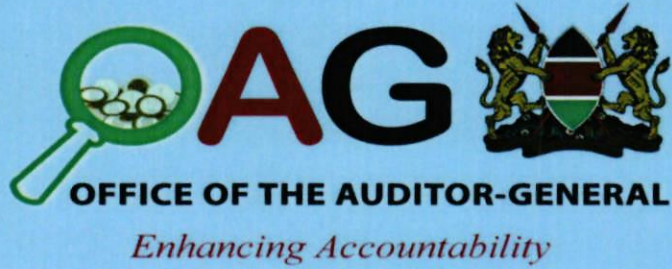


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REPORT

OF

THE AUDITOR-GENERAL

ON

**KERICHO COUNTY AGRICULTURAL
SECTOR DEVELOPMENT SUPPORT
PROGRAMME II FUND**

**FOR THE YEAR ENDED
30 JUNE, 2020**

PAPERS LAID	
DATE	02/03/2022
TABLED BY	Sml
COMMITTEE	—
CLERK AT THE TABLE	DANIEL





KERICHO COUNTY

Programme Name:

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

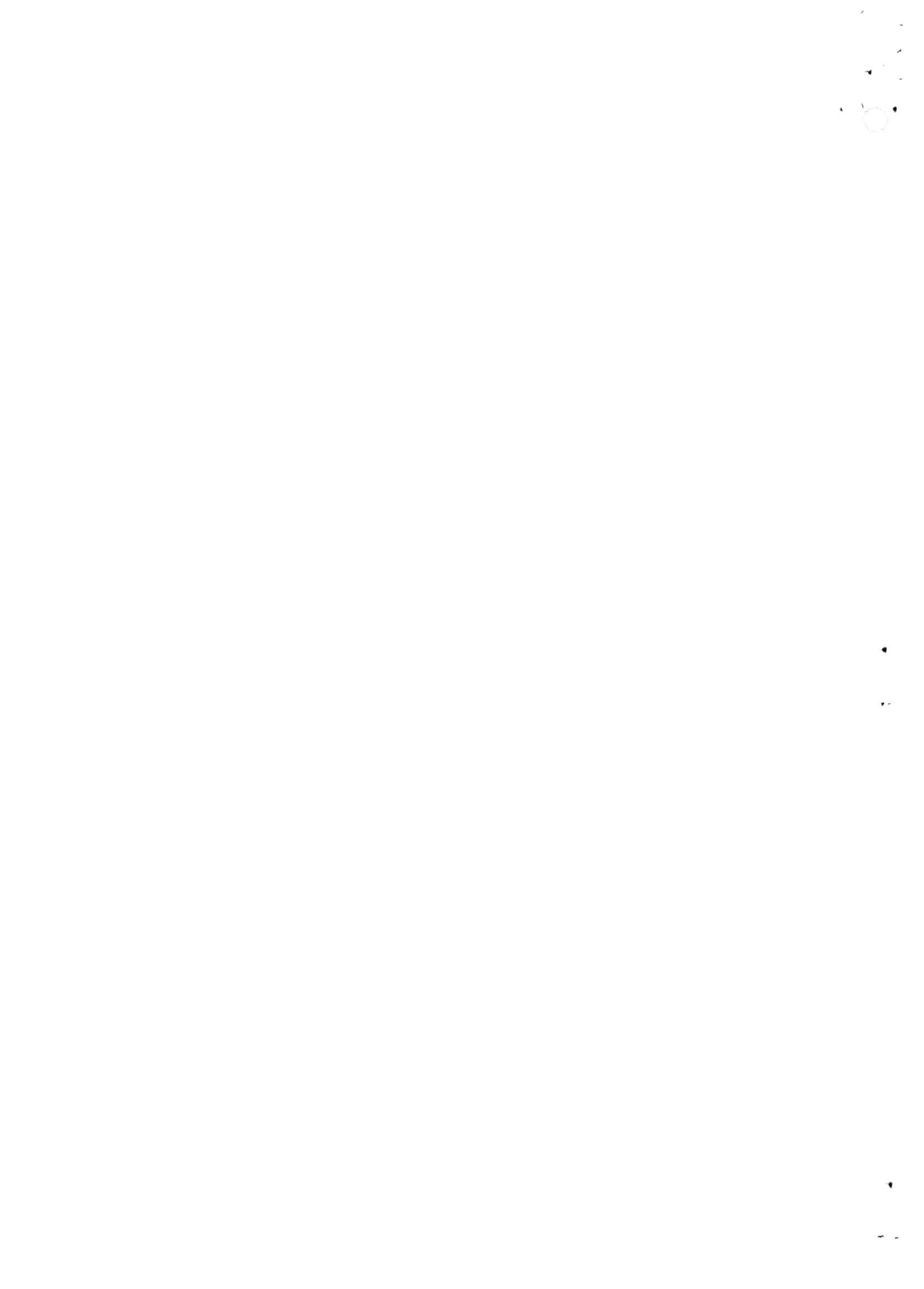
Implementing Entity:

SIDA CONTRIBUTION

REVISED REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Agricultural Sector Development Support Programme (ASDSP) SIDA Fund is established by and derives its authority and accountability from The Kericho County Agricultural Development Act, 2017 on 2nd June 2017. The Fund is wholly owned by the County Government of Kericho and is domiciled in Kenya.

The fund's objective is to contribute to: "Transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security".

The Fund's principal activity is "To Develop Sustainable Priority Value Chains for Improved Income, Food and Nutrition Security."

To achieve this programme purpose, implementation will focus on four result areas:

1. Productivity of priority value chains increased
2. Entrepreneurial skills of priority value chain actors strengthened
3. Access to markets by priority value chain actors improved
4. Structures and capacities for consultation, collaboration, cooperation and coordination in the sector strengthened

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to promote sector wide coordination and facilitate development of environmentally resilient and socially inclusive value chains to support the transformation of Kenya Agricultural Sector into an innovative, commercially-oriented, competitive and modern industry.

ASDSP II will apply the following intervention strategies.

1. Inter-sectoral perspective with respect to its Value Chain Development and sector coordination work at national, county and across the counties
2. Networking Sector actors at all levels to facilitate mutually inclusive, demand-driven identification of value chain bottlenecks and Sector transformation issues needing attention.
3. Act as a facilitator of operational VCD partnerships, not as an implementer.
4. Use applicable national or county government procedures for programme implementation and integrate its steering and governance structures into respective government structures.
5. Put strong emphasis on ensuring that Value Chain Development actions agreed upon by VC stakeholders are commercially viable and driven by partnerships.
6. Stimulate the creation of a constructive economic environment that contributes to stabilization, resilience and economic empowerment for women and youth in Value Chain Development through the establishment of an innovation grant.

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

e) Registered Offices

P.O. Box 112
Kericho County Executive HQs
Nairobi-Kisumu Highway
Kericho, KENYA.

f) Fund Contacts

Telephone: (254) 0722945533/0722449042
E-mail: asdspkericho@gmail.com
Website: www.nafis.go.ke, www.asdsp.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. National Bank of Kenya
Kericho Branch
P.O. Box 1266
Nairobi-Kisumu Highway
Kericho, KENYA.

h) Independent Auditors

PricewaterhouseCoopers Limited
PwC Tower, Waiyaki Way/Chiromo Road, Westlands
P.O. Box 43963
GOP 00100
Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

7. Emphasize the need that environmental and climate resilience considerations are integrated into and considered as an integral aspect of commercial value chain development.
8. Ensure the capacity of the Value Chain Actors and the service providers is built and consolidated gradually and in accordance to identified needs.




c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Eng. Philip Mason	CECM – Agriculture Livestock and Fisheries
2	Lillian Kerio	CO-Agriculture Livestock and Fisheries
3	Florence Rutto	ASDSP County Coordinator
4	David Tanui	Drcr Livestock
5	Johnstone Rono	Drcr Agriculture
6	Mercy Khagali	Drcr Ministry of Energy
7	Eng. Odoyo Bittar	KSCAP Coordinator

d) Key Management







Ref	Name	Position
1	Lillian Kerio	CO-Agriculture Livestock and Fisheries
2	Florence Rutto	ASDSP County Coordinator
3	Benard Too	Business Development Officer
4	Jeremiah Rotich	Monitoring and Evaluation Officer
5	Jennifer Opunga	Programme Capacity Development Officer
6	Ronald Rono	Value Chain Development Officer

2. THE BOARD OF TRUSTEES (or any other corporate governance body for the Fund)

Name	Details of qualifications and experience
	<p>Eng. Philip Mason Executive DOB 2nd August, 1958 Master of Science in Agricultural Engineering- Bachelor of Science- Agricultural Engineering Experience: CECM Dept Trade, CECM Dept Agriculture, Coffee Processing Engineer</p>
	<p>Lilian Kerio Executive DOB 2nd August, 1978 Master of Science in Biochemistry and Molecular Biology- Bachelor of Science-Second Class Honours Upper Division Experience: Biochemist, Tea Research Foundation of Kenya</p>
	<p>Florence Rutto Executive DOB 27th March, 1961 Bachelor of Science-Second Class Honours Upper Division animal production Experience: County Program Coordinator</p>

