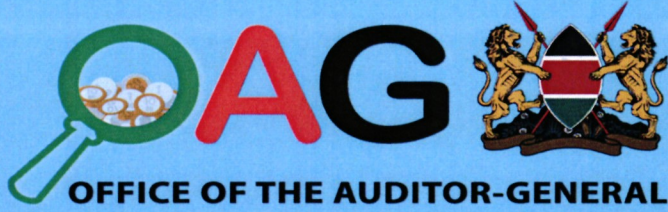


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

INTERNATIONAL ASSEMBLY
DATE: 15 AUG 2023
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CLERK-AT
THE-TABLE:
Hon Kimani Ichung'eta, MP
Leader, Napri Party
Inzofu Mwale

THE AUDITOR-GENERAL

ON

**LAKE BASIN DEVELOPMENT
AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2022**



LAKE BASIN

DEVELOPMENT

AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

30TH JUNE 2022

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

LAKE BASIN DEVELOPMENT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2022.



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1. KEY LAKE BASIN DEVELOPMENT AUTHORITY INFORMATION AND MANAGEMENT

(a) Background information

The Lake Basin Development Authority was established by an Act of Parliament (Cap 442) on the 31st of August 1979. The Lake Basin Development Authority is domiciled in Kenya and has branches in Nzoia Basin, Yala Nyando/Sondu basin and Kuja Migori/Kibuon Tende Basin.

The organization's area of jurisdiction covers a land area of approximately 39,000 Km² with an estimated population of 16.2 million people (KNBS, 2009). This region is endowed with an immense resource base, which include Land, water and human resources, which could anchor and stimulate economic Growth in the basin area and the entire country.

(b) Principal Activities

The vision, mission and core values of Lake Basin Development Authority are as follows:

VISION

To be a leader on sustainable integrated socio-economic development in Kenya.

MISSION

To catalyse, promote and implement resource-based programmes for sustainable basin-based integrated socio-economic development for improved livelihoods of the communities in the Lake Victoria Basin.

CORE VALUES

Our core values are captured in an acronym derived from the word RESPECT

- R** We shall respect diversity of opinion race creed.
We shall be responsible in all our action.
- E** We shall be ethical, uphold & sustain a culture of honesty in dealing with our stakeholders.
We shall be emphatic to our constituents.
- S** We shall be socially responsible in all our activities.
- P** We shall act with utmost professionalism.
We shall adopt participatory approaches to development and forge effective partnership with all our stakeholders.
- E** We shall respect and protect the environment in all we do.
- C** We shall be committed to our vision and mission.
We shall foster creativity and innovation.
- T** We shall inspire trust among us and in the community.
We value team work both internally and externally.
We shall uphold tolerance among us and with the communities we serve.

(c) Key Management

The Lake Basin Development Authority day-to-day management is under the following key organs:

- Board of Directors
- Managing Director
- Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Managing Director	Dr. Raymond Omollo, PhD
2.	Head of Corporate Services.	CPA Christine Otieno
3.	Head of Supply Chain Management	Mr. Raymond Ndolo
4.	Head Planning, Research, & Strategy	Mr. Maurice Obaso
5.	Head Agriculture & Natural Resources	Mr. Philip Oloo
6	Head Internal Audit	CPA Wycliffe Ochiaga
7	Head of Engineering Services & infrastructure development	Eng. Jacob Akuno.
8	Head Human Resource	Mr. Henry Makori.
9	Head Administration	Mr. Edwin Olang
10	Head of Commercial Services	Mrs. Beatrice Okoko
11	Head of Legal services	Mr. Michael Okuk

(e) Fiduciary Oversight Arrangements

The Authority has four committees with specific oversight responsibilities.. These are the **Human Resource Committee**, the **Finance & Budget Committee**, **The Planning Strategy & Development Committee** and **The Audit Committee**.

(f) Lake Basin Development Authority Headquarters

P.O. Box 1516-40100
Kanyakwar
Kisumu - Kakamega Road
Kisumu, KENYA

(g) Lake Basin Development Authority Contacts

Telephone : (254) 020-2023414
Mobile : 0715-682555/0735-711933
E-mail : info@lbda.go.ke
Website : www.lbda.go.ke

(h) Lake Basin Development Authority Bankers

1. National Bank of Kenya Limited
Kisumu Branch
P.O. Box 1152-40100
Kisumu, Kenya

2. Kenya Commercial Bank
Kisumu Branch
P.O Box 17 -40100
Kisumu, Kenya

3. Cooperative Bank of Kenya
Kisumu Branch
P.O Box 1511 -40100
Kisumu, Kenya

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

2. THE BOARD OF DIRECTORS

LBDA BOARD MEMBERS

1



MR CAVINCE ODOYO OWIDI

(Chairman of the Board)

Independent Director

D.O.B: 25th April 1968

Qualifications

- Bachelor of Education Honours –Pure Applied Mathematics including Computer Science and Applied Statistics-Egerton University
- Public Administration and leadership- University of South Africa

Experience

- Advisor- Nairobi Governor 2014-2017
- Managing Director-Parco Africa Ltd Nairobi/Dubai
- Regional Manager PBI International 2004-2016
- Principal Horizon Academy-1994-2004
- Senior Teacher Arya Vedic GCE school 1996-1999

2



DR. RAYMOND OMOLLO, PhD

(Secretary to the Board)

D.O.B: 27th December 1979

Qualifications

- Doctor of Philosophy in Applied Statistics
- Masters of Science in Biometry
- Bachelor of Science in Statistics

Experience

- Managing Director and Board Secretary at LBDA (2019-To date)
- Head of Data Centre & Statistician, DNDi Africa)
- Research Fellow & Adjunct Lecturer- Strathmore University
- External Examiner-University of Witwatersand-Johanesburg
- Training on Corporate Governance for Directors

3



MS. BEATRICE O. OBINGO

(Chairperson – Finance and Budget Committee)

Independent Director

D.O.B: 1967

Qualifications

- Bachelor of Science degree in Health and Development
- Diploma in Nursing Sciences from College of Health Professions;

Work Experience

- Over 15 years' experience in corporate strategy and operational excellence within the healthcare sector. My key skills are in the areas of Organizational Leadership and Change Management, business process and Quality Management Systems
- Currently serving as the Chief Operations Officer at Centric Air Ambulance and an Executive Director on Centric's Board.
- General Manager for Resolution Insurance Medical Division. Medical Manager and Quality management Representative with Mediplus Services Limited, The Aga Khan University Hospital and the Ministry of Health in various Leadership capacities.

LBDA BOARD MEMBERS

4



MS. RHODAH AMIMO
(Vice Chair of the Board)

Independent Director

D.O.B: 1st April 1962

Qualifications

- Diploma in Project Management: Kenya Institute of Management, 2011
- Certificate in monitoring and evaluation: Kenya institute of management, 2012
- BED Special Education: Kenyatta University, 2000
- Secretarial: Graffins College, 1982
- Certificate: Egoji Teachers College
- EAACE: Private Candidate, 1989
- East Africa Certificate of Education: Pangani Girls' High School, Nairobi, 1979

Work Experience

- Chief Officer-Education, Science and Technology-Vihiga County Government-2014-2017
- Also served as the Chief Officer Water and Environment, as well as Chief Officer Trade Tourism and Industrialization.
- Teachers Service Commission under Ministry of Education, Science and Technology-1985 to December 2008- TSC NO. 211306.

5



MS. CATHERINE NYAMATO MORAA

Independent Director

D.O.B: 28th February 1949

Qualifications

- Diploma in Office Administration and Personnel Management
- University of Nairobi-1972-Certificate in Personnel Management
- Government Training Institute, Maseno, Kenya-1971-Diploma in Office and Personnel Management

6



MR. FRANKLINE MUTAI RONO

Independent Director

D.O.B: 15th March 1982

Qualifications

- Masters of Business Administration- University of Nairobi
- Bachelor of Science in Computer Science- Kabarak University

Work Experience

- 2010 – Present: Bomet Teachers Training College-Position: Programme Co-ordinator.
- December 2010: Interim Independent Electoral Commission-Deputy Presiding Officer, National Referendum.
- 2007 – 2008: Bomet Teachers Training College-IT Manager and Tutor.
- December 2007: Electoral Commission of Kenya-Presiding Officer, National General Elections.
- 2006 – 2007: Bomet Academy-IT Consultant
- December 2005: Electoral Commission of Kenya- Presiding Officer, National Referendum.
- 2005: Emikwen Community Development program
- Civic Education Provider on the draft constitution.

7



HON. WILFRED MORIASI OMBUI

(Chairperson – Audit Committee)

Independent Director

D.O.B: 25th May 1956

Qualifications

- Masters of Business Administration (Finance)-Egerton University

LBDA BOARD MEMBERS

- Bachelor of Commerce (Accounting) Maharshi Valmki National University of India.
- Fellow of Financial Accountants (FFA) from Institute of Financial Accountants-UK.
- CPA II
- ACNC(K).

8



HON. ELISHA K. BUSIENEI

(Chairperson – Planning, Strategy and Development Committee)

Independent Director

D.O.B: 5th December 1972

Qualifications

- Bachelor Degree of Development Studies-Mount Kenya University
- Diploma in Public Administration- Chepkoilel University College (University of Eldoret)
- Certificate in County Governance-Jomo Kenyatta University of Agriculture and Technology

Work Experience

- 2013-2017 - Member of National Assembly Turbo Constituency a member in Defence and Foreign relation and Delegated legislation
- 2007-2012- Councillor at Municipal council of Eldoret and chairman Education Department

9



MS. EMILY P. OKOTH

Independent Director

D.O.B: 3rd July 1971

Qualifications

- KCSE Certificate

Work Experience

- Business Person for the last 15 years

10



MR. FRED G. MWANGI

(Chairperson – Human Resource Committee)

Independent Director

D.O.B: 24th December 1952

Qualifications

- 1973 – 1976 University of Nairobi- Bachelor of Arts Degree (Hons. in Sociology and Political Science)
- 1971 -1973 A' Level Certificate of Education from Agoro Sare High School
- 1967 – 1970: 'O' Level Certificate from Rapogi High School in Migori.

Work Experience

- 1977- 1980: District Officer in Wajir District
- 1981 - 1982: District officer – Nairobi Area
- 1982 - 1984: District Officer in Nanyuki – Laikipia District
- 1984 - District Officer in Turkana District
- 1987 - 1988: District Commissioner II & I– Nyandarua District
- 1989 - Senior District Commissioner Kiambu District
- 1990 -Deputy PC, Nairobi Area
- 1991: Deputy Provincial Commissioner, Nyanza
- 1992: Deputy Secretary in the Ministry of Planning
- 1994 – 1996: Deputy Secretary Ministry of Water
- 1996 – 1999: Deputy Secretary of Agriculture
- 2001- 2003: Deputy Director, NACADA
- 2003- 2011: Senior Deputy Secretary
- 2012 – 2017: Senior Deputy Secretary in the Ministry of Health

LBDA BOARD MEMBERS

Work Content: While in the Central Government he was in charge of the general co-ordination of the affairs and activities in various ministries on behalf of the concerned Permanent Secretaries.

11



HON MARY SALLY K. OTARA

Independent Director

D.O.B: 1st January 1964

Qualifications

- Bachelor of Development Studies Degree -Mount Kenya university
- Diploma in Community Development and Social work- Neema Lutheran college
- Certificate Course in Social work- Ogango Lutheran college

Work Experience

- 1996 - 2012,-Social Worker Evangelical Lutheran Church in Kenya [ELCK]
- 2001-2008,-Chairperson Habitat for Humanity Kisii Region
- 2003-2006,-BOG.Signatory Botoro Sec School
- 2007-2011,-PTA/BOG Nyabururu Girls High School.

12



MS. CHRISTINE BHOKE NCHAMAH

Independent Director

D.O.B: 24th December 1979

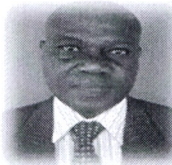
Qualifications

- Diploma in Community and Social Development
- Certificate in Social Work

Work Experience

- 2013-2017: Worked as Secretary National Government -Kuria West Constituency Development Fund.

13



MR. GEOFFREY KITUYI PEKA

(Alternate Director Ministry of Agriculture & Livestock)

D.O.B: 23rd November 1961

Qualifications

- Masters of Science in Environmental Science, Egerton University,
- Bachelor of Science Agriculture (Hons.), University of Nairobi,
- Diploma in Farmer Managed Advisory Services, Nordic Academy, - Denmark
- Certificate in Advanced Project Management and Project Management Essentials, OTE Academy, Greece,
- Certificate, Strategic Leadership Development Programme – Kenya Institute of Administration (KIA),
- Certificate, International Service for Acquisition of Agri-Biotech Applications – JKUAT,
- Certificate in Oil Seed Agronomy-Directorate of Research, Hyderabad, India

Work Experience

- 1985 to date - Ministry of Agriculture -District Agricultural officer and Provincial Crops Officer in Rift Valley and Eastern Provinces
- Currently deployed in the Directorate of Policy and External Relations at the Ministry headquarters.

14



MR. AMBROSE WEDA

Independent Director

D.O.B: 26th April 1969

Qualifications

- Masters of Law (LLM) – Intellectual Property- University of Nairobi

Work Experience

- 2012-to date – Lead Partner Weda & Company Advocates
- April 2015 to April 2018- Chairman Board of Directors South Nyanza Sugar Company (SONY)
- July 1998 to July 2012- Senior Partner Odhiambo & Weda Advocates

LBDA BOARD MEMBERS

15



MR. GEORGE OUMA OPIYO

Independent Director

D.O.B: 1975

Qualifications

- Bachelor of Science (Zoology)- Kenyatta University

Work Experience

- 1996 to Date: Director Sibuoche Enterprise.
- Chairman Board of Directors, Nileperch matatu service
- Chairman Association of Bondo Kenyatta University Students
- Retail trading in Hardware and Building Materials
- Supply and Distribution of Timber and Timber products

16



MR. MAINA KIONDO

(Alternate Director Min. Of East African Community & Regional Development)

D.O.B: 5th May 1963

Qualifications

- Project Management Professional –PMI- Institute of Applied Project Management
- MBA- Project Option- Kenyatta University
- Bsc. In Agriculture, University of Nairobi.

