

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

	PAPERS LAID
DATE	16/04/2024
TABLED BY	Majority Leader
COMMITTEE	Finance & Budget
CLERK AT THE TABLE	C. cherop

THE AUDITOR-GENERAL

ON

**LAIKIPIA COUNTY DEVELOPMENT
AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



OFFICE OF THE AUDITOR GENERAL
UPPER EASTERN REGIONAL OFFICE - ISIOLO
14 DEC 2023
265
RECEIVED
P. O. Box 1027 - 60300, ISIOLO



LAIKIPIA COUNTY DEVELOPMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Table of Content

1.	Acronyms and Glossary of Terms	iii
2.	Key Entity Information and Management	iv
3.	Board of Trustees	vii
4.	Authority Management Team	ix
5.	Board Chairperson's Report	x
6.	Report of The Authority Chief Executive Officer	xii
7.	Statement of Performance Against the County Authority's Predetermined Objectives	xv
8.	Corporate Governance Statement	xvii
9.	Management Discussion and Analysis	xix
10.	Environmental and Sustainability Reporting	xxiii
11.	Report of The Board	xxiv
12.	Statement of Management's Responsibilities	xxvi
13.	Report of The Independent Auditor on the Financial Statements for Laikipia County Development Authority	xxvii
14.	Statement of Financial Performance for the Year Ended 30 June 2023	1
15.	Statement of Financial Position As at 30 June 2023	2
16.	Statement Of Changes in Net Assets for the year ended 30 th June 2023	3
17.	Statement of Cash Flows for The Year Ended 30 June 2023	4
18.	Statement Of Comparison Of Budget And Actual Amounts For The Period 30 June 2023	5
19.	Notes to the Financial Statements	6
20.	Annexes	36

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
LCDA	Laikipia County Development Authority
HEEP	House Hold Economic Empowerment Project
SRC	Salaries and Remuneration Commission
CEO	Chief Executive Officer

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

2. Key Entity Information and Management

a) Background information

Laikipia County Development Authority is established by and derives its authority and accountability from LCDA Act 2014. The authority is wholly owned by the County Government of Laikipia and is domiciled in Kenya.

The Authority's objective is to mobilize resources and create partnerships.

The Authority's principal activity is:

- Advise the County government on the appropriate policies, laws, plans and programs necessary for County development.
- Coordinate development programs and initiatives and provide liaison between County and national government on implementation of development programs and projects.
- Initiate and implement in collaboration with other County government departments targeted development programs and projects.
- Source locally or internationally resources required for promoting County development.
- Promote and facilitate establishment of public private partnerships targeting County development.
- Support other County departments in preparing and implementing development programs.
- Mobilize and support residents to initiate or participate in development initiatives, programs and projects.
- Monitor and evaluate development policies, laws, plans and programs and advise the County government on appropriate measures to be adopted.
- Perform such other functions as may from time to time, be assigned by the executive member.

b) Principal Activities

The principal activity of the authority is to raise funds and create partnerships for the County Government of Laikipia

- **Vision:** The greatest County with the best quality of life.
- **Mission:** To empower households in Laikipia County to lead fulfilling life
- **Core Values:** Professionalism, Accountability, Integrity, Equity, Innovativeness

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

c) Board of The Authority

Ref	Name	Position
1	Dr Allan Mugambi	Chairperson
2	James Mugambi	CEO LCDA-Secretary
3	Daniel Ngumi	Chief Officer Finance-Member
4	Burje Mohamed	Chief Officer Economic Planning-Member
5	Paul Maina	Member

d) Key Management Team

Ref	Position	Name
1	Chief Executive Officer LCDA	James Mugambi
2	LCDA Accountant - Financial Reporting	Caleb Mwangi
3	LCDA Accountant - Operations	Angela Wahome

e) Fiduciary Oversight Arrangements

SN	Position	Name
1	Directorate of Internal Audit	Head of Internal Audit
2	County Assembly of Laikipia	Clerk to County Assembly
3	Office of the Controller of Budget	Controller of Budget
4	Office of the Auditor General	Auditor-General

f) Registered Offices

P.O. Box 1271-10400
 Interim County Headquarter Building
 Kenyatta Avenue Nanyuki, KENYA

g) Authority Contacts

Telephone: (254) 716-031031
 E-mail: info@laikipia.go.ke
 Website: www.laikipia.go.ke

