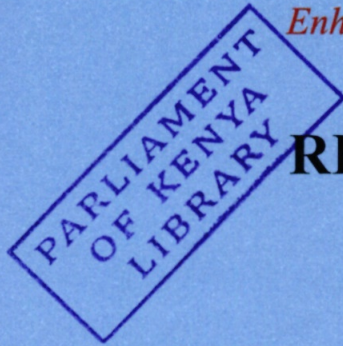


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 28 NOV 2024	DAY: Thur
TABLED BY: Hon. Naomi Wago, MP Deputy Chief Whip - Major Whip	
CLERK-AT-THE-TABLE: Vivian Wambui	

REPORT

OF

THE AUDITOR-GENERAL

ON

**CAPACITY DEVELOPMENT PROJECT FOR
ENHANCEMENT OF RICE PRODUCTION IN
IRRIGATION SCHEMES IN KENYA
(CaDPERP) (PROJECT NUMBER 1161001009)**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**MINISTRY OF AGRICULTURE AND
LIVESTOCK DEVELOPMENT,
STATE DEPARTMENT FOR AGRICULTURE**



**PROJECT NAME: CAPACITY DEVELOPMENT PROJECT FOR ENHANCEMENT OF RICE
PRODUCTION IN IRRIGATION SCHEMES IN KENYA (CADPERP)**

**IMPLEMENTING ENTITY: MINISTRY OF AGRICULTURE AND LIVESTOCK
DEVELOPMENT, STATE DEPARTMENT FOR AGRICULTURE**

PROJECT GRANT/CREDIT NUMBER: 1161001009

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***

TABLE OF CONTENTS

1. Acronyms and Glossary of Terms.....	iii
2. Project Information and overall Performance.....	iv
3. Statement of Performance against Project's predetermined objectives.....	xi
4. Environmental and Sustainability Reporting.....	xiii
5. Statement of Project Management Responsibilities.....	xv
6. Report of the Independent Auditor on Financial Statements for CaDPERP Project.....	xvii
7. Statement of Receipts and Payments for the Year Ended 30 th June 2024.....	1
8. Statement of Financial Assets and Liabilities as at 30 th June 2024.....	3
9. Statement of Cashflow for the Year Ended 30 th June 2024.....	4
10. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 th June 2024.....	5
11. Significant Accounting Policies.....	6
12. Notes to the Financial Statements.....	13
13. Annexes.....	32

1. Acronyms and Glossary of Terms

AIRS	Ahero Irrigation Research Station
CaDPERP	Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya
FY	Financial Year
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
JICA	Japan International Cooperation Agency
KALRO	Kenya Agricultural and Livestock Research Organization
KCB	Kenya Commercial Bank
MSc	Master of Science
NIA	National Irrigation Authority
PhD	Doctor of Philosophy

2. Project Information and overall Performance

2.1 Name and registered office

Name

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

Objective

The key objective of the project is to improve Rice Production Techniques in the target irrigation schemes and enhance the coordination capacity of RIPP for the inter-schemes' dissemination.

Address

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

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

The project also has offices/branches at National Irrigation Authority (NIA) offices at AHERO Town,

Contacts: The following are the project contacts

Telephone: (254) 795877257

E-mail: ricemapp@gmail.com

Project Information and Overall Performance (Continued)

2.2 Project Information

Project Start Date:	The project start date is 04/03/2019
Project End Date:	The project end date is 03/03/2024
Project Manager:	The Project Manager is Dr. Wilson A. Oyange, PhD
Project Sponsor:	The project sponsors are the Government of Kenya and the Government of Japan (JICA)

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture, and Livestock Development, State Department for Agricultural
Project number	1161001009
Strategic goals of the project	The strategic goals of the project are as follows: (i) Rice production is increased in the target irrigation schemes (ii) Rice production techniques are disseminated to other Schemes
Achievement of strategic goals	The project management aims to achieve the goals through the following: (i) Trainings of farmers & stake holders (ii) Conduct Demonstrations and verification trials (iii) Capacity building of Rice Promotion Programme (RIPP)
Other important background information of the project	The project is a technical cooperation between the Government of Kenya and the Government of Japan (JICA). It draws staff from the Ministry of Agriculture and Livestock Development, National Irrigation Authority and the respective county Governments of Kisumu and Kirinyaga
Current situation that the project was formed to address	The project was formed to intervene in the following areas: <ul style="list-style-type: none"> • Poor rice production Technologies, High post-harvest losses due to low Mechanization, Inadequate and water shortage requiring water saving technologies, and weak farmer producer organizations
Project duration	The project started on 4/03/2019 and will end on 3/03/2024 (5years)

Project Information and Overall Performance (Continued)

2.4 Bankers

The following is the banker for the current year:

- (i) KCB –Mwea Branch Account Number 1269770764

2.5 Auditors

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

2.6 Roles and Responsibilities

The project is managed by The Project Manager and has presence both in Mwea and Ahero / West Kano Irrigation schemes, which are headed by Unit leaders, responsible for the day to day running of the stations. The Project Manager works with a team of technical officers hereby referred to as counterparts, , technical assistants and administrative staff. The project also has a team of NIPPON consultants who also work in other countries. The core counterpart staff are drawn from the Ministry of Agriculture, and Livestock Development, (State Department for Agriculture), County governments of Kirinyaga and Kisumu and National Irrigation Authority as listed below;

