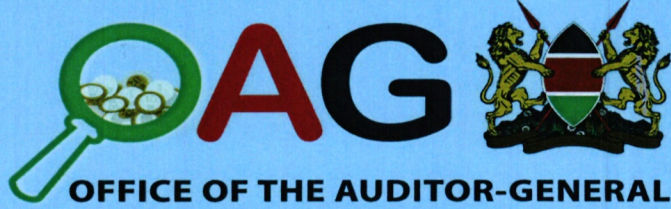



6



Enhancing Accountability



 THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT DATE: 23 FEB 2021	
DAY: TUESDAY	
TABLED BY: OF	LOM
CLERK-AT THE TABLE:	Moses Lemuna

PARLIAMENT
OF KENYA
LIBRARY

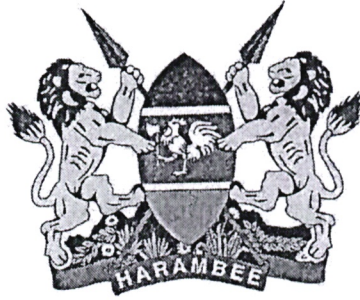
THE AUDITOR-GENERAL

ON

**CAPACITY DEVELOPMENT PROJECT FOR
 ENHANCEMENT OF RICE PRODUCTION IN
 IRRIGATION SCHEMES IN KENYA-
 (PROJECT GRANT/CREDIT NO: 1161001009)**

**FOR SEVENTEEN MONTHS PERIOD
 ENDED 30 JUNE, 2020**

**STATE DEPARTMENT FOR CROPS
 DEVELOPMENT AND AGRICULTURAL
 RESEARCH**



**Project Name: CAPACITY DEVELOPMENT PROJECT FOR ENHANCEMENT OF RICE
PRODUCTION IN IRRIGATION SCHEMES IN KENYA**

Implementing Entity: STATE DEPARTMENT OF AGRICULTURE

PROJECT GRANT/CREDIT NUMBER: 1161001009

**REPORT AND FINANCIAL STATEMENTS FOR 17 MONTHS PERIOD ENDED
JUNE 30, 2020**

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

CAJEREP Project
Reports and Financial Statements
For the 17 Months Period ended June 30, 2020

Page No. 1 of 1
Page No. 1 of 1

CONTENTS

CONTENTS

PAG

1. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	1
2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	V
3. REPORT OF THE INDEPENDENT AUDITORS ON THE RICE MAPP PROJECT	VII
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020.....	1
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2020.....	2
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020.....	3
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	4
8. NOTES TO THE FINANCIAL STATEMENTS	6
9. OTHER IMPORTANT DISCLOSURES	7
10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	26

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Capacity Development Project for Enhancement of Rice Production in Irrigation Scheme in Kenya (CaDPERP)

Objective: The key objective of the project is the Rice production Techniques in the target irrigation schemes are improved through enhanced coordination capacity of RIPP for the inter-scheme dissemination

Address: The project headquarters offices are at MIAD centre, KANDONG'U, Kirinyaga County, Kenya.

The address of its registered office is: P.O. BOX 477-10303, WANG'URU

The project has another office/branch at Ahero Town, National Irrigation Authority (NIA) offices

Contacts: The following are the project contacts

Telephone: (254) 711847464

E-mail: cadperp@gmail.com

Website: www.go.ke

1.2 Project Information

Project Start Date:	The project start date is 01/02/2019
Project End Date:	The project end date is 30/02/2024
Project Manager:	The project manager is Dr. Wilson A. Oyange
Project Sponsor:	The project sponsors are the Government of Kenya which contributes 15% and the Government of Japan (JICA) which contributes 85%

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture, Livestock, Fisheries & Irrigation, State Department for Crops Development and Agricultural Research.
Project number	1161001009
Strategic goals of the project	The strategic goals of the project are as follows: (i) Rice production is increased in the target irrigation schemes (ii) Rice production techniques are disseminated to other irrigation schemes.

***CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020***

Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Trainings of farmers & stake holders (ii) Conduct Demonstrations (iii) Facilitating stakeholders
Other important background information of the project	The project is AIA donor funded together with the counterpart funds RiceMAPP developed technology packages which were disseminated and adopted by 30% of farmers in Mwea irrigation scheme (MIS). CaDPERP (RiceMAPP phase ii) aims to further upscale these technologies to cover at least 60% of farmers in MIS & to disseminate in other irrigation schemes
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Coordination capacity of RIPP is enhanced for nationwide dissemination of rice production techniques. (ii) Rice production techniques are disseminated to relevant stakeholders through capacity development initiative of RIPP to the target irrigation schemes in Western Kenya. (iii) Customized rice production techniques based on experience of Rice MAPP in MIS are extended to ordinary farmers in the target irrigation schemes through existing technology extension mechanism
Project duration	February, 2019-to Feb,2024 (5 Years)

1.4 Bankers

The following are the bankers for the current year:

- (i) District Treasury, Mwea West
- (ii) KCB –Mwea Branch Ac. No 1269770764

1.5 Auditors

The project is audited by the Office of the Auditor General- Anniversary Towers, P.O. Box 30084-00100, NAIROBI

1.6 Roles and Responsibilities

The project has presence both in Mwea, Ahero and West Kano irrigation schemes. The management though based at Mwea, shuttles in between and is responsible for the day to day running of the project headed by the Project Manager and assisted by a team of technical officers called the counterparts and supported by administrative staff. The project also has a team of consultant experts that also shuttles in and out of the country. The core counterpart staffs are drawn from MOALF&I, State Department of Crops Development and Agricultural Research, County government staff seconded to the project and National irrigation board staff as listed below;

Names & Contact details	Title designation	Key qualification	Responsibilities
Dr. Wilson A. Oyange 0711748464 woyange@yahoo.com	Project Manager	Bsc-Agriculture, Msc (Agronomy) -Rice research & cultivation techniques (Japan) Phd-Agronomy	Coordinating day to day activities of the project.
Mwea team			
Daniel M Mwithia 0721952871 danmwithia@gmail.com	Counterpart, Crop management	Bsc.- Agriculture -Rice research & cultivation techniques (Japan)	Responsible for development and upscaling cultivation methods of rice ,Demonstrations & trainings
Juma A. Mohamed 0722494191 jjomadhar@gmail.com	Counterpart Irrigation & Water management Mwea irrigation scheme	Bsc-Agriculture & Diploma in Irrigation & Water	Responsible for irrigation & Water management issues in MIS Seconded from county government of Kirinyaga.
Peter K Kinuthia pkkinuthia@gmail.com	Mechanization Assistant	Diploma in Agriculture Engineering	Conduct trials on mechanization & develop mechanization systems in MIS
Charity W. Njagi	Administrative Assistant	Diploma in Purchasing & Supplies Management	Clerical duties
Antony Munene Njoka	Driver	Defensive driving	Project Driver
Ahero & West Kano team			

CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020

Silas A Owino 0720286520 owinosila@gmail.com	Monitoring & Evaluation	Bsc-Agriculture	Overall tracking of project progress, collation of data & reporting
John Robert Ouko Ogola 0716438938 robertjohn57@gmail.com	Agribusiness development & Marketing,	Bsc- Agribusiness management	Support farmers on marketing issues & develop market information system Seconded from county government of Kisumu -on study leave
Quinter omware owawa qokeyo@gmail.com	Counterpart, Irrigation & Water management, Ahero & W/kano schemes	Bsc. Agricultural Engineering M.A project planning & Management	Responsible for irrigation & Water management issues in Ahero & W/kano Seconded from county government of Kisumu.
Denis Boy Otieno 0722355583 otienobdennis@gmail.com	Counterpart, Extension & training- Ahero & W/kano schemes	Bsc. Agriculture	Responsible for Extension & training of farmers in western schemes Seconded from county government of Kisumu.

1.7 Funding summary

The Project is for duration of five (5) years from February 2019 to February 2024 with a proposed budget of US\$ 3,489,531.4 equivalent to Ksh.350 Million as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30.06.2020)		Undrawn balance to date (30.06. 2020)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	USD		USD		USD	
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
JICA		297,500,000		15,834,348		281,665,652
Insert name of donor	-	-	-	-	-	-
(ii) Loan						
Insert name of development partner	0	0	0	0	0	0
Insert name of development partner	0	0	0	0		0

Source of funds	Donor Commitment-		Amount received to date – (30.06.2020)		Undrawn balance to date (30.06. 2020)	
	Donor currency	KShs	Donor currency	KShs	Donor currency	KShs
	USD	(A')	USD	(B')	USD	(A')-(B')
(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')	
(iii) Counterpart funds						
Government of Kenya		52,500,000		10,231,455		42,268,545
Total		350,000,000		26,065,803		323,934,197

1.8 Summary of Overall Project Performance:

Budget performance against actual amounts for current year and for cumulative to date

- During the year under review, the project incurred a cumulative expenditure Ksh.25,797,003
- The project received kshs.10,231,455 from GOK & 15,834,348 donor money against a final budget of Kshs.79,737,100 for the current financial year

Physical progress based on outputs, outcomes and impacts since project commencement:

- This was the starting the phase of activities and therefore a lot of concentration was on preparatory work.

