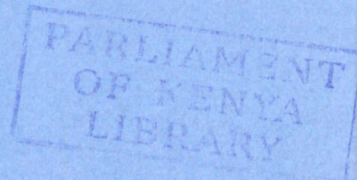
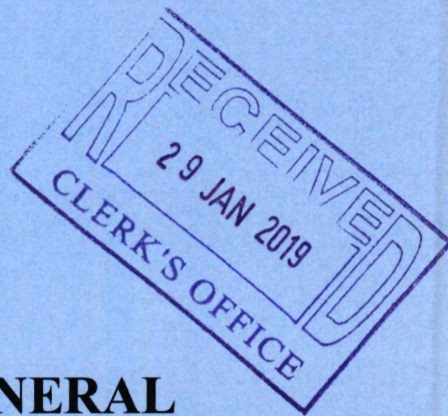


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



**REPORT  
OF  
THE AUDITOR-GENERAL  
ON  
THE FINANCIAL STATEMENTS OF  
AGRICULTURAL SECTOR DEVELOPMENT  
SUPPORT PROGRAMME II (ASDSP II)  
FOR THE TWO MONTHS PERIOD  
ENDED 30 JUNE 2018  
MINISTRY OF AGRICULTURE,  
LIVESTOCK, FISHERIES AND  
IRRIGATION**



Revised Template 30/6/2017



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
**REGISTRY**

19 DEC 2018

**RECEIVED**

**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND  
IRRIGATION**

**Programme Name: AGRICULTURAL SECTOR DEVELOPMENT SUPPORT  
PROGRAMME II (ASDSP II)**

**Implementing Entity: SIDA CONTRIBUTION**

**PROGRAMME GRANT NUMBER:**

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**REPORT AND FINANCIAL STATEMENTS  
FOR THE TWO MONTHS – MAY AND JUNE 2018**

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

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**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

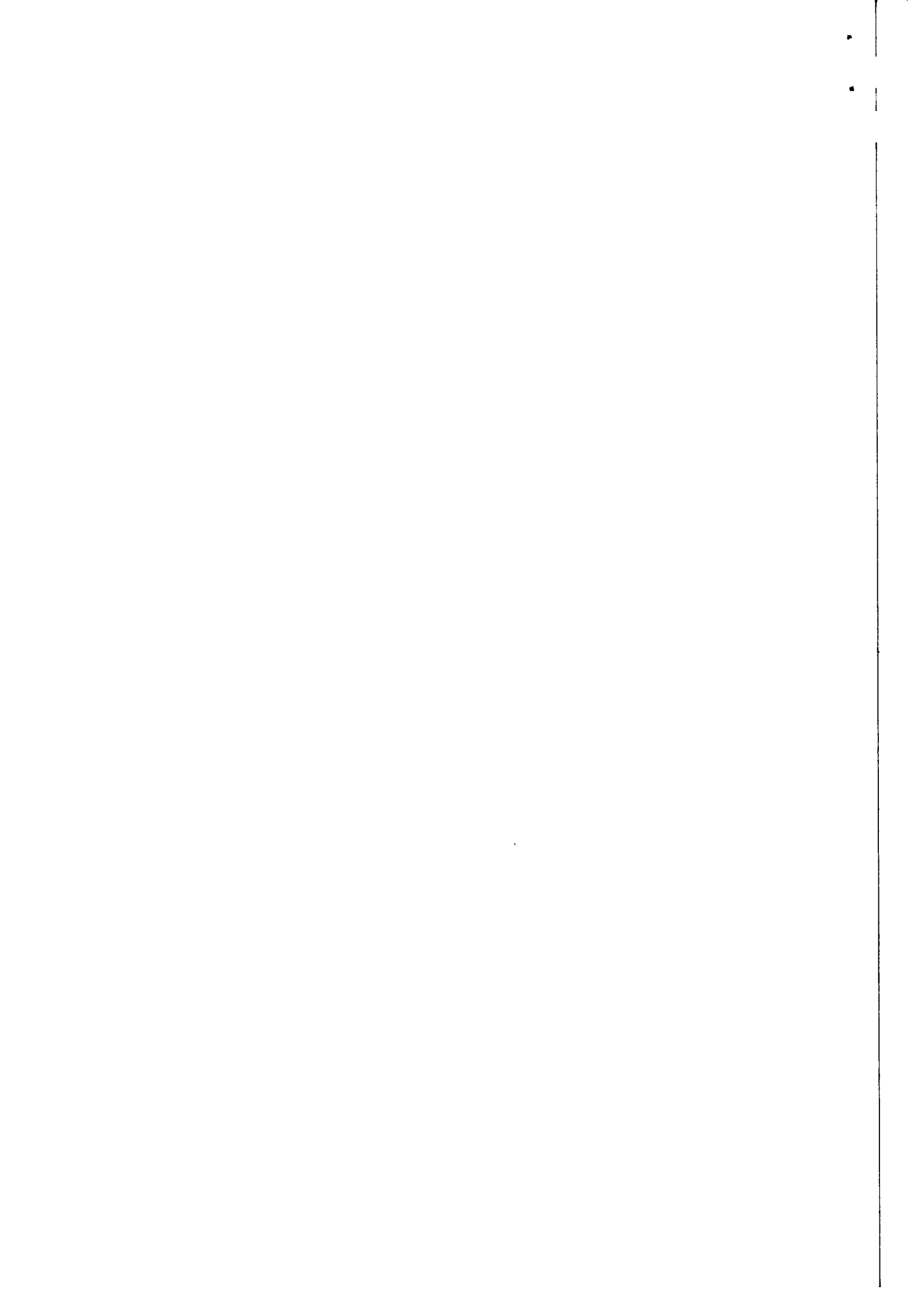
**Reports and Financial Statements**  
**For the financial year ended June 30, 2018**

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<b>CONTENTS</b>	<b>PAGE</b>
1. PROGRAMME INFORMATION AND OVERALL PERFORMANCE .....	1-9
2. STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES.....	10
3. REPORT OF THE INDEPENDENT AUDITORS ON THE AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II).....	11-12
4..STATEMENT OF RECEIPTS AND PAYMENTS FOR THE MAY AND JUNE 2018.....	13.
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES.....	14
6. STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30TH JUNE 2018.....	15
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS .....	16
8. NOTES TO THE FINANCIAL STATEMENTS .....	17-36
9. OTHER IMPORTANT DISCLOSURES.....	37
10..NON CURRENT ASSETS.....	38
11..PROGRESS ON FOLLOWS UP OF AUDITOR RECOMMENDATIONS.....	39
12. NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) .....	40-56

**ANNEXES;**

- 1.1 Consolidated Donor & GOK Trial balance
- 1.2 County Budget
- 1.3 National Programme Secretariats Budgets
- 1.4 Designated Account reconciliation



# **AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

## **Reports and Financial Statements For the Two Months – May and June 2018**

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### **1.0 PROGRAMME INFORMATION AND OVERALL PERFORMANCE**

#### **1.1 Name and registered office**

Ministry of Agriculture is the implementing Agency located at Kilimo House, Cathedral Road Nairobi.

P. O. Box 30028-00100, Nairobi.

**Name:** The Programme 'official Name: **AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Objective:** The key objective of the Programme is: to develop Sustainable Priority Value Chains for Improved Income and Food and Nutrition Security

**Address:**The Programme headquarters offices are at, NAIROBI County, Kenya.

The address of its registered office is:

**ASDSP HILL PLAZA BUILDING, 6<sup>TH</sup> FLOOR  
NGONG ROAD  
P.O.BOX 30028 - 00100  
NAIROBI  
TEL: 254-20-2714867,  
EMAIL: [pc@asdsp.co.ke](mailto:pc@asdsp.co.ke)**

The Programme also has offices/branches as follows:

- At all the Forty Seven Counties ( 47) country wide

**Contacts:** The following are the Programme contacts

Telephone: (254) -20-2714867,

E-mail: [pc@asdsp.co.ke](mailto:pc@asdsp.co.ke)

Website: [www.asdsp.co.ke](http://www.asdsp.co.ke) /[www.kilimo.house.go.ke](http://www.kilimo.house.go.ke)

#### **1.2 Programme Information**

Programme Start Date:	The programme start date is 01-07-2017
Programme End Date:	The programme end date is 30-06-2022
Programme Coordinator:	The programme coordinator is Mrs Phoebe A. Odhiambo
Programme Sponsor:	The programme sponsor is Swedish Government under Sida

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**1.3 Programme Overview**

Line Ministry/State Department of the Programme	The programme is under the supervision of the Ministry of Agriculture Livestock, Fisheries & Irrigation ( State Department For Crops Development).		
Programme number			
Strategic goals of the Programme	<ul style="list-style-type: none"> <li>i) increasing productivity of priority value chains;-</li> <li>ii) strengthening entrepreneurial skills of Value Chain Actors(VCAs) ;</li> <li>iii) improving access to markets by VCAs and                             <ul style="list-style-type: none"> <li>• strengthening structures and capacities for coordination in the Agricultural Sector</li> </ul> </li> </ul>		
Achievement of strategic goals	<p>The Programme management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> <li>(i) building the technical capacity of all VCAs in sustainable pre- and post-production management</li> <li>(ii) improving Entrepreneurial skills of service providers for VCAs</li> <li>(iii)supporting market access linkages ,market information and financial services by VCAs</li> <li>(iv)establishing and capacity building of the structures for consultation and coordination (at national and county levels) in the agricultural sector</li> </ul>		
Other important background information of the Programme	<p>ASDSP II follows ASDSP I which concluded in June 2017.is the First intergovernmental sector programme designed to be implemented by the two levels of government. Supports to 3 value chains in each of the 47 counties. ASDSP II is expected to graduate one million Value chain actors (majority being small scale in nature and poor) from poverty to middle income level. The programme does not directly implement but support innovative activities that build the capacity of the existing service providers. ASDSP11 provides grants to service providers and VCAs especially to women and youth to increase their participation in the Value chain development</p>		
Current situation that the Programme was formed to intervene	<ul style="list-style-type: none"> <li>(i) Low productivity along the entire value chain,</li> <li>(ii) Inadequate entrepreneurial skill among the VCAs along the entire VC including service providers,</li> <li>(iii)Low access to markets by VCAs</li> <li>(iv)Weak and inadequate structures and capacities for consultation and coordination within the Sector.</li> </ul>		
	<b>Key output</b>	<b>Performance indicators</b>	<b>Output targets</b>
	<b>Outcome 1: Productivity of</b>	A. % increase in utilization of service providers by VCAs	