Names and Employer	Deployment	Qualification	Responsibilities
Dr. Wilson A. Oyange, PhD State Department for Agriculture	Project Manager	PhD-Agronomy MSc (Agronomy) BSc-Agriculture, Rice research & cultivation techniques (Japan)	Coordinating day to day activities of the project.
Daniel M Mwithia State Department for Agriculture	Crop cultivation	BSc. - Agriculture Rice research & cultivation techniques (Japan)	Rice Technology development and upscaling cultivation methods of rice through, Demonstrations & trainings
Juma Mohammed County Government of Kirinyaga	Irrigation & Water management	BSc-Agriculture Diploma in Irrigation & Water	Efficient Irrigation Water management issues
Peter K Kinuthia State Department for	Mechanization	Diploma in	Production and postharvest

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Agriculture		Agriculture Engineering	Mechanization
Vincent Kipn'getich National Irrigation Authority	Unit Leader-Mwea	MSc. Crop protection	Coordinating the activities of Mwea project site
Daudi Aleri National Irrigation Authority	Extension & Training	BSc, Agriculture. Msc agronomy	Extension and technology dissemination
Fiona Moke Agwata State Department for Agriculture	Monitoring and Evaluation/ Marketing	BSc, Agribusiness Management	Overall tracking of project progress, collation of data, reporting and support marketing activities
Dishon Mwaura Kariuki	Driver	Defensive driving	Project Driver
Charles Wanjala National Irrigation Authority	Unit leader-Ahero	BSc. Hydraulic Engineering	Coordinating project activities in Ahero Unit
Melvin Ochieng	Extension & Training	Bsc Agribusines Management	Extension & Training- Ahero
John Mbogo	Extension & Training	Dip. Agriculture	Extension & Dissemination
Stanley Ochieng	Cultivation	Bsc Agriculture	rice cultivation
Simon Anyanga	Rice cultivation	Dip. Agriculture	Rice cultivation
Charity W. Njagi State Department for Agriculture	Stores and procurement	Diploma-Purchase & Supplies Mgt	Procurement and Clerical duties
Vickline Muga	Office Administartor	Diploma in community Devt	Office Administrator- Ahero
Benadette Mnene	Office Administrator	CPA(K) , Bsc. Accounting	Office Administration- Mwea

2.7 Funding summary

The Project is for a duration of 5 years from 2019 to 2024 with a budget of KShs 183,734,348 million as highlighted in the Table below:

Project Information and Overall Performance

Below is the funding summary:

A. Source of funds

Source of funds	Donor/GoK Commitment		Amount received to date – (30.06.2024)		Undrawn balance to date	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	<i>JY</i>		<i>JY</i>		<i>JY</i>	
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A)-(B)</i>
(i) Grant						
JICA	157,481,217.6	131,234,348.00	125,893,977.22	112,821,566	31,587,240.38	18,412,782
(ii) Counterpart funds						
GOK		52,500,000.00		32,531,455		19,968,545
Total	157,481,217.60	183,734,348.00	125,893,977.22	145,353,021	31,587,240.38	38,381,327

Currency conversion rate used; 1ksh = 1.20 JY

Project Information and Overall Performance (Continued)

B. Application of Funds

Application of funds	Amount received to date (30 th June 2024)		Cumulative Amount paid to date – (30 th June 2024)	Unutilised balance to date (30.06.2024)	
	<i>Donor currency JY</i>	<i>Kshs</i>		<i>Donor currency JY</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant					
JICA	128,345,468.60	112,821,566	112,821,566	0	0
(i) Loan	0	0	0	0	0
(ii) Counterpart funds					
Government of Kenya		32,531,455	32,531,455	0	0
Total	128,345,468.60	145,353,021	145,353,021	0	0

Project Information and Overall Performance (Continued)

2.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for current year and for cumulative to-date.**
 The project received Kshs. 5,500,000.00 and Kshs 24,816,433.9 from GOK and Donor respectively, against a final budget of Kshs. 35,000,000 for the financial year 2023/2024.
- ii) During the year under review, the project incurred an expenditure of Kshs 30,316,433.9.**
- iii) Physical progress based on outputs, outcomes and impacts since project commencement**
 Implementation pace in 2023/24 FY was consistent with the work plan and Donor staff were more present and facilitation of activities were more efficient. The GoK funds were greatly reduced with about 50% provided.
- iv) Comment on value-for-money achievements,**
 Donor funding was enhanced for Western schemes to compensate for previous low funding in the previous years.
- v) Indicate the absorption rate for each year since the commencement of the project.**
 In the FY 2019/2020, 100% and 71% of the GoK and JICA funds, respectively, were utilized. During the 2020/21 FY, 50% of the GoK funds was disbursed and 99% utilized. Donor funds utilization was 25%. During the 2021/2022 FY, 50% of the GoK funds were disbursed and 99% utilized. Donor funds utilization was 49%. In the 2022/23 FY, the donor funds disbursed was 176% , while GOK disbursement was 50.9%, out of which 99.7% was utilized. In the 2023/24 FY, the donor funds disbursed was 103% while GOK disbursement was 50%, out of which 100% was utilized.
- vi) List the implementation challenges and recommended way forward.**

	Challenges	Recommendation/Way Forward
1.	Reduced GoK funding.	Timely and full disbursement of GoK funds
2.	Consultancy type of project. Shuttling by the experts to projects in other countries	A longer stay by the consultants in Kenya is preferred to enhance facilitation
3.	Challenges in the multisector implementation	Regular consultations necessary and some mode of engagement needed to be devised for the county staff who have remained thin
4	Political climate in the country	Normalcy necessary for investor confidence

2.9 Summary of Project Compliance

Compliance level so far rated at more than 75%. All activities carried out were in line with the work plan