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

3. MANAGEMENT TEAM

Name	Details of qualifications and experience
	<p>Lilian Kerio Executive DOB 2nd August, 1978 Master of Science in Biochemistry and Molecular Biology- Bachelor of Science-Second Class Honours Upper Division Experience: Biochemist, Tea Research Foundation of Kenya</p>
	<p>Florence Rutto Executive DOB 27th March, 1961 Bachelor of Science-Animal Production Experience: County Program Coordinator</p>
	<p>Benard Too Executive DOB 21st December, 1977 Master of Science in Agricultural Extention- Bachelor of Science- Agricultural Extention Second Class Honours Upper Division Experience: Business Development Officer</p>
	<p>Jeremiah Rotich Executive DOB 4th February, 1972 Bachelor of Science- Agricultural Extention Second Class Honours Upper Division Experience: Monitorring and Evaluation and communication</p>
	<p>Jennifer Opunga Executive DOB 4th September 1967 Master of Science in Agricultural Extention- Bachelor of Science- Agriculture and home economics Second Class Honours Upper Division Experience: Assistant director of Agriculture</p>
	<p>Ronald Rono Executive DOB 10th September, 1986 Bachelor of Science- Agricultural General Second Class Honours Upper Division Experience: Value Chain Development and Environmental Resilience</p>

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

4. REPORT OF THE FUND ADMINISTRATOR

This is the County Government of Kericho County Financial Statements for period ending 30th Jun, 2019 for the Agricultural Development Fund. This report was prepared and presented as required by Section 168 of the *Public Financial Management (PFM) Act 2012*. The Constitution of Kenya Articles 2010 gives a constitutional right and requirement for the public to participate in budgetary process and prudent financial management of the public resources.

The Fund Administrator is County Program Coordinator and its primary purpose is to provide a comprehensive, harmonized, efficient and effective development and regulation of crop agriculture in Kericho County.

It is expected that this report will enable the county government to adequately monitor the challenges faced in budget implementation and use the lessons learnt in future economic forecasts. In addition, the report expounds on the actionable steps to be taken by all stakeholders in the subsequent reporting periods.

Signed: _____



Florence Rutto

5. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Specific Agreement between the Government of Sweden and the Government of Kenya in support of the Agricultural Sector Development Support Programme Phase II (ASDSP II), December 2017 to December 2022. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2020, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 30th Sept 2020 and signed on its behalf by:



Administrator of ASDSP II Fund

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 KERICHO COUNTY AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II FUND FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kericho County Agricultural Sector Development Support Programme II Fund set out on pages 11 to 21, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net assets, 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 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kericho County Agricultural Sector Development Support Programme II Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kericho County Agricultural Development Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Inaccuracies in the Financial Statements

1. Comparative Balances

The financial statements for the year ended 30 June, 2020 provided for audit reflected comparative balances which were at variance with the balances reflected in the financial statements for the financial year 2018/0219.

In the circumstances, the accuracy of the comparative balances in the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Statement of Financial Performance

The statement of financial performance reflects prior year SIDA contribution balance of Kshs.3,995,875 while Note 3 to the financial statements reflects a balance of Kshs.3,875,995 resulting to an unreconciled and unexplained variance of Kshs.119,880.

Consequently, the accuracy of the SIDA contribution balance of Kshs.3,875,995 reflected in the statement of financial performance could not be confirmed.

3. Statement of Changes in Net Assets

The statement of changes in net assets reflects deficit balances for the year under review and prior year of Kshs.2,244,286 and Kshs.837,000 respectively while the statement of financial performance reflects surplus amounts of Kshs.7,213,460 and Kshs.8,658,875. The variances of Kshs.9,457,746 and Kshs.9,495,875 which represent revenue received are incorrectly captured in the statement of changes in net assets.

4. Statement of Cash Flows

The statement of cashflows for the year ended 30 June, 2020 reflects cash and cash equivalents balances of Kshs.nil and Kshs.8,658,875 as opening and closing balances in the financial year 2018/2019. However, the financial statement for the financial year 2018/2019 reflects balances totalling Kshs.21,383,509 and Kshs.19,440,337 resulting to unreconciled variances of Kshs.21,383,509 and Kshs.10,781,462 respectively.