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

	<b>priority value chains increased</b>	B. % reduction in VCAs' post production losses	
	<b>Outputs 1.1:</b> Capacity Knowledge enhancement of existing service providers on identified opportunities enhanced	(i)No. of opportunities identified per value chain (VC) (ii)No. of service providers trained on identified opportunities per VC	15 opportunities per VC 10 SPS per value chain
	<b>Output 1.2:</b> Value chain Innovations with high prospects for women and youth empowerment supported	(i)No of value chain innovations promoted per VC (ii)No of value chain innovations implemented (iii)VCAs groups to take-up innovations	10 per VC  5 150,000
	<b>Output 1.3:</b> Environmental resilience for increased productivity among prioritized value chains strengthened	(i)Number of climate smart technologies promoted (ii)No and type of CSA technologies in use per value chain iii) number of VCAs using CSA technologies	10 per VC  5 150,000
	<b>Outcome 2: Enhanced entrepreneurship of priority Value Chain Actors</b>	A. Increase in numbers of VCAs implementing viable BP by gender B. Increase in number and diversity of BPs implemented	
	<b>Output 2.1:</b> Entrepreneurial skills for VCAs including service providers enhanced	(i)No. of Service Providers trained on entrepreneurial skills (ii)No of VCAs with viable Business Plans (iii)No of Business Plans implemented	5 SPs per VC  50,000 15,000
	<b>Outcome 3: Access to markets by</b>	A. Increase in number of VCAs accessing markets by gender	

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

	<b>priority VCAs improved</b>	B. % increase in number of market segments C. % increase in handling capacity of the market segment	
	<b>Output: 3.1:</b> Market access linkage for priority VCAs improved	(i)No. of VCA groups aggregated (ii)No. of market linkage instruments signed and operational per VC	2,000 3 per VC
	<b>Output:3.2:</b> Access to market information by VCAs improved	(i)No. of market information providers supported (ii)No. and type of information provided per VC (iii)No of VCAs using market information	2 2 150,000
	<b>Output 3.3:</b> Access to VC financial services by VCAs improved	(i)Number VCAs accessing financial services (ii)Volume of financial services accessed by VCAs	100,000 10% volume increase
	<b>Outcome 4: Structures and capacities for consultation and coordination in the sector strengthened</b>	A. % of VCAs satisfied with structures by gender B. Number of VC related policies, strategies, regulations and plans reviewed and implemented	
	<b>Output 4.1:</b> Initiatives for establishment of the structures for consultation and coordination supported	(i)Number and types of steering, coordination and management structures in place (ii)Number of structures with operational procedures and guidelines at various level	16: (national county and intergovernmental 16
	<b>Output 4.2:</b> Capacities of the established structures for consultation and coordination enhanced	No. of structures with operational instruments/ work plan % achievement of operational instruments implementation	16 20%

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

	<b>Output 4.3:</b> Participation of stakeholders in consultation and coordination structures enhanced	(i)No. of stakeholders participating in coordination and consultation structures (ii)No of operational partnerships (iii)% level of satisfaction of STH in the participation of coordination	12   12 100%
	<b>Output 4.4:</b> Sector policies, strategies, regulations and plans prepared and launched	(i)Number of policies inventoried (ii)Number of strategies inventorized (iii)Number of plans inventorized (iv)Number of regulations inventoried  (i)Policies launched and rolled out (ii)Strategies launched and rolled out  (iii)Plans launched and rolled out (iv)Regulations launched and rolled out	29 29 47 47  5 5  5 5
Programme duration	The Programme started on 1st July 2017 to 30 <sup>Th</sup> June, 2022		

**1.4 Bankers**

The following are the bankers for the current year:

**Bank: Kenya Commercial bank**

**Branch: Upper hill Branch**

- i) **Account No: 1229965076- SIDA – DONOR FUND**
- ii) **Account No: 1229967206 SIDA – GOK FUND**

**1.5 Auditors**

The Programme is audited by Kenya Auditor General as per the law.

## AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)

### Reports and Financial Statements For the Two Months – May and June 2018

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#### 1.5.1 Legal Advisors

The Programme receives support on legal matters from the State Counsel - State Department For Crops Development.

#### 1.6 Roles and Responsibilities

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

1	Phoebe Odhiambo	Programme Coordinator
2	Rosemary Magambo	Monitoring and Evaluation and communication Specialist
3	Monica Olala	Business development Specialist
4	Benjamin Ndegwa	Environmental Resilience officer
5	Mareen Bwana	Partnership Specialist
6	Rosemary Mwanza	Value Chain development Specialist
7	Kennedy Olwasi	Institutional & Capacity Development Specialist
8	Aggrey Adul	Communication Officer
8	Bernard Mwangangi	Business development Officer
9	John Ayere	ICT Officer
10	David Ndorongo	Programme Accountant
11	Charles Kanyaa	Accounts Assistant
12	Charity Nyambura	Secretary
13	Penina Abade	Support Staff
14	Stephen Omwamba	Driver
15	Christopher Karobia	Driver
16	Dickson Maina	Driver
17	Ephantous Munyoki	Driver
18	Abdi Wario	Driver

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**1.7 Funding summary**

The Programme is for duration of 5 years from 2017 to 2022 . it is co- financed to budget of Ksh 3.6 Billion from Government of Sweden and Ksh 2,092, 500,000 by government of Kenya. Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 <sup>th</sup> June, 2018)		Undrawn balance to date (30 <sup>th</sup> June, 2018)	
	<i>Donor currency EUROS</i>	<i>KShs</i>	<i>Donor currency EUROS</i>	<i>KShs</i>	<i>Donor currency EUROS</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>GRANT SUMMARY</b>						
Swedish Government under SIDA	35,590,254	3,600,000,000	797,000	99,560,443	34,793,254	3,500,439,557
<b>Total Grants</b>	<b>35,590,254</b>	<b>3,600,000,000</b>	<b>797,000</b>	<b>99,560,443</b>	<b>34,793,254</b>	<b>3,500,439,557</b>
<b>Counter Part funds</b>						
Counter Part funds Government of Kenya - MOAL& F)	-	800,000,000	-	5,407,093	-	794,592,907
Counter Part funds Government of Kenya - County Governments	-	1,292,500,000	-	-	-	1,292,500,000
<b>Total</b>	<b>-</b>	<b>2,092,500,000</b>	<b>-</b>	<b>5,407,093</b>	<b>-</b>	<b>2,087,092,907</b>
<b>Total Funding Summary</b>	<b>35,590,254</b>	<b>5,692,500,000</b>	<b>797,000</b>	<b>104,967,536</b>	<b>34,793,254</b>	<b>5,587,532,464</b>

**Note:** The funds were remitted in Euros and this report has maintained Ksh 124 as the exchange rate to the Euro for the amount received..

**1.8 Summary of Overall Programme Performance:**

- Budget performance against actual amounts for current year and the cumulative to-date, the programme had an absorption rate of 64 % , Actual Expenditure V/s Available budget in relation to the Funds disbursed for the year under review,
- Physical progress based on outputs, outcomes and impacts since Programme commencement,

**(a) Preparatory activities for Programme implementation rollout include**

- (i) The programme secretariat at both national and county levels (47 county and national secretariat established
- (ii) 7 implementation guidelines including the programme implementation framework and finance and procurement management manual developed and rolled out
- (iii) Sensitized the county Chief Officers (C.O), accountants, auditors and procurement officers on the programme finance and procurement manual. The C.O is the programme accounting officer at the county level
- (iv) 300 Trained county facilitating teams (6 per county) drawn from the CPS, county Government and the VCPs on the implementation programme guidelines and procedures
- (v) Updated Characteristics (gender, contacts, functionality) of the VCAs involved in phase I
- (vi) Various consultative meetings between the two levels of the governments held
- (vii) Supported joint Agricultural secretariat (JAS) operations
- (viii) 47 county and 1 national work plans developed and approved
- (ix) Initiation of procurement of technical assistant and audit rolling services
- (x) Preparation of ToRs for conducting Baseline and reviewing gender and Social inclusion Action plan (GSIAP)
- (xi) Consultative meetings with the two levels of government

**a) Summary of Programme Outputs**

**CHALLENGES**

- Limited inter-county coordination
- Delay in GOK release of funds.
- Delay of county partners committed resources for the implementation of the programme.
- Challenges arising from the devolution process

**WAY FORWARD**

- 1) Interface with software and hardware
- 2) Support to inter-county platforms
- 3) Timely Release of GOK counter fund
- 4) Review the the partnership MOUs

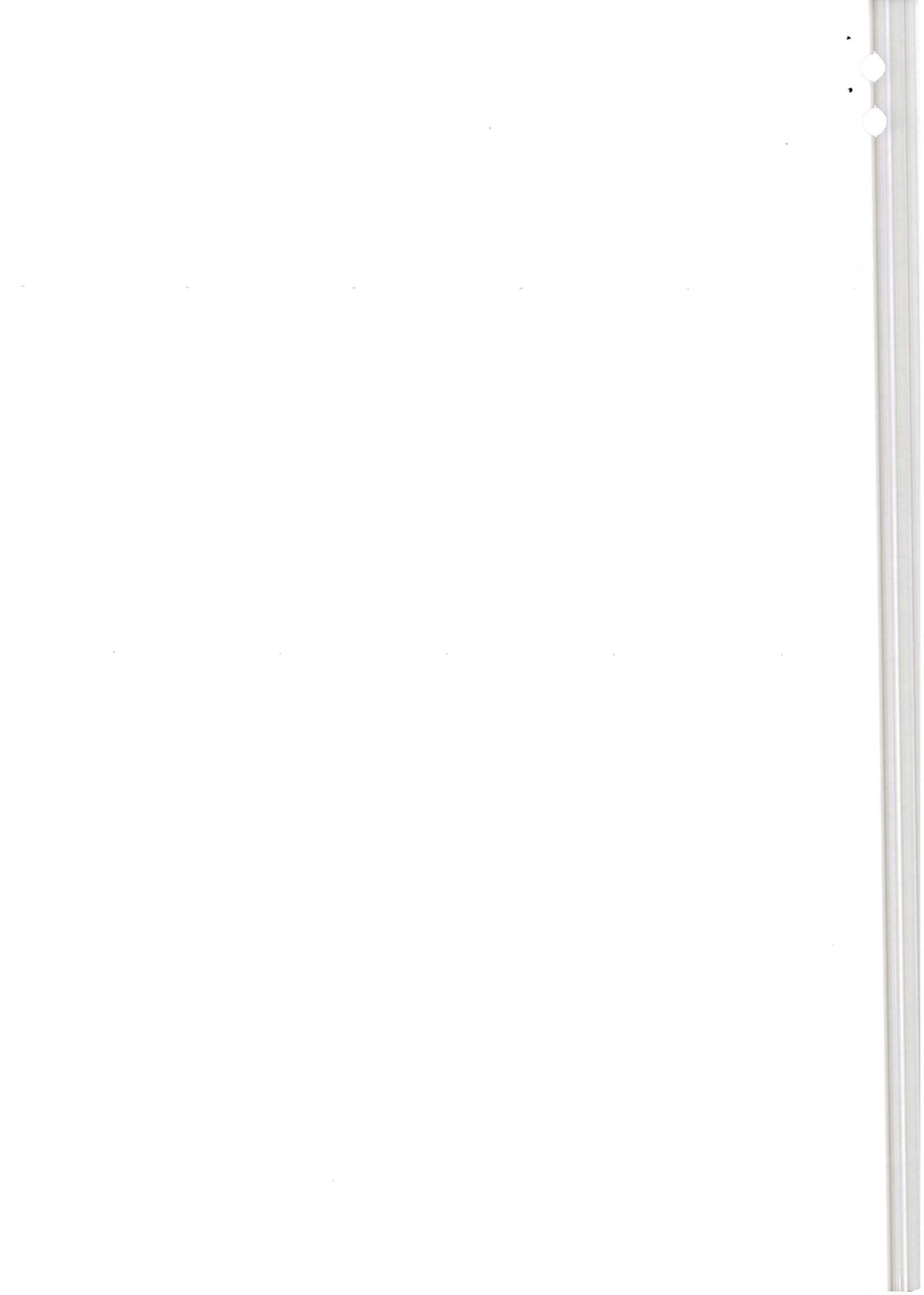
– **Comment on value-for-money achievements,**