3. Statement of Performance against Project's predetermined objectives

Introduction

Section 81 (2) of the public Finance Management Act 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board include a statement of the national government entity performance against predetermined objectives

The key development objectives of the project's agreement/ plan are to:

- a) Increased rice production in target irrigation schemes
- b) Customize and disseminate rice production techniques to other target irrigation schemes.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below, is the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
CaDPERP	i)To increase rice production & productivity in target irrigation scheme.	1. Coordination capacity of RIPP is enhanced for nationwide dissemination of rice production techniques	Action plan for nationwide dissemination is prepared	Candidate counties with potential of expansion of rice have been identified and action plan prepared
		2. Well trained core farmers for better agronomic practices and increased production and productivity of paddy rice	Number of Farmers and trained on rice production techniques and number of field demonstrations set	80% farmers mobilized & trained and have adopted customized technologies in 2023/24 FY

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

		3. Increased production and productivity	Adoption rate and yield increase	
Project		Outcome	Indicator	Performance
	ii) To customize and disseminate rice production techniques to other irrigation Schemes	4. Customized rice production techniques based on experience of RICEMAPP in MIS are extended to ordinary farmers in the target irrigation schemes.	- Production guidelines to be developed based on results of customization trials -Yield increase of 13% higher than the baseline Customized results of 5 experiments	1st, 2 nd & 3 rd round of customization experiments completed in Ahero and an improved cultivation manual produced - Increased production & productivity; 22 -25 bags /acre in Mwea

4. Environmental and Sustainability Reporting

CaDPERP exists to transform lives. This is the purpose, the driving force behind everything done and is what guides the deliver strategy. Below is a highlight of activities towards sustainability.

1. Sustainability strategy and profile

The project has drawn staff in addition to the National Government, from the respective county Governments of operation (Kisumu and Kirinyaga), National Irrigation Authority (Respective schemes of Mwea, Ahero and West Kano) and works in collaboration for the respective research stations of Ahero Irrigation Research Station (AIRS) and Kenya Agricultural and Livestock Research Organization (KALRO)- Kibos and Mwea. Thus, upon exit, the institutional memory in the target schemes will be left with the National Irrigation Authority staff in the project and dissemination materials like brochures, booklets, pamphlets & banners will be left under their custody. County government as collaborators are being capacity built and will continue with dissemination and to provide extension services. KALRO & Ahero Irrigation Research Station (AIRS) to continue with research on rice and determination of findings while Rice Promotion Programme (RIPP) is being capacity built for nationwide dissemination.

2. Environmental performance

The project is mainly concerned with capacity building and undertakes no infrastructural modifications developments. The activities are therefore undertaken within the existing developed Irrigation Schemes and in line with national Government Extension framework. It has no infrastructural activities, which require environmental impact assessments.

3. Employee welfare

The project has staff redeployed from the Ministry of Agriculture and Livestock Development, National Irrigation Authority and respective County Governments of Kirinyaga and Kisumu. Consultants from JICA are assigned in line with the Technical Cooperation agreement. The Kenyan staff are directly appraised using the existing human resource appraisal system, while JICA staff are on consultants from NIPPON Koei and Sanyu consultancy from on contract basis. The activities are based on cascaded performance contract of the accounting officer (PC). OSHA is key and the project undertakes to ensure safety of all staff at work place through; installation of fire safety equipment and periodic maintenance to ensure safety amongst others.

4. Market place practices-

The organization should outline its efforts to:

a) Responsible competition practice.

Whereas the project is not involved in significant competitive activities, it has put in place anti-corruption captions and corruption feedback boxes

b) Responsible Supply chain and supplier relations-

The project ensures contraction of procurement and supplies activities are in line with the prudent Financial Management. The project ensures no pending bills and adheres to service charter.

c) Responsible marketing and advertisement-

The project undertakes capacity building of farmers for production and doesn't compete for goods and services. Individual farmers have liberty to sell their produce in the open market.

d) Product stewardship-

The project does not participate in efforts to safeguard consumer rights and interests.

e) Community Engagements

The project, through Toyota Tshusho, provided about 27,000 bags of fertilizers to farmers in Ahero and West Kano. This helped to mitigate against the effects of Covid 19 and Lake Victoria floods, which destroyed about 75% of the paddy fields and reduced farmers' incomes. The engagement remains continuous throughout the project activities.

5. Statement of Project Management Responsibilities

The *Principal Secretary*, State Department for Agriculture, in the Ministry of Agriculture and Livestock Development, and the *Project Manager* for ***CaDPERP*** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the project; (v) Selecting and applying appropriate accounting policies; and (v) Making accounting estimates that are reasonable in the circumstances.

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


The *Principal Secretary*, State Department for Agriculture, in the Ministry of Agriculture and Livestock Development, and the *Project Manager* for ***CaDPERP*** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2024, and of the Project's financial position as at that date. The *Principal Secretary* for the Ministry of Agriculture and Livestock Development, State Department for Agriculture and the *Project Manager* for ***CaDPERP project*** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***


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

Approval of the Project financial statements


The Project financial statements were approved by the *Principal Secretary* for the State Department for Agriculture, in the Ministry of Agriculture and Livestock Development, and the *Project Manager* for **CaDPERP** on 23/15/ 2024 and signed by them.



