

REPUBLIC OF KENYA

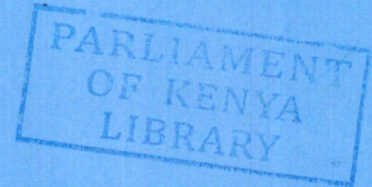


Enhancing Accountability

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CLERK AT THE TABLE	Chania

REPORT

OF



THE AUDITOR-GENERAL

ON

**KAKAMEGA COUNTY
INVESTMENT AND DEVELOPMENT
AGENCY LIMITED**

**FOR THE YEAR ENDED
30 JUNE, 2021**

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KAKAMEGA



KAKAMEGA COUNTY INVESTMENT AND DEVELOPMENT AGENCY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE
FINANCIAL YEAR ENDED
30TH JUNE, 2021**

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

Kakamega County Investments and Development Agency Limited
Annual Reports and Financial Statements
For the Year ended 30th June, 2021

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

The Kakamega County Investment and Development Agency (KCIDA) was established through an Act of the County Assembly, referred to as the Kakamega County Investment and Development Agency Act, 2018, to provide for the establishment of a legal and institutional framework for promotion and co-ordination of investment by the county government of Kakamega and for connected purposes

b) Principal Activity

The principal activity of the Agency is to establish an efficient and effective framework for managing county government investments and also co-ordinate and facilitate investments and investors in the county.

Functions of the Agency

The following are the functions of the Agency



- i. Hold property and assets on behalf of the County Government for the purposes of investment;
- ii. undertake investments on behalf of the County Government for the purposes of generating revenue;
- iii. identify strategic investment opportunities for the benefit of the County;
- iv. undertake investment ventures in partnership with other entities for the benefit of the County;
- v. promote economic growth within the County;
- vi. advise the County Government on investment opportunities;
- vii. assist and facilitate investors to establish investments in the county; and
- viii. Carry out such other roles and perform such other functions as may be necessary for the implementation of the object and purpose of the Act.

c) Board of Directors



Ref	Name	Position
1	Prof. Nelson Wawire Horace	Chairman
2	Amb. James Ochami (Chief Officer, Finance)	Member
3	Fanuel Wemali Angaya (Chief Officer, Trade)	Member
4	Cs Damary Ayuku Angulu	Member
5	Dr. Wilfred Buyema	Member
6	Ms. Priscah Dorine Otipa	Member
7	Vivianne M Komwonyo (Ag. County Attorney)	Member
8	Ms. Elizabeth Asichi	Member

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2. THE BOARD OF DIRECTORS

S. N	Name	Details of qualifications and experience
	 <p>Prof. Nelson H. W. Wawire</p>	<p>PhD in Economics, Master of Arts (Economics) & Bachelor of Education. Professor of Economics & Research Coordinator for Kenyatta University Women's Economic Empowerment Hub.</p> <p>Consultancies: Commission for Revenue Allocation, African Economic Research Consortium, World Bank, COMESA Centre for Global Development; Centennial Group Holdings LLC, , UNECA, African Development Bank, UNDP, UNCRD, Partnership for Economic Policy, UNESCO, KIPPRA, Transition Authority, Intergovernmental Relations Technical Committee (IGRTC), Kenya Bankers Association, Salaries and Remuneration Commission, Barclays Bank of Kenya, Central Bank of Kenya, Competition Authority of Kenya, University of Pavia & CISP/CDN.</p>
	 <p>Ambassador James Ochami</p>	<p>PHD - student School of Business and Economics - MOI University, Corporate Finance Master's in Business Administration -MOI University with a Major in Strategic Management Bachelor of Commerce with a double major in Accounting and Finance (First Class Hons)- Strathmore University -Nairobi Professional Certification Certified Public Accountant of Kenya (CPAK) Certified Public Secretary of Kenya CPS K Diploma in French (DEL F A2) Chief Officer -Finance- County Government of Kakamega, Chief Officer Service Delivery - (Head of Service Delivery and Advisory)- County Government of Kakamega, Senior Partner at Berm Accountants - MARCH 2014- February 2018 Ambassador of Kenya to Central African countries - July 2010- MARCH 2014 Managing Director- Industrial Development Bank of Kenya - 2005-2010 Director Operations and IT 2001-2005 Housing Finance Company of Kenya over 30 years successful experience providing fiscal,</p>