The programme endeavour to deliver value for money outputs

**1.9 Summary of Programme Compliance:**

**The programme is compliant**

- Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- Include consequences suffered on account of non-compliance or likely to be suffered
- Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance



**2.0 STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES**

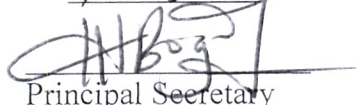
The *Principal Secretary* State Department For Crops Development., Ministry of Agriculture, Livestock, Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* are responsible for the preparation and presentation of the Programme’s financial statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year(period)-ended on June 30, 2018. 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 Programme ; (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 Programme ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* State Department For Crops Development, Ministry of Agriculture, Livestock Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* accept responsibility for the Programme ’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* State Department For Crops Development., Ministry of Agriculture, Livestock, Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* are of the opinion that the Programme’s financial statements give a true and fair view of the state of Programme ’s transactions during the financial year/period ended June 30, 2018, and of the Programme ’s financial position as at that date. The *Principal Secretary* State Department For Crops Development, Ministry of Agriculture, Livestock, Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme financial statements as well as the adequacy of the systems of internal financial control. The *Principal Secretary* State Department For Crops Development, Ministry of Agriculture, Livestock Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* confirm that the Programme has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Programme 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.

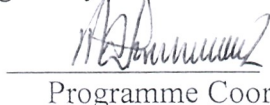
**Approval of the Programme financial statements**

The Programme financial statements were approved by The *Principal Secretary* State Department For Crops Development, Ministry of Agriculture, Livestock, Fisheries and Irrigation and the Programme Coordinator *Agricultural Sector Development Support Programme II (ASDSP II)* on 17<sup>th</sup> Dec 2018 and signed by them.



Principal Secretary

Name: Prof. Hamadi I. Boga



Programme Coordinator

Name: Phoebe A. Odhiambo



Programme Accountant:

Name: David K. Ndorongo  
ICPAK Member Number:



# REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II) FOR THE TWO MONTHS PERIOD ENDED 30 JUNE 2018 - MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION

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#### REPORT ON THE FINANCIAL STATEMENTS

##### Opinion

I have audited the accompanying financial statements of Agricultural Sector Development Support Programme II (ASDSP II) set out on pages 13 to 56, which comprise the statement of financial assets as at 30 June 2018, and the statement receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the two months period 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 and Article 13 of the Financing Agreement between the Government of Kenya and Government of Sweden dated 7 December, 2017. 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 Agricultural Sector Development Support Programme II (ASDSP II) as at 30 June 2018, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Programme Financing Agreement.

In addition, the special account statement presents fairly, transactions for the period and the closing balance has been reconciled with the books of account.

##### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Climate Smart Agriculture Project in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with 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.

---

*Report of the Auditor-General on the Financial Statements of Agricultural Sector Development Support Programme II (ASDSP II) for the two months period ended 30 June 2018 - Ministry of Agriculture, Livestock, Fisheries and Irrigation*

## **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY**

### **Conclusion**

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

### **Basis for Conclusion**

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain limited assurance as to 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, GOVERNANCE AND RISK MANAGEMENT SYSTEMS**

### **Conclusion**

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the 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**

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance were maintained 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 for the Financial Statements**

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.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations or have no realistic alternative but to do so.

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 money is applied in a lawful and an effective manner.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the entity 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 of the Financial Statements**

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 of Kenya. 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 addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control 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 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 scepticism throughout the audit. I also:

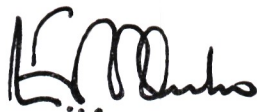
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 sustain 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 sustaining 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 or 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.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**07 December 2018**


**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

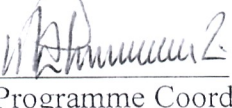
**Reports and Financial Statements For the Two Months – May and June 2018**

**4.0 STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	FY 2017/2018		FY 2016/2017		Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	
		Kshs	Kshs	Kshs	Kshs	Kshs
Receipts from Government of Kenya	8.3	5,407,093		-	-	5,407,093
Proceeds from Domestic and Foreign Grants	8.4	99,560,443	-	-	-	99,560,443
Loan from External Development Partners	8.5	-	-	-	-	-
Miscellaneous Receipts	8.6	2,100	-	-	-	2,100
<b>TOTAL REVENUES</b>		<b>104,969,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,969,636</b>
<b>PAYMENTS</b>						
Compensation of Employees	8.7	-	-	-	-	-
Purchase of goods and services	8.8	67,023,392	-	-	-	67,023,392
Social Security Benefits	8.9	-	-	-	-	-
Acquisition of Non-financial Assets	8.10	-	-	-	-	-
Transfers to Other Government Entities	8.11	-	-	-	-	-
Other grants and transfers and payments	8.12	-	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>67,023,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,023,392</b>
<b>SURPLUS/DEFICIT</b>		<b>37,946,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,023,392</b>

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

  
 Principal Secretary  
 Name: Prof. Hamadi I. Boga

  
 Programme Coordinator  
 Name: Phoebe A. Odhiambo

  
 Programme Accountant:  
 Name: David K. Ndongoro  
 ICPAK Member Number:



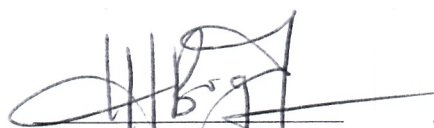
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

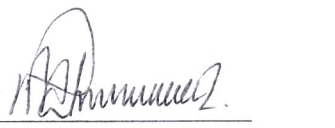
Reports and Financial Statements For the Two Months – May and June 2018

5.0 STATEMENT OF FINANCIAL ASSETS

	Note	FY 2017/18 Kshs	FY 2016/17 Kshs
Bank Balances	8.13A	37,946,244	-
Cash Balances	8.13B	-	-
Cash Equivalents (Short term deposits)	8.13C	-	-
<b>Total Cash and Cash equivalents</b>		<b>37,946,244</b>	-
Outstanding Imprests & Advances	8.14	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>37,946,244</b>	-
Fund balance b/fwd	8.15	-	-
Surplus / (deficit) for the year		37,946,244	-
Prior Year Adjustment	8.16	-	-
<b>NET FINANCIAL POSITION</b>		<b>37,946,244</b>	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17<sup>th</sup> Dec 2018 and signed by:

  
Principal Secretary  
Name: Prof. Hamadi I. Boga

  
Programme Coordinator  
Name: Phoebe A. Odhiambo

  
Programme Accountant:  
Name: David K. Ndorongo  
ICPAK Member Number:



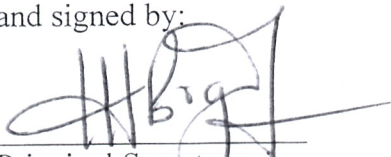
**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**


**6.STATEMENT OF CASHFLOW**

	Note	2017- 2018 Kshs	2016- 2017 Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Receipts from Government of Kenya	8.3	5,407,093	-
Proceeds from Domestic and Foreign Grants	8.4	99,560,443	-
Miscellaneous Receipts	8.6	2,100	-
		<b>104,969,636</b>	-
<b>Payments for operating expenses</b>			
Compensation of Employees	8.7	-	-
Use of goods and services	8.8	(67,023,392)	-
Social Security Benefits	8.9	-	-
Transfers to Other Government Entitiess	8.11	-	-
Other Grants and Other Payments	8.12	-	-
		<b>(67,023,392)</b>	-
<b>Adjusted for:</b>			
Change in receivables	8.16	-	-
Adjustments during the year		-	-
<b>Net cashflow from operating activities</b>		<b>37,946,244</b>	-
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Non-financial Assets	8.10	-	-
<b>Net cash flows from Investing Activities</b>		-	-
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Loan from External Development Partners	8.5	-	-
<b>Net cash flow from financing activities</b>		-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>37,946,244</b>	-
<b>Cash and cash equivalent at BEGINNING of the year</b>		-	-
<b>Cash and cash equivalent at END of the year</b>		<b>37,946,244</b>	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17th Dec 2018 and signed by:

  
Principal Secretary

Name: Prof. Hamadi I. Boga

  
Programme Coordinator

Name: Phoebe A. Odhiambo

  
Programme Accountant:

Name: David K. Ndongoro  
ICPAK Member Number:

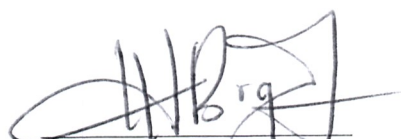


AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

7.0 STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Consolidated	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts/Payments Item</b>						
<b>Receipts</b>						
Receipts from Government of Kenya- MOAL&F	160,000,000	-	160,000,000	5,407,093	154,592,907	3%
Receipts from Government of Kenya- Counties	258,500,000	-	258,500,000	-	258,500,000	0%
Proceeds from Domestic and Foreign Grants	720,000,000	-	720,000,000	99,560,443	620,439,557	14%
Loan from External Development Partners	-	-	-	-	-	0%
Miscellaneous receipts	-	-	-	2,100	2,100	0%
<b>Total Receipts</b>	<b>1,138,500,000</b>	<b>-</b>	<b>1,138,500,000</b>	<b>104,969,636</b>	<b>1,033,530,364</b>	<b>9%</b>
<b>Payments</b>						
Compensation of employees	-	-	-	-	-	0%
Use of goods and services	263,215,840	-	263,215,840	67,023,392	196,192,448	25%
Social Security Benefits		-	-	-	-	0%
Acquisition of Non-financial Assets	11,200,000	-	11,200,000	-	11,200,000	0%
Transfers to Other Government Entities	864,084,160		864,084,160	-	864,084,160	0%
Other Grants and Other Payments			-	-	-	
<b>Total Payments</b>	<b>1,138,500,000</b>	<b>-</b>	<b>1,138,500,000</b>	<b>67,023,392</b>	<b>1,071,476,608</b>	<b>6%</b>



Principal Secretary  
Name: Prof. Hamadi I. Boga



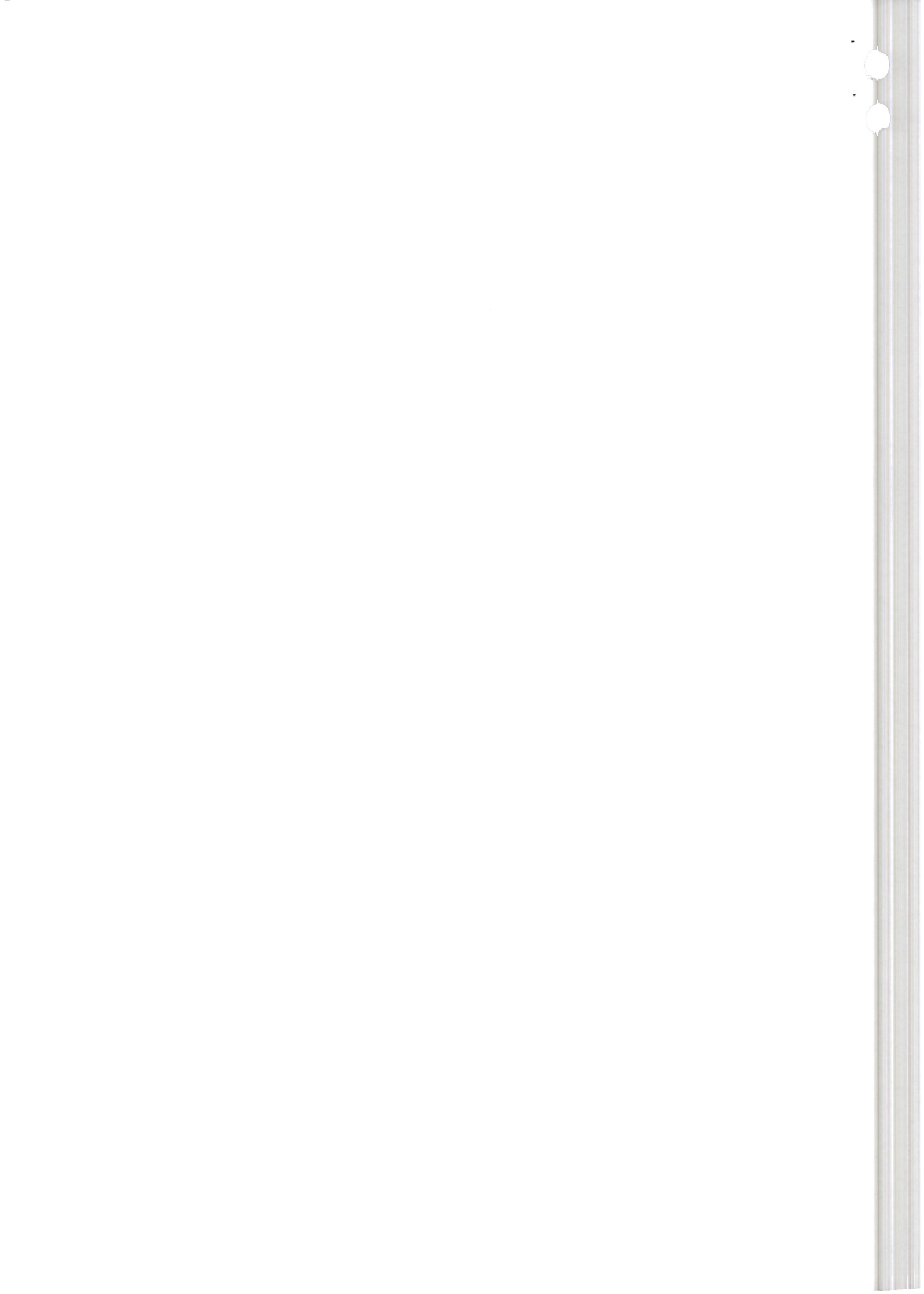
Programme Coordinator

Name: Phoebe A. Odhiambo



Programme Accountant:

Name: David K. Ndongoro  
ICPAK Member Number:



## **8.0 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 Programme ASDSP 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 Programme and all values are rounded to the nearest Kenya Shilling.

### **8.2. Significant Accounting Policies**

#### **a) Recognition of receipts**

The Programme 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.

**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 Programme or any other debt the Programme 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 Programme currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the Programme is anticipated to continue to completion. An analysis of the Programme'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 Programme recognises all payments when the event occurs and the related cash has actually been paid out by the Programme .

• **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.

*Reports and Financial Statements For the Two Months – May and June 2018*

• **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 Programme 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 Programme 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 authorised 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

**e) Accounts receivable**

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

**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 Programme 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 Programme'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 Programme s 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 Programme's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

*Reports and Financial Statements For the Two Months – May and June 2018*

**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.

**i) Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Programme 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.

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

**8.3 RECEIPTS FROM GOVERNMENT OF KENYA**

	2017/18	2016/17	Cumulative e to Date	Cumulative Prior Year
	KShs	KShs	KShs	KShs
<i>Counterpart funding through State Department For Crops Development , Ministry of Agriculture , livestock &amp; Fisheries</i>				
Counterpart funds Quarter 1	-	-	-	-
Counterpart funds Quarter 2	-	-	-	-
Counterpart funds Quarter 3	-	-	-	-
Counterpart funds Quarter 4	5,407,093	-	5,407,093	-
<i>Other transfers from government entities</i>				
	<u>5,407,093</u>	<u>-</u>	<u>5,407,093</u>	<u>-</u>

Reports and Financial Statements For the Two Months – May and June 2018

8.4 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment *	Grants received in kind	Total amount in KShs	
						FY 2017/18	FY 2016/2017
SWEDISH GOVERNMENT ( SIDA)							
		0	KShs	KShs	KShs	KShs	
		0	-			-	
Government of SWEDEN - Eur	7/5/2018	-	99,560,443			99,560,443	
<b>Grants Received from Bilateral Donors (Foreign Governments)</b>	-						
Government of SWEDEN - Swedish Kronor			99,560,443		-	99,560,443	
<b>Grants Received from Multilateral Donors (International Organisations)</b>							
<b>Grants Received from Local Individuals and organisations</b>							
<b>Total</b>		-	99,560,443	-	-	99,560,443	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**8.5 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
					FY 2017/18 KShs	FY 2016/17 KShs
Loans Received from Bilateral Donors (Foreign Governments)			KShs	KShs		
ADB - USD					-	
Loans Received from Multilateral Donors (International Organisations)						
International Fund for Agricultural Development - USD					-	
<b>Total</b>			-	-	-	-

Reports and Financial Statements For the Two Months – May and June 2018

8.6 MISCELLANEOUS RECEIPTS

	Receipts controlled by the entity in Cash KShs	Receipts controlled by third parties KShs	TOTAL RECEIPTS		Cumulative to-date KShs	Cumulative Prior Year KShs
			FY 2017/18 KShs	FY 2016/17 KShs		
Property income			-		-	-
Sales of goods and services			-		-	-
Administrative fees and charges			-		-	-
Fines, penalties and forfeitures			-		-	-
Voluntary transfers other than grants			-		-	-
Other receipts not classified elsewhere	2,100		2,100	-	2,100	-
	<u>2,100</u>		<u>2,100</u>		<u>2,100</u>	

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**8.7 COMPENSATION OF EMPLOYEES**

	Payments made by the Entity in Cash	Payments made by third parties	FY 2017/18 Total Payments	FY 2016/17	Cumulative to-date	Cumulative Prior Year
	KShs	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees			-	-	-	-
Basic wages of temporary employees			-	-	-	-
Personal allowances paid as part of salary	-		-	-	-	-
Personal allowances paid as reimbursements			-	-	-	-
Personal allowances provided in kind			-	-	-	-
Pension and other social security contributions			-	-	-	-
Compulsory national social security schemes			-	-	-	-
Compulsory national health insurance schemes			-	-	-	-
Social benefit schemes outside government			-	-	-	-
Other personnel payments			-	-	-	-
<b>Total</b>			<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

Reports and Financial Statements For the Two Months – May and June 2018

8.8 USE OF GOODS AND SERVICES

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	FY 2016/17	Cumulative to- date	Cumulative Prior Year
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-	-
Communication, supplies and services	1,125,160		1,125,160		1,125,160	-
Domestic travel and subsistence	39,950		39,950		39,950	-
Foreign travel and subsistence	-		-		-	-
Printing, advertising and information supplies & services	473,160		473,160		473,160	-
Rentals of produced assets (Rentals)	264,000		264,000		264,000	-
Training expenses	617,072		617,072		617,072	-
Hospitality supplies and services	35,750		35,750		35,750	-
Insurance costs	709,729		709,729		709,729	-
Specialised materials and services	-	-	-		-	-
Office and general supplies and services	580,838		580,838		580,838	-
Other operating expenses/feasibility Studies	46,157,901		46,157,901		46,157,901	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

Routine maintenance – vehicles and other transport equipment	3,623,582		3,623,582		3,623,582	-
Consultancy services: – Technical and professional services	13,396,250		13,396,250		13,396,250	-
<b>Total</b>	<u>67,023,392</u>	=	<u>67,023,392</u>	=	<u>67,023,392</u>	=

**Note:** (Other operating expenses include Bank charges **Ksh 46,040** and Feasibility **Ksh 46,111,861**)

**8.9 SOCIAL SECURITY BENEFITS**

	Payments made by the Entity in Cash	KShs	Payments made by third parties	KShs	Total Payments		Cumulative to-date	Cumulative Prior Year
					FY 2017/18	FY 2016/17		
Government pension and retirement benefits		KShs		KShs			KShs	
Social security benefits in cash and in kind								
Employer social benefits in cash and in kind								
<b>Total</b>		=		=		=		=