Dr. Kipronoh Ronoh P.
Principal Secretary



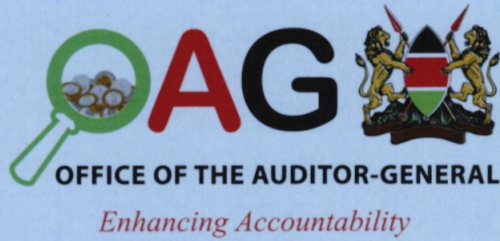
Dr. W.A. Oyange, PhD
Project Coordinator



Irene K. Ndonga
Project Accountant
ICPAK Member No: 10894

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CAPACITY DEVELOPMENT PROJECT FOR ENHANCEMENT OF RICE PRODUCTION IN IRRIGATION SCHEMES IN KENYA (CaDPERP) (PROJECT NUMBER 1161001009) FOR THE YEAR ENDED 30 JUNE, 2024 - MINISTRY OF AGRICULTURE AND LIVESTOCK DEVELOPMENT, STATE DEPARTMENT FOR AGRICULTURE

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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Unmodified Opinion indicates the books of accounts and underlying records agree with the financial statements and that no material misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and working effectively in the financial year under review.

The Unmodified Opinion on the report on the Financial Statements should be read together with the report on the Lawfulness and Effectiveness in the Use of Public

Resources, and the report on the Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya set out on pages 1 to 31, which comprise of the statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the statement of financial assets of Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya (CaDPERP) as at 30 June, 2024 and statement of receipts and payments and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Agreement on Technical Cooperation between the Government of Kenya and the Government of Japan dated 29 April, 2004 and record of discussion between the Government of Japan International Cooperation Agency (JICA) dated 28 August, 2018 and the Government of Kenya (GoK) and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted receipts amounting to Kshs.35,000,000 against actual receipts amounting to Kshs.30,316,434 resulting to a shortfall of Kshs.4,683,566 or 13% of the budget.

The shortfall in receipts resulted to delay in implementation of the planned project activities.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Conclusion

The Management is responsible for the other information set out on page iii to xxxvi which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Activities, Environmental and Sustainability Reporting, and Statement of Project Management Responsibilities.

Basis for Conclusion

In connection with my audit on the Project's, financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Japan International Cooperation Agency and GoK agreement No.1161001009 dated 29 April, 2004, except for the matters under Emphasis of Matter, Other Matter and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I report based on my audit that:

- i 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;
- ii In my opinion, adequate accounting records have been kept by the Programme, so far as it appears from the examination of those records; and
- iii The Programme's financial statements agree with the accounting records and returns.

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with the ISSAIs 2315 and 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 those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability 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 Project or cease operations.

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

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

Those charged with governance are responsible for overseeing the Project'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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2024

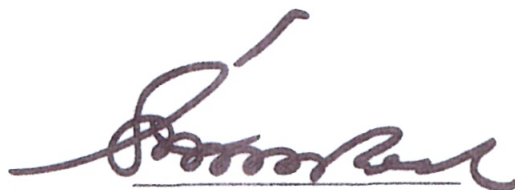
CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

7. Statement of Receipts and Payments for the Year Ended 30th June 2024

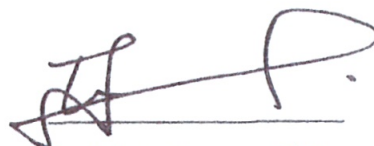
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023/2024 FY			2022/2023 FY			
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	1	5,500,000.00	0	5,500,000.00	5,300,000	0	5,300,000	32,531,455.00
Proceeds from domestic & foreign grants	2	0	24,816,433.50	24,816,433.50		44,013,464	44,013,464	112,821,566
Loan from external development partners	3	0	0	0	0	0	0	0
Miscellaneous receipts	4	0	0	0	0	0	0	0
TOTAL RECEIPTS		5,500,000.00	24,816,433.50	30,316,433.50	5,300,000	44,013,464	49,313,464	145,353,021
PAYMENTS								
Compensation of employees	5	185,000	15,361,715.3	15,546,715.30	0	24,923,001	24,923,001	44,995,483.30
Purchase of goods & services	6	5,225,000	9,368,718.2	14,593,718.20	5,179,497	19,090,463	24,269,960	91,684,629.70
Social Security benefits	7	0	0	0	0	0	0	0
Acquisition of non-financial assets	8	90,000	86,000	176,000	119,950	0	119,950	8,299,225.00
Transfers to other government entities	9	0	0	0	553.00		553.00	373,683.00
Other grants and transfers and payments	10							

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***

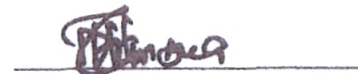
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
payments								
TOTAL PAYMENTS		5,500,000.00	24,816,433.50	30,316,433.50	5,300,000.00	44,013,464	49,313,464	145,353,021
SURPLUS/DEFICIT			0	0		0	0	0



Dr. Kipronoh Ronoh P.
Principal Secretary



Dr. W.A. Oyange, PhD
Project Coordinator



Irene K. Ndonga
Project Accountant
ICPAK Member No:10894

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

8. Statement of Financial Assets and liabilities as at 30th June 2024

	Note	2023-2024	2022-2023
		KShs	KShs
Financial Assets			
Cash and Cash Equivalents			
Bank Balances	11.A	0.0	553.00
Cash Balances	11. B	0	0
Cash Equivalents (short-term deposits)	11.C	0	0
Total Cash and Cash Equivalents		0.0	553.00
Accounts Receivables	12	0	0
Total Financial Assets		0	0
Financial Liabilities			
Payables- Deposits and Retentions	13	0	0
Net Assets		0	0
Represented by			
Fund balance b/fwd	14	0	0
Prior year adjustments	15	0	0
Surplus/(Deficit) for the year		0	0
Net Financial Position		0	553.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 23/19 2024 and signed by:



Dr. Kipronoh Ronoh
Principal Secretary



Dr. W.A. Oyange, PhD
Project Coordinator



Irene K. Ndonga
Project Accountant

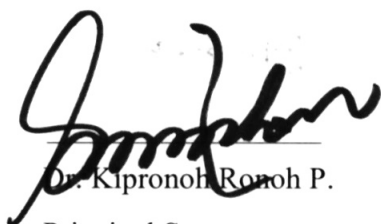
ICPAK Member number: 10894

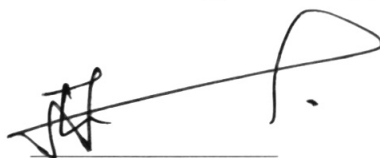
***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***


9. Statement of Cashflow for the Year Ended 30th June 2024

		2023-2024	2022-2023
	Note	KShs	KShs
Cashflow from operating activities			
Receipts from operating activities			
Transfer from Government entities	1	5,500,000.00	5,300,000.00
Proceeds from domestic and foreign grants	2	24,816,433.5	44,013,464
Miscellaneous receipts	4	0	0
Payments from operating activities			
Compensation of employees	5	(15,546,715.30)	(24,923,001.00)
Purchase of goods and services	6	(14,593,718.20)	(24,269,960.00)
Social security benefits	7	0	0
Transfers to other government entities	9	0	(553)
Other grants and transfers	10	0	0
Adjustments during the year			
Prior Year Adjustments	15	0	0
Decrease/(Increase) in Accounts Receivable	16	0	0
Increase/(Decrease) in Accounts Payable:	17	0	0
Net cash flow from operating activities		161,000	119,950
Cashflow from Investing Activities			
Acquisition of Assets	8	(176,000)	(119,950)
Net cash flows from Investing Activities		(176,000)	(119,950)
Cash flow from Borrowing Activities			
Proceeds from Foreign Borrowings	3	0	0
Net cash flow from Financing Activities		0	0
Net Increase in Cash and Cash Equivalents		0	0
Cash and Cash Equivalent as at 30 June 2023	11	0	0
Cash and Cash equivalent as at 30 June 2024	11	0	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 23/10 2024 and signed by:


Dr. Kipronoh Ronoh P.
Principal Secretary


Dr. W.A. Oyange, PhD
Project Coordinator


Irene K. Ndonga
Project Accountant
ICPAK Member No:10894

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

10. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	D	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	11,000,000	0	11,000,000.00	5,500,000.00	5,500,000.00	50%
Proceeds from domestic and foreign grants	24,000,000	0	24,000,000.00	24,816,433.50	(816,433.50)	103%
Proceeds from borrowings	0	0	0	0	0	0
Miscellaneous receipts	0	0	0	0	0	0
Total Receipts	35,000,000	0	35,000,000.00	30,316,433.50	4,683,566.50	87%
Payments						
Compensation of employees	370,000	0	370,000	15,546,715.30	(15,176,715.30)	142%
Purchase of goods and services	33,150,000	0	33,150,000	14,593,718.20	18,556,281.80	44%
Social security benefits	0	0	0	0	0	0
Acquisition of non-financial assets	1,480,000	0	1,480,000	176,000	1,304,000	12%
Transfers to other government entities	0	0	0	0	0	0
Other grants and transfers	0	0	0	0	0	0
Total Payments	35,000,000	0	35,000,000	30,316,433.50	(4,683,566.50)	87%

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

Dr. Kipronoh Ronoh P.

Principal Secretary

Date... 28/10/2024

Dr. W.A. Oyange, PhD

Project Coordinator

Date 23/10/2024

Irene K. Ndonga

Project Accountant

Date 23/10/2024

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

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

c) Reporting currency

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

d) Recognition of receipts

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

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

iii) Other receipts

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

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

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

Significant Accounting Policies (Continued)

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

Significant Accounting Policies (Continued)

f) In-kind donations

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

g) 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.

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

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

Significant Accounting Policies (Continued)

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognized because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

k) Contingent Assets

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

Significant Accounting Policies (Continued)

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

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

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

n) Third party payments

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

During the year, there was no loan disbursements received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

r) Prior period adjustments

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

12. Notes to the Financial Statements

1. Transfer from Government Entities

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

	2023/24	2022/23	
	KShs	KShs	Cumulative to-date(from inception)
<i>Counterpart funding through MOALD</i>			
Counterpart funds Quarter 1	0	0	11,500,000
Counterpart funds Quarter 2	5,500,000	1,605,000	7,105,000
Counterpart funds Quarter 3	0	3,645,000	3,645,000
Counterpart funds Quarter 4	0	50,000	10,281,455
Total (See Annex 2)	<u>5,500,000</u>	<u>5,300,000</u>	<u>32,531,455</u>
<i>Other transfers from government entities</i>			
Ministry xx	0	0	
Ministry xy	0	0	
Project zxy	0	0	
Agency xz	0	0	
Appropriations-in-Aid	0	0	
Total	<u>5,500,000</u>	<u>5,300,000</u>	<u>32,531,455</u>

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Notes to the Financial Statements (Continued)

2. Proceeds from Domestic and Foreign Grants

During the 12 months to 30 June 2024, we received grants from donors as detailed in the Table below:

Name of Donor	Date received	Amount received in donor currency (JY)	Grants received in cash	Grants received as direct payment	Grants received in kind	Total amount in KShs	
						2023/24	2022/23
			KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)							
GOVT. OF JAPAN (JICA)	March	0	0	24,816,433.50	0	24,816,433.50	44,013,464
Grants Received from Multilateral Donors (International Organizations)							
N/A	-	0	0	0	0	0	0
Grants Received from Local Individuals and organizations							
N/A	-	0	0	0	0	0	0
Total		0	0	24,816,433.50	0	24,816,433.50	44,013,464