Work Experience

- September 2011 to date: Working for the Ministry East African Community and Regional Development Authorities as a Deputy Director in charge of resource mobilization and investment.
- 1987 to Sept 2011; worked with various projects including Sigor Wei Wei : Rural dairy development project, National dairy development project, National agricultural and livestock extension programme and the Central Kenya dry land project as a coordinator.

17



DR. JULIUS AKICHO, PhD

(Alternate Director Ministry of Water & Sanitation and Irrigation Water Resources)

D.O.B: 20th April.1966

Qualifications

- PhD Business Administration- Jomo Kenyatta University of Agriculture and Technology
- MBA- Kenya Methodist university
- Bachelor of commerce (B.com) finance and accounts

Work Experience

- He has a wealth of experience in financial management and governance in both the public sector and Regional organizations having served as a financial advisor for the East, Central and Southern Africa Health Community (ECSA-HC) whose Headquarter is in Arusha Tanzania and various government entities. He was an Alternate director to the principal secretary, ministry of Information, Communication & Technology in the KENYA YEAR BOOK EDITORIAL BOARD (KYEB) in 2013 and he is currently the Alternate Director to principal secretary (the National Treasury) in the Nursing Council of Kenya.
- Dr Akicho is the current Head of Internal Audit and Compliance in The Ministry of Water, Sanitation and Irrigation. He is also an adjunct Lecturer of Strategic Management and Research Methodology, Jomo Kenyatta University of Agriculture and Technology.

LBDA BOARD MEMBERS

18



MS. ANNE CHELANGAT

(Alternate Director to the Cabinet Secretary/National Treasury and Planning)

D.O.B: October 1966

Qualifications

- MBA - Management and Information Systems
- BA Political Science and Sociology
- Strategic Leadership & development Programme (SLDP)
- Advanced Public Administration

Work Experience

- 1991 to 1994 - Ministry of Education – Finance section
- November 1994 to 2000 – Ministry of Public Service & Gender/former DPM
- 2003 to 2008 – National Treasury (Finance Department then later External Resources Department served under the EU, Global Fund and World Banks desks;
- 2009 to 2011 ;National AIDS Control Council as a Programme Officer – Field Operations During her deployment to (2012 to June 2020) Ministry of Health - appointed the Operations Manager (2012 to 2016) under the MOH-CDC Project that implements the Kenya Advanced Public Health Programmes supporting interventions on HIV and TB;
- 2020 to date : National Treasury

19



MR. PETER MWANGI






(Alternate Director to the Inspectorate of State Corporation)

D.O.B:

Qualification

Work Experience

3. MANAGEMENT TEAM

MANAGEMENT TEAM	
1	 <p>DR. RAYMOND OMOLLO, PhD Managing Director <i>Qualifications</i></p> <ul style="list-style-type: none"> • Doctor of Philosophy in Applied Statistics • Masters of Science in Biometry • Bachelor of Science in Statistics <p><i>Experience</i></p> <ul style="list-style-type: none"> • Managing Director and Board Secretary at LBDA (2019-To date) • Head of Data Centre & Statistician, DNDi Africa) • Research Fellow & Adjunct Lecturer- Strathmore University • External Examiner-University of Witwatersand-Johanesburg • Training on Corporate Governance for Directors
2	 <p>CPA CHRISTINE OTIENO Director, Corporate Services ICPAK Membership No. 10470 <i>Qualifications</i></p> <ul style="list-style-type: none"> • MBA-Strategic Management • PG Diploma in Banking • B. Com-Accounting & Auditing • CPA (K) • Member ICPAK
3	 <p>MR. MAURICE OBASO Director, Planning, Research & Strategy. <i>Qualifications</i></p> <ul style="list-style-type: none"> • Masters of Business Administration Strategic Management • Bachelor of Arts Marketing
'114	 <p>MR. PHILIP O. OLOO Director, Agriculture & Natural Resources <i>Qualifications</i></p> <ul style="list-style-type: none"> • Masters- Project Planning & Management • BSc. Horticulture & Agriculture
5	 <p>MS. BEATRICE OKOKO Director, Commercial Services <i>Qualifications</i></p> <ul style="list-style-type: none"> • Masters- Project Planning & Management • Bachelor of Business Administration - Finance • Advanced Diploma in Business Administration • Member of PRSK
6	 <p>ENG. JACOB AKUNO Director, Engineering Services & Infrastructure Development <i>Qualifications</i></p> <ul style="list-style-type: none"> • Masters of Engineering in integrated Water Resource Management • Bachelor of Science in Agricultural Engineering • Member IEK, EBK ,AEK ,AWC ,CIWEM ,APWE

MANAGEMENT TEAM

7



MR. RAYMOND NDOLO

Manager, Supply Chain Management.

Qualifications

- Bachelor of Commerce – Marketing Management
 - Post Graduate Diploma- Logistics Management
 - Diploma Investment Analysis & Portfolio Management
 - Member KISM
-

8



CPA WYCLIFFE OCHIAGA

Manager, Internal Audit

Qualifications

- Bachelor of Business Administration (IT)
 - CPA(K)
-

9



MR. ANDREW OSORO

Manager, Corporate Affairs

Qualifications

- Bachelor of Arts Mass Communication
 - Diploma, Mass Communication
-

10



MR. HENRY MAKORI

Manager, Human Resource

Qualifications

- Masters in Human Resource management
 - Bachelor in Human Resource Management.
 - Member-IHRM
-

11



MR. EDWIN OLANG

Manager, Administration Services

Qualifications

- Bachelor of Arts. – Development Studies
-

12



MR MICHAEL OKUK

Ag. Manager Legal Services

Qualifications

- Diploma in Law
- Certificate in Law
- KCE DIV III

4. CHAIRMAN'S STATEMENT



LBDA is one of the six Regional Development Authorities (RDAs) that was established (Cap 442) in 1979 to provide an avenue for a quicker and coordinated development in the Kenyan portion of the Lake Victoria Basin. We cover an area of about 39,000-Km² and a lake area of 4000 Km² with an estimated population of over 19 million people. For most people and indeed Organizations the defining memory of 2021/.22 will be the COVID-19 pandemic, which is of course still with us and has had such devastating consequences for the lives and livelihoods of millions around the world and My Board and Management of the authority has ensured that we produced best results while meeting the overall objective as spelt out.

The ended year we continued to focus on ensuring the organization carried out activities to meet the Long-Term National Goal of the Vision 2030 and in doing so meet the Big four agenda. Here we encouraged innovation by the Management even encouraging the utilization of the ever expanding digital space and supply chain shifts to uplift the prospects of the Authority. The Board will continue to oversee the task of striking the right balance between the opportunities and risks

The LBDA remains in great shape and in an enviable position and as we exit this year of the pandemic rooted in the world with strong conviction that We have the right strategy and ambition to deliver on our potential. We have shown a resilient financial performance as shown in the report and we will continue being a leader in Development in the country.

A handwritten signature in black ink, appearing to read 'Cavince Odoyo Owidi'. The signature is stylized with large, sweeping loops and a long horizontal line extending to the right.

Mr. Cavince Odoyo Owidi
Chairman, LBDA

5. REPORT OF THE CHIEF EXECUTIVE OFFICER



The 2021/22 FY was another year of turbulence, with recovery from COVID-19 and the campaigning period for the General Elections. Many of our colleagues were adversely impacted in their personal or work lives. Even now, we continue to see new COVID-19 variants emerging and we have had to adapt to a constantly changing landscape. Throughout this period my Management Team has continued to focus on protecting the interests of our key stakeholders, while ensuring the wellbeing of our colleagues and supporting our customers, clients and communities.

The spirit our colleagues have shown throughout, despite the often difficult circumstances, has been exemplary and I am extremely proud of how we have all come out the FY. Our financial position is very strong with investments across the very different sectors of the economy and we have continued to implement projects that are of great impact to the wellbeing of inhabitants of the region and the country as a whole.

The projects that the Authority is successfully implementing in the FY are; The Lichota, Muhoroni, and Alupe Solar Irrigation Project whose main goal is enhancing high value crops and livestock production by harnessing ground water resource through Solar irrigation technology. The Authority has over the years championed the uptake of this technology by the communities across the region as a means of boosting food production in tandem with the Big Four Agenda. The implementation of phase one of the project is currently at 90%. The second project LBDA has been undertaking is the integrated water harvesting project which entails drilling and equipping 30 scattered across the region with an aim of increasing accessibility to safe drinking water to communities. The construction of Nyakoe Market is another ongoing project that LBDA is implementing whose main aim is to develop and construct a modern market complex for trading activities at Nyakoe ward in Kisii County. The phase one of the project is complete and already commissioned for use while phase two is in progress. Other projects that were implemented were the integrated Technology Transfer centers, Upscaling of the Rice Mill and the LBDA Mall.

The human Resource of any organization is the cornerstone of its success and therefore we have ensured that we bring on board and retain a highly skilled workforce that can effectively carry out our mandate. Improving staff welfare is very critical and we have ensured that remunerations are as per the recommended by the Salaries and Remunerations Commission (SRC) and we were allocated Kshs. 348 Million to cater for this.

REPORT OF THE CHIEF EXECUTIVE OFFICER CONTINUED.

Overall, our results show evidence of resilience, with performance improving against a difficult backdrop. We have continued to invest in the future of the Authority, including stepping up our innovation and technology investment, and we now have an exciting set of transformative development opportunities and partnerships, many of which we showcased at our engagements with stakeholders. Our mandate of coordinating meaningful Development in the region is well on course and with the expected enactment of the RDA Bill by the National Assembly we continue are optimistic to achieve an accelerated change in the ecosystem in which we operate. This will also accelerate our strategic priorities, thereby creating a long-term and sustainable value for our stakeholders. Finally, it's my pleasure to present to you the 2021/22 Financial Year Financial statement.



Dr. Raymond Omollo, PhD

Managing Director, LBDA

6. STATEMENT OF LAKE BASIN DEVELOPMENT AUTHORITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

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 national government entity's performance against predetermined objectives.

Lake Basin Development Authority has three strategic pillars and objectives within the current Strategic Plan for the 2018- 2023. These strategic pillars are as follows:

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

Lake Basin Development Authority develops its annual work plans based on the above three pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Lake Basin Development Authority achieved its performance targets set for the FY 2021/2022 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillar/	Objective	Key Performance Indicators	Activities	Achievements
Environmental Sustainability	Formulate and implement sustainable integrated basin-based multi-sectorial development projects and programmes	No. of seedlings produced	Seedlings production	166,037 seedlings produced
		No. of trees planted	Tree planting	46,035 tree seedlings planted at the LBDAs farms
		Implementation level	Solar irrigation project	Alupe SIP - 95% completed Lichota SIP- 80% completed Muhoroni SIP-70% completed
Finance and Economic Activity	Enhance LBDA's Financial Sustainability.	Amount received from rent	Rent receivable	Kshs 52,844,789 received from economic rent and commercial rent.
		Amount received from sale of produce	Sale of produce	Kshs 50,854,522 raised from sale of farm produce
	Enhance Market Share for LBDA Products and Services	Level of completion	Nyakoe market project	Phase one construction of Nyakoe market is at 95% completion
		Efficiency level	LBDC Rice mill	New meal acquired yet to be installed. Efficiency level increased to 56% from 50%

LAKE BASIN DEVELOPMENT AUTHORITY
Annual Reports and Financial Statements
For the year ended June 30, 2022.

		No. of fingerlings produced	Aquaculture promotion	795,420 fingerlings produced and distributed
		Tonnage of honey produced	Apiculture promotion	2.59 tons produced and distributed
		No of animals produced	Livestock promotion	45 bull calves produced and distributed 30 animals culled
People and Community	Strengthen Institutional and Human Capacity for Improved Performance.	No. of quality audits undertaken	Quality management systems	1 st surveillance audit for ISO 9001:2015 undertaken 3 internal audits for ISO 9001:2015 undertaken
		No. of policies developed	Human Resource policies	Human resource policies developed and approved for implementation
		No. of staff trained	Competency development	Training needs assessment developed and implementation of recommendations ongoing

7. CORPORATE GOVERNANCE STATEMENT

At Lake Basin Development Authority (LBDA), the practice of good corporate governance ensures the delivery of sustainable value as well as meeting the needs of our stakeholders. LBDA is committed to ensuring that the needs of our customers and the expectations of our stakeholders are met while safeguarding the investments of the Government of Kenya through the adoption of ethically driven business policies, procedures and processes. We believe that our business affairs should be carried out in a fair, transparent and accountable manner. It is our integral responsibility to disclose timely and accurate information on our financials and performance as well as provide the leadership and effective governance for the Authority.

This report highlights the main corporate governance structures and practices that guide the Board.

Governance Principles and Guidelines

The Board provides oversight to the Management and ensures the employees operate within the Code of Conduct and Ethics; Public Officers and Ethics Act; Leadership and Integrity Act; and Mwongozo Code of Governance for State Corporations.

In discharging its mandate, the Board is guided by the Board Charter, Code of Conduct and Ethics, and Board Manual to effectively fulfil its corporate governance responsibility towards stakeholders. In addition, it has adopted Guidelines on Corporate Governance developed by the Mwongozo Code of Governance for State Corporations

Board Organization and Structure

Board Size, Composition and Appointment

The Composition of the Board shall be in accordance with the provisions of the LBDA Act, No. 442 of 2012 and the State Corporation Act, Chapter 446 Laws of the Republic of Kenya or any other legal framework as shall be determined by the relevant Authorities.