Reports and Financial Statements For the Two Months – May and June 2018

8.10 ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2017/18	FY 2016/17		
	KShs	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	-	-	-	-	-	-
Construction of buildings	-	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-	-
Construction of roads	-	-	-	-	-	-
Construction of civil works	-	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	-	-
Overhaul of vehicles & other transport equipment	-	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-	-
Purchase of office furniture & general equipment	-	-	-	-	-	-
Purchase of specialised plant,	-	-	-	-	-	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

equipment and machinery	-	-	-	-	-	-
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-	-
Acquisition of land	-	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Reports and Financial Statements For the Two Months – May and June 2018

8.11 TRANSFER TO OTHER GOVERNMENT ENTITIES

	Payments made by the Entity in Cash KShs	Payments made by third parties KShs	Total Payments		Cumulative to-date KShs	Cumulative Prior Year KShs
			FY 2017/18 KShs	FY 2016/17 KShs		
<b>Transfers to National Government entities</b>						
Ministry ABC	-	-	-	-	-	-
Project XYZ						
	=	=	=	=	=	=
<b>Transfers to County Government</b>						
County ABC			-	-	-	-
County XYZ	-	-	-	-	-	-
	=	=	=	=	=	=
<b>TOTAL</b>	=	=	=	=	=	=

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

**8.12 OTHER GRANTS AND OTHER PAYMENTS**

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2017/18	FY 2016/17		
	KShs	KShs	KShs	KShs	KShs	KShs
Grants for scholarships			-		-	
Transfers to lower levels of government e.g schools			-		-	
Miscellaneous payments			-		-	
<b>Total</b>						

**8.13 CASH AND CASH EQUIVALENTS CARRIED FORWARD**

CASH AND CASH EQUIVALENTS C/FWD	FY 2017/18	FY 2016/17
	KShs	KShs
Bank accounts (Note 13A)	37,946,244	-
Cash in hand (Note 13B)	-	-
Cash equivalents (short-term deposits) (Note 13C)	-	-
Outstanding imprests and advances (Note 8.14)	-	-
<b>Total</b>	<b>37,946,244</b>	<b>-</b>

8.13 A Bank Accounts	FY 2017/18	FY 2016/17

## Reports and Financial Statements For the Two Months – May and June 2018

<u>Foreign Currency Accounts</u>	KShs	KShs
Central Bank of Kenya [A/c NO: ]		
Kenya Commercial Bank [A/c No.....]	xxx	xxx
Co-operative Bank of Kenya [A/c No.....]	xxx	xxx
Others ( <i>specify</i> )	xxx	xxx
<b>Total Foreign Currency balances</b>	-	-
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	xxx	xxx
Kenya Commercial Bank 1229965076 - Donor	37,894,779	-
Kenya Commercial Bank 1229967206 GOK	51,465	-
Others ( <i>specify</i> )	xxx	xxx
<b>Total local currency balances</b>	37,946,244.00	-
<b>Total bank account balances</b>	<b>37,946,244</b>	-

The Programme has Two Programme accounts spread within the Programme implementation area and one foreign currency designated accounts managed by the National Treasury as listed below:

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**Special Deposit Accounts Movement Schedule**

	FY 2017/18	FY 2016/17
	KShs	KShs
<b>(i) A/c Name [A/c NO: 1000358793]</b>		
Opening balance	-	-
Total amount deposited in the account	7,118,043	-
Total amount withdrawn (as per Statement of Receipts & Payments)	797,000	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>6,321,043</u></b>	<u>                    </u>
<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>	<b><u>6,321,043</u></b>	<u>                    </u>

Reports and Financial Statements For the Two Months – May and June 2018

8.13 B Cash In Hand

	FY 2017/18	FY 2016/17
	KShs	KShs
Location 1	xxx	Xxx
Other locations (specify)	xxx	Xxx
<b>Total cash balances</b>	<b>-</b>	<b>-</b>

8.13 C Cash equivalents (short-term deposits)

	FY 2017/18	FY 2016/17
	KShs	KShs
Kenya Commercial Bank 1229965076 – Donor Account	-	0
Kenya Commercial Bank 1229967206 GOK Account	-	0
Others ( Specify)	-	xxx
<b>Total</b>	<b>-</b>	<b>0</b>

8.14 Outstanding Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2018	Balance 2017
	Kshs		Kshs	Kshs	Kshs
	a		b	c=a-b	
Donor funds Account	-			-	-
Gok funds Account	-			-	-
<b>Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

**8.15 FUND BALANCE BROUGHT FORWARD**

<b>CASH AND CASH EQUIVALENTS B/FWD</b>	<b>FY 2017/18</b>	<b>FY 2016/17</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	-	-
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
<b>Total</b>	-	-

**8.16 PRIOR YEAR ADJUSTMENT**

<b>PRIOR YEAR ADJUSTMENT</b>	<b>FY 2017/18</b>	<b>FY 2016/17</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	-	
Cash in hand	-	
Cash equivalents (short-term deposits)	-	-
Receivables - Outstanding Imprest	-	-
<b>Total</b>	-	-

Reports and Financial Statements For the Two Months – May and June 2018

9.0 OTHER IMPORTANT DISCLOSURES

9.1: PENDING ACCOUNTS PAYABLE (See Annex 2A)	FY 2017/18 Kshs	FY 2016/2017 Kshs
Construction of buildings		
Construction of civil works		
Supply of goods		
Supply of services		
	-	-

9.2: PENDING STAFF PAYABLES (See Annex 2B)	FY 2017/18 Kshs	FY 2016/2017 Kshs
Permanent employees - management		
Permanent employees - Others		
Temporary employees		
Others ( <i>specify</i> )		
Donor Claims	1,050	-
GOK Claims	1,050	-
	2,100	-

9.3: OTHER PENDING PAYABLES (See Annex 2C)	FY 2017/18 Kshs	FY 2016/2017 Kshs
Amounts due to National Government entities		
Amounts due to County Government entities		
Amounts due to third parties		
Others (specify)		
	-	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

**10.0 NON CURRENT ASSET MOVEMENT**

Asset class	Opening Cost (KShs) 2017/18	*Purchases/Addi tions in the Year (KShs) 2017/18	** Disposals in the Year (KShs) 2017/18	Closing Cost (KShs) 2018
	(a)	(b)	(c)	(d)= (a)+ (b)- (c)
Land	-	-	-	-
Buildings and structures	480,385	-	-	480,385
Transport equipment	244,479,621	-	-	244,479,621
Office equipment, furniture and fittings	2,085,700	-	-	2,085,700
ICT Equipment, Software and Other ICT Assets	67,272,003	-	-	67,272,003
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>314,317,709</b>	<b>-</b>	<b>-</b>	<b>314,317,709</b>

**Note:** All the Assets were inherited from ASDSP I, Programme that ended in September, 2017

Reports and Financial Statements For the Two Months – May and June 2018

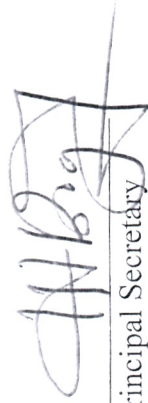
11. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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.