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Notes to the Financial Statements (Continued)

3. Loan from External Development Partners

During the 12 months to 30 June 2024, the project did not receive any funding from development partners in form of loans negotiated by the National Treasury donors:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs	KShs	2023/24	2022/23
Loans Received from Bilateral Donors (Foreign Governments)						
N/A	0	0	0	0	0	0
Loans Received from Multilateral Donors (International Organizations)						
Insert name of international organization	0	0	0	0	0	0
Total	0	0	0	0	0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Notes to The Financial Statements (Continued)

4. Miscellaneous Receipts

	2023/24			2022/2023	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	KShs	KShs	KShs	KShs	KShs
Property income	0	0	0	0	0
Sales of goods and services	0	0	0	0	0
Administrative fees and charges	0	0	0	0	0
Fines, penalties and forfeitures	0	0	0	0	0
Voluntary transfers other than grants	0	0	0	0	0
Other receipts not classified elsewhere	0	0	0	0	0
Total	0	0	0	0	0

Notes the Financial Statements (Continued)

5. Compensation of Employees

	2023/2024			2022/2023	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Basic salaries of permanent employees	0	14,260,295.10	14,260,295.20	22,897,113.00	37,157,408.00
Basic wages of temporary employees	0	1,101,420.20	1,101,420.10	2,025,888.00	7,653,075.00
Personal allowances paid as part of salary	0	0	0	0	0
Personal allowances paid as reimbursements	185,000	0	185,000	0	185,000
Personal allowances provided in kind	0	0	0	0	0
Pension and other social security contributions	0	0	0	0	0
Compulsory national social security schemes	0	0	0	0	0
Compulsory national health insurance schemes	0	0	0	0	0
Social benefit schemes outside government	0	0	0	0	0
Other personnel payments	0	0	0	0	0
Total	185,000.00	15,361,715.30	15,546,715.30	24,923,001.00	44,995,483.00

Notes to the Financial Statements (Continued)

6. Purchase of Goods and Services

	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Office and general supplies and services	250,000	197,441	447,441	1,137,494	6,275,220.00
Communication, supplies and services	150,000	599,918	749,918	1,171,128	7,674,811.00
Domestic travel and subsistence	1,200,000	1,758,600	2,958,600	10,831,858	33,405,387.50
Foreign travel and subsistence	0	2,604,672.2	2,604,672.20	350,000	6,208,857.20
Printing, advertising and information supplies	0	0	0	0	0
Electricity	50,000	0	50,000	100,000	896,000.00
Rentals of produced assets	0	0	0	0	48,000.00
Training payments	1,390,000	88,000	1,478,000	432,800	7,376,709
Hospitality supplies and services	100,000	982,030	1,082,030	2,067,581	4,083,512.00
Insurance costs	0	0	0	0	0
Water supplies & sewerage	0	0	0	86,787	426,207.00
Specialized materials and services	150,000	1,774,323	1,924,323	4,499,815	6,860,683.00
Monitoring and Evaluation	535,000	0	535,000	0	535,000.00
Other operating payments	0	0	0	0	576,706.00
Refined fuels & lubricants for trainings	1,000,000	860,844	1,860,844	2,056,456	9,056,122.00
Routine maintenance – vehicles and other transport equipment	250,000	475,290	725,290	1,272,541	3,296,885.00
Routine maintenance- other assets	150,000	27,600	177,600	263,500	1,895,344.00
Exchange rate losses/gains (net)	0	0	0	0	0
Miscellaneous	0	0	0	0	3,069,186.00
Total	5,225,000.00	9,368,718.20	14,593,718.00	24,269,960	91,684,629.70

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Notes to the Financial Statements (Continued)

7. Social Security Benefits

	2023/24			2022/23	Cumulative to- date KShs
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Government pension and retirement benefits	0	0	0	0	0
Social security benefits in cash and in kind	0	0	0	0	0
Employer social benefits in cash and in kind	0	0	0	0	0
Total	0	0	0	0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Notes to the Financial Statements (Continued)

8. Acquisition of Non-Financial Assets

	2023/2024			2022/23	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	0	0	0	0	0
Construction of buildings	0	0	0	0	0
Refurbishment of buildings	0	0	0	0	0
Construction of roads	0	0	0	0	0
Construction of civil works	0	0	0	0	0
Overhaul & refurbishment of construction and civil works	15,000	0	15,000	0	15,000
Purchase of vehicles & other transport equipment	0	0		0	5,653,594
Overhaul of vehicles & other transport equipment	0	0	0	0	0
Purchase of household furniture & institutional equipment	0	0	0	0	0
Purchase of office furniture & general equipment	75,000	86,000	161,000	24,950	1,176,935
Purchase of specialised plant, equipment and machinery	0	0	0	95,000	1,453,696
Rehabilitation & renovation of plant, equipment & machinery	0	0	0	0	0
Purchase of certified seeds, breeding stock and live animals	0	0	0	0	0
Research, studies, project preparation, design & supervision	0	0	0	0	0
Rehabilitation of civil works	0	0	0	0	0
Acquisition of strategic stocks	0	0	0	0	0
Acquisition of land	0	0	0	0	0
Acquisition of other intangible assets	0	0	0	0	0
Total	90,000	86,000	176,000	119,950	8,299,225

The project inherited Assets of previous project, including building, furniture and fittings worth Kshs 49,831,836 as reflected in annex 4

