



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

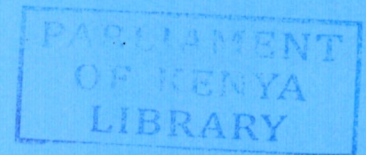
Enhancing Accountability

REPORT

 OF THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 03 FEB 2022	DAY: Thurs
TABLED BY: WDM	
CLERK-AT THE-TABLE: Leah Wanjiru	

THE AUDITOR-GENERAL

ON



REGIONAL PASTORAL LIVELIHOOD RESILIENCE PROJECT (IDA CREDIT NO.53880-KE)

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

**MINISTRY OF AGRICULTURE, LIVESTOCK,
FISHERIES AND CO-OPERATIVES**

Revised Template 30/6/2021



REGIONAL PASTORAL LIVELIHOODS RESILIENCE PROJECT

MINISTRY OF AGRICULTURE LIVESTOCK FISHERIES AND COOPERATIVES

PROJECT GRANT/CREDIT NUMBER 53880

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Regional Pastoral Livelihoods Resilience Project,

Objective: The key objective of the project is provision of resilience to pastoral communities through alternative livelihoods,

Address: The project headquarters offices are Nairobi (city), Nairobi County, Kenya.

The address of its registered office is:

P.O. Box 34188 – 00100, Nairobi

The project also has offices/branches as follows:

- Baringo
- Garissa
- Isiolo
- Kajiado
- Laikipia
- Lamu
- Mandera
- Marsabit
- Narok
- Samburu
- Tana River
- Turkana
- Wajir
- West pokot

Contacts: The following are the project contacts

Telephone: (254) 2099167:(254) 20

E-mail: pslivestock@kenya.go.ke ; ptl.resilience@gmail.com

Website: www.kilimo.go.ke

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 15 – 12 – 14
Project End Date:	The project end date is 30 – 12 – 21
Project Manager:	The project manager is Mr James Kibet Tendwa
Project Sponsor:	The project sponsor is The World Bank and GOK

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture Livestock Fisheries and Cooperatives (State department for Livestock).
Project number	P129408
Strategic goals of the project	To contribute to ending drought emergencies in the horn of Africa
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Reduce the percentage death rate of livestock (cattle, camel, goat & sheep) kept by pastoral and agro-pastoral households targeted by the Project (ii) Increase the number of animals (cattle, goat and sheep) traded in selected Project markets (iii) Increase the value of animals (cattle, goat and sheep) traded in selected Project markets (iv) Reduce the time lapse between early warning information and response reduced (v) Increase the number of direct project beneficiaries (number) of which (percentage) female
Other important background information of the project	The Project is being implemented in Kenya, Uganda and Ethiopia under the coordination of IGAD. The Kenya RPLRP has the national Project coordinating unit at the Project headquarters and 14 County Project coordination units. The Project will achieve its objectives by facilitating relevant line ministries and state departments to implement Project activities.

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Current situation that the project was formed to intervene	The Project was formed to intervene in the following 5 areas: (i) Component one - Natural resources management (ii) Component two -Market access and trade (iii) Component three - Livelihood support (iv) Component four - Pastoral risk management (v) Component five – Project management and institutional support
Project duration	The project started on 15th December 2014 and is expected to run until 31 ST December 2021

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya Designated Account (USD Account) A/C No. 1000241292
- (ii) Central Bank Of Kenya Operational Account (KES Account) A/C No. 1000216395

1.5 Auditors

The project is audited by Office of the Auditor General (OAG)

1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Mr. James K. Tendwa	Deputy Director of Livestock Production	BSc Agric , MSs Animal science	Project Team leader
Ms. Elizabeth Mutisya	Senior Assistant Director Livestock Production	MSc Project Planning,, Bsc Agric,	Project Social Safeguards Officer
Ms. Jane Gakure	Assistant Director Livestock Production	MSc. , BSc Range Mgt	Project Natural Resources Management Office
Mr. Maurice Ouma	Assistant Director Livestock Production	BSc Range Mgt	Project Market Access and Trade Officer
Ms Judy Gachora	Principal Livestock Production Officer	BSc Agric,	Project Livelihoods Support Officer
Mr. Pancras Tumna Ngati	Principal Livestock Production Officer	MSc Project Planning, BSc. Range. Mgt	Project Pastoral Risk and Knowledge Management Officer
Mr. Rajab Ouko Obama	Principal Livestock Production Officer	BSc Range Mgt	Project M & E Officer
Dr. Purity kiunga	Assistant Director Veterinary Services	MSc Epid., BVM	Project Livestock Health Officer
Mr. Vitalis Mwira	Assistant Director of internal audit officer		Project Internal Auditor officer
Ms. Lydia Ciira	Assistant Director of Procurement Officer	Msc Procurement	Project Procurement Officer

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Mr. Daniel Pariken Sakuda	Assistant Director of Human Resource Officer	BA Business Administration , Higher Diploma HRM	Project Human Resource & Logistic Officer
Mr. Matayo Sikunyi Wangalwa	Principal Accountant	BCOM(Fin) , CPA (K), DBM, MBA(Fin)	Project Financial Accountant
Mr. Mugambi Ginthinji	Chief ICT Officer		Project ICT Officer
Ms. Irene Kagendo	Procurement Assistant	Dipl. Procurement, BSC Purchasing and supplies (ongoing)	Project Procurement Assistant
Ms. Betty Jemutai Kiptoo	Certified Accountant	BCOM(Fin) CPA,(K)	Project Assistant Financial Accountant
Ms. Esther Nduta	Administrative Assistant	Dip in Secretarial Studies	Project Administrative Assistant PIU
Mr. Laban Cheruiyot Labatt	Assistant Director of Livestock Production	MSc. Animal Production	Project County Project Team Leader
Mr. Mohamed Hussein Ali	Assistant Director of Livestock Production	MPP, BA Dev Studies	Project County Project Team Leader
Mr. Abdullahi W. Guyo	Assistant Director of Livestock Production	MPP, BSc. Range Management	Project County Project Team Leader
Mr. Kiambi G.M. Mboroki	Assistant Director of Livestock Production	MSc. NRM, PhD Student; Diploma - Range Management	Project County Project Team Leader
Mr. Frederick Jefa Yaah Baya	Principal Livestock Production Officer	MSc. Animal Production	Project County Project Team Leader
Mr. Hussein Mande	Principal Livestock Production Officer	BSc. Animal Production	Project County Project Team Leader
Mr. Hako Halaki	Principal Livestock Production Officer	MSc Livestock Dev planning and management	Project County Project Team Leader
Mr. Christopher Kunder	Assistant Director of Livestock Production	BSc Range Management; MSc Student	Project County Project Team Leader
Mr. Geoffrey L. Lelengulyah	Principal Livestock Production Officer	Masters in Env. studies, BSc Zoology	Project County Project Team Leader
Mr. Oscar Ngasi	Principal Livestock Production Officer	MPH - Health/BSc. Animal Production	Project County Project Team Leader
Mr. Omar Bulle	Assistant Director of Livestock Production	MSc. Agriculture/BSc Animal Production	Project County Project Team Leader
Mr. Andrew Kaptalai	Assistant Director of Livestock Production	BSc Animal Production	Project County Project Team Leader
Mr. Stephen Rono	Principal Livestock Production Officer	BSc. Animal Production	Project County Project Team Leader Turkana

