8.1.1. Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

**8.1.2. Reporting entity**

The financial statements are for the Project *Strengthening Fertiliser Quality & Regulatory Standards in Kenya Project* under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

**8.1.3. Reporting currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

**8.2. Significant Accounting Policies**

**a) Recognition of receipts**

The Project recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

**• Transfers from the Exchequer**

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

**• External Assistance**

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

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donations and grants**

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

**Proceeds from borrowing**

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

**Undrawn external assistance**

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

• **Other receipts**

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

**b) Recognition of payments**

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

• **Compensation of employees**

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

• **Use of goods and services**

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

• **Interest on borrowing**

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

• **Repayment of borrowing (principal amount)**

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

• **Acquisition of fixed assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

**c) In-kind donations**

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

**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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Restriction on cash**

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

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Accounts receivable**

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

**f) Pending bills**

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

**g) Budget**

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**h) Third party payments**

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

During the year Kshs Nil billion being loan disbursements were received in form of direct payments from third parties.

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
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**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Exchange rate differences**

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

**j) Comparative figures**

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

**k) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2018.

**l) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.3. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

During the 12 months to 30 June 2019 we received grants from donors as detailed in the table below:

| Name of Donor  | Date received | Amount received from donor (currency) | Grants received in cash | Grants received as direct payment | Grants received in kind | Total amount in KShs |            |
|----------------|---------------|---------------------------------------|-------------------------|-----------------------------------|-------------------------|----------------------|------------|
|                |               |                                       | KShs                    | KShs                              | KShs                    | Y 2017/18            | Y 2018/19  |
| Foreign grants |               |                                       |                         |                                   |                         |                      |            |
| AGRA           |               | 0                                     | 0                       | 0                                 | 0                       | 0                    | 13,084,658 |
| Total          |               | 0                                     | 0                       | 0                                 | 0                       | 0                    | 13,084,658 |

\* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.4. COMPENSATION OF EMPLOYEES**

|   | FY 2018/19                                |                                      |                   | FY 2017/18       | Cumulative<br>to- date |
|---|---|--------------------------------------|-------------------|------------------|------------------------|
|   | Payments<br>made by the<br>Entity in Cash | Payments<br>made by third<br>parties | Total<br>Payments |                  |                        |
| -   | KShs                                      | KShs                                 | KShs              | KShs             | KShs                   |
| Personal allowances paid<br>as part of salary | 0   | 0                                    | 0                 | 1,259,225        | 5,325,000              |
| Prior year adjustment -<br>2016/2017          | 0   | 0                                    | 0                 | 0                | (136,744)              |
| <b>Total</b>                                  | <u>0</u>                                  | <u>0</u>                             | <u>0</u>          | <u>1,259,225</u> | 5,188,256              |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.5. PURCHASE OF GOODS AND SERVICES**

|                                    | <b>KShs</b> | <b>KShs</b> | <b>KShs</b> | <b>KShs</b>      | <b>KShs</b>       |
|------------------------------------|-------------|-------------|-------------|------------------|-------------------|
| Domestic travel and subsistence    | 0           |             | 0           | 2,695,350        | 13,025,799        |
| Foreign travel and subsistence     | 0           |             | 0           | 2,083,742        | 2,083,742         |
| Hospitality supplies and services  | 0           |             | 0           | 225,380          | 1,093,900         |
| Specialized materials and services | 0           |             | 0           | 1,079,000        | 1,079,000         |
| Training services                  | 0           |             | 0           | 67,324           | 527,324           |
| Vehicle Maintenance                | 0           |             |             | 186,250          | 186,250           |
| Communication                      | 0           |             |             | -                | 150,000           |
| Stationery ,computers              | 0           |             |             | -                | 1,755,150         |
| Other payments                     | 0           |             |             |                  | 269,970           |
| Printing and advertising payments  | 0           |             |             | -                | 68,750            |
| <b>Total</b>                       | <u>0</u>    |             | <u>0</u>    | <u>6,337,046</u> | <u>20,239,885</u> |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**8.6 Acquisition of non-financial Assets.**

|                | 2018/19 | 2017/18 | cumulative              |
|----------------|---------|---------|-------------------------|
|                | KShs    | KShs    |                         |
| ICT Equipments | -       | -       | 1,385,000               |
| Vehicle        | -       | -       | 4,088,400               |
| <b>Total</b>   | =       | =       | <b><u>5,473,400</u></b> |

**8.7 OUTSTANDING IMPRESTS AND ADVANCES**

| <i>Name of Officer or Institution</i> | <i>Amount Taken</i> | <i>Due Date of Surrender</i> | <i>Amount Surrendered</i> | <i>Balance 2019</i> | <i>Balance 2018</i> |
|---------------------------------------|---------------------|------------------------------|---------------------------|---------------------|---------------------|
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
|                                       |                     |                              |                           |                     |                     |
| <b>Total</b>                          | =                   | =                            | =                         | =                   | =                   |