Consequently, the accuracy and completeness of the financial statements as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kericho County Agricultural Sector Development Support Programme II Fund 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 qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.21,935,492 and Kshs.9,457,746 respectively resulting to under-funding of Kshs.12,477,746 or 57% of the budget. Similarly, the Fund

expended Kshs.2,244,286 against an approved budget of Kshs.21,915,490 resulting to under-expenditure of Kshs.19,671,204 or 90% of the budget. The under-funding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Kericho County.

Further, the statement reflects approved revenue budget and expenditure of Kshs.21,935,492 and Kshs.21,915,490 respectively resulting to a variance of Kshs.20,002. No reason was provided for the unbalanced budget contrary to Section 31(c) of the Public Finance Management (County Government) Regulations, 2015 which states that budget revenue and expenditure appropriations shall be balanced.

In the circumstances, the Fund Management is in breach of the law.

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 matter 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 of Conclusion

Presentation of the Financial Statements

The financial statements for the year ended 30 June, 2020 provided for audit review revealed the following:

- i. The statement of performance against county entity's predetermined objectives, board/fund administration committee chairpersons report, corporate governance statement, management discussion and analysis, corporate social responsibility statement/sustainability reporting and report of the trustees/fund administration committee were omitted from the financial statements.
- ii. The financial statements were not signed by the Fund Accountant as required by the Public Sector Accounting Standards Board Template.
- iii. The subheading of the statement of changes in net assets is indicated as at 30 June, 2019 instead of 30 June, 2020.
- iv. The statement of comparison of budget reflect performance difference of total income of Kshs.4,477,746 instead of the casted balance of Kshs.12,477,746.

Consequently, the annual report and the financial statements for the year ended 30 June, 2020 are not in the format prescribed by the Public Sector Accounting Standard Board (PSASB).

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 Fund's ability to continue to sustain 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 abolish the Fund 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 Fund's financial reporting process, reviewing the effectiveness of how the Fund 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

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 Fund's 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 applicable 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 Fund'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 Fund 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 Fund 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

7. FINANCIAL STATEMENTS

7.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th
 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Revenue from non-exchange transactions			
National Government contributions and donations	1	0.00	0.00
Transfers from the Kericho County Government	2	0.00	5,500,000.00
SIDA Contribution	3	9,457,746.00	3,995,875.00
		9,457,746.00	9,495,875.00
Revenue from exchange transactions			
Interest income			0
Other income			0
			0
Total revenue		9,457,746.00	9,495,875.00
Expenses			
Fund administration expenses	4	2,244,286.25	837,000.00
General expenses			
Finance costs			0
Total expenses		2,244,286.25	837,000.00
Other gains/losses			
Gain/loss on disposal of assets			0
Surplus/(deficit) for the period		7,213,459.75	8,658,875.00

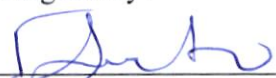
The notes set out on pages 18 to 23 form an integral part of these Financial Statements

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

7.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	5	15,872,334.75	8,658,875.00
Current portion of long term receivables from exchange transactions			0
Prepayments			0
Inventories			0
		15,872,334.75	8,658,875.00
Non-current assets			
Property, plant and equipment			0
Intangible assets			0
Long term receivables from exchange transactions			0
		0.00	0.00
Total assets		15,872,334.75	8,658,875.00
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions		0	0
Provisions		0	0
Current portion of borrowings		0	0
Employee benefit obligations		0	0
		0	0
Non-current liabilities			
Non-current employee benefit obligation		0	0
Long term portion of borrowings		0	0
Total liabilities		0	0
Net assets		15,872,334.75	8,658,875.00
Revolving Fund		0	0
Reserves		0	0
Accumulated surplus		0	0
Total net assets and liabilities		15,872,334.75	8,658,875.00

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 _____ 2020 and signed by:



 Florence Rutto
 Fund Administrator

 Fernandes Korir
 Head of Treasury Accounting
 ICPAK Member No:13966

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2019

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	KShs	KShs	KShs	KShs
Balance as at 1 July 2018	0.00	0.00	0.00	0.00
Surplus/(deficit) for the period	(837,000.00)	-	(837,000.00)	(837,000.00)
Funds received during the year	9,495,875.00	-	9,495,875.00	9,495,875.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2019	8,658,875.00	0	8,658,875.00	8,658,875.00
Balance as at 1 July 2019	8,658,875.00	0	8,658,875.00	8,658,875.00
Surplus/(deficit) for the period	(2,244,286.25)	-	(2,244,286.25)	(2,244,286.25)
Funds received during the year	9,457,746.00		9,457,746.00	9,457,746.00
Revaluation gain	-	-	-	-
Balance as at 30 June 2020	15,872,334.75		15,872,334.75	15,872,334.75