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Mr. Mohamed Aden Mohamed	Principal Livestock Production Officer		Project County Project Team Leader
Mr. Benson M. Munyao	Principal Livestock Production Officer	BSc Range Management	Project County Monitoring and Evaluation Officer
Mr. Bobby Ewoi	Principal Livestock Production Officer		Project County Monitoring and Evaluation Officer
Dr. Mwema	Principal Livestock Production Officer	BSc Range Management	Project County Monitoring and Evaluation Officer
Mr. Lui Cheruyot Kirui	Principal Livestock Production Officer	BSc (Agric Econ), MSc student	Project County Monitoring and Evaluation Officer
Dr Pat Rupunye	Principal Livestock Production Officer	MSc. (Natural Products & Bio prospecting), BVM	Project County Monitoring and Evaluation Officer
Mr. Ogola Thomas Otieno	Principal Livestock Production Officer	MSc. (Agric Econ),	Project County Monitoring and Evaluation Officer
Dr. Claudio M. Sortum	Principal Veterinary Service Officer	BVM, MSc Student	Project County Monitoring and Evaluation Officer
Mr. Peter Arucho Otieno	Principal Livestock Production Officer	MA. Business Admin, BSC (An. Prod.)	Project County Monitoring and Evaluation Officer
Dr. Anthony W. Naumwo	Principal Livestock Production Officer	BVM	Project County Monitoring and Evaluation Officer
Mr, Francis Njogu Muratha	Principal Veterinary Service Officer	BSc.(Agric. Econ)	Project County Monitoring and Evaluation Officer
Dr Sabuni Zephania A.	Principal Veterinary Service Officer	MSc. Applied Veterinary Parasitology/BVM	Project County Monitoring and Evaluation Officer
Mr. David K Cheruiyot	Principal Livestock Production Officer		Project County Monitoring and Evaluation Officer
Ms. Rose Jeptoo	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Caleb Papa	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Ms. Fridah Gacheri	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Emmanuel B. Wanjala	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer

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Mr. John TM Nkuraru	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Ali Maalim Billow	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Peter Chesang Kulei	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Alfred M Murango	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Kennedy Kipchirchir Korir	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Ms. Jackline A.Okubala	Assistant Procurement Officer	BSC Purchasing and supplies	Project County Procurement Officer
Mr. Mohamud Sheikh Abdullahi	Assistant Procurement Officer	BSC, Diploma in Purchasing &supplies	Project County Procurement Officer
Mr. mohamud abdullahi adan	Assistant Procurement Officer Assistant	BSC Purchasing and supplies	Project County Procurement Officer
Ms. Sabdio Mamo Hachu	Assistant Procurement Officer	Diploma Purchasing and supplies	Project County Procurement Officer
Mr. Felix Odemu Ayiedza	Assistant Financial Accountant	CPA III	Project County Financial Accountant
Mr. Alex Juma Yaa	Assistant Financial Accountant	CPA III	Project County Financial Accountant
Mr. Hussein Duba Jarso	Assistant Financial Accountant	CPA (K)	Project County Financial Accountant
Ms. Vivian Kiptoo	Assistant Financial Accountant	CPA (K)	Project County Financial Accountant
Mr. Jackson Samperu Melompuki	Assistant Financial Accountant	CPA (K)	Project County Financial Accountant
Mr. Josephat Kemboi Kwarkwar	Assistant Financial Accountant	BBM, CPA (K)	Project County Financial Accountant
Mr. Nguta Joel Mkoji	Assistant Financial Accountant	BCom Finance, CPA II	Project County Financial Accountant
Mr Moses Muchiri Waweru	Assistant Financial Accountant	BA, CPA II	Project County Financial Accountant
Ms Janet O. Nyaboke	Assistant Financial Accountant	BCom Finance, CPA II	Project County Financial Accountant
Mr. Brian Wakhungu Olukwo	Assistant Financial Accountant	CPA III	Project County Financial Accountant
Mr. Edwin Kiprotich Langat	Assistant Financial Accountant	CPA III	Project County Financial Accountant
Mr. Mohamed Abdi Shale	Assistant Financial Accountant	BBM, CPA (K)	Project County Financial Accountant
Mr. Faustine Adung'o	Assistant Financial Accountant	BBM, CPA (K)	Project County Financial Accountant
Mr. Aden Mohamed	Assistant Financial Accountant	BBM, CPA (K)	Project County Financial Accountant

1.7 Funding summary

The Project is for a duration of five years from 2014 December to 2019 December with an approved budget of US\$ 71,497,852 equivalent to KShs. 7,857,614,889 from IDA and USD 21,000,000 equivalent to Kshs. 1,830,000,000 from Government of Kenya. Due to COVID -19, the project requested and received an approval (No Objection) for a no cost extension up to 2021 December. This is as highlighted in the table below:

Below is the funding summary:

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PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date -- (30/06 2021)		Undrawn balance to date	
	Donor currency	KShs	Donor currency KShs	KShs	Donor currency KShs	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan						
World Bank - International Development Association (IDA)	71,497,852	7,857,614,889	67,352,089	6,767,237,146	4,145,763	1,090,377,743
(ii) Counterpart funds						
Government of Kenya	21,000,000	1,830,000,000	4,820,003	493,512,814	16,179,997	1,336,487,186
Total	92,497,852	9,687,614,889	72,172,091	7,260,749,960	20,325,761	2,426,864,929

The undrawn balance has accumulative exchange rate difference of K.sh. 638,489,576 as reflected in donor's client connection portal.