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		<p>strategic and operations leadership in uniquely challenging situations in Finance, Auditing, Bank Operations, development banking, and Diplomacy with a focus in SME financing, industrial development and service delivery.</p>
	 <p>Fanuel Wemali Angaya</p>	<p>Academic qualifications: Master of Science in Entrepreneurship 2008, Bachelor of Science 1989, Postgraduate Diploma in Entrepreneurship 2001. Chief Officer Trade, Industrialization and Tourism and Ag. Chief Officer Health Kakamega County; Worked as Industrial Development officer 1990 - 2017, Productivity Officer 2017-2018. Trainer of trainer in business development,</p>
	 <p>Dr. Wilfred Buyema</p>	<p>Academic Qualifications 2019 PhD in Leadership and Governance 2012 Master in Public Administration and Policy Management 2007 B.A in Development Studies 2004 Diploma in Development Studies</p> <p>Experience April 2020 to date - Policy Advisor - Wellness for Greatness Organization (Part Time) April 2020 - to date - CEO, Global Digital Centre (Full Time) July 2019 to date - Board Member - KCIDA Oct 2019 to date - Chair KCIDA I&P Committee Sept 2018 to date - Adjunct Lecturer- JKUAT August 2016 to April 2020 - Senior Manager - NGCDF board March 2014 to June 2016 - Acting CEO - Uwezo Fund Board August 2009 to March 2014 - National Coordinator, Economic Stimulus Programme Oct 2007 to August 2009 Programme Coordinator/Fund Account Manager - CDF Board</p>

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	 <p>CS Damary Angulu</p>	<p>LLB, LLM, Diploma in Legal Practice, MBA, Certified Company Secretary (CS), Member Chartered Institute of Arbitration, Accredited Mediator. Currently practising as an Inhouse Legal Counsel/Advisor</p>
	 <p>Dorine Prisca Otipa</p>	<p>MIHRM, BBA (HRM), Diploma HRM, MKIM, Full member IHRM-K, IHRM Practicing Certificate, CHRP (Certified HR Practitioner), HR expert/consultant and Practitioner, TDK Certified Trustee</p> <p>2021:Head of HR & Administration-Tata Chemicals Magadi Ltd, 2019: Head of HR-Mumias Sugar Company Lt. 2017: Talent Manager Mumias Sugar Co. Ltd : 2014: Human Capital Associates- CroweHowarth E.A, 2005- 2011- HR Supervisor Mumias Sugar</p>
	 <p>Vivianne M Komwonyo</p>	<p>LLM, Post Graduate Diploma (PDG) In Law, Bachelor Of Laws,(LLB),Certified Secretary (CS),Notary Public, Senior Management, Advocate of the High Court of Kenya</p> <p>Ag.County Attorney, Senior Legal Office County Government of Kakamega, Associate at Wetangula Adan & Makokha Advocates,Senior Litigation Counsel at Makokha Wattanga & Luyali Advocates,FIDA Kenya Probono Counsel,</p>
	 <p>Mr. Joseph Okongo Obura</p>	<p>Ag. CEO KCIDA, B.Com in Finance</p>

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**3. STATEMENT OF PERFORMANCE AGAINST COUNTY ENTITY'S
 PREDETERMINED OBJECTIVES**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government Agency performance against predetermined objectives. Kakamega County Investment and development Agency .

Kakamega County Investments and Development Agency has 2 strategic pillars and objectives within the current Strategic Plan for the fy 2020-2021. These strategic pillars are as follows:



1. To establish an efficient and effective framework for managing county government investments.
2. To co-ordinate and facilitate investments and investors in the county.

The Agency develops its annual work plans based on the above 2 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2020/2021 period for its two strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Establish an efficient and effective framework for managing government investments.	To facilitate management of County Government Investments	Profiling of Sub-Countries to analyze potential investment opportunities	Expanding investment opportunities in the County.	Engaged with investors and stakeholders in investments projects, e.g. Malava Dairy Plant.