The Board should ensure that:

- a) Its members can act independently;
- b) Each Board member understands the broad outline of the organization's policies;
- c) Each Board member is in good standing professionally and has sufficient expertise to perform his or her role as a Board member, and
- d) At least one member is a financial expert, meaning that he or she has expertise in financial management and accounting

Appointment and Removal of Board Members

- i. The relevant appointing authority shall appoint Board members in line with the provisions of the LBDA Act. No 442 of 2012 Laws of Kenya, the State Corporation Act, Cap. 446 or any other relevant law.

Every appointment shall be by name and by notice in the Kenya Gazette but shall cease if the Board member:

- a) Serves the appointing authority with a written notice of resignation; or
- b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
- d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board; or
- e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Board.

Any removal of a Board member under (a) above, shall be through formal revocation.

The Corporation Secretary will ensure that a record of the appointment letter, gazette notice and written acceptance by the Board member are kept in the personal file of the Board member.

Independence, Separation of Roles and Responsibilities

The primary responsibility of the Board is to provide leadership and strategic direction to the Authority to enhance value. The Board Directors are expected to exercise the highest degree of care, skill and diligence in discharging their duties.

The roles and responsibilities of the Board and the Chief Executive Officer remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no individual has unfettered power of decision making.

The Board provides oversight to the Authority's top management and has unrestricted access to timely and relevant information.

The Chairman provides overall leadership without limiting the principles of collective responsibility for Board's decisions. The Chairman builds an effective Board and sets the Board agenda in consultation with the Secretary/ Chief Executive Officer and ensures effective communication to stakeholders.

The Chief Executive Officer is responsible to the Board and takes the overall responsibility for the day to day management of the Authority. The Chief Executive Officer recommends the strategy of the Board and implements it and makes operational decisions. In addition, as Secretary to the Board, the Chief Executive Officer ensures appropriate and timely information flows within the Board, its committees and management.

The Corporation Secretary is in attendance of all Board meetings to provide guidance to the Board on their duties and responsibilities; on matters of governance; and to provide efficient secretariat services including coordinating induction and training of new members, preparation for board meetings and maintaining a record of the same, disseminating action material for management, and filing of statutory returns

Principal Board Activities

The basic responsibility of the Board members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the organization and its stakeholders. In discharging that obligation, the members should be entitled to rely on the honesty and integrity of the organization's Management, staff and its external professional advisors and auditors. In furtherance of its responsibilities, the Board will:

- i. Determine the organization's mission, vision, purpose and core values;
- ii. Review, evaluate and approve, on a regular basis, long-term plans for the organization;
- iii. Review, evaluate and approve the organization's budget and financial forecasts;
- iv. Review, evaluate and approve major resource allocations and capital investments;
- v. Ensure that the procurement process is cost-effective and delivers value for money;
- vi. Review and approve the operating and financial results of the organization;
- vii. Ensure effective, accurate, timely and transparent disclosure of pertinent information on the organization's operations and performance;
- viii. Ensure that effective processes and systems of risk management and internal controls are in place;
- ix. Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- x. Review, evaluate and approve the remuneration structure of the organization;
- xi. Adopt, implement and monitor compliance with the organization's Code of Conduct and Ethics;
- xii. Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya;
- xiii. Review periodically the organization's strategic objectives and policies relating to sustainability, social responsibility and investment;
- xiv. Protect the rights of shareholders and optimize shareholder value;
- xv. Enhance the organization's public image and ensure engagement with stakeholders through effective communication;
- xvi. Monitor compliance with the Constitution, all applicable laws, regulations and standards;
- xvii. Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate

Board Membership and Attendance of Meetings

The Board holds regular meeting at least once every quarter and supplementary meetings are held as and when necessary. In case of non-attendance due to other commitments, such information is communicated to the Chairman prior to the date of the scheduled meeting.

Table 1: Board attendance during the year

NO.	REMARKS	ATTENDANCE
1.	Full Board	
	Board Evaluation Exercise – 22 nd July 2021	17/17
	Board Evaluation Exercise – 23 rd July 2021	17/17
	Special Full Board – 29 th July 2021	15/15
	Special Full Board – 26 th August 2021	15/15
	Special Full Board – 10 th September 2021	15/15
	104 th Full Board – 23 rd September 2021	17/18
	105 th Full Board – 9 th December 2021	18/18
	106 th Full Board – 4 th February 2022	14/14
2.	Finance and Budget Committee	
	115 th F&B Committee – 27 th August 2021	8/8
	116 th F&B Committee – 14 th October 2021	8/10
	117 th F&B Committee – 14 th January 2022	10/10
3.	Planning, Strategy & Dev. Comm.	
	75 th Planning, strategy & Dev. Committee – 30 th July 2021	8/9
	76 th Planning, strategy & Dev. Committee – 12 th November 2021	10/11
4.	Audit Management Committee	
	Special Audit Committee – 18 th - 19 th August 2021	4/4
	37 th Audit Committee – 20 th August 2021	4/4
	38 th Audit Committee – 26 th November 2021	5/5
5.	Human Resource Committee	
	9 th HR Committee – 3 rd September 2021	8/8
	10 th HR Committee – 3 rd December 2021	8/8

Board Committees and Responsibilities

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Each committee is guided by the Committee Charter/Terms of Reference, which outlines its responsibilities as mandated by the Board and is reviewed on a yearly basis. The committees are appropriately constituted drawing membership from amongst the Board members with appropriate skills and experience.

The Chairman of the Board, the Management and external parties/advisors attend the committee meetings only by invitation. The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. The respective Chairman presents matters deliberated by the committees to the Board during the next board meeting. The Board has the following four (4) standing committees, which hold regular meeting four (4) times a year and supplementary meetings as and when necessary.

Table 2; Members Planning Strategy & Development committee

No.	NAME	POSITION
1	Hon. Elisha Busienei	Chairperson
2	Mr. Geoffrey Kituyi	Member
3	Ms. Rhoda Mbandu	Member
4	Hon. Mary Sally	Member
5	Ms. Beatrice Obingo	Member
6	Ms. Emily Okoth	Member
7	Hon Wilfred Ombui	Member
8	Mr. George Opiyo	Member
9	Mr. Maina Kiondo	Member
10	Dr. Julius Akicho.	Member
11	Mr. Peter N. Mwangi	Member

1. Planning, Strategy and Development Committee.

The principal objective of the Committee is to make strategic directions that will enable the Board to effectively discharge the mandate of the Corporation as provided under section 8 of the LBDA Act, No 442 of 2012 as follows:

1. Provide assurance to the Board that the Authority's strategic plan is implemented efficiently by commissioning appropriate policies and systems.
2. Advise the Board on strategic projects, programmes and public-private partnership priorities, ensuring that these are aligned to LBDA's strategic vision and objectives through properly vetted feasibility studies and due diligence.
3. Advise the Board on sound capital investment decisions and directions.
4. Advise the Board on prudent research and development initiatives in line with LBDA's strategic vision and objectives,
5. Ensure LBDA's monitoring and evaluation system is developed and engrained in sound policy and is fit for the purpose.
6. Commission analytical works as necessary on either the projects or programmes to enable the Committee to fulfil its oversight role without stalling management progress and/or operations.
7. Any other duties as may be determined from time to time by the Board

Table 3; Members Finance & Budget committee

No.	NAME	POSITION
1	Ms. Beatrice Obingo	Chairperson
2	Ms. Christine Bhoke	Member
3	Hon. Elisha Busienei	Member
4	Ms. Anne Chelang'at	Member
5	Ms. Catherine Nyamato	Member
6	Mr. Ambrose Weda	Member
7	Dr. Julius Akicho.	Member
8	Mr. George Opiyo	Member
9	Mr, Peter Nyutu Mwangi	Member
10	Mr, Maina Kiondo	Member

2. Finance & Budget Committee

The Finance & Budget Committee objective is to develop financial policies, goals, and budgets that support the mission and strategic goals of the Authority, as well as monitoring Authority's internal control and risk management activities as follows;

1. Provide assurance to the Board that the Authority's financial; assets and legal are managed prudently by commissioning appropriate policies and systems.
2. Advise the Board on strategic financial/resource allocation priorities, ensuring that these are aligned to LBDA's strategic vision and objectives through a properly vetted budgetary proposal.
3. Provide assurance to the Board that the sound policies and systems have been put in place for the control and management of assets that includes but not limited to: movable and immovable property, tangible and intangible property, stores, equipment, land, buildings, animals, inventory, stock, intellectual rights vested in the Authority.
4. Advise the Board on prudent legal decisions and directions.
5. Ensure LBDA's financial appraisal procedures and practices are developed and engrained in sound policy and are fit for the purpose.
6. Any other duties as may be determined from time to time by the Board.

Table 3; Members HR committee

No.	NAME	POSITION
1	Mr. Fred Mwango	Chairperson
2	Mr. Geoffrey Kituyi	Member
3	Ms. Catherine Nyamato	Member
4	Mr. Frankline Rono	Member
5	Ms. Emily Okoth	Member
6	Ms, Christine Bhoke	Member
7	Mr. Ambrose Weda	Member
8	Hon. Mary S, Otara	Member

3. Human Resource Committee

The HR Committee is established to assist the Board in fulfilling its oversight responsibilities through the implementation of sound compensation and Human Resource policies and practices. The HR Committee's primary duties and responsibilities are to:

1. Provide leadership in the prudence of Human Resource management.
2. Advise the Board on strategic directions in matters relating to Human Resource, General Administration and Governance with a view to enabling the Corporation to effectively discharge its mandate.
3. Provide assurance to the Board that the Authority's human resources are managed prudently by commissioning appropriate policies and systems.
4. Ensure LBDA's human resource appraisal procedures and practices are developed and engrained in sound policy and are fit for the purpose.
5. Advise the Board on optimum human resource capital base on LBDA's strategic vision and objectives,
6. Any other duties as may be determined from time to time by the Board

4. Audit Committee

Table 4: Members Audit committee

No.	NAME	POSITION
1	Hon. Wilfred Ombui	Chairperson
2	Ms. Anne Chelang’at	Member
3	Ms. Rhoda Mbandu	Member
4	Mr. Fred Mwangi	Member
5	Mr. Franklin Rono	Member

The objective of the Committee shall be to assist the Board in discharging its duties relating to safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in

compliance with all applicable legal requirements and accounting standards. Its duties shall include:

1. Serve as an independent, competent and objective party to monitor the integrity of the Authority’s financial reporting process and internal control systems relating to finance, accounting, and operational and legal compliance.
2. Compensate, retain and oversee the work performed by the authority’s external Auditors.
3. Assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports provided by the Authority to the Parliament Investment Committee (PIC) and other stakeholders.
4. Recommend, establish and monitor procedures designed to improve the quality and reliability of the authority’s financial condition and results of operations.
5. Provide an avenue of communication among the external auditors, senior Management, and the Board of Directors.
6. Any other duties as may be determined from time to time by the Board

Capacity Building for the Board

Regular training and development programmes are developed to equip the Board with necessary skills for effective discharge of their mandate. Each year the Board prepares a training calendar where specific training needs are identified and scheduled. During the year, the Directors attended various capacity building programmes focusing on leadership, governance, finance and other relevant areas.

Upon appointment of a new Director, the Management guides them through a formal induction programme explaining the anatomy of the Authority, its operations and they get the opportunity to meet the key officers. They are also taken through corporate governance training so as to understand their roles and responsibilities as Directors

Board Effectiveness and Evaluation

In order to assess and improve the capacity, functionality and effectiveness of the Board and its Committees, an annual evaluation is undertaken in accordance with the widely accepted principles of corporate governance. The self-evaluation reviews the capacity, functionality and effectiveness of its performance in the achievement of its goals and objectives. It assesses the performance and independence of the Board and its Committees jointly and individual members of the Board, including the Chief Executive Officer.

The Chief Executive Officer is assessed in her roles as the Chief Executive Officer and Secretary to the Board. The Chairman's ability to add value, his performance against what is expected of his role and function, is also assessed. The results of the evaluation forms the basis on which action/work plans for the preceding year are formulated, assists to identify the training needs and it also forms the basis of re-appointment of directors.

Directors' Remuneration

During every Board meeting, present Directors are entitled to a sitting allowance, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable within government set limits for state corporations as outlined in Government circular OP/CAB.9/21/2A/41/43 of 23/11/2004.

The Chairman receives a monthly honorarium. During the year, there were no Directors' loans. Details of Directors emoluments during the year are shown in notes to the financial statements.

Ethical Standards

The Directors and employees of the Board have a fiduciary duty to act honestly and in the best interest of the Board. Business transactions with all parties must be carried out at arm's length and with integrity. The Board provides effective leadership based on ethical foundation and ensures all deliberations, decisions and actions are based on the Boards' core values underpinning good governance.

All Directors and employees are expected to avoid activities and financial interests that could undermine their responsibilities to the Authority.

The Board applies a ***Conflict of Interest policy***. A Director with an actual or potential conflict of interest in relation to a matter before the Board is required to disclose such interest and, excuse himself or herself from the Board for discussion relating to the matter in question. At the beginning of the financial year, all directors signed a Declaration of Interest Form declaring that they will disclose any interest that conflicts or possibly may conflict with the interests of the Board. At the commencement of any business to be transacted, all directors are required to declare their interest, if any

8. MANAGEMENT DISCUSSION AND ANALYSIS

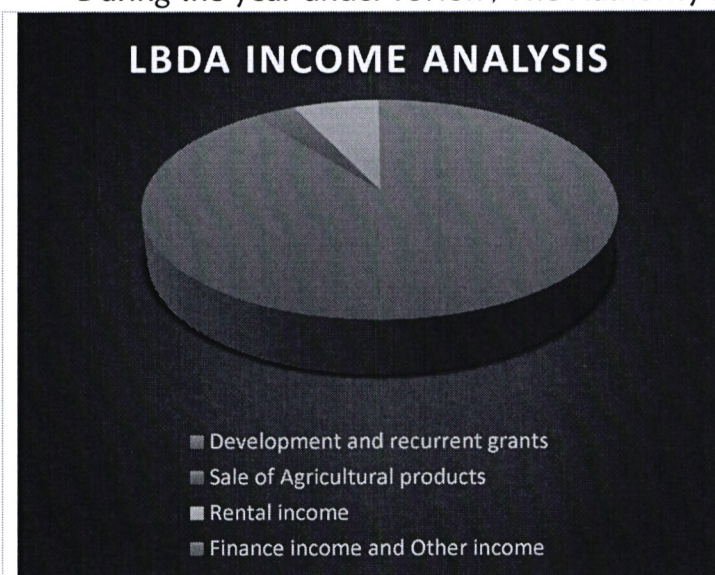
In the financial year 2021/22 the Authority received **Kshs. 827.2Million** from the National Treasury which included; **Kshs. 555Million** for development expenditure and **Kshs. 272.2Million** for recurrent. To supplement its activities LBDA was expected to raise **Kshs. 76 Million** through A in A. the Authority implemented three projects during this financial year and they included:

- Drilling of Boreholes (**Kshs. 395Million**)
- The construction of Nyakoe Market which had an allocation of **Kshs. 40 Million**
- the Lichota Muhoroni and Alupe Solar Irrigation project (**Kshs. 70 Million**)
- Rehabilitation of Strategic water facilities (**Kshs. 50Million**)

The Recurrent expenditure of Kshs. 348.2Million mainly catered for Personnel Emoluments (PE) of staff in the organization and other operation and maintenance cost incurred.