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 th June 2021)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Loan					
World Bank - International Development Association (IDA)	67,352,089	6,767,237,146	6,764,756,486	23,007.42	2,480,660
(ii) Counterpart funds					
Government of Kenya	4,820,003	493,512,814	489,755,184	45,547.49	3,757,630
Total	72,172,091	7,260,749,960	7,254,511,670	68,554.91	6,238,290

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

- i) Budget performance against actual amounts for current year and for cumulative to-date,
- ii) Physical progress based on outputs, outcomes and impacts since project commencement,
- iii) Comment on value-for-money achievements,
- iv) Indicate the absorption rate for each year since the commencement of the project.
- v) List the implementation challenges and recommended way forward.

1.9 Summary of Project Compliance:

- i) Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,
- ii) Include consequences suffered on account of non-compliance or likely to be suffered.
- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Indicator	Baseline	Project target	Achievement	Performance	Remarks
PDO1: % death rate of livestock • Normal year: ○ Cattle ○ Goats • Drought year: ○ Cattle ○ Goats	10% 12% 22% 17%	7.0% 8.4% 14.6% 13.0%	Av. 2019/2020 1.6% 4.3% Data - Yr. 2017 13.1% 10.5%	280% 214% 120% 163%	▪ The achievements data recorded are from deaths due to disease, starvation or dehydration. ▪ Drought months include 2016 (oct-dec) below average rains, delayed start & early cessation; 2017 (jan-dec) below average and extending to 2018 (Jan-march) ▪ There was outbreak of RVF with the onset of long rains 2018(Mar-May). 2019 long rains were below average & had FMD outbreak in Samburu & Hemorrhagic septicemia in camels in Samburu, Turkana; Lampy skin in Kajiado & Narok. ▪ Locust had minimal effects on livestock production in 2019.
PDO2: No. of livestock traded in selected markets Normal year (% increase) • Cattle • Goats Drought year (% decrease) • Cattle • Goats	1,000 (0%) 1,800 (0%) 1,000 (0%) 1,800 (0%)	6.1%(1,061) 6.0%(1,908) 7.4% (926) -9.0%(1,638)	-20.5% ¹ (795) 0.7% (1813) -23.8% (762) 56.9%(2,825)	74.9% ² 95% 117.7% 27.5%	▪ 2018- quarantine in counties including Marsabit, Garissa, Isiolo, Mandera, Tana river, Wajir ▪ 2019- FMD quarantine in Samburu north ▪ 2020 livestock market activities affected by Covid 19 restriction

¹ Percentage change from baseline value

² Percentage achievement against set target

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PDO3: Real value of livestock traded: <u>Normal year (% increase)</u> • Cattle • Goats <u>Drought year (% increase)</u> • Cattle • Goats	<i>Avg. for 2008/10/12</i> 25m 5.4m <i>Avg. for 2009/11</i> 6.33m 4.68	9.4% (27.35m) 9.1% (5.89m)	-11.96% (22.01m) ³ 23.15% (6.65m)	80.4% 112.9% 276% 198%	▪ <i>Normal yr period(2018 Apr-2020 dec)</i> ▪ Absolute value cattle (Ksh 26,453,161) NY. Absolute value Goats (Ksh 7,648,938) NY ▪ <i>Drought Yr (Jan 2017 to Mar 2018)</i> ▪ Absolute value cattle (Ksh 21,405,342) DY. Absolute value Goats (Ksh 11,463,850) DY convert to us\$
PDO4: Time lapse between early warning and response	4 weeks	2 weeks	2 weeks	100%	▪ Based on average time taken by NDMA to approve County Contingency funds
PDO5: Number of project direct beneficiaries • Number • Per cent women	0 0	93,000 HHs 40%	88,296HHs 43.6%	94.9% 109%	▪ <i>Data collection on project beneficiaries is on going.</i>

³ Deflation factor for normal year of 0.75 based on US\$ exchange rate. (average of 2018/2019/2020 against rate average of 2008/10/12)

⁴ Deflation factor for Drought year of 0.86 based on US\$ exchange rate (exchange rate 2017 against rate of 2011)

Introduction

Section 81 (2) (f) 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 includes a statement of the national government entity's performance against predetermined objectives.

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

- Reduce the percentage death rate of livestock (cattle, camel, goat & sheep) kept by pastoral and agro-pastoral households targeted by the Project
- Increase the number of animals (cattle, goat and sheep) traded in selected Project markets
- Increase the value of animals (cattle, goat and sheep) traded in selected Project markets
- Reduce the time lapse between early warning information and response reduced
- Increase the number of direct project beneficiaries (number) of which (percentage) female

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 we provide the progress on attaining the stated objectives:

Indicator	Target	Achievement to date (No. and %)	Projection (end December 2021)	Remarks
IR 1: Number of water infrastructures along cross-border migration routes rehabilitated or newly built under the project that are that are operational and sustainably managed	78	107 (137%)	115 (147%)	- Annex 1- on completed water investments with completion certificates evidence & Annex 1b on rehabilitation of water infrastructure during drought emergency of 2018. - Of the 8 remaining 5 are about 80% complete and 3 are about 60% complete
IR 2: % of pastoral HHs with improved access to water				Survey conducted _Kilometer

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Indicator	Target	Achievement to date (No. and %)	Projection (end December 2021)	Remarks
through project infrastructures rehabilitation and development • Normal year (<=10kms) • Drought year (<=30 kms)	>50% >50%	61.2 % (122.4%) 69% (138%)	>122.4% >138%	from livestock boma/grazing area to the main water source (2019/2020 treated as normal year; 2017 treated as drought year. A total of 1391 respondents sampled from 152 villages in the project area interviewed. • Question on water source reliable throughout the year?; 61.2% of respondents acknowledged water source reliability though out normal year ; and 69% respondent acknowledged reliability of dry season watering points
IR 3: Land area (hectares) where sustainable land management practices have been adopted as a result of the project in shared rangelands • Strategic Hay Sheds constructed	2,480 12	2,345 (94%) (12)100%	2480(100%) 100%	• Availability of institutional land in the counties will lead to surpassing 100% • Ongoing with collection of evidence (Geo referencing) • 56% of the beneficiaries are women Annex II on 12 strategic Hay sheds constructed
IR 4: Number of platforms solving cross-border natural resources management conflicts formed and operational.	16	14 (87.5%)	16 (100%)	• 3 conflict resolution meetings have been held in Turkana, Samburu and Wajir/ Garissa. One more planned for Narok . • Remaining 4 to be completed by end of December '21 • Additional requests from community for conflict resolution intervention to be done by end of December 2021
Market infrastructure & mkt information systems				Annex III (4 grain stores & 24