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

h) Authority Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser



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

k) County Attorney




County Government of Laikipia
P.O. Box 1271-10400
Nanyuki

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

3. Board of Trustees




Name	Details of qualifications and experience
 <p>Dr Allan Mugambi - Chairman LCDA</p>	<p>Dr Mugambi, holds a Doctorate of Philosophy and a Master of science degrees in Entrepreneurship. He is also a holder of a Bachelor degree in Computer Science, and is a certified International Labour Organization expert in business development and Public Administration.</p> <p>Dr Mugambi is currently;</p> <ol style="list-style-type: none"> 1. Board member of Midwest Food Bank (USA) 2. Founder and Secretary General of the Association of Practicing and Professional Entrepreneurs (APPEL) 3. Senior Lecturer at Jomo Kenyatta University of Agriculture and Technology 4. He is a visiting Don at Technical University of Munich. 5. Chairperson of Council of Ridgeways Baptist Church 6. A Lead Consultant and Advisor of the National Council of NGOs. 7. A researcher in Entrepreneurship trends and accomplished author and publisher.
 <p>Daniel King'ori Ngumi - Chief Officer Finance</p>	<p>Holds Bachelor's Degree in Economics and Public Administration and Masters Degree in Accounting and Finance and is a CPA (K).</p> <p>Currently the Chief Officer for Finance and County Treasury. Has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and County Government of Kiambu as Director of Finance. He is currently the chief officer finance.</p>

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

 <p align="center">James Mugambi Ngece - CEO and Secretary to the board LCDA</p>	<p> Holds a Master's degree in management and development from Erasmus University in The Netherlands, Bachelor's degree in community Development, and Certification in Human Resource Development among others. He has over 18 years working experience in project planning and management at management positions in different non-governmental organizations.</p> <p>Key expertise is proposal development, donor reports, strategic and donor relations, fund raising and partnerships</p> <p>He is currently the CEO of Laikipia Development Authority.</p>
 <p align="center">Paul Maina Wambugu</p>	<p>Mr. Paul was born on 30th April 1986. He holds a bachelors of arts in philosophical studies from catholic university, Bachelor of arts in theological studies in pontifical urbaniana university and diploma philosophical and religious studies (Christ the king major seminary) He has served as priest in parishes in Sipili, Mukeu, Ndundori, Ngarua and Olkalou. He is currently serving as a priest at Nyahururu cathedral catholic parish.</p>
 <p align="center">Burje Mohamed</p>	<p>Mr. Burje holds a Bachelor of Arts degree and MBA-Finance. He is a member of the institute of certified public accountants of Kenya (ICPAK). He has over 9 years professional experience in auditing and taxation of various sectors in Kenya and has experience in dealing with technical issues, handling investigations and routine tax. He has also specialized in the policies and strategic planning formulation and system audit. He is currently the Chief officer Economic Planning.</p>

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

4. Authority Management Team

Name	Details of qualifications and experience
 <p>James Mugambi Ngece - CEO and Secretary to the board LCDA</p>	<p>Holds a Master's degree in management and development from Erasmus University in The Netherlands, Bachelor degree in community Development, and Certification in Human Resource Development among others. He has over 18 years working experience in project planning and management at management positions in different non-governmental organizations.</p> <p>Key expertise is proposal development, donor reports, strategic and donor relations, fund raising and partnerships</p>
 <p>Angela Wahome – Accountant Operations</p>	<p>She is the Accountant in charge of Operations for the Authority. She Holds a Bachelor's Degree in Actuarial Science. She is a member of the Association of Certified Chartered Accountants and also is a member of the Institute of Internal Auditors of Kenya. She has experience working in both external and internal audit.</p>
 <p>Caleb Mwangi – Accountant Financial Reporting</p>	<p>Mr Caleb is the Accountant in charge of Financial Reporting for the Authority. Holds Bachelor's Degree in Commerce (Finance) and Post Graduate Diploma in Project Management (DKUT). He is also a Certified Public Accountant of Kenya (CPA -K).</p>

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

5. Board Chairperson's Report

I am thrilled to introduce the remarkable transformation that Laikipia County Development Authority (LCDA) has undergone in recent times. Our organization's evolution is a testament to our unwavering commitment to serve the people of Laikipia County and enhance their quality of life.

Formerly, our primary role was to advise County ministries, facilitate policy-making, and promote investment in Laikipia County. We were known as the "one-stop gateway into Laikipia," dedicated to reducing bureaucracy, stimulating private sector involvement, and positioning Laikipia as the preferred destination for economic development.