Revenue Analysis

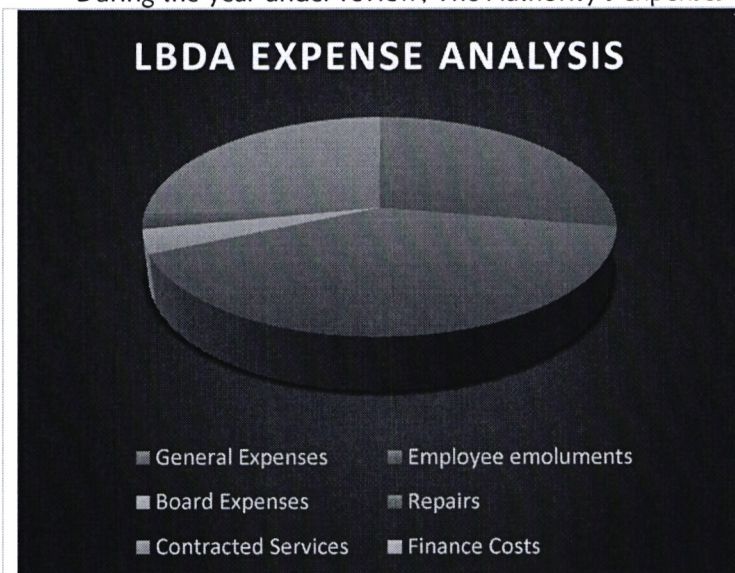
During the year under review, The Authority's revenue can be summarized as below



Particulars	Amount in Ksh
Development and recurrent grants	770,465,302
Sale of Agricultural products	18,498,225
Rental income	63,895,552
Finance income and Other income	2,949,802
Total	855,808,881

Expense Analysis

During the year under review, The Authority's expenses can be summarized as below.



Particulars	Amount in Ksh
General Expenses	280,143,101
Employee emoluments	299,025,236
Board Expenses	18,488,040
Repairs	24,108,721
Contracted Services	159,303,791
Finance Costs	877,454
Total	781,946,343

Key Projects

1. Drilling of Boreholes.

The integrated community water projects are implemented by Lake Basin Development Authority. These projects are aimed at enabling community's easy access to clean portable water for human consumption and small-scale agriculture though the use of clean sources of energy, this is to ensure sustainability of the projects. This project entails the harnessing of ground water resources using solar powered technologies majorly for domestic use across the 72 constituencies (18 Counties) covered by the Lake Basin development Authority. Each borehole is aimed at providing water to more than 10,000 residents. This is done in phases, and currently LBDA is implementing the drilling and equipping of 34 No boreholes.

Project scope;

- I. Drilling and equipping of borehole
- II. Constriction of 6M high level water storage tank
- III. Construction of solar array, Pump house and associated accessories
- IV. Construction of water reticulation system
- V. Construction of 3 M high perimeter fence to secure the key infrastructure

Implementation status

The projects are spatially distributed in different locations of the 72 constituencies that are covered by Lake Basin Development Authority. Currently there are 34 community water projects that are being implemented. The projects are ongoing with each at different stages of completion.



2. Construction of Nyakoe Market

Nyakoe Market Centre is located in Kisii County on the main Kisumu Class A1 highway that connects Kenya with Tanzania. The Centre is located in an area that presents a fairly constant increase in population due to its proximity to the East African Trade corridor that links Kenya to Tanzania. This connectivity is strategic not only for the development of Kisii County and other surrounding Counties such as Homabay, Migori, Kisumu and Nyamira but also for national growth and development.



The general objective is the construction of an ultra-modern market to stimulate trading activities in Nyakoe town thus spurring socio-economic growth in the town.

Management Discussion & Analysis Cont.'

Specific objectives

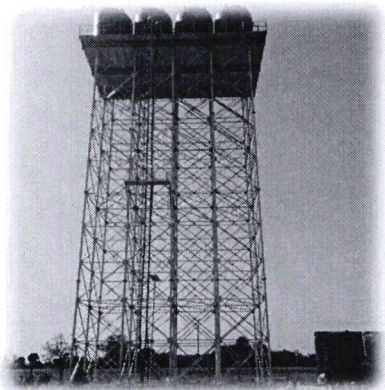
- I. Stimulate trading activities at Nyakoe town
- II. Provide access to water and sanitary facilities
- III. Control flooding in the market
- IV. Conserve the nearby wetland and river

The project is completed and handed over to the Kisii County Government.



3. Alupe, Lichota & Muhoroni Solar Irrigation Projects.

The first phase of the projects practically complete at an average at 98% and handed over for use after testing and commissioning except for Muhoroni site, which is at the testing phase.



Objectives: The general objective aims to utilize the Project as in spurring adoption of modern farming technologies that will empower communities through transfer of solar powered irrigation technologies. The realization of this objective was actualized through the following project components.

- a) Drilling and equipping of 2No boreholes,
- b) Solar Installation Works,
- c) Erection of Steel tower and elevation of 8No. 24m³ uPVC Water Tanks,
- d) Irrigation installation Work and Land preparation,
- e) Construction of a Farm House and Installation of Chain- link Fencing Works
- f) Extension of chain-link fence for Muhoroni and Lichota
- g) Construction of Dairy unit structures

The authority commenced on the first phase of the project in late 2019 as a pilot study putting 60 acres under irrigation in her 3 farms namely, Alupe, Muhoroni and Lichota Busia, Kisumu and Migori Counties respectively

The overall project cost for this Phase is Kshs 550,000,000.00 and a total of Kshs 334,051,551.16 has been expended. The Project Management cost is Kshs 4,500,000.00



Compliance with statutory requirements

LBDA has complied with its establishing Act. It has also complied with other legal requirements such as submission of statutory deductions to KRA and its internal policies and procedures.

There are no instances of non-compliance that would lead to financial loss in the period under review, the Authority complied with all statutory requirements and has not received any sanctions so far for non-compliance

Major Risks Facing the Authority

The Authority considers the following as its major risks:

- i. Regulatory & compliance risk
- ii. Competition – existence of competitors with their new strategies
- iii. Economic and business risk
- iv. Operational and credit risk – potential of financial loss
- v. Availability and cost of capital
- vi. Information systems security

Risk management, principal risks and uncertainties

The Board is ultimately accountable for the Authority's risk management process and system of internal control. In terms of a mandate by the Board, the Audit and Risk Committee monitors the risk management process and systems of internal control of the Authority.

Risk management

The ERM policy is subject to annual review, and any amendments are submitted to the Audit and Risk Committee for approval. The objective of risk management in the Authority is to establish an integrated and effective risk management framework where important and emerging risks are identified, quantified and managed

Material arrears in statutory and other financial obligations

In the period under review, the Authority complied with all statutory requirements and thus there are no material arrears in statutory and other financial obligations.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Lake Basin Development Authority exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

Lake Basin Development Authority organizational sustainability is centered on three pillars:

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

1) People and Community

The Authority as an employer

Lake Basin Development Authority is committed to being a good employer, and to contribute positively to the local community through social economic initiatives.

Human Resource Policy instruments that guide the hiring process in LBDA are Organisational Structure and Staffing Policy, Approved LBDA Staff Establishment, Human Resource Policies and Procedures Manual, Career Progressions Manual and the Comprehensive Job Descriptions Manual. The hiring process is undertaken on the basis of fair competition and merit while ensuring representation of Kenya's diverse ethnic communities, equal opportunity to all gender, youth, persons with disabilities and minorities.

To ensure staff skills and competences are continually improved, LBDA has endeavoured to facilitate staff trainings and capacity building interventions as outlined in the Training Needs Assessment Survey report. The Authority has also developed Career Progression Guidelines that sets standards for training and advancement within the career structures on the basis of staff acquisition of professional qualifications and requisite competences. Performance appraisal for the Authority is conducted biannually using the GoK Staff

Performance Appraisal System (SPAS) tool which in turn informs employee rewards and sanctions as appropriate. Rewards and sanctions are recommended by management as per the provisions of Rewards and Sanctions framework issued by Public Service Commission from time to time.

LBDA is committed to making a conscious effort in conserving and improving safe and healthy working conditions for all our internal and external customers in compliance with OSHA 2007. Our policy which is outlined in the Human Resource Policies and Procedures Manual, provides guidelines for the prevention and protection of officers against accidents and occupational hazards arising at the workplace.

2) Finance and Economic activity

The Authority recognizes the way in which it conducts its activities financially has a bearing on those with an interest in its work. The Authority financial regulations follow the laid down Accounting Standards.

3) Environmental Sustainability



LBDA recognizes environmental sustainability as the greatest challenge of the 21st century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. In this respect Authority is partnering with various County governments and other stakeholders in conservation

LBDA's main environmental impacts are the utilisation of resources, predominantly energy, through electricity consumption and water. The Authority is fully aware of the need to use resources responsibly and is committed to minimising its environmental impacts to the

extent possible.

The Authority recognises the risks that regulatory changes, environmental constraints and climate change present to its operations. Potential impacts include rising costs, reduced access to facilities, interruptions in service, and incidents of extreme weather events as a result of climate. However, the Authority also believes that using resources responsibly can be a source of strategic advantage for the Authority, allowing it to manage and contain its operating costs and to ensure ongoing access to water and energy supplies.

The Authority takes its policies to reduce its impact on the environment very seriously and its facilities and services division is constantly investigating new opportunities to reduce its impact on the environment.



i) Market place practices-

a) Responsible competition practice.

Competition is healthy for businesses and as government organization it encourages innovation to achieve her mandate. Authority has responsible competition practice by following these key principles, by Knowing our customers and stake holders, competitors, the difference between the authority and other agencies or organizations, our product and messages, target market, partnerships and opportunities and innovation in external environment we operate in.

Authority ensures responsible competition practices by ensuring transparency in all areas of supply chain to promote anti-corruption practices and responsible political involvement through public participation in management of public resources and choice of projects and programmes. To enhance fair competition the authority does not price her products and services lower than what the market is offering to disadvantage competitors.

b) Responsible Supply chain and supplier relations

Authority has maintained responsible supply chain and supplier relations through advertising for annual prequalified suppliers , engage them on available job opportunities and support different suppliers to deliver contracted assignments and for those dealing in authority products and services quality and customer service is maintained at all times and payment for services rendered is done as per the contract.

c) Responsible marketing and advertisement

Responsible marketing and advertisement is adhered to by ensuring product or service advertisement messages does not infringe into competitors' products in order maintain ethical marketing practices.

d) Product stewardship

On Product stewardship, Authority has always pursued quality and differentiation in the market place by ensuring we continue to innovate our products and services to achieve the authority mandate, while ensuring customer satisfaction and delight is achieved to safeguard consumer rights and interests

ii) Corporate Social Responsibility / Community Engagements

The Corporate Affairs Department was allocated Ksh.984,560 for Corporate Social Responsibility (CSR) activities for the financial year 2021/2022.

In line with LBDA's Mandate of Promoting, Managing and Conserving Natural Resources and also the Presidential Directive by the President to increase forest cover by 10%, the Authority took part in tree planting exercises in several locations. Within LBDA's 3 regional offices 52,456 tree seedlings were planted within Authority's land and a further 109,526 tree seedlings produced for next FY.

Lake Basin Development Authority in partnership with KenGen and Kenya Forest Service planted over 20,000 tree seedlings to celebrate Earth Day which took place at Koguta forest in Kisumu County.

The Authority was also invited to participate and partially sponsor World Environment Day by the Homabay County Government which took place on 5th June 2022 with the global campaign #OnlyOneEarth calling for transformative changes to policies and choices to enable cleaner, greener, sustainable living with nature.

OUTPUT

1. Enhance environmental conservation through donation of tree seedlings
2. Enhance community relationship and collaborations
3. Creating mass awareness on the importance of greening and the environment

SUMMARY OF CSR ACTIVITIES



Donation of Tree Seedlings

During the year under review on 22nd April 2022, The Authority donated 30,000 tree seedlings at Koguta Forest in collaboration with Kengen Foundation and Kenya Forest Services.

On 11th December 2022, The Authority donated 1,000 Seedlings to Sinapanga Primary and Secondary schools.



10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of Lake Basin Development Authority's affairs.

i) Principal activities

The principal activities of the Authority are established under Cap 442 Laws of Kenya are: -

- (a) Integrated basin based development planning;
- (b) Integrated basin based development projects and programmes;
- (c) Resource studies and information sharing for basin wide planning and development
- (d) Public investment and establishment of basin resource management standards and norms;
- (e) Utilization of international waters; and
- (f) Interventions of strategic national government interest

ii) Results

The results of the Authority for the year ended June 30, 2022, are set out on page 1

iii) Directors

The members of the Board of Directors who served during the year are shown on page vi to xiii. During the year, 12 directors retired/ resigned and 2 were appointed.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Lake Basin Development Authority did not make any surplus during the year (FY 2021-2022) and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor General is responsible for the statutory audit of the *Lake Basin Development Authority* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Board



Dr. Raymond Omollo, PhD

Secretary to the Board

Date: 27/09/2022

11. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of that Lake Basin Development Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Directors are also required to ensure that the Authority keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- c) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- d) Safeguarding the assets of the Authority;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012.