Comment on value-for-money achievements:

- Donor funding was provided but dwindled since march,2020 because of Covid-19, necessitating adjustments on targets

Implementation challenges:

	Challenges	Recommendation/Way Forward
1	Late disbursement of GoK funds	Timely disbursement of GoK funds
2	Consultancy type of project. A lot of shuttling by the experts.	
3	Challenges in the multisector implementation	Continuous and constant consultations.

1.9 Summary of Project Compliance:

Compliance level so far rated at more than 75%. All activities carried out were in line with the work plan. The donor funds stalled by march,2020 because of the covid 19 situation and all the experts retreated back to their country. Government support to the activities was finally provided, though late.

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries & Irrigation, State department of crops development and Agricultural Research and the *Project Manager* for **CaDPERP project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

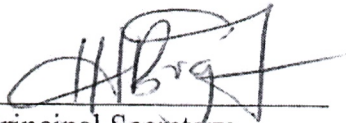
The *Principal Secretary* for the Ministry of Agriculture, Livestock & Fisheries, State department of Agriculture and Agricultural research and the *Project Manager* for **CaDPERP project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Agriculture, Livestock & Fisheries, State department of Agriculture and Agricultural research and the *Project Manager* for **CaDPERP project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* for Agriculture, Livestock & Fisheries, State department of Agriculture and Agricultural Research and the *Project Manager* for **CaDPERP project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Agriculture, Livestock & Fisheries, State department of Agriculture and Agricultural Research and the *Project Manager* for **CaDPERP project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

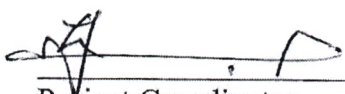
Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock & Fisheries, State department of Agriculture and Agricultural Research and the *Project Manager* for **CADPERP project** on _____ 2020 and signed by them.



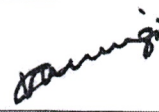
Principal Secretary

Name: Prof Hamadi Idd Boga, PhD



Project Coordinator

Name: W.A. Oyange, PhD



Assistant Accountant General

Name: Charity W. Muriuki
ICPAK Member No 5380

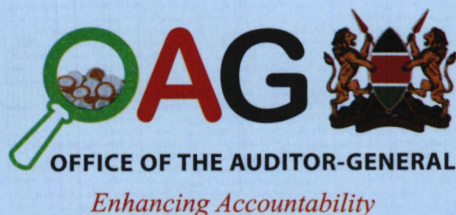
3. REPORT OF THE INDEPENDENT AUDITORS ON THE RICEMAP PROJECT

Auditor General, KENYA

Date

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 CAPACITY DEVELOPMENT PROJECT FOR ENHANCEMENT OF RICE PRODUCTION IN IRRIGATION SCHEMES IN KENYA- (PROJECT GRANT/CREDIT NO: 1161001009) FOR SEVENTEEN MONTHS PERIOD ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR CROPS DEVELOPMENT AND AGRICULTURAL RESEARCH

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya set out on pages 1 to 26, which comprise of the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the seventeen 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 and Section 35 of the Public Audit Act. 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 Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya as at 30 June, 2020, and of its financial performance and its cash flows for the seventeen months` period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Agreement on Technical Cooperation between the Government of the Republic of Kenya and the Government of Japan, dated 29 April, 2004 and Record of Discussions between The Government of Japan International Cooperation Agency (JICA) dated 28 August, 2018 and the Republic of Kenya (GOK) and the Public Finance Management Act, 2012 .