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Indicator	Target	Achievement to date (No. and %)	Projection (end December 2021)	Remarks
IR 5: Number of regional or cross-border market infrastructures rehabilitated or newly built under the project that are operational and sustainably managed IR 6: Regional marketing information (price, diseases) disseminated to partner countries in timely manners ○ Prices ○ Diseases	16 Yes Yes	28(175%) Yes Yes	30 (187%) 85% 100%	markets achieved. The counties/ communities demanded for sale yards which are significantly cheaper than the holding grounds that were planned for: additional funds for infrastructure were relocated from LITs and village during project restructuring of the component • Chemongoch holding grounds, and Lokirama Border inspection point will be completed by end of December '21. • Partnership with KLMC on the NLMIS ongoing • Disease reporting is covered through reports to OIE by Director of Veterinary Services • Refer to website ,www.lmike.go.ke ,for data / details
IR 7: Number of regional protocols on sanitary and phytosanitary standards ratified by the participating countries IR 8: Number of stakeholders trained on policy and regulations in the region	4 1,200	11 (275%) 651(54.3%)	11 (275%) 1200 (100%)	• Completion and publication of National SPS, National Leather and hides and skins strategy published by June (document published by the KEBS) • Remaining 579 to be trained by end of December '21
IR 9: Number of suspicions of outbreaks of selected diseases of regional importance (PPR and FMD) reported and tested in central labs • PPR	 17,096 70,20	 20,635 88804	 	<i>Target is based on total samples planned to be collected during years of project implementation, assuming 10% annual increase</i> <i>Achievement is on total suspicions PPR and FMD disease outbreak reported and diagnosis done clinically and through laboratory tests respectively.</i>

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Indicator	Target	Achievement to date (No. and %)	Projection (end December 2021)	Remarks
• FMD	8			Cases are from 2016 to 2020 —
IR 10: % HH targeted by the project satisfied with livestock health services	70%	86% (123%)	>86%(>123%)	Survey result from 153 project intervention villages on satisfaction of disease and vector control in project area indicated satisfaction on services accessibility 91%, affordability 85%, quality 91%, timeliness 73%, effectiveness at 90% of the respondents
IR 11: Number of new technologies demonstrated in the project area	8	9 (112%)	9 (112%)	Seed harvesting, fertilizer and lime application, pest and disease control, drought tolerant varieties, feed treatment and fortification, feed shredding equipment, pasture conservation, water storage structures and seed certification
IR 12: Number of alternative livelihood sub-projects sustainably managed 2 years after investment	5	5 (100%)	30	The 5 sub projects sustainably managed are Ololulunga Beekeeping cooperative, Nomotio Poultry PFS, Kamar Pasture PFS, Mugurin Pasture PFS, Kiarichewa Pasture PFS. The other 25 are at various stages of implementation and Sustainability measures. beekeeping (10), fish farming (2), dairy goats (3), poultry (5), pasture (5) See Annex IV : Status of PFS and achievements Support to the investment groups towards sustainable management to reach 30 groups by December 2021.
IR 13: Reliable information from Early Warning System (EWS) disseminated timely	Yes	Yes (100%)	Less than 2 weeks (>100%)	Inclusion of a digital EW collection and dissemination template into the national EWS has ensured provision of reliable and timely EWI to stakeholders for early response Activities to be completed by Dec 2021 to further improve

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Indicator	Target	Achievement to date (No. and %)	Projection (end December 2021)	Remarks
				dissemination of EWI include introduction of a bulk SMS EWI system which will provide EW SMS alerts targeting end users especially the pastoral and agro pastoral communities
IR 14: Effective DRM policies from participating countries harmonized and streamlined	Yes	Yes (100%)	Yes (100%)	- All 14 counties are using the Community Disaster Risk Management and Reduction (CMDRR) approach as a disaster reduction measure - IGAD to take lead in harmonization of cross countries initiatives
IR 15: Contingency Plans in place	15	15 (100%)	15 (100%)	- Updates of 14 county contingency plans to facilitate access to emergency funds supported annually - Draft national emergency response plan is in place

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING **(Two-to-three pages)**

Regional Pastoral Livelihood Resilience project (RPLRP) exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

1. Sustainability strategy and profile

RPLRP works hand in hand with county governments of the respective project counties to ensure investment acceptance and ownership by the target beneficiary communities. Each investment as a local management committee that was constituted during the initial inception

2. Environmental performance

The project as on board an environmental and social safeguard officer whose key duty is to ensure and advice on the environmental and social effects of each investment are not negative or adverse to the target beneficiary communities

3. Employee welfare

The project through the office of the accounting officer as constituted a human resource committee that deals with all human resource issues. This includes human resource stock taking recruiting appraisal and training.

Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

The project receives its funding from the World Bank- IDA and government of Kenya. Financial statements are prepared at the end of each government financial year. This statement are presented to and audited by the office of auditor general for compliance and best practices

b) Responsible Supply chain and supplier relations-

All procurement process in the project are guided by the procurement and disposal act the government of Kenya and the procurement guidelines are set by the world bank through a process called STEP

c) Responsible marketing and advertisement-

All publicity and advertisement done by the projects are done through the ministry of information and technology for vetting and approval.

d) Product stewardship-

Project consumers are the target communities. Before and investment is set up the project arrangers or organises for respective public participation the community is then advised to institute the project management team to foresee the project from initiation to completion ant then its handed over for management further respective technical officers are attached to ache investment to ensure quality work and value for money is achieved from the contractor.

4. Community Engagements

The activities the project engages in are purely mend to benefit the community. The community's task is to identify and give public or community owned land where the investment will be situated. Some of the investment that are initiated to benefit community include water infrastructure (borehole, shallow wells, water pans, sand dams and rock catchments), hay farm and hay shades, grain stores , small stock, animal market, beehives, initiation of pastoral field school , provision of vaccines and responding to drought emergencies through early warning system

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021.

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 for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

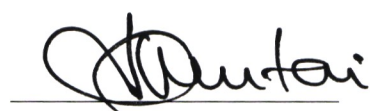
The Principal Secretary for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2021, and of the Project's financial position as at that date. The Principal Secretary for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience 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.

***Regional Pastoral Livelihoods Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021***

The Principal Secretary for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

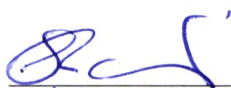
Approval of the Project financial statements

The Project financial statements were approved by The Principal Secretary for the Ministry of Agriculture livestock fisheries and Cooperatives and the Project Coordinator for Regional Pastoral Livelihood Resilience project on 10-12- 2021 and signed by them.