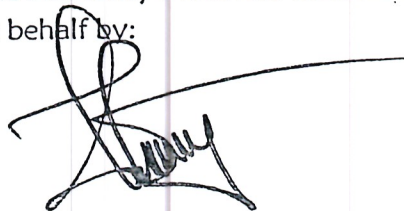
The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2022, and of the Authority's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on 27/09/2022 and signed on its behalf by:



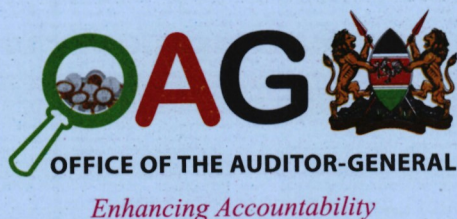
Name Mr. George Opiyo
Member of the Board



Name Dr. Raymond Omollo, PhD
Accounting Officer

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 LAKE BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2022

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 Lake Basin Development Authority set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

Report of the Auditor-General on Lake Basin Development Authority for the year ended 30 June, 2022

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 the Lake Basin Development Authority as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Public Finance Management Act, 2012 and the Lake Basin Development Authority Act No.442 of 2012.

Basis for Qualified Opinion

1. Transfers Received after Closure of Financial Year

The statement of financial performance reflects transfers from other government entities of Kshs.770,465,302. However, the balance includes development grants amounting to Kshs.115,000,000 and special projects receipts amounting to Kshs.7,982,577 which were received on 8 July, 2022 and 4 July, 2022 respectively. Although the amounts had been included in the receipts, the same had not been accrued as debts in the financial statements.

In the circumstances, the completeness and accuracy of the reported revenue from other government entities could not be confirmed.

2. Unsupported General Expenses

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects an amount of Kshs.280,143,101 under general expenses. Review of expenditure under this category revealed several unsatisfactory matters: -

- i. The daily subsistence allowances of Kshs.37,730,729 included amounts paid to three members of staff that exceeded Kshs.2,000,000 per each staff member. The allowances appeared to be on the higher side as it meant that each of the employees received allowances for a period in excess of 120 days during the year. Although the management indicated that the amount was an imprest drawn and paid to several members of staff, no evidence was presented to show that the amounts related and was paid to multiple staff members.
- ii. The Authority incurred an amount of Kshs.39,506,470 on legal fees. This was an increase of Kshs.24,800,000 over the previous year. Management explained that the increase was attributed to crystallizing of legal cases and some legal pending bills. However, management did not provide the basis for the taxation of the legal costs. In addition, management did not explain how the Authority had pending legal bills that had not been accrued considering that it uses accrual basis of accounting which implies that the expenditure is recognized upon receiving the service or receipt of the invoice whichever is earlier.

- iii. The Authority incurred an amount of Kshs.100,000,000 in interest for the bank loan, which was not paid in the year. The loan files were not presented for audit indicating any changes or revisions in interest rate charges to the loan. We could not therefore confirm the completeness and accuracy of interest charged of Kshs.100,000,000.
- iv. The Authority incurred an expenditure of Kshs.16,423,715 on insurance of assets. This was an increase of Kshs.10,872,741 over the previous year's insurance expense of Kshs.5,550,974. Management attributed increase in the insurance charges to the insuring of the mall, which the management explained was sourced and acquired by the financing bank a fact that is contrary to documentation provided that clearly shows the procurement was done by the management through quotation and with no evaluation of the response. However, no record was produced on how the insurer was identified. In addition, the premiums and other conditions of the insurance were not provided for audit scrutiny.

In the circumstances, the completeness and accuracy of the general expenses amount of Kshs.280,143,101 incurred in the year could not be confirmed.

3. Unsupported Loss on Sale of Assets

The statement of financial performance reflects an amount of Kshs.3,621,000 under loss on sale of assets. The loss was explained to have resulted from the release of four parcels of land to communities. However, the valuation of the properties released to the communities was not carried by a professional valuer and no documentation was provided in support of the valuation. In addition, the basis of release of land including determination of beneficiary was not provided for audit review.

In the circumstances, the occurrence of the asset disposal transaction at a loss of Kshs.3,621,000 could not be confirmed.

4. Unsupported Expenditure on Board of Directors Allowances

The statement of financial performance reflects an amount of Kshs.18,488,040 in respect of remuneration of directors. The amounts include directors sitting allowances of Kshs.10,048,400 and an amount of Kshs.5,192,343 as travelling expense. Although the Corporate Governance Statement provides details of the number of meetings held, details of the meetings held was not provided for audit review. In addition, details of the amounts paid to each director for each meeting was not provided for audit. Further, Note 13 to the financial statements reflects an amount of Kshs.5,192,343 paid on air tickets. No supporting documents were provided to show the beneficiaries of the air tickets and the number of air tickets bought.

In the circumstances, the completeness and accuracy of the board expenses of Kshs.18,488,040.

5. Unsupported Contracted Services

The statement of financial performance reflects contracted services amount of Kshs.159,303,791, which includes as disclosed in Note16 to the financial statements amounts of Kshs.95,565,815 and Kshs.19,497,375 incurred on rehabilitation of boreholes

and construction of market respectively. However, details of the boreholes rehabilitated and the markets constructed was not presented for audit.

In the circumstances, the completeness and accuracy of the reported expenditure on rehabilitation of boreholes and construction of a market totaling to Kshs.115,063,190 could not be confirmed.

6. Land Without Ownership Documents and Unsupported Valuation

The statement of financial position and as disclosed in Note 23 to the financial statements reflects property, plant and equipment balance of Kshs.4,979,343,234, which include an amount of Kshs.59,053,333 relating to land. Review of records provided for audit revealed that three (3) parcels of land in Kokwanyo, Lugari and a riparian land in Kapsabet, which did not have titles, and which were valued at Kshs.3,621,000, were transferred back to the communities. However, the valuation was not based on a professional valuation as required by IAS 16. In addition, management did not provide a basis for the valuation of the parcels of land.

Further, review of the fixed asset register revealed that six (6) parcels of land, namely Yala Swamp Complex, Sangallo ITTC, Ndhiwa ITTC, Rongo ITTC, Lunyu ITTC and Kwanza Integrated had nil values. Similarly, five (5) parcels of land at Muhoroni, Lichota, Alupe, Chwele and Kibos valued at Kshs.478,000, Kshs.4,529,728, Kshs.925,000, Kshs.800,272 and Kshs.1,470,000 respectively did not have ownership documents.

In addition, the original title for lower Kanyakwar residential land was not in the custody of the Authority as it was being held as collateral for a loan of Kshs.2,500,000,000 advanced to the Authority by Co-operative Bank of Kenya. However, no documentary evidence was provided to confirm that appropriate approvals by the National Treasury and parent Ministry were granted.

Also, the fixed asset register provided indicated that most parcels of land are in dispute with third parties. Physical verification of assets further revealed that Muhoroni ITTC and Lichota Integrated Farm have not been fenced and that Sangalo Farm was poorly fenced. In Lichota Integrated Farm, locals have taken advantage over this weakness and have laid claim on part of the Land. The Authority therefore risks possible loss of land from potential encroachers and grabbers.

In the circumstances, the accuracy, completeness and ownership of land valued at Kshs.59,053,333 could not be confirmed.

7. Untransferred Motor Vehicles

The statement of financial position and as disclosed in Note 23 to the financial statements reflects property, plant and equipment balance of Kshs.4,979,343,234 which includes motor vehicle with a net book value of Kshs.35,054,972. Review of the asset register revealed that seven (7) motor vehicles with a net book value of Kshs.11,651,685 listed in the assets register as owned by the Authority were registered with Government of Kenya (GK) number plates, and had not been transferred to the Authority. In addition, the management did not provide inspection report from Chief Mechanical Engineer Public Works disclosing the value of the vehicles at the time of the donation.

In the circumstances, the ownership of motor vehicles valued at Kshs.11,651,685 could not be confirmed.

8. Stalled Work-In-Progress

The statement of financial position and as disclosed in Note 23 to the financial statements reflects property, plant and equipment balance of Kshs.4,979,343,234 which includes a balance of Kshs.348,627,570 in respect of work-in-progress. Included in the balance is an amount of Kshs.25,275,699.50 incurred for incomplete staff houses, Kshs.122,206,680 in the construction of Yala Swamp Weir and Kshs.19,531,386 in respect of construction of zero grazing units. Physical verification of the work in progress in the month of March, 2023 revealed that the construction of the staff houses and Yala Swamp Weir projects, both with a cost of Kshs.147,482,379 have stalled or were abandoned while the zero grazing units are incomplete. In addition, no impairment losses over the years for the abandoned projects have been made in these financial statements. As a result, the carrying value of the assets could not be ascertained.

In the circumstances, the accuracy and completeness of work in progress balance of Kshs.348,627,570 could not be confirmed.

9. Long Outstanding Receivables

The statement of financial position and as disclosed in Note 21 to the financial statements reflects total receivables balance of Kshs.78,915,855. Review of financial records revealed amounts of Kshs.30,112 and Kshs.6,899,695 due from former Board Members and former staff respectively. However, in the previous year, the outstanding amounts from the Board Members and the staff was Kshs.591,121 and Kshs.11,123,999 respectively. These amounts had been outstanding for over twenty (20) years. Management did not explain or support how the amounts were recovered to Kshs.30,112 and Kshs.6,899,695 for the ex-board members and the ex-staff respectively during the year.

Further, it was observed that Management does not have a credit policy to give guidance on both the credit period and amount. During the year, it was observed that management made a provision for bad debts amounting to Kshs.534,080, however, the Authority does not a debt provisioning policy. It is therefore not clear how the amount of Kshs.534,080 was determined.

In addition, the Authority does not have a debt ageing analysis for trade debtors, which amounted to Kshs.71,662,657 to enable monitoring of the debts.

In the circumstances, the completeness, accuracy and recoverability of the disclosed receivables amounting to Kshs.78,915,855 could not be confirmed.

10. Non-Current Liabilities

The statement of financial position and as disclosed in Note 26(b) to the financial statements reflects non-current liabilities amount of Kshs.2,942,718,536. Review of financial records indicated trade creditors amounting to Kshs.401,200,100, which includes payables of Kshs.8,102,284 which has been outstanding for between seven (7) to thirty (30) years. This was a decrease from last year's amount of Kshs.61,715,134. However, no records were presented for audit to show how the debts, amounting to

Kshs.53,612,850 were settled. In addition, management has not given any indication on how it intends to settle the remainder of the balance.

Further, Inter-ministerial dues balance of Kshs.28,176,641 includes VAT arrears of Kshs.21,684,885 which have accrued for over 12 years. In addition, the loan for construction of Lake Basin mall of Kshs.2,500,022,499 has been outstanding for 7 years.

In the circumstances, the accuracy and completeness of non- current liabilities balance of Kshs.2,942,718,536 could not be confirmed.

11. Unsupported Increase in the Capital Fund

The statement of financial position reflects an amount of Kshs.813,841,303 under capital fund. This was an increase over the previous year's balance of Kshs.754,620,659. However, the increase of Kshs.59,220,644 was neither explained nor reconciled.

In the circumstances, the accuracy of the balance of capital fund of Kshs.813,841,303 could not be confirmed.

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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Failure to Comply with Loan Agreement Terms

The statement of financial position and as disclosed in Note 28 to the financial statements reflects domestic borrowings balance of Kshs.2,000,000,000. The balance represents a loan from the Government of Kenya, pursuant to a loan agreement dated 29 June, 2017. The Government of Kenya and the Lake Basin Development Authority entered into a loan agreement for Kshs.1.5 billion for the mall project. An additional amount of Kshs.0.5 billion was granted on 30 November, 2017 raising the loan amount to Kshs.2.0 billion. This was a bailout to the Authority to facilitate it to settle outstanding debts in regard to Lake Basin Mall Complex project in Kisumu.

According to the loan agreement, the Authority ought to have paid the first loan instalment of Kshs.58,823,529 on 30 September, 2021 and the second instalment of Kshs.58,823,529 on 31 March, 2022. This was not repaid hence an outstanding amount of Kshs.117,647,058 on principal amount of Kshs.2,000,000,000 owed to the GOK as at the end of the year. The Authority was also to repay interest on the principal outstanding

amount at a rate of 5% per annum on reducing balance. Further, according to the loan agreement, interest shall accrue from the respective dates of disbursement of the loan proceeds and shall be computed on the basis of a 360-days year of twelve 30-days months and interest accruing over the first year of the grace period will be capitalized on the first principal repayment date. Thereafter, interest shall be payable semi-annually on the 31st day of March and 30th day of September each year.

However, review of the financial records indicated that the Authority had not repaid any interest on the loan hence resulting in an accumulated total of Kshs.481,500,000 out of which Kshs.100,000,000 related to the year under review.

In the circumstances, Management was in breach of the terms of the loan agreement.

2. Non-Compliance with the Law on Ethnic Composition

The statement of financial performance and Note 12 to the financial statements reflects expenditure on employee costs of Kshs.299,025,236. Review of the staff compliment revealed that the Authority had two hundred and fifty-three (253) employees, out of which one hundred and forty (140) or approximately fifty-five percent (55%) were from the dominant community. Further, the Authority recruited 10 new staff in the year under review, out of which 8 were from the same ethnic group. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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

1. Lack of Approved Information Technology Security Policy

Review of the Authority's information technology systems revealed that it has in place Enterprise Resource Planning (ERP) to manage its operations. However, the Authority

did not have an approved IT policy for governance and management of its ICT resources. In addition, there is no ICT steering committee in place to assist in the development of ICT policy framework to enable the company to realize long-term ICT strategic goals.