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4. MANAGEMENT TEAM

Name	Details of qualifications and experience
 <p>Mr. Joseph Okongo Obura</p>	<p>Ag. CEO KCIDA, B.Com in Finance</p>
 <p>CPA Marcus Lung'atso Senior Accountant KCIDA</p>	<p>PHD in finance (ongoing), MBA finance, BBM, CPA(K), CS. Over twenty year of accounting experience both in private and public sectors. Currently senior Accountant County Government of Kakamega. A member of Institute of Certified Public Accountants of Kenya (ICPAK).</p>

5. BOARD CHAIRPERSON'S REPORT

Kakamega County Investment and Development Agency Limited was established by an Act of the County Assembly in the August 2018 with the main mandate of promoting Kakamega as an Investment Destination. The roles of the Agency also include advising the County Government on Investment opportunities and also identify strategic investment opportunities for the benefit of the County.

The Agency vests in a Board of Directors who was inaugurated in June 2019. As the first Board of directors of the Agency, the initial action was to develop structures that would enable the Agency to operate. This included opening of KCIDA account which became operational in February 2021 when it received part of the budgeted funds allocated by the county assembly for the FY 2020/21. The Agency is semi-autonomous and its activities are fully dependent on approvals from the County Treasury for its operationalisation, and also other entities of county such as the County Public Service Board and the Department of Public Service and Administration on matters related to recruitment and staffing. The Agency has developed policy documents that are to create structures of the Agency and this include; the Strategic Plan, an organization structure and the Kakamega county investment policy.

To remain sustainable in the long run and reduce its dependence on government funding, the Agency is to create partnerships with private entities, joint ventures and Public Private Partnerships so as to invest in revenue generating investment on behalf of the County Government of Kakamega as guided by the Kakamega County Investment and Development Agency Act, 2018.

In this regard, the Agency was incorporated as a private limited company on 15th June 2021 by the Registrar of Companies and the shareholders are the County Government of Kakamega who owns 100% shares of the company and the board of directors who hold no shares in the company.

In conclusion, I call on all stakeholders to effectively play their part in supporting the Agency to realize its mandate. It will require a lot of dedication, success and hardworking on the part of all stakeholders to make this big dream come true.



Prof. Nelson Wawire Horace
Board Chairperson

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

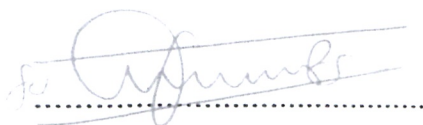
Kakamega County Investment and Development Agency Limited was established by an Act of the County Assembly of Kakamega in 2018 to provide for the establishment of a legal and institutional framework for promotion and co-ordination of investment by the county government of Kakamega and for connected purposes. The mandate of the Agency is to establish an efficient and effective framework for managing county government investments and co-ordinate and facilitate investments in the county.

The Kakamega County Investment and Development Agency Limited presents its financial statements for the period ended 30th June, 2021 in accordance with the format prescribed by the Public Sector Accounting Standards Board. The Agency operates as a semi autonomous agency controlled by the County Government of Kakamega.

The Agency was allocated Ksh 20,813,000 in the financial year 2020/2021, and it received a disbursement of Ksh. 4,500,000 from the County Treasury which is 21.6%. The Agency spent Ksh. 4,233,019 of the disbursed funds which represents an absorption rate of 20.33%.

With the onset of COVID-19 Pandemic, the Kakamega County Investment and Development Agency Limited has not made much achievement as per the intended purpose. The pandemic affected several sectors of the economy and slowed down investment especially due to measures by the Ministry of Health to curb the spread. Several interventions including virtual board meetings and investment conferences with several stakeholders have gone a long way in helping the Agency to thrive in the better during the Pandemic.

Kakamega County Investment and Development Agency Ltd is fully committed in ensuring that The County is an investment destination and we are counting on stakeholders' support to enable us achieve the mandate.



Mr. Joseph Okongo Obura
Chief Executive Officer

7 CORPORATE GOVERNANCE STATEMENT

a. Number of Agency Administration Committee meetings held and the attendance to those meetings by members,

The current Board was competitively recruited and sworn in, in the Financial Year 2019/2020. Board committees were also constituted and their terms of references developed. These committees are Finance & Administration Committee, Investment Promotion Committee and Audit Assurance and Risk Committee.

b. Succession plan,

The Board of Directors are always competitively recruited and legally constituted after their term has ended.

c. Existence of a service charter,

Currently there is no service charter, the management is in the process of preparing one to be approved by the board.

d. Process of appointment and removal of trustees/ Administration Committee members,

Members are appointed by the CEC Ministry of Finance and economic planning thereafter vetted by the county public service board. Member can be removed by the resolution of the full board and notification to the Appointing authority if he or she has not adhered to the regulations of the board.

e. Roles and functions of the Administration Committee members,

The following are the roles and functions of the administration committee members

- Delegate tasks to Sub Committees
- Seek external advice
- Deals with administration matters

f. Induction and training, Administration Committee members and member's performance,

Members are always inducted after engagement and are frequently trained on quarterly basis

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g. Conflict of interest,

At the beginning of every Board meeting members were requested to declare if they had any conflict of interest issues on the agenda at hand.