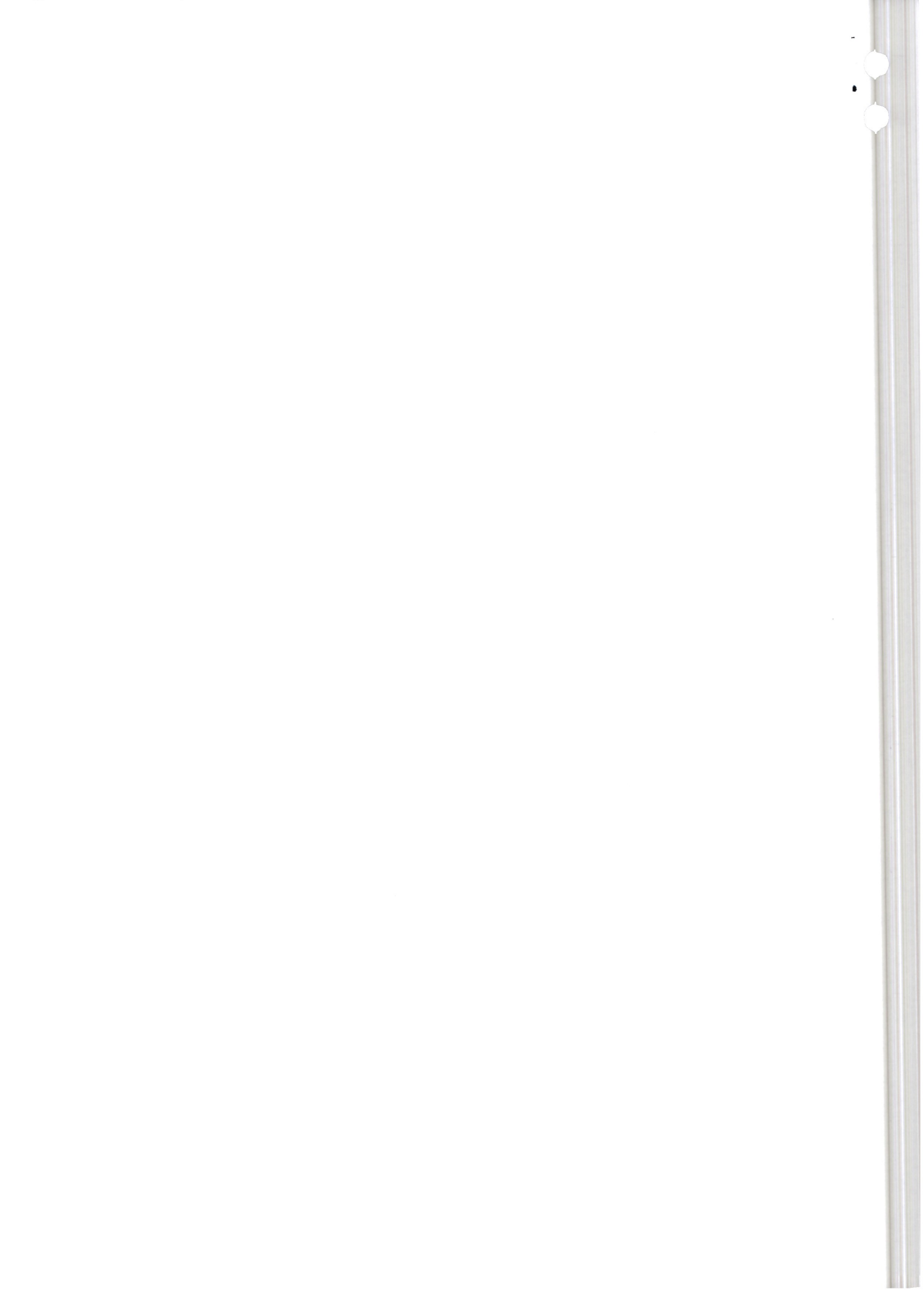
  
Principal Secretary

Name: Prof. Hamadi I. Boga



Programme Coordinator

Name: Phoebe A. Odhiambo



Reports and Financial Statements For the Two Months – May and June 2018

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation	Comments on Variance
	c=a+b	d	e=c-d	f=d/c %	
<b>Receipts</b>					
Receipts from Government of Kenya	160,000,000	5,407,093	154,592,907	3%	N1
Receipts from Government of Kenya- Counties	258,500,000		258,500,000	0%	N2
Proceeds from Domestic and Foreign Grants	720,000,000	99,560,443	620,439,557	14%	N3
Loan from External Development Partners	-	-	-		
Miscellaneous receipts	-	2,100	2,100	0%	
<b>Total Receipts</b>	<b>1,138,500,000</b>	<b>104,969,636</b>	<b>1,033,530,364</b>	<b>9%</b>	<b>N4</b>
<b>Payments</b>					
Compensation of employees	-	-	-	0%	
Use of goods and services	263,215,840	67,023,392	196,192,448	25%	N5
Social Security Benefits	-	-	-	0%	
Acquisition of Non-financial Assets	11,200,000	-	11,200,000	0%	
Transfers to Other Government Entities	864,084,160	-	864,084,160	0%	N6
Other Grants and Other Payments	-	-	-		
<b>Total Payments</b>	<b>1,138,500,000</b>	<b>67,023,392</b>	<b>1,071,476,608</b>	<b>6%</b>	<b>N7</b>

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

**Explain Variance less than 90% & above 100%**

The programme was signed in December 2017 and the operations started in May 2018

" NOTE1 . The National Government ( MOAL&F) released Ksh 5,407,093 to the National Programme secretariat. No funding was done to the counties

" NOTE2 . The County Governments ( 47 Counties) did not fund the programme , during the year

" NOTE3 . The National Treasury Through ( MOAL&F) released Ksh 99,560,443 to the National Programme secretariat. No funding was done to the counties

" NOTE 4 . Represent the net effect of Receipts. The Funds to be carried over to Fy 2018/2019

" NOTE 6 . The County Governments ( 47 Counties) were not funded , during the year

" NOTE 7 . Represent the net effect of Expenditure . The Activities to be carried over to Fy 2018/2019

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid Date	Outstanding Balance 2018	Outstanding Balance 2017
	a	b	c	d-a-c	
Construction of buildings					
Sub-Total	-		-	-	-
Construction of civil works					
Sub-Total	-		-	-	-
Supply of goods					
Sub-Total	-		-	-	-
Supply of services					
Sub-Total	-		-	-	-
Grand Total	-		-	-	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

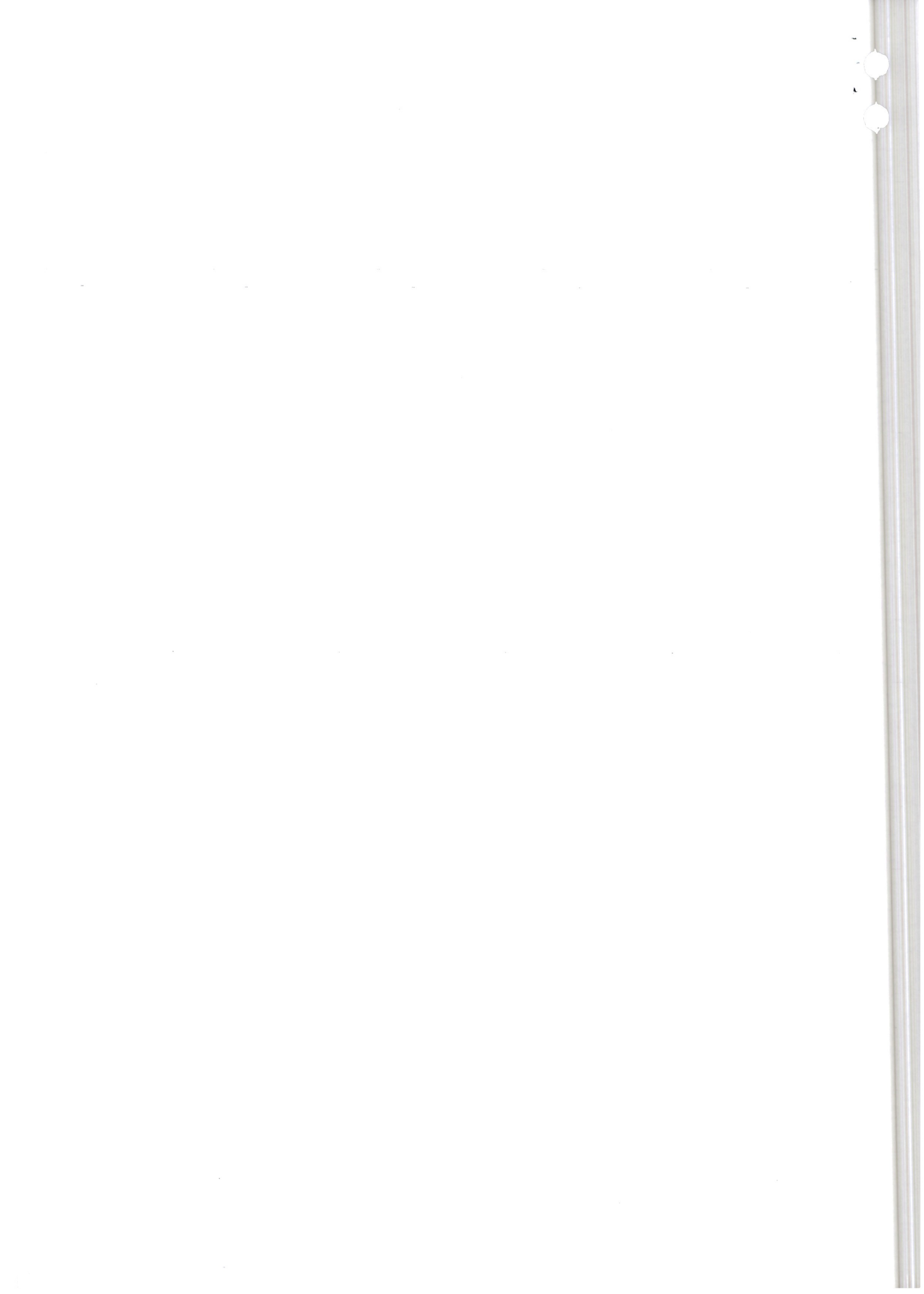
**ANNEX 2A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
	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>						

Reports and Financial Statements For the Two Months - May and June 2018

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contract ended	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
<b>Permanent Employees - Management</b>							
1.							
2.							
3.							
<b>Sub-Total</b>							
<b>Permanent Employees - Others</b>							
4.							
5.							
6.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
7.							
8.							
9.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
10.							
11.							
12.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

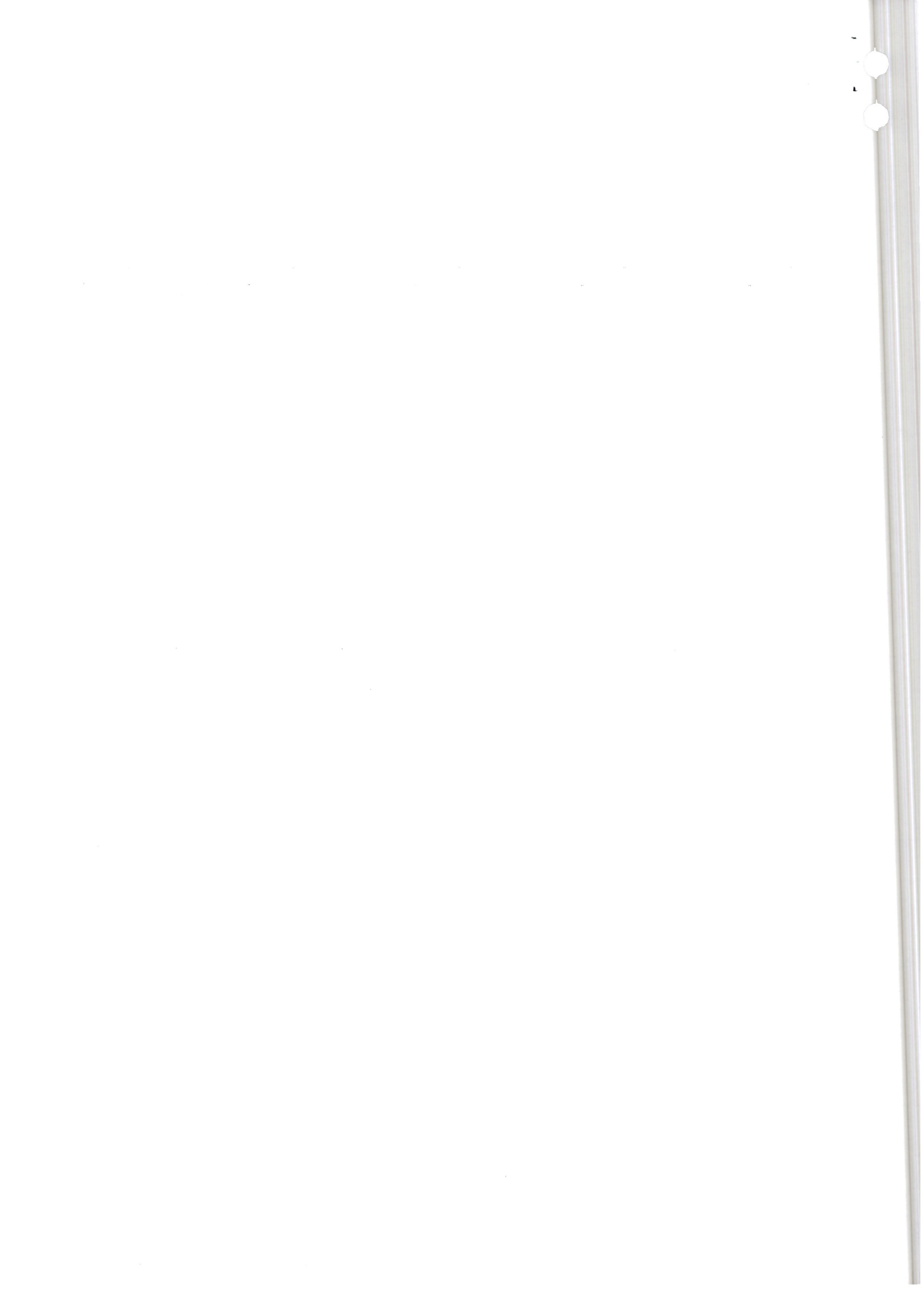


AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2018	Outstanding Balance 2017	Comments
		a	b	c	d=a-c		
<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>							



*AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)*

*Reports and Financial Statements For the Two Months – May and June 2018*

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

Asset class	Opening Cost (KShs) 2017/18	*Purchases/ Additions in the Year (KShs) 2017/18	**Dispos als in the Year (KShs) 2017/18	Closing Cost (KShs) 2018
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Land	-	-		-
Buildings and structures	480,385	-		480,385
Transport equipment	244,479,621	-		244,479,621
Office equipment, furniture and fittings	2,085,700	-		2,085,700
ICT Equipment, Software and Other ICT Assets	67,272,003	-		67,272,003
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
<b>Total</b>	<b>314,317,709</b>	<b>-</b>	<b>-</b>	<b>314,317,709</b>

**Note:** All the Assets were inherited from ASDSP I, Programme that ended in September, 2017



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

ASDSP II -CONSOLIDATED Trial balance for the FY -2017 - 2018

Item	Description	Dr	Cr
<b>Opening balances - 01-07-2017</b>			
	Donor Exchequer Received	-	99,560,443
	GOK Exchequer Received		5,407,093
	Miscellaneous Income	-	2,100
<b>2210300</b>	<b>COMPENSATION OF EMPLOYEES</b>	-	-
2210303	Personal allowances paid as part of salary	-	-
<b>2210100</b>	<b>Utilities supplies &amp; Services</b>	-	-
2210101	Electricity	-	-
2210102	Water and sewerage charges	-	-
2210103	Gas Expenses	-	-
<b>2211100</b>	<b>Office &amp; General Supplies</b>	<b>580,838</b>	-
<b>2211009</b>	<b>Education &amp; Library Supplies</b>	-	-
2211101	Stationery & General running	309,831	-
2211102	Computer Supplies	271,007	-
2211103	Cleaning Material	-	-
<b>2210200</b>	<b>Communication , supplies &amp; services</b>	<b>1,125,160</b>	-
2210201	Phone Fax Mobile	660,000	-
2210202	Internet Email	465,160	-
2210203	Courier & Postal	-	-
<b>2210300</b>	<b>Domestic Travel &amp; Subsistence.</b>	<b>39,950</b>	-
2210301	Air Bus Train fares	22,700	-
2210302	Accomodation, Meals	-	-
2210303	Subsistence allowance	17,250	-
<b>2210400</b>	<b>Foreign Travel &amp; Subsist.</b>	-	-
2210401	Foreign Trav Air Bus Train	-	-
2210402	Foreign Accomodat Meals	-	-
2210403	Foreign Trav DSA & Subsist.	-	-
2210404	Sundry Items	-	-
<b>2210500</b>	<b>Printing, Advertising and information supplies &amp; servives</b>	<b>473,160</b>	-
2210502	Publishing & Printing	304,600	-
2210503	Subscription Periodicals	17,760	-
2210504	Advertising & Awareness	150,800	-
2210507	Development of promotional materials	-	-
<b>2210700</b>	<b>Training Expenses</b>	<b>617,072</b>	-
2210701	Travel, Accomodation, Fees	617,072	-
2210702	Pay Instructors	-	-
2210703	Print Training Material	-	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)**

**Reports and Financial Statements For the Two Months – May and June 2018**

2210704	Hire Facilities	-	-
2210708	Trainers Allowances	-	-
2210710	Training Accomodat Allow	-	-
2210714	Gender Mainstreaming	-	-
<b>2210800</b>	<b><u>Hospitality supplies and services</u></b>	<b>35,750</b>	-
2210801	Catering services	35,750	-
2210802	Boards Committees	-	-
<b>2210900</b>	<b><u>Insurance costs</u></b>	<b>709,729</b>	-
2210904	Vehicle Insurance	709,729	-
<b>2211300</b>	<b><u>Consultancy services - Technical and profesional services</u></b>	<b>13,396,250</b>	-
2211310	Consultants / Prof. Services	13,396,250	-
2211311	Technical Services	-	-
<b>2220200</b>	<b><u>Routine Maint.- Other Assets</u></b>	-	-
2220201	Office Furniture & Equip	-	-
2220209	Alterat Buildings	-	-
2220210	Maint Computer, Phone, Software	-	-
2220212	Maint Computers/ software/ communic. Equipm.	-	-
<b>2220300</b>	<b><u>Rentals</u></b>	<b>264,000</b>	-
2220305	Office Rents	264,000	-
	<b><u>Routine maintenance - vehicle and other transport equipment</u></b>	<b>3,623,582</b>	
<b>2220100</b>	<b><u>Routine maintenance - vehicle and other transport equipment</u></b>	<b>3,234,987</b>	-
2211201	Fuel, Oil for Transport	300,000	-
2220101	Vehicle Maintenance	2,934,987	-
<b>3110800</b>	<b><u>Overhaul of Vehicles and Other Transport Equipment</u></b>	<b>388,595</b>	-
3110801	Overhaul Vehicles	388,595	-
	<b><u>Other operating expenses - Bank charges/ Feasibility Studies</u></b>	<b>46,157,901</b>	-
2211301	Bank Charges	46,040	-
<b>3111400</b>	<b><u>Feasibility Studies</u></b>	<b>46,111,861</b>	-
3111401	Feasibility Studies ASDS Coordination	27,034,358	-
311140P	Feasibility PHASE 2	19,077,503	-
3111402	Feasibility Studies County	-	-
311140M	Feasibility Studies IMPACT	-	-
3111404	Feasibility Studies Concepts	-	-
	<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>	-	-
3110701	Purchase Vehicles	-	-
3111001	Purchase of office furniture and fittings	-	-

*AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)*

*Reports and Financial Statements For the Two Months – May and June 2018*

3111109	Educational aids related equipm.	-	-
3111111	Purchase of ICT Networking and Comm. Equipt	-	-
3111112	Purchase of software	-	-
	<b>CASH AT BANK</b>	<b>37,946,244</b>	
	<b>Total</b>	<b>104,969,636</b>	<b>104,969,636</b>

*AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)*

*Reports and Financial Statements For the Two Months – May and June 2018*

**ANNEX 1.2 ASDSP II APPROVED County BUDGET 2017-2018**

Item	Description	SIDA DONOR	GOK	TOTAL
<b>2210100</b>	<b>Utilities, Supplies and Services</b>	-	<b>2,256,000</b>	<b>2,256,000</b>
2210101	Electricity	-	1,128,000	1,128,000
2210102	Water and Sewerage Charges	-	564,000	564,000
2210103	Gas Expenses	-	564,000	564,000
<b>2210200</b>	<b>Communication, Supplies and Services</b>	<b>4,048,000</b>	<b>12,744,000</b>	<b>16,792,000</b>
2210201	Tel. Telex. Facsimile and Mobile phones serv.	1,128,000	11,844,000	12,972,000
2210202	Internet Connections	2,820,000	500,000	3,320,000
2210203	Courier and postal services	100,000	400,000	500,000
<b>2210300</b>	<b>Domestic Travel and Subsist,</b>	<b>44,001,400</b>	<b>24,570,000</b>	<b>68,571,400</b>
2210301	Travel cost	6,110,000	6,110,000	12,220,000
2210302	Night Out	20,971,400	10,000,000	30,971,400
2210303	Daily subsistence allowance	16,920,000	8,460,000	25,380,000
<b>2210400</b>	<b>Foreign Travel and Subsistence, and other transportation costs</b>	-	-	-
2210401	Travel Costs (airlines, bus, railway, etc.)	-	-	-
2210402	Accommodation	-	-	-
2210403	Sundry Items (e.g. airport tax, taxis, etc...)	-	-	-
<b>2210500</b>	<b>Printing, Advertising and Information Supplies and Services</b>	<b>27,474,320</b>	<b>11,750,000</b>	<b>39,224,320</b>
2210502	Publishing and Printing services	11,750,000	7,050,000	18,800,000
2210503	Subscription to Newspapers, Magazines,	1,624,320	-	1,624,320
2210504	Advertising and Publicity Campaigns	9,400,000	-	9,400,000
2210507	Development of promotional materials	4,700,000	4,700,000	9,400,000
2210600	Rentals of Produced Assets	-	-	-
2210604	Hire of transport, Eq. Plant & Mach.	-	-	-
<b>2210700</b>	<b>Training Expenses</b>	<b>106,267,000</b>	<b>45,740,000</b>	<b>152,007,000</b>
2210701	Trav. Accom, Tuition and train allow	68,291,000	20,000,000	88,291,000
2210702	Remuneration of instructors	-	-	-
2210703	Production and Printing of Training Materials	940,000	8,460,000	9,400,000
2210704	Hire of training facilities and equip.	4,700,000	4,700,000	9,400,000
2210708	Trainer Allowance	1,880,000	2,580,000	4,460,000
2210710	Accommodation allowance	21,056,000	10,000,000	31,056,000
2210714	Gender Mainstreaming	9,400,000	-	9,400,000
<b>2210800</b>	<b>Hospitality, Supplies and Services</b>	<b>16,638,000</b>	<b>9,400,000</b>	<b>26,038,000</b>
2210801	Catering Services, Accom, Foods and Gifts	2,820,000	-	2,820,000
2210802	Expenses of Boards, Committees and	13,818,000	9,400,000	23,218,000