**8.8 FUND BALANCE BROUGHT FORWARD**

|  | 2018/19          | 2017/18          |
|--|------------------|------------------|
|  | KShs             | KShs             |
| Bank accounts                          | 7,315,322        | 7,315,322        |
| Cash in hand                           | -                | -                |
| Cash equivalents (short-term deposits) | -                | -                |
| Outstanding imprests and advances      | -                | -                |
| <b>Total</b>                           | <b>7,315,322</b> | <b>7,315,322</b> |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.9 PRIOR YEAR ADJUSTMENT**

|  |          |          |
|--|----------|----------|
| <b>Bank accounts</b>                   | -        | 0        |
| Cash in hand                           | -        | -        |
| Cash equivalents (short-term deposits) | -        | -        |
| Receivables - Outstanding Imprests     | -        | -        |
|  | -        | -        |
| <b>Total</b>                           | <b>=</b> | <b>0</b> |

**8.10 CASH AND CASH EQUIVALENTS CARRIED FORWARD**

|   |                  |                  |
|---|------------------|------------------|
| <b>Bank accounts (Note 8.811A)</b>                  | <b>7,315,322</b> | <b>7,315,322</b> |
| Cash in hand (Note 8. 11B)                          | -                | -                |
| Cash equivalents (short-term deposits) (Note 8.11C) | -                | -                |
| <b>Total</b>  | <b>7,315,322</b> | <b>7,315,322</b> |

The project has one number of project accounts spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury

**Note 8.11A Bank Accounts**

**Project Bank Accounts**

|  |                  |                  |
|--|------------------|------------------|
|  |                  |                  |
|  |                  |                  |
| <b><u>Local Currency Accounts</u></b>            |                  |                  |
| Central Bank of Kenya [A/c No[A/c No1000220837]] | 7,315,322        | 7,315,322        |
|  |                  |                  |
| <b>Total local currency balances</b>             |                  |                  |
|  |                  |                  |
| <b>Total bank account balances</b>               | <b>7,315,322</b> | <b>7,315,322</b> |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2019 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

**Special Deposit Accounts Movement Schedule**

|  | 2018/19 | 2019 |
|--|---------|------|
|  | KShs    | KShs |
| <b>(i) A/c Name [A/c No.....]</b>  |         |      |
| Opening balance  | -       |      |
| Total amount deposited in the account                                    | -       |      |
| Total amount withdrawn (as per Statement of Receipts & Payments)         | =       |      |
| <b>Closing balance (as per SDA bank account reconciliation attached)</b> | =       |      |
| <b>(ii) A/c Name [A/c No.....]</b>                                       |         |      |
| Opening balance (as per the SDA reconciliation)                          | -       |      |
| Total amount deposited in the account                                    | -       |      |
| Total amount withdrawn (as per Statement of Receipts & Payments)         | =       |      |
| <b>Closing balance (as per SDA bank account reconciliation attached)</b> | =       |      |

**Note 8.11 B. Cash In Hand**

|                                    | 2018/19 | 2019 |
|------------------------------------|---------|------|
|                                    | KShs    | KShs |
| Location 1                         | -       |      |
| Location 2                         | -       |      |
| Location 3                         | -       |      |
| Other locations ( <i>specify</i> ) | -       |      |
| <b>Total cash balances</b>         | =       |      |

[Provide a cash count certificate for each location above]

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8.11C. Cash equivalents (short-term deposits)**

|  | 2018/19   | 2017/18   |
|--|-----------|-----------|
|  | KSh       | KSh       |
| Kenya Commercial Bank [A/C No.....]      | -         | -         |
| Co-Operative Bank of Kenya [A/C No.....] | -         | -         |
| Others ( <i>Specify</i> )                | -         | -         |
|  |           |           |
| <b>Total</b>                             | <b>==</b> | <b>==</b> |

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**9. Other Important Disclosures**

**9.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)**

|                             | 2018/19 | 2017/18 |
|-----------------------------|---------|---------|
|                             | KShs    | KShs    |
| Construction of buildings   | -       | --      |
| Construction of civil works | -       | -       |
| Supply of goods             | -       | -       |
| Supply of services          | -       | -       |
|                             | -       | -       |

**9.2 PENDING STAFF PAYABLES (See Annex 2B)**

|                                  | 2018/19 | 2017/18 |
|----------------------------------|---------|---------|
|                                  | KShs    | KShs    |
| Permanent employees – management | -       | -       |
| Permanent employees – others     | -       | -       |
| Temporary employees              | -       | -       |
| Others ( <i>specify</i> )        | -       | -       |
|                                  | -       | -       |