No conflict of interests were raised during board meeting

h. Board remuneration,

The Board Chairman is entitled to a monthly honorarium of Kshs. 50,000 and airtime allowance of Kshs. 5,000. Board members are paid sitting allowances of between Kes 4,000 and Kshs. 15,000 while attending Board meetings. Independent Board members are also reimbursed travel allowances.

i. Ethics and conduct as well as governance audit undertaken if any

No ethics and conduct as well as governance audit conducted.

8 MANAGEMENT DISCUSSION AND ANALYSIS

The agency is missioned in improving the investments and developments of the County

a. On the operational and financial performance of the Board during the period,

The Agency received a total of Kshs. 4.5m for its recurrent activities for the Financial Year 2020/2021 and Kshs. 4.2m relates to actual expenditure.

b. Entity's key projects or investments decision implemented or ongoing,

The Agency conducted the sub-county profiling to identify key projects and investment opportunities for every sub-county.

c. Agency's compliance with statutory requirements,

The Agency has complied with the required statutory requirements

d. Major risks facing the Fund, material arrears in statutory and other financial obligations

The delays in receiving of the funds and the COVID-19 Pandemic slowed down the implementation of the activities planned for the period under review.

e. Any other information considered relevant to the users of the financial statements.

The Agency is in its initial stages of operation and is still picking up gradually

9 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

1. Sustainability Strategy and Profile

The Agency was established by an Act of the County Assembly. To attain sustainability, the Agency developed a 5-year Strategic Plan to prioritise activities that will enable the Agency involve in activities that are sustainable and profitable. The Agency on 15th June 2021 was incorporated as a Private Limited Company by the Registrar of Companies. The Agency will therefore be able to enter into Public Private Partnerships and joint ventures and will be able to invest and own property on behalf of the County Government of Kakamega.

The Agency line Ministry is the County Treasury which continues to budget for funds to support the Agency in achieving its mandate.

2 Environmental performance

The Agency is in the process of developing its strategic plan and its environmental policy which will also be captured in this plan.

2. Employee Welfare

The Agency since inception has had Acting Chief Executive Officers and the process of hiring a substantive Chief Executive Officer is still ongoing. The agency is relying on seconded staff from the Department of Finance Planning and ICT.

The Agency intends to develop policies guiding staff hiring process, job descriptions, terms of references and performance contracting as it moves towards autonomy. The current staff conform to Public Service hiring and appraisal policies.

The entity's management conducts weekly/monthly meetings with its staff allowing them to share their success stories and challenges while preparing monthly work plans. Where possible and when resources allow, the staffs are supported to attend short courses, professional development courses, workshops and seminars to improve their skills and work performance.

The entity is also in compliance with Occupational Safety and Health Act of 2007.

3. Market Place Practices

a) The Agency being a County Agency has trained its staff on Code of Conduct of public servants and the Ethics and Anticorruption Act. It's funded by public funds and ensures high standards of corporate governance. Our products are fairly priced thus attracting traders from all sectors of the economy.

All Agency staffs conform and adhere to the public service code of conduct and remain apolitical while delivering services to the public.

b) The Agency being a public entity works within structures created by the National and County Governments that govern public procurement. It works within the confines of public procurement act and public finance management act and respects its suppliers and is open to scrutiny in the public procurement process. Our procurement officer is

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regularly allowed to attend trainings and workshops that help him improve skills in public procurement management.

5. Community engagement

The principal activity of the Agency is to establish an efficient and effective framework for managing county government investments and also co-ordinate and facilitate investments and investors in the county.

10 REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements for the year ended 30th June, 2021 which show the state of the Kakamega County Investment and Agency Ltd.