Basis for Opinion

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

Report of the Auditor-General on Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya – (Project Grant/Credit Number: 1161001009) for Seventeen Months Period ended 30 June, 2020 – State Department for Crops Development and Agricultural Research

Key Audit Matters

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

Other Matter:

Budget Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.79,737,100 and Kshs.26,065,803 respectively resulting to an under-funding of Kshs.53,671,297 or 67% of the budget. Similarly, the Project expended Kshs.25,797,003 against an approved budget of Kshs.79,737,100 resulting to an under-expenditure of Kshs.53,940,097 or 68% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but

is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Conclude on the appropriateness of the Management's use of the 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 Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

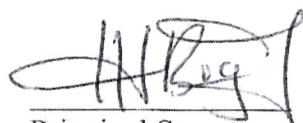
04 January, 2021

ICPAK Project
Reports and Financial Statements
For the 17 Months Period ended June 30, 2020

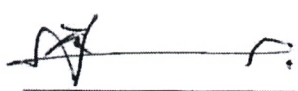
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR 17 MONTHS PERIOD ENDED 30TH JUNE 2020

	Note	2019/20		2018/19		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	8.3	10,231,455	0	0	0	10,231,455
Proceeds from domestic and foreign grants	8.4		15,834,348	0	0	15,834,348
Loan from external development partners	8.5	0	0	0	0	0
Miscellaneous receipts	8.6	0	0	0	0	0
TOTAL RECEIPTS		10,231,455	15,834,348	0	0	26,065,803
PAYMENTS						
Compensation of employees	8.7	0	0	0	0	0
Purchase of goods and services	8.8	9,962,655	8,822,058	0	0	18,784,713
Social security benefits	8.9	0	0	0	0	0
Acquisition of non-financial assets	8.10	0	7,012,290	0	0	7,012,290
Transfers to other government entities	8.11	0	0	0	0	0
Other grants and transfers and payments	8.12	0	0	0	0	0
TOTAL PAYMENTS		9,962,655	15,834,348	0	0	25,797,8003
SURPLUS/DEFICIT		268,800	0	0	0	268,800

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



Principal Secretary
 Name: Prof Hamadi Idd Boga, PhD



Project Coordinator
 Name: W.A. Oyange, PhD



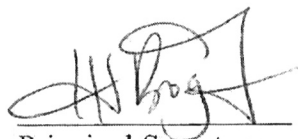
Assistant Accountant General
 Name: Charity W. Muriuki
 ICPAK Member No 5380

***CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020***

**5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES FOR 17 MONTHS
AS AT 30TH JUNE 2020**

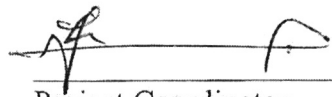
	Note	2019/20 KShs	2018/19 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.13.A	268,800	0
Cash Balances	8.13.B	0	0
Total Cash and Cash Equivalents	8.13.C	268,800	0
Accounts receivables – Imprest and Advances	8.14	0	0
TOTAL FINANCIAL ASSETS		0	0
REPRESENTED BY			
Fund balance b/fwd	8.15	0	0
Prior year adjustments	8.16	0	0
Surplus/Deficit for the year		268,800	0
NET FINANCIAL POSITION		268,800	0

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2020 and signed by:



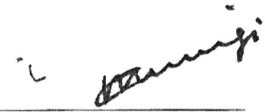
Principal Secretary

Name: Prof Hamadi Idd Boga, PhD



Project Coordinator

Name: W.A. Oyange, PhD



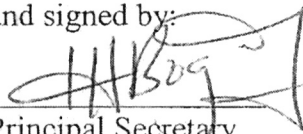
Assistant Accountant General

Name: Charity W. Muriuki
ICPAK Member No 5380

6. STATEMENT OF CASHFLOW FOR 17 MONTHS PERIOD ENDED 30TH JUNE 2020

	Note	2019/20 KShs	2018/19 KShs
Receipts for operating activities			
Transfer from Government entities	8.3	10,231,455	0
Proceeds from domestic and foreign grants	8.4	15,834,348	0
Miscellaneous receipts	8.6	0	0
Payments for operating activities			
Compensation of employees	8.7	0	0
Purchase of goods and services	8.8	(18,784,713)	0
Social security benefits	8.9	0	0
Transfers to other government entities	8.11	0	0
Other grants and transfers	8.12	0	0
Adjustments during the year	8.16	0	0
Net cash flow from operating activities		0	0
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of non-financial assets	8.10	(7,012,290)	0
Net cash flows from Investing Activities		0	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	8.5	0	0
Net cash flow from financing activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		268,800	
Cash and cash equivalent at BEGINNING of the year		0	0
Cash and cash equivalent at END of the year		268,800	0