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the 12 months to 30 June 2024, there were no transfer of funds to reporting government entities

	2023/24			2022/23	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
Ministry Agriculture and Livestock Development	0	0	0	553	373,683
Transfers to County Governments					
County ABC	0	0	0	0	0
County XYZ	0	0	0	0	0
TOTAL	0	0	0	553	373,683

10. Other Grants, Transfers and Payments

	2023/24			2022/23	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	0	0	0	0	0
Transfers to lower levels of government e.g schools	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Total	0	0	0	0	0

Notes to the Financial Statements (Continued)

11. Cash and Cash Equivalents

	2023/24	2022/23
	KShs	KShs
Bank accounts (Note 8.13A)	0	553
Cash in hand (Note 8. 13B)	0	0
Cash equivalents (short-term deposits) (Note 8.13C)	0	0
Total	<u>0</u>	<u>553.0</u>

11. A Bank Accounts

The project has one bank account within the project's implementation area and no foreign currency designated bank account as listed below:

Project Bank Accounts

	2023/24	2022/23
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.....]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Others (<i>specify</i>)	0	0
Total Foreign Currency balances	0	0
<u>Local Currency Accounts</u>	0	<u>0</u>
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.1269770764] Mwea Branch	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Others (<i>specify</i>)	0	0
Total local currency balances	0	0
Total bank account balances	<u>0</u>	<u>0</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2023/24	2022/23
	KShs	KShs
(i) A/c Name [A/c No.....]		
Opening balance	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
Closing balance (as per SDA bank account reconciliation attached)	0	0
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
Closing balance (as per SDA bank account reconciliation attached)	0	0

Notes to the Financial Statements (Continued)

11 B Cash in Hand

	2023/24	2022/23
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations (<i>specify</i>)	0	0
Total cash balances	<u>0</u>	<u>0</u>

[Provide a cash count certificate for each location above]

11 C Cash Equivalents (short-term deposits)

	2023/24	2022/23
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	0	553
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others (<i>Specify</i>)	0	0
Total	<u>0</u>	<u>553</u>

[Provide short appropriate explanations as necessary]

12. Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Government Imprests	0	0
Salary advances	0	0
Total	0	0

12a: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2024	Balance 2023
<i>Officer 1</i>	0		0	0	0
<i>Xx institution</i>	0		0	0	0
<i>Officer 2</i>	0		0	0	0
<i>Officer 3</i>	0		0	0	0
<i>Programme 1</i>	0		0	0	0
Total	<u>0</u>		0	0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

13. Deposits and retention

Description	2023-2024	2022-2023
	Kshs	Kshs
Retention	0	0
Deposits	0	0
Total	0	0

14. Fund Balance Brought Forward

	2023/24	2022/23
	KShs	KShs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	0	0

15. Prior Year Adjustment

	Balance b/f FY 2023/2024 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2023/2024
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

16. Changes in Imprests and Advances

Description of the error	2023-2024	2022-2023
	KShs	KShs
Opening Receivables as at 1 st July 2022	0	0
Closing account receivables as at 30 th June 2023	0	0
Change in Receivables	0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

17. Changes in Accounts deposits and Retentions

Description of the error	2023-2024	2022-2023
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2022	0	0
Closing accounts payables as at 30 th June 2023	0	0
Change in payables	0	0

Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f FY 2022/2023	Additions for the period	Paid during the year	Balance c/f FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	0	0	0	0
Construction of civil works	0	0	0	0
Supply of goods	0	0	0	0
Supply of services	0	0	0	0
Total	0	0	0	0

2. Pending Staff Payables (See Annex 4b)

	Balance b/f FY 2022/2023	Additions for the period	Paid during the year	Balance c/f FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Senior management	0	0	0	0
Middle management	0	0	0	0
Unionisable employees	0	0	0	0
Others	0	0	0	0
Total	0	0	0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Other important Disclosures (Continued)

3. Other Pending Payables (See Annex 4c)

	Balance bf/FY 2022/2023	Additions for the period	Paid during the year	Balance cf/FY 2023/2024
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	0	0	0	0
Amounts due to County Government entities	0	0	0	0
Amounts due to third parties	0	0	0	0
Total	0	0	0	0

4. External Assistance

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
External assistance received as grants	0	0
External assistance received as loans	0	0
External assistance received in kind- as payment by third parties	0	0
Total	0	0

a). External assistance relating to loans and grants

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
External assistance received as loans	0	0
External assistance received as grants	0	0
Total	0	0

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2023/2024	FY 2022/2023
Description		Kshs	Kshs
Undrawn external assistance - loans		0	0
Undrawn external assistance - grants		0	0
Total		0	0

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

c) Classes of providers of external assistance

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

d. non-monetary external assistance

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Goods	0	0
Services	0	0
Total	0	0

e Purpose and use of external assistance

Payments made by Third Parties	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Compensation of Employees	15,361,715.30	24,923,001.00
Use of goods and services	9,368,718.20	19,090,463.00
Subsidies	0	0
Transfers to Other Government Units	0	0
Other grants and transfers	0	0
Social Security Benefits	0	0
Acquisition of Assets	86,000	0
Finance Costs, including Loan Interest	0	0
Repayment of principal on Domestic and Foreign borrowing	0	0
Other Payments	0	0
TOTAL	24,816,433.50	44,013,464.00

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Other Important Disclosures (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

5. Payments by Third Party on behalf of the Project

There were no payment by third parties on behalf of the project

5.1 Classification by Source

	Insert Current FY	Insert Comparative FY
Description	Kshs	Kshs
National government	0	0
Multilateral donors	0	0
Bilateral donors	0	0
International assistance organization	0	0
NGOs	0	0
National Assistance Organization	0	0
Total	0	0

(Third party payments may be done by other entities that are not providers of external assistance)

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

5.2 Classification of payments made by Third Parties by Nature of expenses

Payments made by third parties	2023/2024	2022/2023
Description	Kshs	Kshs
Compensation of employees	0	0
Use of goods and services	0	0
Subsidies	0	0
Transfers to other government units	0	0
Other grants and transfers	0	0
Social security benefits	0	0
Acquisition of assets	0	0
Finance costs, including loan interest	0	0
Other payments	0	0
Total	0	0

N/B The above sub classification will be adopted based on the appropriate project's operations.

6. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

Related party transactions:

	2023/2024	2022/2023
	Kshs	Kshs
Compensation to Key Management		
Compensation to the program manager/ director	0	0
Key Management Compensation others (specify)	0	0
Total Compensation to Key Management	0	0
Transfers to related parties		
Transfers to other government entities	0	0
Total Transfers to related parties	0	0
Transfers from related parties		
Transfers from the Ministry/ department	0	0
Payments made on behalf of the project by other govt. entities	Xxx	xxx
(Insert any other transfers received)	Xxx	xxx
Total Transfers from related parties	Xxx	xxx

7. Contingent Liabilities

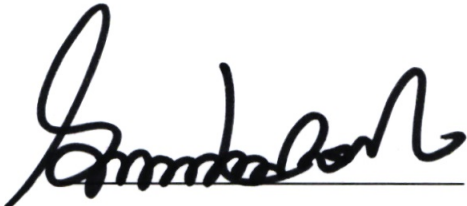
Contingent liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court case xxx against the project	0	0
Bank guarantees in favour of other govt. entities	0	0
Contingent liabilities arising from PPPs/ donor agreements	0	0
Total	0	0

13. Annexes

Annex 1: Prior year Auditor General’s recommendations

There were no issues raised for action in prior year, by the Auditor General

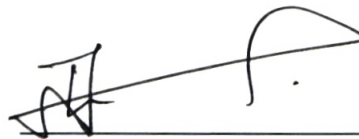
Reference number on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
N/A	N/A	N/A		



Dr. Kipronoh Ronoh P.

Principal Secretary

Date 23/10/2024



Dr. W. A. Oyange, PhD

Project Coordinator

Date 23/10/2024

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***

ANNEX 2 - Variance Explanations - Comparative Budget and Actual Amounts


	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	11,000,000	5,500,000.00	5,500,000	50%	Refer to explanations below
Proceeds from domestic and foreign grants	24,000,000	24,816,433.90	3,816,433.90	103%	
Proceeds from borrowings	0	0	0	0	
Miscellaneous receipts	0	0	0	0	
Total Receipts	35,000,000	30,316,433.90	(4,683,566.10)	87%	
Payments					
Compensation of employees	370,000	15,546,715.30	(15,176,715.30)	142%	
Purchase of goods and services	33,150,000	14,593,718.20	18,556,281.80	43.9%	
Social security benefits	0	0	0	0	
Acquisition of non-financial assets	1,480,000	176,000	1,304,000	44%	
Transfers to other government entities	0	0	0	0	
Other grants and transfers	0	0	0	0	
Total payments	35,000,000	30,316,433.50	(4,683,566.10)	86.6%	


CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

1. ANNEX 3: Reconciliation of Inter-Entity Transfers

	PROJECT NAME:	Capacity Development Project for Enhancement of Rice Production in Irrigation Schemes in Kenya (CaDPERP)		
	Break down of Transfers from the State Department for Agriculture			
a.	Government Counterpart Funding			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
	GOK	September 2023	5,500,000	2023/24
		Total	5,500,000	
b.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	
			0	
		Total	0	
c.	Others			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	
			0	
		Total	0	
		TOTAL(a+b+c)	5,500,000	

The above amounts have been communicated to and reconciled with the State Department for Agriculture

Sign 
 Project Coordinator
 CaDPERP

Sign 
 Head of Accounting Unit
 State Department for Agriculture

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

ANNEX 4a - Analysis of Pending Bills

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2023/24	Outstanding Balance 2022/23	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total						

***CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024***

ANNEX 4b - Analysis of Pending Staff Bills

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2023/24	Outstanding Balance 2022/23	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

ANNEX 4c - Analysis of other Pending Payables

Name	Brief Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2023

ANNEX 5 – Summary of Fixed Assets Register

Asset class	Opening Cost 2023/2024 (KShs)	Donations in form of assets 2022/2023 (KShs)	Purchases/ Additions in the Year 2023/2024 (KShs)	Disposals in the Year 2023/2024 (KShs)	Disposals in the Year 2022/2023 (KShs)	Closing balance in the Year 2023/2024 (KShs)
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land						
Buildings and structures	45,000,000	0	15,000	-	-	45,015,000
Transport and machinery	9,013,000	0	00		-	9,013,000
Office equipment, furniture and fittings	1,676,180	0	25,000	-	-	1,701,180
ICT Equipment,	2,327,395	0	136,000	-	-	2,463,395
Other office Equipment	12,145	0		-	-	12,145
Total	58,028,720	0	176,000			58,204,720

CaDPERP Project
Annual Report and Financial Statements
For the year ended June 30, 2024

ANNEX 6 – Contingent Liabilities Register

	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1	N/A	N/A	N/A	N/A	N/A
2					
3					

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Appendices

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities-NA
- ii. Bank Reconciliations statement as at 30th June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)-NA
- v. GOK IFMIS comparison Trial Balance