10.1 Principal activities

The principal activity of the Agency is to create an enabling environment to attract investment and facilitate investors within Kakamega County. This will in turn spur socio-economic development in the County.

10.2 Results

The results of the entity for the year ended 30th June, 2021 are set out here in.

10.3 Directors

The members of the Board of Directors who served during the year are shown on page 5-7 in accordance with the Kakamega County Investment and Development Agency Limited Act of 2018.

10.4 Auditors

The Auditor General is responsible for the statutory audit of the Kakamega County Investment and Development Agency Limited in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Chair of the Board/Agency Administration Committee

Date:

**Kakamega County Investments and Development Agency Limited
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11. STATEMENT OF MANAGEMENT’S RESPONSIBILITIES

Sections 182 (1) of the PFM Act, 2012 provides for establishment of a County Agency by the County Executive Committee Member and the County Assembly.

Section 6 of the Kakamega County Investment and Development Agency Limited Act, 2018 provides for the establishment of the Board of Directors who are responsible for the leadership role of the Agency. The Chief Executive Officer appointed by the Governor who is the accounting officer of the Agency shall be responsible for the day-to-day management of the affairs of the Agency (sec 13 of the Kakamega County Investment and Development Agency Limited Act, 2018).

Section 208 of the PFM Regulations of 2015 and pursuant to section 165(5) of the PFM Act, 2012 provides that the accounting officer for a County Agency shall prepare and submit annual financial and non-financial statements in the format gazetted by the Cabinet Secretary within three months after the end of the financial year to the Auditor-General with copies to the responsible County Executive Committee member and the County Treasury. Section 24(3) of the Kakamega County Investment and Development Agency Limited Act, 2018 also provides that annual accounts of the Agency shall be prepared, audited and reported upon.

The Accounting Officer of the Agency confirms that the Agency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Further the Accounting Officer confirms that the Kakamega County Investment and Development Agency Limited’s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Agency’s financial statements were approved and signed by the accounting Officer of the Agency on _____ 2021



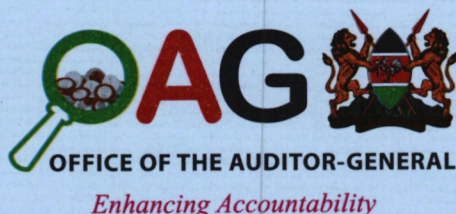
.....
Administrator of the County Public Agency

Ag: - Chief Executive Officer



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KAKAMEGA COUNTY INVESTMENT AND DEVELOPMENT AGENCY LIMITED FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kakamega County Investment and Development Agency Limited set out on pages 20 to 42, which comprise of the

statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit review.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kakamega County Investment and Development Agency Limited as at 30 June, 2021, 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 Public Finance Management Act, 2012, and the Kakamega County Investment and Development Agency Act, 2018.

Basis for Qualified Opinion

1. Unsupported Office Maintenance Expenses

The statement of financial performance reflects an amount of Kshs.4,233,019 in respect of general expenses which, as disclosed in Note 7 to the financial statements, includes Kshs.991,565 relating to maintenance of computers and software. The amount of Kshs.991,565 includes Kshs.137,586 incurred on purchase of door tags, door locks and self-inking rubber stamps. However, stores records to confirm delivery and taking on charge of the items were not provided for audit review.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.137,586 could not be confirmed.

2. Unsupported Property, Plant and Equipment

The statement of financial position reflects Nil balance in respect of property, plant and equipment as disclosed in Note 15 to the financial statements. However, the fixed assets register provided for audit review reflected a balance of Kshs.4,299,600. The variance of Kshs.4,299,000 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the property, plant and equipment Nil balance could not be confirmed as at 30 June, 2021.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kakamega County Investment and Development Agency Limited 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 receipts budget and actual on comparable basis of Kshs.20,813,000 and Kshs.4,500,000 resulting to under-funding of Kshs.16,313,000 or 78% of the budget. Similarly, the statement reflects actual expenditure of Kshs.4,233,019 against approved budget of Kshs.20,813,000 resulting to under-performance of Kshs.16,579,981 or 80% of the budget.

The underfunding and under-performance 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, 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 for Conclusion

Late Submission of Financial Statements

The financial statements of the Agency for the year ended 30 June, 2021 were submitted to the Auditor-General on 26 October, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which provides that financial statements of a public entity shall be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate, in this case 30 September, 2021.