Principal Secretary

Name Harry Kintai



Project Coordinator

Name J.K. Tendwa

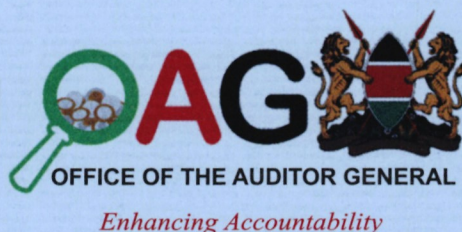


Project Accountant:

Name: CPA Matayo Wangalwa
ICPAK Member Number: 4936

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON REGIONAL PASTORAL LIVELIHOOD RESILIENCE PROJECT (IDA CREDIT NO.53880-KE) FOR THE YEAR ENDED 30 JUNE, 2021 - MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES

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 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 control, 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

Opinion

I have audited the accompanying financial statements of Regional Pastoral Livelihood Resilience Project set out on pages 1 to 33, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative 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 financial position of Regional Pastoral Livelihood Resilience Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and Public Finance Management Act, 2012 and comply with Schedule 2 Section II B of the Financing Agreement No.5388-KE dated 19 May, 2014 between the International Development Association (IDA) and the Republic of Kenya.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Regional Pastoral Livelihood Resilience Project 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.

Key Audit Matters

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

Other Matter

Unpaid Insurance Claim for Project Vehicles

As reported in the previous year, an insurance company was paid an amount of Kshs.18,549,675 as premium for the insurance cover of all the project vehicles. However, two (2) project vehicles; GKB 038R and GKB 412R belonging to West Pokot County Project Implementation Office Unit got burnt by fire suspected to have originated from one of the food kiosks adjacent to the offices. Although compensation lodged was certified payable on 30 July, 2020 by the insurance company, the claims had not been settled or paid as of October, 2021.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Underfunding of Counterpart Fund by the Government of Kenya

The project information and overall performance indicates that the Government of Kenya committed to provide counterpart funds to the project amounting to Kshs.1,830,000,000 but has so far disbursed a total of only Kshs.493,512,814, which is approximately 27% yet the project is ending by 31 December, 2021.

In the circumstances, the Government of Kenya underfunding amounting to Kshs.1,336,487,186 or about 73% may have derailed implementation of various project activities and intended objectives.

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 matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Non-Review of Internal Audit Reports

A review of the audit committee reports revealed that the committee did not discuss internal audit reports for the project during the year under review. Under the circumstances, the effectiveness of internal control and risk management in relation to the project for the year ended 30 June, 2021 could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project'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 intention to terminate the Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Project monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Project to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures

in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease sustaining 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 to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2021

*Regional Pastoral Livelihoods Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

	No te	2020/2021			2019/2020			Cumulative to- date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Paymen ts made by third parties	Total	
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	1	37,130,257	-	37,130,257	119,084,360	-	119,084,360	493,512,814
Loan from external development partners	2	1,128,905,979	-	1,128,905,979	1,362,384,378	-	1,362,384,378	6,767,237,146
TOTAL RECEIPTS		1,166,036,236	-	1,166,036,236	1,481,468,738	-	1,481,468,738	7,260,749,960
PAYMENTS								
Compensation of employees	3	52,344,484	-	52,344,484	87,721,119	-	87,721,119	333,665,562
Purchase of goods and services	4	520,538,628		520,538,628	923,507,376	-	923,507,376	4,113,427,999
Acquisition of non-financial assets	5	593,583,105		593,583,105	482,836,712	-	482,836,712	2,788,118,113
Transfers to other government entities	6	-	-		-	-	-	19,299,996
TOTAL PAYMENTS		1,166,466,217	-	1,166,466,217	1,494,065,207	-	1,494,065,207	7,254,511,670
SURPLUS/ (DEFICIT)		-429,981	-	-429,981	-12,596,468	-	-12,596,468	6,238,290

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



Principal Secretary

Name: *Harry Kimani*



Project Coordinator

Name: *J.K. Tendwa*



Project Accountant

Name: *CPA Ntayo Wangahwa*

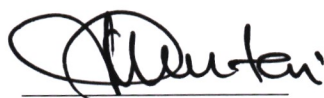
ICPAK Member Number: *4936*

Regional Pastoral Livelihoods Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

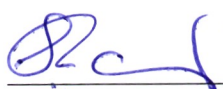
	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	7.A	3,394,362	6,668,271
Cash Balances	7. B	-	-
Cash Equivalents (short-term deposits)	7.C	-	-
Total Cash and Cash Equivalents		3,394,362	6,668,271
Accounts Receivables	8	-	-
TOTAL FINANCIAL ASSETS		3,394,362	6,668,271
FINANCIAL LIABILITIES			
NET ASSETS		-	-
REPRESENTED BY			
Fund balance b/fwd	9	6,668,271	19,264,739
Prior year adjustments	10	-2,843,928	-
Surplus/(Deficit) for the year		-429,981	-12,596,468
NET FINANCIAL POSITION		3,394,362	6,668,271

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10.12 2021 and signed by:



Principal Secretary

Date 10.12.2021



Project Coordinator

Date 10-12-2021



Project Accountant

Date 10/12/2021

ICPAK Member No.

Regional Pastoral Livelihoods Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	1	37,130,257	119,084,360
Payments from operating activities			
Compensation of employees	3	(52,344,484)	(87,271,119)
Purchase of goods and services	4	(520,538,628)	
Adjustments during the year			
Prior Year Adjustments	10	(2,843,928)	-
Decrease/(Increase) in Accounts Receivable	11	-	763,200
Net cash flow from operating activities		(538,596,782)	
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	5	(593,583,105)	
Net cash flows from Investing Activities		(593,583,105)	
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	2	1,128,905,979	1,362,384,378
Net cash flow from financing activities		1,128,905,979	1,362,384,378
NET INCREASE IN CASH AND CASH EQUIVALENTS		(3,273,909)	(11,833,268)
Cash and cash equivalent at BEGINNING of the year	9	6,668,271	18,501,539
Cash and cash equivalent at END of the year		3,394,362	6,668,271

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 10.12.2021 and signed by:



Principal Secretary

Date 10.12.2021



Project Coordinator

Date 10/12/2021



Project Accountant

Date 10/12/2021

ICPAK Member No: 4936

Regional Pastoral Livelihoods Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	90,000,000	-60,000,000	30,000,000	37,130,257	-7,130,257	124%
Proceeds from borrowings	1,207,000,000	-169,588,905	1,037,411,095	1,128,905,979	-91,494,884	109%
Total Receipts	1,297,000,000	-229,588,905	1,067,411,095	1,166,036,236	-98,625,141	109%
Payments						
Compensation of employees	77,600,000	-22,600,000	55,000,000	52,344,484	2,655,516	95%
Purchase of goods and services	610,050,000	-69,065,999	540,984,001	520,538,628	20,445,373	96%
Acquisition of non-financial assets	609,350,000	-137,922,906	471,427,094	593,583,105	-122,156,011	126%
Transfers to other government entities	-	-	-	-	-	-
Other grants and transfers	-	-	-	-	-	-
Total Payments	1,297,000,000	-229,588,905	1,067,411,095	1,166,466,217	-99,055,122	109%

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



Principal Secretary

Date 10.12.2021



Project Coordinator

Date 10/12/2021



Project Accountant

Date 10/12/2021

ICPAK Member No: 4936

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 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.

10.3 Reporting entity

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

10.3.1 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.

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

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.

b) 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.

Significant Accounting Policies (Continued)

c) 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.

d) 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

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.

Significant Accounting Policies (Continued)

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.

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.

Significant Accounting Policies (Continued)

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.

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 party deposits.

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i)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 recognised 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 5** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) 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)

k) 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.

l) 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.

m) Third party payments

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

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

Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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, 2021.

q) Errors

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

NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	
	KShs	KShs	Cumulative to-date(from inception)
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1	-	-	1,296,199
Counterpart funds Quarter 2	-	-	-
Counterpart funds Quarter 3	-	-	-
Counterpart funds Quarter 4	-	-	-
Total (See Annex 2)	=	=	<u>1,296,199</u>
<i>Other transfers from government entities</i>			
Ministry of Agriculture livestock fisheries and Cooperatives	37,130,257	119,084,360	492,216,615
	<u>37,130,257</u>	<u>119,084,360</u>	<u>493,512,814</u>
Appropriations-in-Aid	-	-	-
Total	<u>37,130,257</u>	<u>119,084,360</u>	<u>493,512,814</u>

The sum of Ksh. 37,130,257 is the combination of Ksh. 8,180,257 payments paid by the state department of livestock on behalf of the national Project Implementation unit and sum of Ksh. 28,950,000 transferred to 14 Project Counties implementation unit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs	KShs	2020/21	2019/20
Loans Received from Bilateral Donors (Foreign Governments)						
Insert name of foreign Government	-	-	-	-	-	-
Loans Received from Multilateral Donors (International Organisations)						
IDA/ World Bank	Various	10,418,449	1,128,905,979	-	1,128,905,979	1,362,284,378
Total		10,418,449	1,128,905,979	-	1,128,905,979	1,362,284,378

The amount of Ksh. 1,128,905,979 comprises of cash received during the year amounting to Ksh. 676,057,803.95 And funds paid directly by World Bank (donor to various supplies and contractors through direct payments mode amounting to Ksh452, 848,174.65.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payme nts	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
-					
Basic salaries of permanent employees	52,344,484	-	52,344,484	87,144,995	332,185,038
Basic wages of temporary employees	-	-	-	576,124	1,480,524
Personal allowances paid as part of salary	-	-	-	-	-
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
Total	<u>52,344,484</u>	<u>=</u>	<u>52,344,484</u>	<u>48,484,662</u>	<u>333,665,562</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	613,804	-	613,804	2,883,693	7,573,474
Communication, supplies and services	6,079,070	-	6,079,070	19,971,727	91,143,442
Domestic travel and subsistence	235,944,598	-	235,944,598	323,500,164	2,082,874,470
Foreign travel and subsistence		-		6,863,915	33,091,585
Printing, advertising and information supplies	22,540,413	-	22,540,413	38,080,269	172,614,808
Rentals of produced assets		-		-	5,801,771
Training payments	5,062,810	-	5,062,810	50,974,476	166,896,328
Hospitality supplies and services	2,578,471	-	2,578,471	5,612,999	33,770,827
Insurance costs	-	-	-	18,549,675	41,433,626
Specialized materials and services	98,248,216	-	98,248,216	233,452,678	752,783,138
Office and general supplies and services					2,788,901
Other operating payments	495,800	-	495,800	-	4,394,997
Routine maintenance – vehicles and other transport equipment	70,790,445	-	70,790,445	115,180,459	350,977,336
Refunds and Adjustments					-4,499,398
Routine maintenance- other assets	3,242,988	-	3,242,988	882,723	12,904,214
Exchange rate losses/gains (net)		-			316,571
Consultancy services: – Technical and professional services	74,942,013		74,942,013	107,554,598	358,561,910
Total	520,538,628	=	520,538,628	923,507,376	4,113,427,999

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21	2019/20			
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	-	-	-	-	-
Construction of buildings	7,993,682	-	7,993,682	-	7,993,682
Refurbishment of buildings	6,120,255	-	6,120,255	16,901,714	88,817,795
Construction of roads	-	-	-	-	-
Construction of civil works	502,414,949	-	502,414,949	458,481,828	1,495,957,117
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	378,013,859
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	2,401,856	18,375,432
Purchase of office furniture & general equipment	-	-	-	-	21,407,840
Purchase of specialised plant, equipment and machinery	12,468,999	-	12,468,999	-	311,743,519
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	7,539,359	-	7,539,359	5,051,315	243,010,091
Research, studies, project preparation, design & supervision	-	-	-	-	66,310,897
Rehabilitation of civil works	54,672,740	-	54,672,740	-	102,918,629
Acquisition of computers	2,373,120	-	2,373,120	-	53,569,252
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of intangible assets	-	-	-	-	-
Total	593,583,105	-	593,583,105	482,836,712	2,788,118,113

Construction of buildings is related to pastoral field school chicken houses and beehives constructed across the 14 project counties during the year. Specialised plant equipment and materials purchased were weigh bridges distributed to various project counties to weigh tracks carrying live animals that are sold from the livestock market

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, we transferred funds to reporting government entities as shown below:

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
MALF - SDL- Ngong Vet Farm	-	-	-	-	3,000,000
MALF - SDL- LIC Mogotio and Sheep and Goat station Kimose	-	-	-	-	16,299,996
	=	=	=	=	19,299,996
Transfers to County Governments	-	-	-	-	-
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	=	=	=	=	=
TOTAL	=	=	=	=	19,299,996