**9.3 OTHER PENDING PAYABLES (See Annex 2C)**

|   | 2018/19 | 2017/18 |
|---|---------|---------|
|   | KShs    | KShs    |
| Amounts due to National Government entities | -       | -       |
| Amounts due to County Government entities   | -       | -       |
| Amounts due to third parties                | -       | -       |
| Others ( <i>specify</i> )                   | -       | -       |
|   | -       | -       |

**Strengthening Governance and Regulatory Standards in Kenya Project Reports And Financial Statements For The Financial Year Ended June 30, 2019**

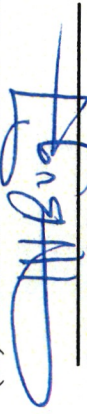
**10. Progress on Follow up of Auditor Recommendations**


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

| Reference No | Issue/Observation                                  | Management Response                 | Resolution Status          | Timeframe  |
|--------------|--|-------------------------------------|----------------------------|--|
|              |  |                                     | (Resolved or Not Resolved) | (If a date when you expect the issue to be resolved) |
| 1            | Inaccurate cumulative payments                     | Addressed in revised accounts 18/19 | Resolved                   | FY 2018/2019   |
| 2            | Statement of comparative budget and actual amounts | Addressed in revised accounts       | Resolved                   | FY 2017/2018   |
| 3            | Notes to the financial statements                  | Addressed in revised accounts       | Resolved                   | FY 2017/2018   |

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

  
Principal Secretary

  
Project Coordinator

  
Date

14<sup>th</sup> Nov. 2019  
Date

**Strengthening Fertiliser Quality And Regulatory Standards In Kenya Project  
Reports And Financial Statements For The Financial Year Ended June 30, 2019**

**ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

|   | a | B | c=a-b | d=b/a % |
|---|---|---|-------|---------|
| <b>Receipts</b>                           |   |   |       |         |
| Transfer from Government entities         |   |   |       |         |
| Proceeds from domestic and foreign grants |   |   |       |         |
| Proceeds from borrowings                  |   |   |       |         |
| Miscellaneous receipts                    |   |   |       |         |
| <b>Total Receipts</b>                     |   |   |       |         |
| <b>Payments</b>                           |   |   |       |         |
| Compensation of employees                 |   |   |       |         |
| Purchase of goods and services            |   |   |       |         |
| Social security benefits                  |   |   |       |         |
| Acquisition of non-financial assets       |   |   |       |         |
| Transfers to other government entities    |   |   |       |         |
| Other grants and transfers                |   |   |       |         |
| <b>Total payments</b>                     |   |   |       |         |

**Reports And Financial Statements For The Financial Year Ended June 30, 2019**  
**ANNEX 2A - ANALYSIS OF PENDING BILLS**

| Supplier of Goods or Services      | Original Date |      | Amount    |         | Outstanding Balance |      | Outstanding Balance |  | Comment |
|------------------------------------|---------------|------|-----------|---------|---------------------|------|---------------------|--|---------|
|                                    | Amount        | Date | Completed | To Date | 2017                | 2016 |                     |  |         |
|                                    | a             | B    | c         | d=a-c   |                     |      |                     |  |         |
| <b>Construction of buildings</b>   |               |      |           |         |                     |      |                     |  |         |
| 1.                                 |               |      |           |         |                     |      |                     |  |         |
| 2.                                 |               |      |           |         |                     |      |                     |  |         |
| 3.                                 |               |      |           |         |                     |      |                     |  |         |
| <b>Sub-Total</b>                   |               |      |           |         |                     |      |                     |  |         |
| <b>Construction of civil works</b> |               |      |           |         |                     |      |                     |  |         |
| 4.                                 |               |      |           |         |                     |      |                     |  |         |
| 5.                                 |               |      |           |         |                     |      |                     |  |         |
| 6.                                 |               |      |           |         |                     |      |                     |  |         |
| <b>Sub-Total</b>                   |               |      |           |         |                     |      |                     |  |         |
| <b>Supply of goods</b>             |               |      |           |         |                     |      |                     |  |         |
| 7.                                 |               |      |           |         |                     |      |                     |  |         |
| 8.                                 |               |      |           |         |                     |      |                     |  |         |
| 9.                                 |               |      |           |         |                     |      |                     |  |         |
| <b>Sub-Total</b>                   |               |      |           |         |                     |      |                     |  |         |
| <b>Supply of services</b>          |               |      |           |         |                     |      |                     |  |         |
| 10.                                |               |      |           |         |                     |      |                     |  |         |
| 11.                                |               |      |           |         |                     |      |                     |  |         |
| 12.                                |               |      |           |         |                     |      |                     |  |         |
| <b>Sub-Total</b>                   |               |      |           |         |                     |      |                     |  |         |
| <b>Grand Total</b>                 |               |      |           |         |                     |      |                     |  |         |