In the circumstances, Management was in breach of the law

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 the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 Agency's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency or to cease its 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.

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

Auditor-General's Responsibilities for the Audit

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional 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 Agency'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 Agency to cease 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 Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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 April, 2023


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13. FINANCIAL STATEMENTS

13.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2021.


	Note	2020/2021	2019/2020
		KShs	KShs
Revenue from non-exchange transactions			
Public contributions and donations	1	0	0
Transfers from the County Government	2	4,500,000	0
Fines, penalties and other levies	3	0	0
Sub Total		4,500,000	0
Revenue from exchange transactions			
Interest income	4	0	0
Other income	5	0	0
Sub Total		4,500,000	0
Total revenue		4,500,000	0
Expenses			
Chairman remuneration	6	0	0
General expenses	7	4,233,019	0
Board Members Allowance	8	0	0
Total expenses		4,233,019	0
Other gains/losses			
Gain/loss on disposal of assets	9	0	0
Surplus for the period		266,981	0

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on _____ 2021 and signed by:


 Accounting Officer of the Agency

Name: ELIZABETH ASICHI

Ag. Chief Executive Officer


 Agency's Accountant

Name: Ambika Collins

ICPAK Member Number: 27716

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13.2 STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE, 2021.

	Note	2020/2021	2019/2020
		KShs	KShs
Assets			
Current assets			
Cash and cash equivalents	10	266,981	0
Current portion of long- term receivables from exchange transactions	11	0	0
Receivables from Non- exchange transactions	12	0	0
		266,981	0
Non-current assets			
Long term receivables from exchange transactions	11	0	0
Prepayments	13	0	0
Inventories	14	0	0
Property, plant and equipment	15	0	0
		0	0
Total assets		266,981	0
Liabilities			
Current liabilities			
Intangible Assets	16	0	0
Trade and other payable from exchange transactions	17	0	0
Provisions	18	0	0
Current portion of borrowings	19	0	0
Employee benefit obligations	20	0.00	0
			0
Non-current liabilities		0	0
Long term portion of borrowings		0	0
Non-current employee benefit obligation		0	0
Total liabilities		0	0
Net assets		266,981	0
Revolving Fund		0	0
Revaluation Reserve		0	0
Accumulated surplus		0	0
Total net assets and liabilities		266,981	0

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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity's financial statements were approved on _____ 2021 and signed by:



Accounting Officer of the Agency

Name: ELIZABETH ASICHI

Ag. Chief Executive Officer



Agency's Accountant

Name: AMBOKA COLLINS

ICPAK Member Number: 27716

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13.3 STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE, 2021

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		KShs	KShs	KShs
Balance as at 1 July 2019	0	0	0	0
Surplus/(deficit) for the period	0	0	0	0
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Revolving fund	0	0	0	0
Balance as at 30 June 2020	0	0	0	0
Balance as at 1 July 2020	0	0	0	0
Surplus/(deficit) for the period	0	0	266,981	266,981
Transfer to Revolving Fund	0	0	0	0
Funds received during the year	0	0	0	0
Revaluation gain	0	0	0	0
Balance as at 30 June 2021	0	0	266,981	266,981

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13.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

	Note	2020/2021	2019/2020
		KShs	KShs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	0	0
Transfers from the County Government	2	4,500,000	0
Fines, penalties and other levies	3	0	0
Interest Income	4	0	0
Receipts from other operating activities	5	0	0
Total Receipts		4,500,000	0
Payments			
Agency administration expenses	6	0	0
General expenses	7	4,233,019	0
Finance cost	8	0	0
Total Payments		4,233,019	0
Net cash flows from operating activities		266,981	0
Changes in cash and cash equiv			
Changes in trade receivables		0	0
Changes in trade receivables		0	0
Net changes in cash and cash equiv		0	0
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	15	0	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from loan principal repayments		0	0
Add back depreciation	15	0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional Funding		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease)in cash and cash equivalents		266,981	0
Cash and cash equivalents at 1 JULY	10	0	0
Cash and cash equivalents at 30 JUNE	10	266,981	0

The Cash flow statement has been prepared using direct method.