In the circumstances, the effectiveness of the controls on information security, ICT assets and data and information framework could not be ascertained.

2. Lack of Risk Management Policy and Strategy

The Authority's Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. It was, therefore, not clear how the management manages risk exposures in order to build robust business operations. Further the Authority has established an internal audit function and an Audit Committee of the Board. However, the department reports functionally to the Managing Director, which lessens its effectiveness in the internal audit work done and the benefits derived from the assurance and advisory services from the internal audit function as well as oversight from the Audit Committee.

In the circumstances, the effectiveness of the controls on risk management processes could not be ascertained.

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 controls, 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 controls 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 controls, risk management and overall governance.

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

The Board of Directors is responsible for overseeing the Authority'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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls 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 controls.
- 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 Authority'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 Authority 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 Authority 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 controls 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.


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

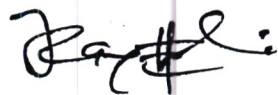
16 June, 2023

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments – gifts and services-in-	6	770,465,302	362,610,000
		770,465,302	362,610,000
Revenue from exchange transactions			
Sale of Agricultural Produce	7	18,498,225	55,635,711
Rental revenue from facilities and equipment	8	63,849,472	60,482,819
Finance income - external investments	9	1,796,697	9,889,050
Other income	10	1,153,105	2,093,555
		85,297,499	128,101,134
Total revenue		855,762,801	490,711,134
Expenses			
General Expenses	11	280,143,101	271,902,427
Employee costs	12	299,025,236	280,380,298
Remuneration of directors	13	18,488,040	33,342,109
Depreciation and amortization expense	14	118,219,701	125,007,019
Repairs and maintenance	15	24,108,721	24,853,274
Contracted services	16	159,303,791	130,531,620
Finance costs	17	877,454	1,365,867
Total expenses		900,166,044	867,382,615
Other gains/(losses)			
Gain/loss on sale of assets	18	(3,621,000)	6,289,681
Gain/ loss on biological Assets	19	(405,275)	(4,846,650)
Unearned Revenue		33,918,404	-
Surplus before tax		(14,511,113)	(375,228,449)
Taxation		-	-
Net Surplus for the year		(14,511,113)	(375,228,449)

The notes set out on pages 7 to 47 form an integral part of these Financial Statements.

The Financial Statements set out on pages i to 47 were signed on behalf of the Board of Directors by:



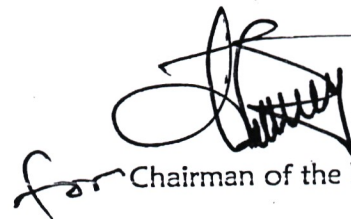
Accounting Officer
Dr. Raymond Omollo PhD

Date 27/09/2022



Head of Finance
CPA Christine Otieno
ICPAK M.No. 10470:

Date 27/09/2022



for Chairman of the Board

Date 27/09/2022

13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	20	192,075,742	67,326,767
Receivables from non-exchange transactions	21	78,915,855	76,168,738
Inventories	22	24,524,090	25,264,237
		295,515,687	168,759,743
Non-current assets			
Property, plant and equipment	23	4,979,343,234	5,017,956,430
Biological Assets	24	9,468,347	9,873,621
Intangible assets	25	5,997,610	7,497,012
		4,994,809,191	5,035,327,064
		5,290,324,877	5,204,086,806
Total assets			
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	26a	100,382,168	117,952,635
		100,382,168	117,952,635
Non-current liabilities			
Borrowings from Government		2,000,000,000	2,000,000,000
Trade and other payables from exchange transactions	26b	2,942,718,536	2,875,984,644
		4,942,718,536	4,875,984,644
		5,043,100,704	4,993,937,279
Total liabilities		247,224,173	210,149,527
Net assets			
Reserves		401,948,509	401,948,509
Accumulated surplus/Deficit		(968,565,639)	(946,419,641)
Capital Fund		813,841,303	754,620,659
		5,290,324,877	5,204,086,806
Total net assets and liabilities			

The Financial Statements set out on pages i to 47 were signed on behalf of the Board of Directors by:



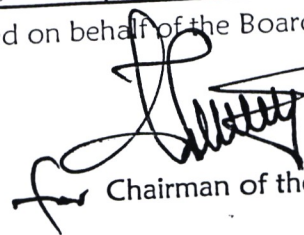
Accounting Officer
Dr., Raymond Omollo

Date 27/09/2022



Head of Finance
CPA Christine Otieno
ICPAK M.No.10470

Date 27/09/2022



Chairman of the Board

Date 27/09/2022

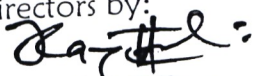
14. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Capital/Development Grants/Fund	Total
At July 1, 2020	401,948,509	-272,375,443	-311,572,703	583,940,769	401,941,132
Total comprehensive income		0	-375,228,449	183,436,844	-191,791,605
Transferred depreciation			12,756,954	-12,756,954	0
Prior year Adjustment				0	0
At June 30, 2021	401,948,509	-272,375,443	-674,044,198	754,620,659	210,149,527
At July 1, 2021	401,948,509	-272,375,443	-674,044,198	754,620,659	210,149,527
Total comprehensive income		0	-14,511,113	70,000,000	55,488,887
Transferred depreciation			10,779,357	-10,779,357	0
Prior year Adjustment		-18,414,241			-18,414,241
At June 30, 2022	401,948,509	-290,789,684	-677,775,955	813,841,303	247,224,173


15. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2021-2022	2020-2021
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Government grants and subsidies	770,465,302	362,610,000
Sale of Agricultural Products	18,498,225	55,635,711
Finance income	1,796,697	9,889,050
Other income.	1,153,105	2,093,555
Rental income	63,849,472	60,482,819
Total Receipts	855,762,801	490,711,134
Payments		
Employee costs	299,025,236	280,380,298
Remuneration of directors	18,488,040	33,342,109
Repairs and maintenance	24,108,721	24,853,274
Contracted services	159,303,791	130,531,620
General expenses	280,143,101	271,902,427
Finance Cost	877,454	1,365,867
Total Payments	781,946,343	742,375,595
Net cash flows from operating activities	73,816,459	(251,664,461)
Cash flows from investing activities		
Purchase of property, plant, equipment and intangible assets	(81,728,103)	(85,568,584)
Proceeds from sale of property, plant and equipment	-	9,962,774
Decrease/Increase in Inventory	740,148	(2,941,936)
Decrease, Increase in non-current receivables	(2,747,117)	(6,887,901)
Decrease/Increase in Payables	49,163,425	45,589,264
Net cash flows used in investing activities	(34,571,647)	(39,846,383)
Cash flows from financing activities		
Increase in capital fund	85,504,163	83,943,400
Net cash flows used in financing activities	85,504,163	83,943,400
Net increase/(decrease) in cash and cash equivalents	124,748,975	(207,567,444)
Cash and cash equivalents at 1 JULY	20 67,326,767	274,894,211
Cash and cash equivalents at 30 June	20 192,075,742	67,326,767

The Financial Statements set out on pages i to 47 were signed on behalf of the Board of Directors by:


Accounting Officer
Dr. Raymond Omollo

Date 27/09/2022


Head of Finance
CPA Christine Otieno
ICPAK M.No.10470
Date 27/09/2022


Chairman of the Board

Date 27/09/2022

16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Budget		Adjustments		Final Budget		Actual		Performance	
	2021/2022	Kshs	2021/2022	Kshs	2021/2022	Kshs	2021/2022	Kshs	2021/2022	Kshs
Revenue										
Government grants and subsidies	522,210,000		305,000,000		827,210,000		770,465,302		56,744,698	
Sale of Agricultural Products	43,442,997				43,442,997		18,498,225		24,944,772	
Rental Income	20,051,223				20,051,223		63,849,472		(43,798,249)	
Finance Income	10,892,399				10,892,399		1,796,697		9,095,702	
Other Income	1,613,381				1,613,381		1,153,105		460,276	
Total income	598,210,000		305,000,000		903,210,000		855,762,801		47,447,198	
Expenses										
Employee costs	280,864,000		20,000,000		300,864,000		299,025,236		1,838,764	
Remuneration of directors	24,180,000				24,180,000		18,488,040		5,691,960	
Repairs and maintenance	4,094,000				24,094,000		24,108,721		(14,721)	
Contracted services	90,583,000		185,000,000		275,583,000		159,303,791		116,279,209	
General expenses	196,989,000		80,000,000		276,989,000		280,143,101		(3,154,101)	
Finance Cost	1,500,000				1,500,000		877,454		622,546	
Total expenditure	598,210,000		305,000,000		903,210,000		781,946,343		121,263,657	
Surplus for the period	(0)		(0)		(0)		73,816,459		(73,816,459)	

Budget notes.

1. Sale of Agricultural goods

The reduction in revenue is attributed to temporary stoppage of milling operations due installation of a new milling machine.

2. Rental Income

The variance is due to accrued rent not actually collected.

3. Finance Income

The marginal variance is attributed to a reduction in the amounts invested in call and fixed deposit accounts held by the Authority.

4. Contracted Services

The variance is due to budgetary roll over effects on construction of community boreholes,

17. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Lake Basin Development Authority is established by and derives its authority and accountability from (Cap 442) Act. The Lake Basin Development Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Lake Basin Development Authority's principal activity is to provide an avenue for a quicker, more meaningful and co-coordinated development in the Kenyan portion of the Lake Victoria basin.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>

iii. Early adoption of standards

The Lake Basin Development Authority did not early – adopt any new or amended standards in year 2021/2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Summary of Significant Accounting Policies
- a) Revenue recognition
 - i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

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. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

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.

Summary of Significant Accounting Policies (Continued)

ii) Revenue from exchange transactions

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Rental income arising from the mall, staff houses and other facilities are recognized when earned arising from Occupancy.

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly on 30th June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded additional appropriations of Kshs. 305 Million on the 2021-2022 budget following the governing body's approval.

The Authority'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 12 of these financial statements.

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on PPE is calculated using reducing balance method and the rates used are:

- a) Tractors37.5%
- b) Motor Vehicles/Cycles25.0%
- c) Farm Implements12.5%
- d) Buildings.....2.0%
- e) Loose Tools & Equipment12.5%
- f) Furniture, Fittings & Fixtures12.5%
- g) Office Machines & Equipment12.5%
- h) Computer & Other Class II Equipment30.0%
- i) Property Plant & Equipment.....12.5%
- j) Computer Software.....20.0%
- k) Hyacinth Harvester.....10.0%

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Biological assets

Biological assets comprise of livestock, agricultural produce and trees. Such assets are measured at each reporting date at fair value less cost of sale. The fair value of livestock is determined based on market prices of livestock based on age, breed and genetic merit.

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of Significant Accounting Policies (Continued)

h) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Authority assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- i) The debtors or an entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

Summary of Significant Accounting Policies (Continued)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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:

- a) Raw materials: purchase cost using the weighted average cost method.
- b) 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 Authority.

j) 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.

Summary of Significant Accounting Policies (Continued)

k) Contingent liabilities

Lake Basin Development Authority 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.

- In respect to the Government loan of Ksh 2,000,000,000=, given to the Authority, this was a bailout to assist the organization offset/settle the outstanding debt owed to M/S Erderman Property Ltd; the appropriate records will be maintained and interest charged accordingly as there is evidence of a loan agreement between the Government and Lake Basin Development Authority (LBDA)
- Currently the Authority has no contractual agreement signed directly with Co-operative bank of Kenya. The borrower of the loan was M/S Erderman Property Ltd who is the contractor for the Mall. However we have initiated the process of taking over the Loan by writing to the Ministry and the National Treasury for approval. Co-operative Bank of Kenya has further written an offer letter requesting the Authority to take over the liability.
- The Authority has an accumulated loan interest provision of Kshs. 481.25 Million for Government Of Kenya Loan.

l) Contingent assets

The Lake Basin Development Authority 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.

m) Nature and purpose of reserves

The Lake Basin Development Authority creates and maintains reserves in terms of specific requirements. Lake Basin Development Authority maintains Revaluation reserves.

n) Changes in accounting policies and estimates

The Lake Basin Development Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Summary of Significant Accounting Policies (Continued)

o) Employee benefits

Retirement benefit plans

The Lake Basin Development Authority 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 (a fund), 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.

p) 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.

q) 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.

r) Related parties

The Lake Basin Development Authority 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.

s) Service concession arrangements

The Lake Basin Development Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Summary of Significant Accounting Policies (Continued)

t) 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.

u) Comparative figures

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

v) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Authority'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. State all judgements, estimates and assumptions made:

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:

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

Provisions

In the Financial year under review there were no Provisions raised and management determined an estimate based on the information available.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Transfers from Other Government Entities

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional grants		
Recurrent grant	272,210,000	322,610,000
Development grants	485,000,000	40,000,000
Special projects	13,255,302	-
Total government grants	770,465,302	362,610,000

Funds received for recurrent expenditure i.e salaries and personal emoluments & Development expenditure as stated in the printed estimate.