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:


Principal Secretary

Name: Prof Hamadi Idd Boga, PhD



Project Coordinator

Name: W.A. Oyange, PhD



Assistant Accountant General

Name: Charity W. Muriuki

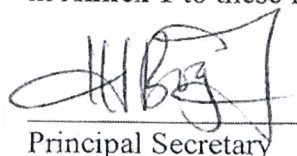
ICPAK Member No 5380

CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020

7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
	A	B	c=a+b	D	e=c-d
Receipts					
Transfer from Government entities	14,736,850	0	14,736,850	10,231,455	4,505,395
Proceeds from domestic and foreign grants	65,000,250	0	65,000,250	15,834,348	49,165,902
Proceeds from borrowings	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0
Total Receipts	79,737,100	0	79,737,100	26,065,803	53,671,297
Payments					
Compensation of employees	0	0	0	0	0
Purchase of goods and services- Payments controlled by the entity	14,736,850	0	14,736,850	9,962,655	4,774,195
Purchase of goods and services- Payments made by third party	65,000,250	0	65,000,250	8,822,058	56,178,192
Social security benefits	0	0	0	0	0
Acquisition of non-financial assets	0	0	0	7,012,290	(7,012,290)
Transfers to other government entities	0	0	0	0	0
Other grants and transfers	0	0	0	0	0
Total Payments	79,737,100	0	79,737,100	25,797,003	53,940,097
Surplus (Deficit)	0	0	0	268,800	

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



Principal Secretary
Name: Prof Hamadi Idd Boga, PhD



Project Coordinator
Name: W.A. Oyange, PhD



Assistant Accountant General
Name: Charity W. Muriuki
ICPAK Member No 5380

8. NOTES TO THE FINANCIAL STATEMENTS

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

8.1. Basis of Preparation

8.1.1. Statement of compliance and basis of preparation

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

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

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

8.1.2. Reporting entity

The financial statements are for the CaDPERP Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

8.1.3. Reporting currency

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

8.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

Transfer from Exchequer is be 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 Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

• **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

g) Budget

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

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

h) Third party payments

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

During the year Kshs 0 billion being loan disbursements were received in form of direct payments from third parties.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Exchange rate differences

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

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3. RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government as follows:

	2019/20	2018/19	Cumulative
	KShs	KShs	to-date
<i>Counterpart funding through Ministry</i>			
Counterpart funds Quarter 1	0	0	0
Counterpart funds Quarter 2	0	0	0
Counterpart funds Quarter 3	0	0	0
Counterpart funds Quarter 4	10,231,455	0	10,231,455
<i>Other transfers from government entities</i>			
Ministry xx	0	0	0
Ministry xy	0	0	0
Project zxy	0	0	0
Agency xz	0	0	0
Appropriations-in-Aid	0	0	0
	10,231,455	<u>0</u>	10,231,455

[Provide explanation as necessary]

CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

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

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
			KShs	KShs	KShs	FY 2019/20 KShs	FY 2018 KShs
Grants Received from Bilateral Donors (Foreign Governments)							
GOVT. of JAPAN (JICA)	-	0	0	0	0	15,834,348	
Grants Received from Multilateral Donors (International Organisations)							
N/A	-					0	
Grants Received from Local Individuals and organisations							
N/A	-					0	
Total						15,834,348	

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received funding from development partners in form of negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount KShs	
					FY19/20	FY18/19
			KShs			
Loans Received from Bilateral Donors (Foreign Governments)						
N/A	0	0	0	0	0	
Loans Received from Multilateral Donors (International Organisations)						
N/A	0	0	0	0	0	
Total					0	

8.6. MISCELLANEOUS RECEIPTS

	FY 2019/20			FY 2018/19	Cumulative to- c
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs	KShs	KShs		
Property income	0	0	0	0	
Sales of goods and services	0	0	0	0	
Administrative fees and charges	0	0	0	0	
Fines, penalties and forfeitures	0	0	0	0	
Voluntary transfers other than grants	0	0	0	0	
Other receipts not classified elsewhere	0	0	0	0	
	0	0	0	0	

[Provide explanation as necessary]

*CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.7. COMPENSATION OF EMPLOYEES