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Accounting Officer of the Agency

Name: ELIZABETH ASICHI

Ag. Chief Executive Officer



Agency's Accountant

Name: AMBOKA COLLINS

ICPAK Member Number: 27716

Kakamega County Investment and Development Agency Limited
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13.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE PERIOD ENDED 30th JUNE, 2021

	Original budget	Adjustment	Final budget	Actual on comparable basis	Performance difference	Utilizati on
	2021	2021	2021	2021	2021	2021
Revenue	KShs	KShs	KShs	KShs		%
Transfers from County Govt.- operations	20,813,000	0	20,813,000	4,500,000	16,313,000	22
Interest income	0	0	0	0	0	
Other income	0	0	0	0	0	
Total income	20,813,000	0	20,813,000	4,500,000	16,313,000	22
Expenses						
Recurrent	20,813,000	0	20,813,000	4,233,019	15,580,271	20
Development	0	0	0	0		
Total expenditure	20,813,000	0	20,813,000	4,233,019	15,580,271	20
Surplus for the period				266,981		

14. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Statement of compliance and basis of preparation

The Agency'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 Agency. 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) Relevant new standards and amendments to published standards effective for the year ended 30 June 2016

Standard	Effective date and impact:
IPSAS 39: Employee Benefits	Applicable: 1st January 2016 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

b) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2016

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2016: The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.

c) Early adoption of standards

The entity has adopted requisite standards as prescribed by the Public Sector Accounting Standards Board in the preparation of this Financial Statements.

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.

ii) Revenue from exchange transactions

Interest income

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

4. Budget information

The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

9. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Entity does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

10. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

11. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

12. Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (an Agency), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

13. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

15. Related parties

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

16. 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.

17. Comparative figures

There are no comparative figures for the previous year since the Agency began its operations during the year under audit review.

18. Events after the reporting period

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

19. Ultimate and Holding Entity

The entity is established by The Kakamega County Investment and Development Agency Act, 2018 under the Ministry of Trade, Industrialization and Tourism. Its ultimate parent is the County Government of Kakamega.

20. Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

21. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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15. NOTES TO THE FINANCIAL STATEMENTS

1. Public contributions and donations

Description	2020/2021	2019/2020
	KShs	KShs
Donation from development partners	0	0
Total	0	0

During this period the Agency did not receive any money from any institution as a donation, since it has not developed any policy or any engagements with other partners for its operations.

2. Transfers from County Treasury

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Transfers from County Treasury on 3 rd January 2021	1,500,000	0
Transfers from County Treasury on 30 th June 2021	1,500,000	0
Transfers from County Treasury on 30 th June 2021	1,500,000	0
Total	4,500,000	0

3. Fines, penalties and other levies

Description	2020/2021	2019/2020
	KShs	KShs
Late payment penalties	0	0
Fines	0	0
Total	0	0

4. Interest income

Description	2020/2021	2019/2020
	KShs	KShs
Interest income from Mortgage loans	0	0
Interest income from car loans	0	0
Total interest income	0	0

5. Other income

Description	2020/2021	2019/2020
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender documents	0	0
Total other income	0	0

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6. Chairman Remuneration

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Honoraria	0	0
Telephone	0	0
Total	0	0

7. General expenses

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Utilities	13,975	0
Communication	212,250	0
Domestic travel	741,300	0
Publishing and printing services	96,345	0
Hospitality	2,046,999	0
Maintenance of computers, software	991,565	0
Pre-feasibility, appraisals and proposal writing, investment forum	122,400	0
Bank charge	8,185	0
Total	4,233,019	0

8. Board Members Allowance

Description	FY2020/2021	FY2019/2020
	KShs	KShs
Honoraria	0	0
Telephone	0	0
Total	0	0

9. Gain/(loss) on disposal of assets

Description	2020/2021	2019/2020
	KShs	KShs
Property, plant and equipment	0	0
Intangible assets	0	0
Total	0	0

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10. Cash and cash equivalents

Description	2020/2021	2019/2020
	KShs	KShs
Operation	266,981	0
Total cash and cash equivalents	266,981	0

11. Receivables from exchange transactions

Description	2020/2021	2019/2020
	KShs	KShs
Current Receivables		
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total Current receivables	0	0

12. Receivables from Non-Exchange transaction

Description	2020/2021	2019/2020
	KShs	KShs
Transfer from County Executive	0	0
Transfer from County Assembly of Kakamega	0	0
Total receivables from non-exchange transactions	0	0