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of the entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount recognised in capital fund.	Total grant income during the year	2020-2021
	KShs	KShs	KShs	KShs
State Department for Regional and Northern Corridor Development	770,465,302	70,000,000.00	840,465,301.80	446,553,400
Other Entities (KRCS, NEMA)			-	
Total	770,465,302	70,000,000.00	840,465,301.80	446,553,400

7. Sale of Agricultural Products

Description	2021-2022	2020-2021
	KShs	KShs
Sale of rice	5,500,067	37,405,260
Sale of Sugar cane	1,090,141	250,620
Sale of Bricks	617,500	576,500
Sale of Milk	5,933,948	6,589,644
Sale of animals and Steers	104,000	2,148,870
Sale of Seedlings	2,014,805	804,495
Sales of Vegetables and fruits	95,198	62,170
Sale of Beans	29,985	-
Sale of Honey	517,750	1,171,140
Sale of Fingerlings and table size fish	2,376,904	3,542,475
Sale of Fish/Chicken feeds	125,600	1,498,805
Sale of bran meal, colored rice	87,827	1,585,732
Sale of Nappier	4,500	-
Total revenue from the sale of goods	18,498,225	55,635,711

8. Rental Revenue from Facilities and Equipment

Description	2021-2022	2020-2021
	KShs	KShs
Economic Rent (Staff Houses)	3,072,560	3,071,300
Service Charge	6,433,593	6,543,409
Commercial Rent (LBDA MALL)	45,538,837	43,399,074
Lease rentals (LBDC)	8,153,954	6,619,716
Hire of Tractors & Excavator	650,528	849,320
Total rentals	63,849,472	60,482,819

9. Finance Income

Description	2021-2022	2020-2021
	KShs	KShs
Cash investments and fixed deposits	1,796,697	9,889,050
Total finance income – external investments	1,796,697	9,889,050

10. Other Income

Description	2021-2022	2020-2021
	KShs	KShs
Boarded Stores	-	74,944
Hire of Grounds/Equipment	257,200	894,100
Milling/Airing Charges	203,535	593,650
Weighbridge	547,200	-
Surcharge Service	119,670	504,561
Tour Fees	25,500	26,300
Total other income	1,153,105	2,093,555

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. General Expenses

Description	2021-2022	2020-2021
	KShs	KShs
Animal Feeds	2,303,210	1,628,794
ASK Show	-	40,000
Communication cost	1,614,289	1,297,094
Computer supplies and accessories	208,288	406,643
Compound Maintenance	4,863,959	2,620,314
Daily subsistence allowance	37,730,729	26,018,842
Dairy Expenses	-	5,600
Donation	350,645	333,450
Drugs and Chemicals	1,901,671	1,932,041
Electricity	2,775,197	12,763,271
General Hardware	3,157,880	1,386,420
General Office supplies	2,957,922	4,598,829
Hire of plant and Machinery	2,960,041	1,684,657
Hire of Transport	593,927	885,500
Horticulture	301,151	429,852
Fuel and oil	23,273	189,243
Increase in provision for bad debts	534,080	-
Insurance of Assets	16,423,715	5,550,974
Legal Charges	39,506,470	11,830,095
Local Travel (Air Ticket)	3,569,638	1,858,244
Purchase of Newspapers, Magazines and Periodicals	353,004	271,442
Maintain. Water & Sewerage & Sanitation	7,790,867	10,985,662
Management Fee	1,388,506	1,435,292
Official Entertainment	20,617,080	19,787,435
Interest	100,000,000	100,000,000
Ploughing	-	3,520
Packaging materials	1,313,422	1,096,115
Printing and Advertising	16,371,158	15,004,171
Purchase of raw materials	1,755,529	36,041,488
Postage and Stamps	329,340	332,817
Purchase of seeds and seedlings	2,484,329	939,039
Rents and rates Non- Residential	1,339,272	2,541,303
Sales and Marketing expenses	36,730	147,025
Staff welfare	303,200	1,780,548
Training	2,375,778	772,619
Subscription to professional bodies	638,105	541,125
Tax Penalty/WHT	1,071,766	448,219
Uniform and Clothing	7,828	4,184,469
Veterinary expenses	191,100	130,275
Total general expenses	280,143,101	271,902,427

12. Employee Costs

Description	2021-2022	2020-2021
	KShs	KShs
Ex-Gratia Payments	352,387	161,575
Staff Medical Insurance	24,755,830	23,751,628
Contribution to Pension Scheme	28,468,536	27,954,235
Service Gratuity	4,531,766	-
Salaries and Allowances	240,872,341	225,519,718
Terminal Dues	44,375	2,993,142
Employee costs	299,025,236	280,380,298

13. Board Expenses

Description	2021-2022	2020-2021
	KShs	KShs
Sitting Allowances & Accommodation	10,048,400	20,451,402
Travelling (Air tickets)	5,192,343	6,925,150
Entertainment	1,802,250	2,400,590
Others	808,083	2,520,967
Chairman,s Honoraria	636,964	1,044,000
Total Board Expenses	18,488,040	33,342,109

14. Depreciation and Amortization Expense

Description	2021-2022	2020-2021
	KShs	KShs
Property, plant and equipment	116,720,299	123,132,766
Intangible assets	1,499,402	1,874,253
Total depreciation and amortization	118,219,701	125,007,019

15. Repairs and Maintenance

Description	2021-2022	2020-2021
	KShs	KShs
Building Repair for Non- Residential	7,588,057	3,543,482
Building Repair for Residential	-	6,681,100
Plant and machinery Repairs	3,705,844	2,472,181
Repair of Office equipment	661,822	241,809
Repair of office furniture	-	34,600
Motor Vehicle Running	12,152,998	11,880,102
Total repairs and maintenance	24,108,721	24,853,274

16. Contracted Services

Description	2021-2022	2020-2021
	KShs	KShs
Audit Fees	1,740,000	850,000
Cleaning Services	5,496,556	6,059,523
Construction of Market	19,497,375	60,780,204
Consulting Fee	4,245,472	2,697,311
Farm Maintenance & Milling Expenses	7,754,856	8,526,805
Rehabilitation of Bore Holes	95,565,815	27,701,420
Security Expenses	25,003,718	23,916,359
Total contracted services	159,303,791	130,531,620

17. Finance Costs

Description	2021-2022	2020-2021
	KShs	KShs
Bank Charges (Commission and Ledger fee)	877,454	1,365,867
Total finance costs	877,454	1,365,867

18. Gain on Sale of Assets

Description	2021-2022	2020-2021
	KShs	KShs
Revaluation/cost	3,621,000	5,713,440
Less: Accumulated Depreciation	-	2,040,347
Net Book Value	3,621,000	3,673,093
Cash Proceeds		9,962,774
Total gain/loss on sale of assets	(3,621,000)	6,289,681

19. Gain/Loss on Biological Assets

Description	2021-2022	2020-2021	Gain/Loss 2021/2022	Gain/Loss 2020/2021
	KShs	KShs	Kshs	Kshs
Bulls	116,250	72,000	44,250.00	(28,500)
Lactating/Dry Cows	2,115,750	2,821,500	(705,750.00)	(1,302,750)
Heifers	3,089,250	1,816,500	1,272,750.00	559,500
Local Breeds	-	33,750	(33,750.00)	11,250
Fish/ Poultry	452,547	412,796	39,750.90	(767,053)
Crops WIP	3,694,550	4,717,075	(1,022,525.50)	(3,319,097)
Total gain/Loss	9,468,347	9,873,621.40	(405,274.60)	(4,846,650)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. (a) Detailed Analysis of the Cash and Cash Equivalents

Financial institution	Account number	2021-2022	2020-2021
		KShs	KShs
a) Current account			
Kenya Commercial bank	1107824532	1,080,922.60	1,006,259.60
Kenya Commercial bank	1104028352	1,443,975.00	2,579,625.32
Cooperative Bank of Kenya	01120014333100	1,975.13	1,339,049.77
Cooperative Bank of Kenya	01692614041400	34,357,537.17	36,482,774.32
Cooperative Bank of Kenya	01150014333100	59,491.00	359,491.00
National Bank of Kenya	01001023637000	78,163,923.63	21,011,470.84
National Bank of Kenya	01001023507900	5,398,020.71	37,628.88
National Bank of Kenya	01001033897700	320,474.86	477,389.41
National Bank of Kenya	01003023624000	1,119,201.00	2,969,673.00
Sub- total		121,945,521.10	66,263,362.14
b) On - call deposits			
National Bank of Kenya	01001023637000	50,000,000.00	1,000,000.00
National Bank of Kenya	0100123507900	20,000,000.00	-
Cooperative Bank of Kenya	0112014333100	-	-
National Bank of Kenya	01003023624000	-	-
Sub- total		70,000,000.00	1,000,000.00
c) Others(specify)			
cash in hand		24,900.00	59,823.00
Mpesa		105,321.00	3,582.00
Sub- total		130,221.00	63,405.00
Grand total		192,075,742.10	67,326,767.14

21. Receivables from Non-Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
Current receivables		
Ex- board debtors	30,112	591,121
Board debtors	-	48,750
Ex- Staff debtors	6,899,695	11,123,999
Staff Debtors	857,471	660,898
Trade Debtors	71,662,657	211,568,359
Less: Provision for bad debts	(534,080)	(147,824,390)
Total current receivables	78,915,855	76,168,738

The provision for bad debts of Kshs. 534,080 relates to debts over 20years old whose chances of recovery are remote. The expected loss are estimated using default experience and analysis of the debtor's status some of whom were deceased at the reporting date.

22. Inventories

Description	2021-2022	2020-2021
	KShs	KShs
General hardware	3,044,430	217,510
Automotive spares	687,762	644,128
Drugs and chemicals	16,750	60,570
Animal Feeds	1,175	8,100
Uniform and Clothing	10,172	-
Cleaning Items	-	1,695
Stationaries	1,439,604	189,169
Seeds/Seedlings	2,020,674	4,164,554
Bricks	117,900	233,007
Raw materials	15,189,509	13,316,998
Packaging Materials	1,986,214	2,963,256
Finished Products	9,900	3,465,250
Total inventories at the lower of cost and net realizable value	24,524,090	25,264,237

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. Property, Plant and Equipment

Cost	Land Shs	Buildings Shs	Plant & equipment Shs	Work in Progress Shs	Furniture & Fixtu Shs	Computer & Othe Shs	Motor Vehicle Shs	Tractors Shs	Harvester Shs	Total Shs
At 30th June 2020	62,674,333	5,012,913,520	297,665,247	199,152,495	17,625,007	26,719,060	48,409,110	12,589,000	-	5,677,747,772
Additions		10,631,665	532,600	73,567,220	267,910	569,190	18,717,400		80,776,044	185,062,028
Disposals			(630,000)				(2,659,440)			(5,713,440)
Transfer/adjustments										-
Revaluation										-
At 30 th June 2021	62,674,333	5,023,545,184	297,567,847	272,719,715	17,892,917	27,288,250	64,467,070	10,165,000	80,776,044	5,857,096,360
Additions		721,802	27,490	75,907,856	325,955	4,745,000				81,728,103
Disposals										-
Transfer/adjustments	(3,621,000)									(3,621,000)
Revaluation										-
At 30 th June 2022	59,053,333	5,024,266,986	297,595,337	348,627,570	18,218,872	32,033,250	64,467,070	10,165,000	80,776,044	5,935,203,463
Depreciation and impairment										
At 30th June 2020	-	411,962,649	249,997,364	-	14,044,450	24,247,467	13,074,707	4,720,875	-	718,047,511
Depreciation		92,231,651	5,975,753		481,058	912,235	13,072,043	2,382,422	8,077,604	123,132,766
Disposals			(235,537)				(895,810)	(909,000)		(2,040,347)
Transfer/adjustment										-
At 30 th June 2021	-	504,194,299	255,737,579	-	14,525,508	25,159,702	25,250,940	6,194,297	8,077,604	839,139,930
Depreciation		90,401,454	5,232,220		461,670	2,062,064	9,804,032	1,489,014	7,269,844	116,720,299
Disposals										-
Transfer/adjustment										-
At 30 th June 2022	-	594,595,753	260,969,799	-	14,987,179	27,221,767	35,054,972	7,683,310	15,347,448	955,860,229
Net book values										
At 30 th June 2022	59,053,333	4,429,671,233	36,625,538	348,627,570	3,231,693	4,811,484	29,412,097	2,481,689	65,428,596	4,979,343,234
At 30 th June 2021	62,674,333	4,519,350,885	41,830,268	272,719,715	3,367,409	2,128,548	39,216,130	3,970,703	72,698,440	5,017,956,430

Included under WIP are on-going projects; Solar irrigation, Milling plant and dairy units. Yala swamp weir and Headquarter staff Houses have stalled.

24. Biological Assets

Description	2021-2022	2020-2021
	KShs	KShs
Bulls	116,250	72,000
Lactating/Dry cows	2,115,750	2,821,500
Heifers	3,089,250	1,816,500
Local Breed	-	33,750
Fish/Poultry	452,547	412,796
Crops Wip	3,694,550	4,717,075
Total Biological	9,468,347	9,873,621

25. Intangible Assets

Description	
	KShs
Cost	
At 30 th June 2020	4,041,984
Additions-	10,416,238
At 30 th June 2021	14,458,222
Additions-	-
At 30 th June 2022	14,458,222
Amortization and impairment	
At 30 th June 2020	5,086,957
Amortization	1,874,253
At 30 th June 2021	6,961,210
Amortization	1,499,402
At 30 th June 2022	8,460,612
NBV	
At 30 th June 2022	5,997,610
At 30 th June 2021	7,497,012

26.(a) Trade and Other Payables

Description	2021-2022	2020-2021
	KShs	KShs
Contractors Claims	-	-
Gratuity & Terminal Dues	-	-
Inter – Ministerial Dues	-	-
Legal Claims	-	-
Service and utilities	-	1,972,368
Staff Claims (workmen compensation)	-	-
Unremitted payroll deductions	-	11,776,635
Trade suppliers	100,382,168	104,203,632
Total trade and other payables (Current)	100,382,168	117,952,635

26 (b)

Description	2021-2022	2020-2021
	KShs	KShs
Contractors Claims	2,500,022,499.00	2,531,053,964.75
Gratuity & Terminal Dues	11,642,070.60	11,642,070.60
Inter – Ministerial Dues	28,176,641.32	28,176,641.32
Legal Claims	1,481,476.00	2,780,875.00
Service and utilities	-	1,259,808.50
Staff Claims (workmen compensation)	14,999.00	151,605.00
Unremitted payroll deductions	180,750.00	-
Trade suppliers	401,200,100.17	300,919,679.03
Total trade and other payables (Non-current)	2,942,718,536	2,875,984,644

Included in the trade payables above is Kshs. 2.5 Billion loan owed to Cooperative Bank/Erdemann Ltd for which Authority Land title LR NO. 15239 (IR. NO 1504430) is provided and charged as a collateral

27. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Provisions	2021-2022	2020-2021
	KShs	KShs	KShs	KShs	KShs
Current benefit obligation	28,468,536	-	-	28,468,536	27,954,235
Total employee benefits obligation	28,468,536	-	-	28,468,536	27,954,235

Retirement benefit Asset/ Liability

The Lake Basin Development Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Authority's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 360 per employee per month. Other than NSSF the entity also has a defined contribution scheme operated by LBDA Pension Fund. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

28. Borrowings

Description	2021-2022	2020-2021
	KShs	KShs
Domestic borrowings	2,000,000,000.00	2,000,000,000.00
Balance at end of the period	2,000,000,000	2,000,000,000

The analyses of both external and domestic borrowings are as follows:

	2021-2022	2020-2021
	KShs	KShs
Domestic Borrowings		
Kenya Shilling loan from The National Treasury	2,000,000,000.00	2,000,000,000
Total balance at end of the year	2,000,000,000	2,000,000,000

29. Cash Generated from Operations

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax	(14,511,112.97)	(375,228,449.24)
Adjusted for:		
Depreciation	118,219,700.98	125,388,113.02
Gains and losses on disposal of assets	(4,026,275.00)	(1,443,031.00)
Adjustment	(18,414,241.00)	-
Working Capital adjustments		
Decrease/Increase in inventory	740,147.60	(2,941,935.80)
Decrease/Increase in receivables	(2,747,116.74)	(6,887,900.98)
Decrease/Increase in payables	49,163,424.83	45,589,263.77
Net cash flow from operating activities	128,424,527.71	(215,523,940.22)

30. Financial Risk Management

The Authority's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Authority's financial risk management objectives and policies are detailed below:

i) Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management continued

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	79,449,935	857,471	78,058,384	534,080
Bank balances	190,642,444	190,642,444		
Total	270,092,379	191,499,915	78,058,384	534,080
At 30 June 2021				
Receivables from exchange transactions	223,993,128	34,090,955	33,380,000	156,522,173
Bank balances	67,263,362	67,263,362		
Total	291,256,490	101,354,317	33,380,000	156,522,173

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts

The board of directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 Year	Between 1-3 Year	Over 5 Year	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	100,382,168	694,808	2,942,023,728	3,043,100,704
Total	100,382,168	694,808	2,942,023,728	3,043,100,704
At 30 June 2021				
Trade payables	117,952,635	289,561,146	2,586,423,498	2,993,937,279
Total	117,952,635	289,561,146	2,586,423,498	2,993,937,279

Financial Risk Management

iii) Market risk

The Authority has put in place an internal audit function to assist it in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

31. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the entity 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.

Government of Kenya

The Government of Kenya is the principal shareholder of Lake Basin Development Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key Management
- iv) Board of Directors

31. Related Party Disclosures continued

Nature of related party relationships

	2021-2022	2020-2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	840,465,302	446,553,400
Government Loan		
Total	840,465,302	446,553,400
b) Key management compensation		
Directors' emoluments	18,488,040	33,342,109
Compensation to the CEO	6,554,085	5,570,480
Total	25,042,125	38,912,589

32. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

Lake Basin Development Authority did not make any surplus during the year (FY 2020 Nil) and hence no remittance to the Consolidated Fund.

33. Events after the Reporting Period

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

34. Ultimate And Holding Lake Basin Development Authority

The Lake Basin Development Authority is a State Corporation under the Ministry of East African Community and Regional Development. Its ultimate parent is the Government of Kenya.

35. Currency

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

18. APPENDIX I: 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.

Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
1.0	Property, Plant and Equipment	<ul style="list-style-type: none"> Yala Swamp Complex. The farm was allotted to the Authority free by the then Siaya County Council. The valuation of the 15.12 ha was halted due to a dispute currently in court. Assets whose cost of Acquisition is not provided. <ul style="list-style-type: none"> Borabu fish farm, & Rongo fish farm are Riparian land. No title will be issued. Bondo Honey refinery has reverted to the community & no longer belong to the Authority. Kwanza Integrated has title & awaiting finalization of Valuation process. Yala swamp, Sangalo LMC & Ndiwa Honey Refinery are awaiting finalization of valuation report. Kokwanyo LMC: The land has since reverted back to the community. The matter is awaiting board approval to remove it from the assets register. The land under Koderia Bricks plant with NBV of Ksh 850,000 now belong to Kenya forest service who have obtained title for the same. The title deed for Migosi poultry was taken to the ministry of Lands for sub-division after Postal Corporation acquired part of the land and will be returned once the process is complete. The NBV for Borabu fish farm & Kapsabet Bricks plant is the cost before the land was declared riparian. The same shall be presented to the board for review. It's true that the Land title for Lower Kanyakwar was used by the Mall developer as a collateral for the loan. The management is currently engaging with the government to repay the loan on behalf the Authority discharging the land title. The Authority will ensure compliance with the requirements of the relevant accounting standards on asset revaluation. <p>For those parcels of lands that do not have title deeds, due process is in progress to fast track the acquisition of land ownership documents so as to avert any possible encroachment by the public. The parcels of land which do not have values were handed</p>	Managing Director.	On-going.	Expected to be resolved by 30 th June 2022/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
2.0	Receivables from Exchange transactions	<p>back to the communities with their respective projects as a Corporate Social Responsibility to enable the community own them e.g. Bondo Honey Refinery.</p> <p>The management has noted your observations and wish to respond as follows:-</p> <p>(i) The amount of Kshs 11,549,558 reflected under ex-board members and ex-staff pertain to historical debts. Some of the individuals under this category are deceased, others do not have adequate supporting documents. Others are untraceable. Most of the ex-staff have not been cleared by the Authority hence their dues will not be paid until they do so. The management has initiated due process to have some of the historical debts written off through seeking approvals from the Treasury and the Parent Ministry; as the cost of litigation to recover the debtors which are not supported may prove to be costly.</p> <p>(ii) The management has provided a general provision on bad and doubtful debts. Nevertheless, we have noted the concern on the need to put in place a policy for provision for bad debts. A draft Finance policy is in progress and this will be fast tracked and presented to the board for approval since this will provide guidance in such write-off enhance financial reporting and disclosures.</p> <p>i) It is true that the provision for bad debts has stagnated at Ksh 147,824,390. The Authority had previously presented doubtful debts of Ksh 147,824,390 for Board recommendation and subsequent approval by The National Treasury. To date the approval is still pending thus stagnating further proposals. The Management is making follow-up on the same in order to pave way for additional provisions.</p>	Director Corporate Services.	On-going	Expected to be resolved by 30 th June 2022/2023
3.0	Long Outstanding Payables	<p>ii) The Exchequer released funds for payment of pending bills to LBDA in FY 2020/2021 which included ksh 28,176,641 due to KRA. This will only be done once KRA officials visit the Authority for reconciliation of the amount payable and the final balances to be offset after waiver of interest and penalties .</p> <p>(iii) Over the years, LBDA's recurrent budget allocation has been inadequately funded which culminated in unremitted payroll deductions and staff claims of ksh 499,130 from the year 2000.</p> <p>The amount indicated of Kshs 499,130 comprises of Local Authorities service charge of Kshs 318,380 and Kshs 180,750 due to Kenya Plantation Workers' Union (KPWU). Local Authorities service charge was since abolished and ceased to be deducted from the payroll</p>	Managing Director	On-going.	Expected to be resolved by 30 th June 2022/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
		<p>while the amounts deducted under KPWU were for former staff /deceased who have since exited the services of the Authority.</p> <p>Staff claims for workman's compensation of Kshs 151,605 were in relation to claims of ex-staff who could not be traced and the management has commenced the process of handing over the proceeds to the Unclaimed Financial Assets Authority (UFAA) for further action alongside other claims. The Authority will seek for budgetary assistance to fund the payment of these bills.</p>			
4.0	Unsupported Advertising Expenditure ksh 1,508,000.	<p>In an effort to enhance Mall occupancy the management requested the Board to approve the advertisement and other live shows towards showcasing the complex as an ultimate business centre and shopping mall within Kisumu County and its environs. This was after the Mall occupancy stagnated at 10% for quite a long time. The same was approved and Charcon as the Property Manager, was requested to initiate the process of which Churchill show was staged at the mall. After a small period of time few tenants started trickling which pushed the occupancy rate to between 30%-40%. Hence the expenditure was dully spent.</p>	Managing Director	Resolved	
5.0	Unsupported Payment ksh 1,000,000.	<p>LBDA entered into a sponsorship deal during the clean water conference. The terms of engagement between LBDA and the company were provided in the MOU. As a result of this collaboration LBDA received ksh 8,179,253 from NEMA/Kenya Breweries Ltd for drought mitigation and school greening programmes.</p>	Managing Director	Resolved	
6.0	Unsupported Drilling & Equipping of Boreholes.	<ul style="list-style-type: none"> The WRA and NEMA permits for ALL the five boreholes were obtained. The BQ item for purchase of printer has not been delivered by the contractor. The Authority is following up on delivery of the items. Site Instructions were issued as per conditions of contract for additional works for ksh 699,999. 			
OTHER MATTER					
1.0	Budget Performance	<p>The over expenditures of Ksh 506,485,257 arose from the following:</p> <ol style="list-style-type: none"> The accrued loan interest of Ksh 100,000,000 indicated under General expenses. Crystallization of retrenches court cases, which was accrued Ksh 111,608,226. Expenditure Over-flows from 2018/2019 not accrued due to late disbursement of funds. 	Managing Director		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
2.0	Material certainty Related to Going Concern.	It is anticipated that the Government, creditors, bankers and other interested parties will continue giving financial support to the Authority. The management has also stepped up efforts to increase mall occupancy to 60% up from 30% which is expected to drastically increase rental income. The Authority is also reviewing all operational expenses with a view of reducing costs. With the above measures, the Authority will be in a position to meet its obligations in the foreseeable future.	Managing Director	Not Resolved.	5 years
3.0	Obsolete Stores	The management will periodically undertake the disposal of boarded stores (unserviceable equipment and idle assets) in compliance with Sections 163 and 164 of the PPAD Act.	Manager Procurement	Resolved	
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES					
1.0	Payment of Acting Allowance Beyond Six months.	Following the resignation of the former Manager Legal Services in 2018, the Officer (PF 1657), was appointed to act as Manager Legal Services while the Authority was awaiting substantive appointment of a new officer. Unfortunately, the Authority was not able to attract candidates for the position, as only 1 (one) candidate turned up for the interview. The Board was unable to interview one candidate and therefore the recruitment was put in abeyance. In order to attract more prospective candidates the management has sent job re-evaluation request to salaries and remuneration commission that will enhance the package and attract more applicants. Once SRC approves the same the management will start the recruitment process.	Human Resources Manager	Not Resolved	
2.0	Failure to Establish a sinking Fund.	Since this will require budgetary provisions to create the fund, the Management will seek the necessary guidance and approvals on the establishment of a Sinking Fund from the Board, Parent Ministry and the National Treasury. This will also be aligned to the relevant International Public Sector Accounting Standards (IPSAS), and /or Treasury guidelines as circulated by the Government	Managing Director	Not Resolved	
3.0	Irregular payment for Survey Services	Following the forcefully excision of 13.4 acres of Authority land at Sangalo Technology Transfer Centre (ITTC) in Bungoma, the Management sourced the services of a duly registered land surveying firm, Landscan Associates to Survey and process lease hold title for Sangalo farm. Landscan Associates was identified from the Authority's list of prequalified suppliers. The due procurement process was followed and the service provider sourced competitively. However, the acquisition of the leasehold title has stalled	Managing Director	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status:	Timeframe:
4.0	Lake Basin Development Company Ltd.	pending a court dispute between Agricultural Society of Kenya Bungoma and LBDA. The surveyor shall commence processing of land title once the case is heard and determined.	Managing Director	On-going.	
5.0	Provision of Financial Expert & Advisory Services.	<p>i) Arising from an additional claim of ksh 645 million interest by the contactor M/s Ederman properties Ltd the management sought to bring on board financial expert to compute & analyse the legitimacy of the claim. Various service providers were sourced from other firms list of prequalified suppliers and the method of procurement used by the Authority was RFP which is in tandem with Sections 115 & 116 of PPDA 2015.</p> <p>ii) The Financial expert in his report to the Management dismissed the contractor's claim.</p>	Managing Director	Resolved	
Report on Internal Controls Effectiveness, Governance and Risk Management Systems					
1.0	Lack of Segregation of Duties in Examination of cash books.	<ul style="list-style-type: none"> Internal checks and balances have been enhanced. A Financial Accountant has been designated to check the cash books regularly. 	Director Corporate Services	Resolved	



Managing Director

Date: 27/09/2022



Member of the Board
Date: 27/09/2022

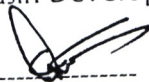
19. APPENDIX II: INTER-ENTITY TRANSFERS

LAKE BASIN DEVELOPMENT AUTHORITY:			
Break down of Transfers from the State Department			
FY 2021/2022			
a.	Recurrent Grants		
		Bank Statement Date	Amount (KShs)
			Indicate the FY to which the amounts relate
		August 2021	68,052,500.00
		October 2021	68,052,500.00
		February 2022	68,052,500.00
		April 2022	68,052,500.00
		Total	272,210,000.00
b.	Development Grants		
		Bank Statement Date	Amount (KShs)
			Indicate the FY to which the amounts relate
		August 2021	125,000,000.00
		May 2022	315,000,000.00
		June 202	115,000,000.00
		Total	555,000,000.00

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

Finance Manager
 Lake Basin Development Authority

Sign



Head of Accounting Unit
 Ministry of EAC& RD

Sign-----

20. APPENDIX III: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Planning and Devolution	0	Recurrent	0	0	0	0	0	0	0
Ministry of Planning and Devolution	0	Development	0	0	0	0	0	0	0
USAID	0	Donor Fund	0	0	0	0	0	0	0
Ministry of Planning and Devolution	0	Direct Payment	0	0	0	0	0	0	0
Total			0	0	0	0	0	0	0