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 7. A)	3,394,362	6,668,271
Cash in hand (Note 7. B)	-	-
Cash equivalents (short-term deposits) (Note 7.C)	-	-
Total	<u>3,394,362</u>	<u>6,668,271</u>

The project has 29 number of project accounts spread within the project implementation area and 1 number of foreign currency designated accounts managed by the National Treasury as listed below:

7. A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	USD	USD
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No: 1000241292]	771,378.54	0
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total Foreign Currency balances	<u>771,378.54</u>	<u>0</u>
<u>Local Currency Accounts</u>	<u>KShs</u>	<u>KShs</u>
Central Bank of Kenya [A/c No: 1000216395]	1,327,359	2,235,868
Kenya Commercial Bank [A/c No.....]	-	-
Equity bank [Various county bank accounts]	2,067,003	4,432,403
Others (<i>specify</i>)	-	-
Total local currency balances	<u>3,394,362</u>	<u>6,668,271</u>
Total bank account balances	<u>3,394,362</u>	<u>6,668,271</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 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

	2020/21	2019/20
	KShs	KShs
(i) A/C Name [A/c No 1000216395]		
Opening balance	3,046,398	15,578,931
Total amount deposited in the account	676,057,804	1,010,415,810
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>676,623,542</u>	<u>1,022,948,343</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>2,480,660</u>	<u>3,046,398</u>
	USD	USD
(ii) A/c Name [A/c No 1000241292]		
Opening balance (as per the SDA reconciliation)	0.00	0.00
Total amount deposited in the account	6,773,306	9,779,953
Total amount withdrawn (as per Statement of Receipts & Payments)	6,232,928	9,779,953
Add back: funds in transit	<u>230,000</u>	<u>0.00</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>771,379</u>	<u>0.00</u>

The amount of USD 230,000 were funds in transit at the close of the year, awaiting budget supplementary approval. These funds were in process but had not left the designated account at the close of the year. However they formed part of the payments reported during the year in the financial statement

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. B Cash In Hand

	2020/21	2019/20
	KShs	KShs
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations (<i>specify</i>)	-	-
Total cash balances	=	=

7. C Cash equivalents (short-term deposits)

	2020/21	2019/20
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others (<i>Specify</i>)	-	-
Total	=	=

8. ACCOUNTS RECEIVABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	-	-
Salary advances	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8A: BREAKDOWN OF IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance 2021	Balance 2020
<i>Officer 1</i>	-	-	-	-	-
<i>Xx institution</i>	-	-	-	-	-
<i>Officer 2</i>	-	-	-	-	-
<i>Officer 3</i>	-	-	-	-	-
<i>Officer 4</i>	-	-	-	-	-
<i>Officer 5</i>	-	-	-	-	-
<i>Programme 1</i>	-	-	-	-	-
Total	=	=	=	=	=

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9. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	6,668,271	18,501,539
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	763,200
Total	6,668,271	19,264,739

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. PRIOR YEAR ADJUSTMENT

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	4,432,403	-2,843,928	1,588,475.50
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	4,432,403	-2,843,928	1,588,475.50

The ksh 2,843,928 relates to GOK balances of F/Y 2019/2020 whose cheques were written and presented back to the state department after financial reports had been presented

N/B The deficit for the financial year was because there was cash opening balances that was part of the funds used to make payments, but does not constitute the cash receipts during the same period.

11. CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 st July 2020	-	763,200
Closing account receivables as at 30 th June 2021	-	-
Change in Receivables	-	-763,200

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11. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 3A)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Construction of buildings	-	-	-	-
Construction of civil works	14,481,292	33,921,630	(14,481,292)	33,921,630
Supply of goods	2,995,063	23,021,754	(2,995,063)	23,021,754
Supply of services	17,424,033	12,853,850	(17,424,033)	12,853,850
Total	34,900,388	69,797,234	(34,900,387.60)	69,797,234

2. PENDING STAFF PAYABLES (See Annex 3B)

Description	Balance b/f FY 2019/2020 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2020/2021 Kshs
Senior management	-	-	(-)	-
Middle management	-	-	(-)	-
Unionisable employees	-	-	(-)	-
Others	155,805	2,943,540	(155,805)	2,943,540
Total	155,805	2,943,540	(155,805)	2,943,540

Note: Staff payables of Kshs. 2,943,540 relate to casual workers at various project county offices.

This was occasioned by budget cuts during the year.

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12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Issue No. 1	Insured, a claim for compensation determined by the insurance company dated 30 July 2019 confirming the value to be paid of Kshs.3,474,000 for GK B038R and Kshs.7,650,000 for GK B412R have not been made as at the time of audit inspection on November 2020	We are still making follow ups to ensure that they are settled as advised. - Daniel Sakuda (PHRLO) - Lydia Ciira (PSCMO)	Not Resolved	30/06/2022
Issue No. 2	Works for local area network installation at upper floor and sixth floor in Kilimo House, at a contract sum of Kshs.7,978,250.	All supporting documents availed	Resolved	


Principal Secretary

Principal Secretary


Project Coordinator

Project Coordinator

Date 10.12.2021

Date 10/12/2021

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13. ANNEXES

ANNEX1 - 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	30,000,000	37,130,257	-7,130,257	124%	Late budget cuts during the financial year
Proceeds from borrowings	1,037,411,095	1,128,905,979	-91,494,884	109%	Late budget cuts during the financial year
Total Receipts	1,067,411,095	1,166,036,236	-98,625,141	109%	
Payments					
Compensation of employees	55,000,000	52,344,484	2,655,516	95%	
Purchase of goods and services	540,984,001	520,538,628	20,445,373	96%	
Acquisition of non-financial assets	471,427,094	593,583,105	-122,156,011	126%	Late budget cuts during the financial year
Transfers to other government entities	-	-	-	-	
Total payments	1,067,411,095	1,166,466,217	-99,055,122	109%	

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ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

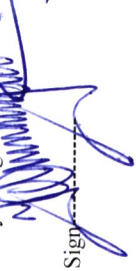
PROJECT NAME:				
Break down of Transfers from the State Department of Livestock				
a. Government Counterpart Funding		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
National project implementation unit		Various	8,180,257	2020/2021
Various County project implementation units		13/11/2020	28,950,000	2020/2021
			-	
		Total	37,130,257	
b. Direct Payments				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	
c. Others				
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
		Total	-	
		TOTAL(a+b+c)	37,130,257	

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

Project Coordinator
Regional Pastoral Livelihood Resilience project

Sign 

Head of Accounting Unit
Ministry of Agriculture, livestock fisheries and Cooperatives