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

*Reports and Financial Statements For the Two Months – May and June 2018*

	Seminars			
<b>2210900</b>	<b>Insurance Costs</b>	-	-	-
2210904	Motor Vehicle Insurance	-		-
<b>2211000</b>	<b>Specialized Materials and Supplies</b>	-	470,000	470,000
2211009	Purchase of Education and Library Supplies	-	470,000	470,000
<b>2211100</b>	<b>Office Gen.Suppl &amp; Serv.</b>	<b>9,897,025</b>	<b>3,500,000</b>	<b>13,397,025</b>
2211101	General Office Supplies (papers, pencils, forms, small office equipment etc	5,103,025	500,000	5,603,025
2211102	Supplies & accessories for computer & Printer	3,102,000	2,000,000	5,102,000
2211103	Sanitary and Cleaning Materials, Supplies and Services	1,692,000	1,000,000	2,692,000
<b>2211200</b>	<b>Fuel Oils &amp; Lubricants</b>	<b>4,700,000</b>	<b>2,820,000</b>	<b>7,520,000</b>
2211201	Refined Fuels and Lubricants for Transport	4,700,000	2,820,000	7,520,000
<b>2211300</b>	<b>Other Oper. Expenses</b>	<b>705,000</b>	<b>765,000</b>	<b>1,470,000</b>
2211301	Bank Service Commission and Charges	705,000	705,000	1,410,000
2211310	Contracted Professional Services(audit,35m); TA 40m;)information system maintenance 3m	-	-	-
2211311	Contracted Technical Services- GSI, baseline, MIS	-	-	-
2211321	Parking charges	-	60,000	60,000
<b>2220100</b>	<b>Routine Maintenance - Vehicles and Other Transport Equipment</b>	<b>4,700,000</b>	<b>2,350,000</b>	<b>7,050,000</b>
2220101	Maint. Expenses - Motor Vehicles	4,700,000	2,350,000	7,050,000
<b>2220200</b>	<b>Routine Maint.- Other Assets</b>	<b>1,645,000</b>	<b>2,843,000</b>	<b>4,488,000</b>
2220202	Maint office furniture/equipm.	-	940,000	940,000
2220205	Maint. of buildings and stations - non resid	-	940,000	940,000
2220209	Rental	-	963,000	963,000
2220210	Maint Computers/ software/ communic. Equipm.	1,410,000		1,410,000
2220212	Maintenance of Communications Equipment	235,000		235,000
<b>3110700</b>	<b>Purchase of Vehicles and Other Transport Equipment</b>	-	-	-
3110701	Purchase of Motor Vehicles(Van)	-		-
<b>3110800</b>	<b>Overhaul of Vehicles and Other Transport Equipment</b>	-	<b>2,350,000</b>	<b>2,350,000</b>
3110801	Overhaul of Vehicles	-	2,350,000	2,350,000
3110300	Refurbishment of Buildings			-

*AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II ( ASDSP II)*

*Reports and Financial Statements For the Two Months – May and June 2018*

3110302	Refurbishment of Non- Residential buildings	-	-	-
<b>3111100</b>	<b>Purchase of Specialized Plant, Equipment and Machinery</b>	<b>4,230,000</b>	<b>6,200,000</b>	<b>10,430,000</b>
3111001	Purchase of office furniture and fittings		2,350,000	<b>2,350,000</b>
3111109	Educational aids related equipm.	940,000	1,500,000	<b>2,440,000</b>
3111111	Purchase of ICT Networking and Comm. Equipt	2,350,000	2,350,000	<b>4,700,000</b>
3111112	Purchase of software	940,000		<b>940,000</b>
<b>3111400</b>	<b>Pre-feasibility ,feasibility and appraisals studies</b>	<b>263,778,415</b>	<b>248,242,000</b>	<b>512,020,415</b>
<b>3111401</b>	coordination structurers (intergov and national )			-
3111401	capacity building extended concepts / innovation grant Proposal	263,778,415	248,242,000	<b>512,020,415</b>
	<b>Total</b>	<b>488,084,160</b>	<b>376,000,000</b>	<b>864,084,160</b>

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

ANNEX 1.3 NATIONAL PROGRAMME Secretariat Budget – FY 2017-2018

Item	Description	SIDA DONOR	GOK	TOTAL
<b>2210300</b>	<b>COMPENSATION OF EMPLOYEES</b>	-	-	-
2210303	Personal allowances paid as part of salary	-	-	-
<b>2210100</b>	<b>Utilities supplies &amp; Services</b>	-	-	-
2210101	Electricity	-	-	-
2210102	Water and sewerage charges	-	-	-
2210103	Gas Expenses	-	-	-
<b>2211100</b>	<b>Office &amp; General Supplies</b>	<b>1,100,000</b>	<b>900,000</b>	<b>2,000,000</b>
<b>2211009</b>	<b>Education &amp; Library Supplies</b>	100,000	100,000	200,000
2211101	Stationery & General running	400,000	200,000	600,000
2211102	Computer Supplies	500,000	500,000	1,000,000
2211103	Cleaning Material	100,000	100,000	200,000
<b>2210200</b>	<b>Communication , supplies &amp; services</b>	<b>910,000</b>	<b>1,150,000</b>	<b>2,060,000</b>
2210201	Phone Fax Mobile	200,000	950,000	1,150,000
2210202	Internet Email	660,000	150,000	810,000
2210203	Courier & Postal	50,000	50,000	100,000
<b>2210300</b>	<b>Domestic Travel &amp; Subsistence.</b>	<b>3,435,840</b>	<b>3,950,000</b>	<b>7,385,840</b>
2210301	Air Bus Train fares	300,000	450,000	750,000
2210302	Accomodation, Meals	2,135,840	2,000,000	4,135,840
2210303	Subsistence allowance	1,000,000	1,500,000	2,500,000
<b>2210400</b>	<b>Foreign Travel &amp; Subsist.</b>	<b>1,300,000</b>	<b>2,800,000</b>	<b>4,100,000</b>
2210401	Foreign Trav Air Bus Train	200,000	500,000	700,000
2210402	Foreign Accomodat Meals	1,000,000	2,000,000	3,000,000
2210403	Foreign Trav DSA & Subsist.	-	300,000	300,000
2210404	Sundry Items	100,000	-	100,000
<b>2210500</b>	<b>Printing, Advertising and information supplies &amp; servives</b>	<b>10,560,000</b>	<b>3,100,000</b>	<b>13,660,000</b>
2210502	Publishing & Printing	8,500,000	2,000,000	10,500,000
2210503	Subscription Periodicals	60,000	100,000	160,000
2210504	Advertising & Awareness	1,000,000	500,000	1,500,000
2210507	Development of promotional materials	1,000,000	500,000	1,500,000
<b>2210700</b>	<b>Training Expenses</b>	<b>30,800,000</b>	<b>12,576,000</b>	<b>43,376,000</b>
2210701	Travel, Accomodation, Fees	19,400,000	8,000,000	27,400,000
2210702	Pay Instructors	-	-	-
2210703	Print Training Material	100,000	1,000,000	1,100,000
2210704	Hire Facilities	2,000,000	500,000	2,500,000
2210708	Trainers Allowances	300,000	500,000	800,000
2210710	Training Accomodat Allow	6,000,000	2,576,000	8,576,000

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Two Months – May and June 2018

2210714	Gender Mainstreaming	3,000,000	-	3,000,000
<b>2210800</b>	<b><u>Hospitality supplies and services</u></b>	<b>2,250,000</b>	<b>1,300,000</b>	<b>3,550,000</b>
2210801	Catering services	250,000	300,000	550,000
2210802	Boards Committees	2,000,000	1,000,000	3,000,000
<b>2210900</b>	<b><u>Insurance costs</u></b>	<b>1,000,000</b>	-	<b>1,000,000</b>
2210904	Vehicle Insurance	1,000,000	-	1,000,000
<b>2211300</b>	<b><u>Consultancy services - Technical and professional services</u></b>	<b>121,000,000</b>	-	<b>121,000,000</b>
2211310	Consultants / Prof. Services	78,000,000	-	78,000,000
2211311	Technical Services	43,000,000	-	43,000,000
<b>2220200</b>	<b><u>Routine Maint.- Other Assets</u></b>	<b>250,000</b>	<b>750,000</b>	<b>1,000,000</b>
2220201	Office Furniture & Equip	-	-	-
2220209	Alterat Buildings	-	500,000	500,000
2220210	Maint Computer, Phone, Software	200,000	200,000	400,000
2220212	Maint Computers/ software/ communic. Equipm.	50,000	50,000	100,000
<b>2220300</b>	<b><u>Rentals</u></b>	-	<b>300,000</b>	<b>300,000</b>
2220305	Office Rents	-	300,000	300,000
<b>2220100</b>	<b><u>Routine maintenance - vehicle and other transport equipment</u></b>	<b>800,000</b>	<b>824,000</b>	<b>1,624,000</b>
2211201	Fuel, Oil for Transport	300,000	300,000	600,000
2220101	Vehicle Maintenance	500,000	524,000	1,024,000
<b>3110800</b>	<b><u>Overhaul of Vehicles and Other Transport Equipment</u></b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>
3110801	Overhaul Vehicles	1,000,000	1,000,000	2,000,000
	<b><u>Other operating expenses - Bank charges/ Feasibility Studies</u></b>	<b>55,110,000</b>	<b>5,050,000</b>	<b>60,160,000</b>
<b>2211300</b>	<b><u>Bank charges</u></b>			
2211301	Bank Charges	110,000	50,000	160,000
<b>3111400</b>	<b><u>Feasibility Studies</u></b>	<b>55,000,000</b>	<b>5,000,000</b>	<b>60,000,000</b>
3111401	Feasibility Studies ASDS Coordination	20,000,000	5,000,000	25,000,000
311140P	Feasibility PHASE 2	35,000,000	-	35,000,000
3111402	Feasibility Studies County	-	-	-
311140M	Feasibility Studies IMPACT	-	-	-
3111404	Feasibility Studies Concepts	-	-	-
	<b><u>ACQUISITION OF NON-FINANCIAL ASSETS</u></b>	<b>2,400,000</b>	<b>8,800,000</b>	<b>11,200,000</b>
3110701	Purchase Vehicles	-	7,000,000	7,000,000
3111001	Purchase of office furniture and fittings	-	700,000	700,000
3111109	Educational aids related equipm.	200,000	300,000	500,000

*AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)*

*Reports and Financial Statements For the Two Months – May and June 2018*

3111111	Purchase of ICT Networking and Comm. Equipt	2,000,000	500,000	2,500,000
3111112	Purchase of software	200,000	300,000	500,000
	<b>Total</b>	<b>231,915,840</b>	<b>42,500,000</b>	<b>274,415,840</b>

ANNEX 1.4 Reconciliation Between the Project Accounts and the

Special/Designated Account

	PARTICULARS	EUROS (Equivalent)
<b>Date</b>	<b>Balance b/f - 01-07-2017</b>	-
Fy 2017/2018	Amount disbursed to Special Account	7,118,043
	<b>Total</b>	<b>7,118,043</b>
	<b>Represented by:</b>	
	<b>Amount withdrawn</b>	
26/04/2018	Amount disbursed to Ministry of Agriculture, Livestock, Fisheries and Irrigation - State department for Crops development then to ASDSP II Programme Account	797,000
	<b>Total</b>	<b>797,000</b>
	<b>Balance as per special Account 30/06/2018</b>	<b>6,321,043</b>