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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

| Name of Staff                    | Job Group | Original Amount |   | Date Payable Contract |   | Amount Outstanding Balance To Date 2017 | Outstanding Balance Comments 2016 |
|----------------------------------|-----------|-----------------|---|-----------------------|---|---|-----------------------------------|
|                                  |           | A               | B | B                     | C |   |                                   |
| Permanent Employees - Management |           |                 |   |                       |   | d=a-c                                   |                                   |
| 1.                               |           |                 |   |                       |   |   |                                   |
| 2.                               |           |                 |   |                       |   |   |                                   |
| 3.                               |           |                 |   |                       |   |   |                                   |
| Sub-Total                        |           |                 |   |                       |   |   |                                   |
| Permanent Employees - Others     |           |                 |   |                       |   |   |                                   |
| 4.                               |           |                 |   |                       |   |   |                                   |
| 5.                               |           |                 |   |                       |   |   |                                   |
| 6.                               |           |                 |   |                       |   |   |                                   |
| Sub-Total                        |           |                 |   |                       |   |   |                                   |
| Temporary employees              |           |                 |   |                       |   |   |                                   |
| 7.                               |           |                 |   |                       |   |   |                                   |
| 8.                               |           |                 |   |                       |   |   |                                   |
| 9.                               |           |                 |   |                       |   |   |                                   |
| Sub-Total                        |           |                 |   |                       |   |   |                                   |
| Others (specify)                 |           |                 |   |                       |   |   |                                   |
| 10.                              |           |                 |   |                       |   |   |                                   |
| 11.                              |           |                 |   |                       |   |   |                                   |
| 12.                              |           |                 |   |                       |   |   |                                   |
| Sub-Total                        |           |                 |   |                       |   |   |                                   |
| Grand Total                      |           |                 |   |                       |   |   |                                   |

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 ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

| Name   | Brid | Original Contract | Date Payable | Amount Paid To Date | Outstanding Balance | Comments |
|--|------|-------------------|--------------|---------------------|---------------------|----------|
|  |      |                   |              |                     |                     |          |
| <b>Amounts due to National Govt Entities</b> |      |                   |              |                     |                     |          |
| 1.   |      |                   |              |                     |                     |          |
| 2.   |      |                   |              |                     |                     |          |
| 3.   |      |                   |              |                     |                     |          |
| <b>Sub-Total</b>                             |      |                   |              |                     |                     |          |
| <b>Amounts due to County Govt Entities</b>   |      |                   |              |                     |                     |          |
| 4.   |      |                   |              |                     |                     |          |
| 5.   |      |                   |              |                     |                     |          |
| 6.   |      |                   |              |                     |                     |          |
| <b>Sub-Total</b>                             |      |                   |              |                     |                     |          |
| <b>Amounts due to Third Parties</b>          |      |                   |              |                     |                     |          |
| 7.   |      |                   |              |                     |                     |          |
| 8.   |      |                   |              |                     |                     |          |
| 9.   |      |                   |              |                     |                     |          |
| <b>Sub-Total</b>                             |      |                   |              |                     |                     |          |
| <b>Others (specify)</b>                      |      |                   |              |                     |                     |          |
| 10.  |      |                   |              |                     |                     |          |
| 11.  |      |                   |              |                     |                     |          |
| 12.  |      |                   |              |                     |                     |          |
| <b>Sub-Total</b>                             |      |                   |              |                     |                     |          |
| <b>Grand Total</b>                           |      |                   |              |                     |                     |          |

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**ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER**

| Asset Class                                  | Opening Cost (KSh) | Purchases/ Additions in the Year (KSh) | Disposals (KSh) | Closing Cost (KSh) |
|--|--------------------|--|-----------------|--------------------|
| Land   |                    |  |                 |                    |
| Buildings and structures                     |                    |  |                 |                    |
| Transport equipment                          |                    |  |                 |                    |
| Office equipment, furniture and fittings     |                    |  |                 |                    |
| ICT Equipment, Software and Other ICT Assets | 1,385,000          | -                                      |                 | 1,385,000          |
| Other Machinery and Equipment                | 4,088,400          | -                                      |                 | 4,088,400          |
| Heritage and cultural assets                 |                    |  |                 |                    |
| Intangible assets                            |                    |  |                 |                    |
| <b>Total</b>                                 | <b>5,473,400</b>   |  |                 | <b>5,473,400</b>   |

Notes

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

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***For the year ended June 30, 2019***

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**APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)