Sign 

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ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Construction of buildings	a	b	c	d=a-c		
1.						
2.						
Sub-Total						
Construction of civil works						
MANTAB LIMITED					2,707,542.00	Cleared
WATER FOR THE WORLD					2,889,537.00	Cleared
FAMOUS IRURA BUILDING CONTRACTORS					3,310,276.00	Cleared
COUNTY WIDE ENTERPRISES					5,573,937.00	Cleared
DALLO HOLDINGS LIMITED	4,741,169			4,741,169		Exchequer
PELELEZA EAST AFRICA LIMITED	6,658,396			6,658,396		Exchequer
NIFFCOM LIMITED	3,735,130			3,735,130		Exchequer
DIBE MERCHANTS LIMITED	3,424,066			3,424,066		Exchequer
PEARLTEK KENYA LIMITED	5,726,516			5,726,516		Exchequer
MAAYLEEL HOLDINGS LIMITED	6,580,399			6,580,399		Exchequer
VAJRA DRILLING LIMITED	1,236,555			1,236,555		Exchequer
DOWLINE CONSTRUCTION LIMITED	1,819,399			1,819,399		Exchequer
Sub-Total	33,921,630			33,921,630	14,481,292	
Supply of goods						
ECONOMIC CRESCENT TRADERS LTD					1,152,500.00	Cleared
THIRD LANE TECHNOLOGIES					954,635.00	Cleared
COUNTY WIDE ENTERPRISES					887,928.00	Cleared
KENYA LIVESTOCK MARKETING COUNCIL LIMITED	22,502,794			22,502,794		Exchequer
ELLABELL AGENCIES LTD	216,660			216,660		Exchequer

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Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
AIRTEL KENYA NETWORKS KENYA LIMITED	218,000			218,000		Exchequer
KOJAKO ENTERPRISES	84,300			84,300		Exchequer
Sub-Total	23,021,754			23,021,754	2,995,063	
Supply of services						
SILICON CONSULTING GROUP LIMITED					3,070,555.20	Cleared
WANJOHI MUTONYI CONSULT LIMITED					4,500,000.00	Cleared
SILICON CONSULTING GROUP LIMITED					5,373,471.60	Cleared
FREDRICK ALOO					31,100.00	Cleared
MINISTRY OF INFO COMM & TECHNOLOGY					558,968.00	Cleared
MOMBASA BEACH HOTEL					458,500.00	Cleared
ESAMI					3,339,350.00	Cleared
KENYA SCHOOL OF GOVERNMENT-MATUGA					4,871,600.00	Cleared
EVELYNE FERDINAND					490,043.00	Cleared
ESAMI VARIOUS					2,296,600 .00	Cleared
FLORERI ENTERPRISES	4,060,650			4,060,650		Exchequer
JAYPA ENTERPRISES	346,600			346,600		Exchequer
TORIN TRADERS LIMITED	4,707,500			4,707,500		Exchequer
MACKMI ENTERPRISES	2,060,500			2,060,500		Exchequer
BELFAST ENGINEERING WORKS LIMITED	1,678,600			1,678,600		
Sub-Total	12,853,850			12,853,850	17,424,032.60	
Grand Total	69,797,234			69,797,234	34,900,387.60	

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ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
various						155,805	cleared
Baringo		178,560			178,560		Budget cut
Garissa		193,400			193,400		Budget cut
Isiolo		353,520			353,520		Budget cut
Kajiado		471,360			471,360		Budget cut
Laikipia		40,000			40,000		Budget cut
Lamu		252,840			252,840		Budget cut
Mandera		616,160			616,160		Budget cut
Narok		118,640			118,640		Budget cut
Samburu		118,040			118,040		Budget cut
Tana River		297,600			297,600		Budget cut
Turkana		60,0000			60,0000		Budget cut
Wajir		243,420			243,420		Budget cut
Sub-Total		2,943,540			2,943,540	155,805	
Temporary employees							
3.							
4.							
Sub-Total							
Others (specify)							
5.							
6.							

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Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Sub-Total							
Grand Total		2,943,540			2,943,540	155,805	

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ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Description	Original Amount	Date Contracted	Payable 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 (<i>specify</i>)							
7.							
8.							
Sub-Total							
Grand Total							

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ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/21	**Disposals in the Year (KShs) 2020/21	Transfers in/(out) Kshs 2020/21	Closing Cost (KShs) 2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Land	-	-	-	-	-	-
Buildings and structures	82,697,539	-	15,116,807	-	-	97,814,347
Transport equipment	378,013,859	-	-	-	-	378,013,859
Office equipment, furniture and fittings	39,783,272	-	-	-	-	39,783,272
ICT Equipment,	51,196,132	-	2,373,120	-	-	53,569,252
Other Machinery and Equipment	299,274,520	-	12,468,999	-	-	311,743,519
Heritage and cultural assets	-	-	-	-	-	-
Biological assets	235,470,731	-	7,539,359	-	-	243,010,091
Infrastructure assets	1,041,788,057	-	557,087,689	-	-	1,598,875,746
Intangible assets	66,310,897	-	-	-	-	66,310,897
Work in Progress	-	-	-	-	-	-
Total	2,194,535,008	-	594,585,975	-	-	2,789,120,983

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APPENDICES

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

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TRIAL BALANCE

DETAILS	DR	CR
Opening Cash and Cash Equivalent		6,668,271
Transfer from government entities		37,130,256
Loans from external development partners		1,128,905,979
Closing Cash and Cash Equivalents	3,394,362	
Basic salaries of permanent employees	52,344,484	
Utilities, supplies and services	613,804	
Communication, supplies and services	6,079,070	
Domestic travel and subsistence	235,944,598	
Printing, advertising and information supplies	22,540,413	
Training payments	5,062,810	
Hospitality supplies and services	2,578,471	
Specialized materials and services	98,248,216	
Other operating payments	495,800	
Routine maintenance – vehicles and other transport equipment	70,790,445	
Routine maintenance- other assets	3,242,988	
Consultancy services: – Technical and professional services	74,942,013	
Construction of buildings	7,993,682	
Refurbishment of buildings	6,120,255	
Construction of civil works	502,414,949	
Purchase of specialized plant, equipment and machinery	12,468,999	
Purchase of certified seeds, breeding stock and live animals	7,539,359	
Rehabilitation of civil works	54,672,740	
Acquisition of computers	2,373,120	
Prior year adjustments	2,843,928	
TOTAL	1,169,860,578	1,169,860,578