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	0	0	0	0	0
Basic wages of temporary employees	0	0	0	0	0
Personal allowances paid as part of salary	0	0	0	0	0
Personal allowances paid as reimbursements	0	0	0	0	0
Personal allowances provided in kind	0	0	0	0	0
Pension and other social security contributions	0	0	0	0	0
Compulsory national social security schemes	0	0	0	0	0
Compulsory national health insurance schemes	0	0	0	0	0
Social benefit schemes outside government	0	0	0	0	0
Other personnel payments	0	0	0	0	0
Total	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.8. PURCHASE OF GOODS AND SERVICES

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KS Khs	KShs	KShs	KShs
Utilities, supplies and services	115,150	1,007,523	1,122,673	0	1,122,673
Communication, supplies and services	612,000	498,461	1,110,461	0	1,110,461
Domestic travel and subsistence	4,878,750	0	4,878,750	0	4,878,750
Foreign travel and subsistence & Transport	0	3,604,185	3,604,185	0	3,604,185
Electricity	96,000	0	96,000	0	96,000
Rentals of produced assets(Currier & postal services)	48,000	0	48,000	0	48,000
Training payments(printing)/ Document	300,000	294,913	594,913	0	594,913
Hospitality supplies and services(catering)	10,375	0	10,375	0	10,375
Water supplies & sewerage	48,000	0	48,000	0	48,000
Specialized materials and services(Agricultural materials)	300,000	0	300,000	0	300,000
Other operating payments(purchase of uniforms)	100,000	0	100,000	0	100,000
Refined fuels &lubricants for trainings	3,098,000	0	3,098,000	0	3,098,000
Routine maintenance – vehicles and other transport equipment	342,480	0	342,480	0	342,480

CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020

Routine maintenance- - other assets, sanitary and cleaning materials	13,900	542,031	555,931	0	555,931
Exchange rate losses/gains (net)	0	0	0	0	0
Miscellaneous	0	2,874,945	2,874,945	0	2,874,945
Total	9,962,655	8,822,058	18,784,713	0	18,784,713

[Provide explanation as necessary]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.9. SOCIAL SECURITY BENEFITS

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KSh
Government pension and retirement benefits	0	0	0	0	
Social security benefits in cash and in kind	0	0	0	0	
Employer social benefits in cash and in kind	0	0	0	0	
Total	0	0	0	0	

[Provide explanation as necessary]

8.10. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2019/20			FY 2018/19	Cumulative to-
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		to-
	KShs	KShs	KShs	KShs	K
Purchase of buildings	0	0	-	0	
Construction of buildings	0	0	-	0	
Refurbishment of buildings	0	0	-	0	
Construction of roads	0	0	-	0	
Construction of civil works	0	0	-	0	
Overhaul & refurbishment of construction and civil works	0	0	-	0	
Purchase of vehicles & other transport equipment	0	5,653,594	5,653,594	0	5,653
Overhaul of vehicles & other transport equipment	0	0	-	0	

CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020

Purchase of household furniture & institutional equipment	0	0	-	0	
Purchase of office furniture & general equipment	0	0	-	0	
Purchase of specialised plant, equipment and machinery	0	1,358,696	1,358,696	0	1,358,696
Rehabilitation & renovation of plant, equipment & machinery	0	0	-	0	
Purchase of certified seeds, breeding stock and live animals	0	0	-	0	
Research, studies, project preparation, design & supervision	0	0	-	0	
Rehabilitation of civil works	0	0	-	0	
Acquisition of strategic stocks	0	0	-	0	
Acquisition of land	0	0	-	0	
Acquisition of other intangible assets	0	0	-	0	
Total	0	7,012,290	7,012,290	0	7,012,290

[Provide explanation as necessary]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2020, we transferred funds to reporting government entities as shown below:

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>
Transfers to National Government entities					
Ministry ABC	0	0	0	0	0
Project XYZ	0	0	0	0	0
Transfers to County Government					
County ABC	0	0	0	0	0
County XYZ	0	0	0	0	0
TOTAL	0	0	0	0	0

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	0	0	0	0	0
Transfers to lower levels of government e.g schools	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Total	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 8.13A)	268,800	0
Cash in hand (Note 8. 13B)	0	0
Cash equivalents (short-term deposits) (Note 8.13C)	0	0
Total	<u>268,800</u>	<u>0</u>

The project has one (1) project account spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

8.13. A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [.....A/c No.1269770764]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Others (<i>specify</i>)	0	0
Total Foreign Currency balances	0	<u>0</u>
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.1269770764] Mwea branch	268,800	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Equity Bank [A/c No.11013013111401]	0	0
Total local currency balances	268,800	<u>0</u>
Total bank account balances	0	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2019/20	2018/19
	KShs	KSh
(i) A/C Name [A/c No.....]		
Opening balance	0	
Total amount deposited in the account	0	
Total amount withdrawn (as per Statement of Receipts & Payments)	0	
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	0	
Total amount deposited in the account	0	
Total amount withdrawn (as per Statement of Receipts & Payments)	0	
Closing balance (as per SDA bank account reconciliation attached)	<u>0</u>	

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix xx* support these closing balances.