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)
Revised Report and Financial Statements
For the year ended June 30, 2020

7.4. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019/2020	2018/2019
		KShs	KShs
Cashflowsfromoperatingactivities			
Receipts			
SIDA Contribution	2	9,457,746.00	3,995,875.00
Transfers from the Kericho County Government		0.00	5,500,000.00
Transfers from the National Government		0.00	0
Receipts from other operating activities			0
Total Receipts		9,457,746.00	9,495,875.00
Payments			
Fund administration expenses	4	2,244,286.25	837,000.00
General expenses		0	0
Finance cost		0	0
Total Payments		0.00	837,000.00
Netcashflowsfromoperatingactivities		7,213,459.75	8,658,875.00
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Netcashflowsusedininvestingactivities		0	0
Cashflowsfromfinancingactivities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
Netcashflowsusedinfinancingactivities		0	0
Netincrease/(decrease)incashandcash equivalents		0	0
Cash and cash equivalents at 1 JULY		8,658,875.00	0
Cashandcashequivalentsat30 JUNE		15,872,334.75	8,658,875.00

7.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30th JUNE 2020

	Originalbudget	Adjustment	Finalbudget	Actualon comparable basis	Performance difference	% utilization
	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020	2019/2020
	KShs	KShs	KShs	KShs	KShs	
Revenue						
National Government contributions and donations	2,500,000.00		2,500,000.00	0.00	-	-
Transfers from the Kericho County Government	5,500,000.00		5,500,000.00	0.00	-	-
SIDA Contribution	13,935,492.00		13,935,492.00	9,457,746.00	4,477,746.00	67.86805
Other income	0	0	0	0	-	-
Totalincome	21,935,492.00		21,935,492.00	9,457,746.00	4,477,746.00	67.86805
					-	-
Expenses					-	-
OUTCOME 1: PRODUCTIVITY OF PRIORITY VALUE CHAIN	7,451,267.00		7,451,267.00	1,748,286.25	5,702,980.75	23.46
OUTCOME 2: ENHANCED ENTREPRENEURSHIP OF VALUE CHAIN ACTORS	6,355,492.00		6,355,492.00	496,000.00	5,859,492.00	7.80427385
OUTCOME 3: ACCESS TO MARKETS BY VALUE CHAIN ACTORS IMPROVED	1,972,394.00		1,972,394.00	-	-	-
OUTCOME 4:	6,136,337.00		6,136,337.00	-	-	-

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STRUCTURES AND CAPACITIES FOR COORDINATION IN THE SECTOR STRENGTHENED						
Totalexpenditure	21,915,490.00		21,915,490.00	2,244,286.25	19,671,203.75	10.2406
Surplusfortheperiod	20,002.00	0.00	20,002.00	7,213,459.75	-7,193,457.75	

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7.6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2. Adoption of new and revised standards

a) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2019.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

4. Budget information

The original budget for FY 2019/2020 was approved by the County Assembly on 24th June 2019. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of 21,915,491.00 on the FY 2019/2020 budget following the governing body's approval.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 7.5 of these financial statements.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

6. Events after the reporting period

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

7. Ultimate and Holding Entity

The entity is a County Public Fund established by the Specific Agreement between the Government of Sweden and the Government of Kenya in support of the Agricultural Sector Development Support Programme Phase II (ASDSP II), December 2017 to December 2022 Its ultimate parent is the County Government of Kericho.

8. Currency

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

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II
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7.7. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from National Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from National Govt. – operations	0.00	0.00
Payments by County on behalf of the entity	0	0
Total	0.00	0.00

2. Transfers from County Kericho Government

Description	2019/2020	2018/2019
	KShs	KShs
Transfers from County Kericho Govt. – operations	0.00	5,500,000.00
Payments by County on behalf of the entity	0	0
Total	0.00	5,500,000.00

3. SIDA Contribution

Description	2019/2020	2018/2019
	KShs	KShs
SIDA Funds. – operations	9,457,746.00	3,875,995.00
Payments by County on behalf of the entity	0	0
Total	9,457,746.00	3,875,995.00

4. Fund administration expenses

Description	2019/2020	2018/2019
	KShs	KShs
Administration fees	2,244,286.25	837,000.00
Loan processing costs	0	0
Total	2,244,286.25	837,000.00

5. Cash and cash equivalents

Description	2019/2020	2018/2019
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	KShs	KShs
Fixed deposits account	-	-
On – call deposits	-	-
Current account	15,872,334.75	8,658,875.00
Others	-	-
Total cash and cash equivalents	15,872,334.75	8,658,875.00

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