13 Prepayments

Description	2020/2021	2019/2020
	KShs	KShs
Prepaid rent	0	0
Other prepayments(specify)	0	0
Total	0	0

14 Inventories

Description	2020/2021	2019/2020
	KShs	KShs
Consumable stores	0	0
Spare parts and meters	0	0
Total inventories at the lower of cost and net realizable value	0	0

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15 Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1st July 2019	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
At 30th June 2020	0	0	0	0	0
At 30th June 2021	0	0	0	0	0
Depreciation and impairment	0	0	0	0	0
At 1 st July 2019	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
At 30th June 2020	0	0	0	0	0
At 1st July 2020	0	0	0	0	0
Depreciation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0
At 30th June 2021	0	0	0	0	0
Net book values	0	0	0	0	0
At 30th June 2020	0	0	0	0	0
At 30th June 2021	0	0	0	0	0

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16 Intangible assets-software

Description	2020/2021	2019/2020
	KShs	KShs
Cost	0	0
At beginning of the year	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

17 Trade and other payables from exchange transactions

Description	2020/2021	2019/2020
	KShs	KShs
Trade payables	0	0
Refundable deposits	0	0
Total trade and other payables	0	0

18 Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year(1.07.2020)	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilized	0	0	0	0
Balance at the end of the year (30.06.2021)	0	0	0	0

19 .Borrowings

Description	2020/2021	2019/2020
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Balance at end of the period	0	0

20 Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Total
	KShs	KShs	KShs	KShs
Current benefit obligation	0	0	0	0
Non-current benefit obligation	0	0	0	0
Total employee benefits obligation	0	0	0	0

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22. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Agency include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The Agency is related to the following entities:

- a) The County Government of Kakamega
- b) County Government of Kakamega Ministry of Trade, Industrialization and Tourism and ministry of finance
- c) Key management
- d) Board Members

b) Related party transactions

	2020/2021	2019/2020
	KShs	KShs
Transfers from related parties'	4,500,000	0
Transfers to related parties	0	0

c) Key management remuneration

	2020/2021	2019/2020
	KShs	KShs
Board of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

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d) Due from related parties

	2020/2021	2019/2020
	KShs	KShs
Due from parent Ministry	0	0
Due from County Government	0	0
Due from County Assembly	0	0
Total	0	0

e) Due to related parties

	2020/2021	2019/2020
	KShs	KShs
Due to parent Ministry	0	0
Due to County Government	0	0
Due to Key management personnel	0	0
Due to County Assembly	0	0
Total	0	0

21 Contingent assets and contingent liabilities

Contingent liabilities	2020/2021	2019/2020
	KShs	KShs
Court case against the Agency	0	0
Bank guarantees	0	0
Total	0	0

16. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

No audit was done in the previous year (2019-2020) since the Agency started in the year under review therefor no outstanding issues to follow up.

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17.INTER-ENTITY TRANSFERS

ENTITY NAME:				
Break down of Transfers from the County Executive of kakamega County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
		3 rd January 2021	1,500,000	FY 2020/2021
		30 th June 2021	1,500,000	FY 2020/2021
		30 th June 2021	1,500,000	FY 2020/2021
		Total	4,500,000	FY 2020/2021
b.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
			0	
		Total	0	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager
 Kakamega County Investments and Development Agency

Head of County Treasury at
 County Government of Kakamega

Sign -----

Sign-----

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17.INTER-ENTITY TRANSFERS

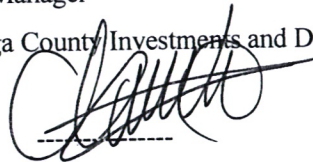
ENTITY NAME:				
Break down of Transfers from the County Executive of Kakamega County Government				
FY 2020/2021				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
		3 rd January 2021	1,500,000	FY 2020/2021
		30 th June 2021	1,500,000	FY 2020/2021
		30 th June 2021	1,500,000	FY 2020/2021
		Total	4,500,000	FY 2020/2021
b.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
			0	
		Total	0	

The above amounts have been communicated to and reconciled with the parent Ministry.

Finance Manager

Kakamega County Investments and Development Agency


Sign



Head of County Treasury at

County Government of Kakamega

Sign



CPA HERMAN KUSOKI
 ICPAK NO 4472