8.13. B Cash In Hand

	2019/20	2018/19
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations (<i>specify</i>)	0	0
Total cash balances	<u>0</u>	<u>0</u>

[Provide a cash count certificate for each location above]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. C Cash equivalents (short-term deposits)

	2019/20	2018/19
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	0	0
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others (<i>Specify</i>)	0	0
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

8.14. OUTSTANDING IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2020</i>	<i>Balance 2019</i>
Total	<u>0</u>	N/A	<u>0</u>	<u>0</u>	<u>0</u>

8.15. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16. PRIOR YEAR ADJUSTMENT

	2019/20	2018/19
	KShs	KShs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Receivables - Outstanding Imprests	0	0
Total	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

9. OTHER IMPORTANT DISCLOSURES

9.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)

	2019/20	2018/19
	KShs	KShs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0

9.2 PENDING STAFF PAYABLES (See Annex 2B)

	2019/20	2018/19
	KShs	KShs
Permanent employees - management	0	0
Permanent employees - others	0	0
Temporary employees	0	0
Others (<i>specify</i>)	0	0

9.3 OTHER PENDING PAYABLES (See Annex 2C)

	2019/20	2018/19
	KShs	KShs
Amounts due to National Government entities	0	0
Amounts due to County Government entities	0	0
Amounts due to third parties	0	0
Others (<i>specify</i>)		

**CaDPERP Project
Reports and Financial Statements
For 17 Months Period ended June 30, 2020**

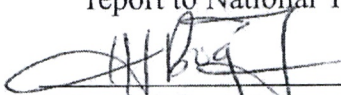
10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

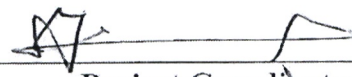
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

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



Project Coordinator

Date

Date

EX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	14,736,850	10,231,455	4,505,395	69%	
Receipts from domestic and foreign grants	65,000,250	15,834,348	49,165,902	24%	
Receipts from borrowings	0	0	0	0	
Other miscellaneous receipts	0	0	0	0	
Receipts	79,737,100	26,065,803	53,671,297	33%	
Payments					
Compensation of employees	0	0	0	0	
Acquisition of goods and services- Payments controlled by the entity	14,736,850	9,962,655	4,774,195	68%	
Acquisition of goods and services- Payments by third party	65,000,250	8,822,058	56,178,192	14%	
Provision for social security benefits	0	0	0	0%	
Disposition of non-financial assets	0	7,012,290	(7,012,290)	#DIV/0!	
Transfers to other government entities	0	0	0	0	
Grants and transfers	0	0	0	0	
Payments	79,737,100	25,797,003	53,940,097	32%	

in all variance below 90% and above 100%

1) There is a variance of 0% on the receipts from government. No amount was sent by the Government.

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

EX 2B - ANALYSIS OF PENDING STAFF BILLS

Category of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	b	C	d=a-c		
Permanent Employees - Management							
Total							
Permanent Employees - Others							
Total							
Temporary employees							
Total							
Others (specify)							
Total							
Grand Total							

*CaDPERP Project
 Reports and Financial Statements
 For 17 Months Period ended June 30, 2020*

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

EX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/2020 (a)	*Purchases/Additions in the Year (KShs) 2019/2020 (b)	**Disposals in the Year (KShs) 2019/2020 (c)	Closing Cost (KShs) 2019/2020 (d)= (a)+ (b)-(c)
Buildings and structures	0	5,653,595	0	5,653,595
Transport equipment Office equipment, furniture and fittings				
Equipment, Software and Other ICT Assets				
Motor Machinery and Equipment	0	1,358,696	0	1,358,696
Intangible and cultural assets				
Intangible assets				
Total	0	7,012,291	0	7,012,291

Notes

- See attached register.

APPENDICES

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