Today, our mandate has taken on a new dimension. LCDA which was established as a special purpose vehicle under the LCDA Act of 2014, has the primary responsibility for resource mobilization on behalf of the County Government with the ultimate goal of improving the government's impact on poverty reduction and rural development in Laikipia. Our goal is to complement the County budget by securing resources for grassroots development projects, making us the vital link between opportunities and the people of Laikipia County.

Our expanded responsibilities now encompass coordinating development projects within the County, mobilizing resources from diverse sources, nurturing partnerships, executing programs, and conducting rigorous monitoring and evaluation of donor-authorized projects. In essence, we have evolved into an organization that not only advises but actively leads in shaping the development landscape of Laikipia.

To date, we have brought on board 31 development and donor partners to authority several grassroots projects aimed at addressing critical needs in our communities. These projects include a school feeding program launched in collaboration with the Department of Education which targets 30,000 ECDE pupils to receive one nutritious meal day to prevent malnutrition and school dropouts due to poverty and food insecurity. So far 37.5 tonnes have been distributed to 443 schools across Laikipia. We are also working on a youth empowerment project that will focus on Nyahururu and Rumuruti vocational training centres that aim to offer various vocational courses to empower the youth with valuable skills for employment.

LCDA implemented adolescent empowerment program that targeted 2,000 boys and 2,000 girls. This was aimed at educating them on menstrual health and healthy relationships as well as provide them with menstrual hygiene products and dignity packs across the County. A total of Ksh.4 million was donated in kind.

We have also partnered with the Department of Health and The LEO Project to build a community health centre in Segera ward worth 19 million. We have witnessed remarkable progress and positive impacts on the lives of countless citizens as a result of these initiatives.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Moving forward, LCDA will continue to explore new avenues for partnership, and for mobilizing and channelling resources, even when these resources are limited. We believe that the best way to make sure that rural development is effective and sustainable is to take a bottom-up approach, listening to and working with the poor rural people, by ensuring that they are real and active partners in their own development. Together we can build a better future for generations to come.



LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Authority Chief Executive Officer

Introduction

The strategic focus of LCDA changed when new administration took office. The key mandate of LCDA under the previous administration over skewed in nurturing investment and wealth creation. Currently the authority is focusing on resource mobilization and partnership building in an effort to fund raise on behalf of the County government for the implementation of the CIDP. Therefore this report covers progress made between July 2022 to October 2022 under the previous administration and the latter part after the change of the authority's strategic focus (November 2022 to June 2023).

Programme	Outputs	Achievements
Brand Laikipia	Brand Laikipia marketing and communication strategy 2022 to 2025, developed	Draft branding and communication strategy developed and reviewed. However the final copy was not produced after change of the authority's key mandate.
	Events to market products from Laikipia organized	6 events were successfully conducted and traders, innovators and enterprises showcased their products. This activity was later transferred to the Department of Trade.
	Destination Laikipia website and updated	1,500 businesses enlisted out of a target of 10,000 and displayed in destination Laikipia website.
Flagship investment projects	Mass production of BJ50 4 wheeler tuk-tuk	9 vehicles were completed and fitted with number plates, while 15 others were yet to be completed out of a target of 50. Stock taking was done earlier in the year. Halting of the production of the tuk-tuks thus far due to given the required authority by NTSA, KRA and KEBS. The orders were therefore not met.
	900 affordable housing units developed in Nanyuki	Project did not takeoff out of unresolved legal issues involving ownership of land and sharing of proceeds between the County government and the developer (CPF). The function was transferred to the department of housing by the new Administration.
	Establish Rumuruti Special Economic Zone	The spatial plan was developed and approved by the County assembly.
	Technical support to County departments and other	The two funds board were supported to draft their credit risk management policies to

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

	entities offered	address the challenge of increased non-performing loans. Cooperative Development Revolving and Enterprise Development funds were supported to review their strategic plan and a new Strategic plan for Cooperative Development was developed
Fundraising	School feeding program involving worst hit areas established	Established partnership with Africa Nel Caure to pilot a feeding program in 22 schools in Rumuruti, Salama and Ol Moran Wards. The pilot was rated successful by the two partners and informed the current feeding programme. Pilot was authority by Africa Nel Caure with Ksh.250,000 and Donation of 1,000 kilograms of fortified porridge flour from Soy Afric valued at Ksh.220,000
	Fundraise for construct ECDE classrooms	Mobilized resources (12 million) to build 13 ECDE classes out of a target of 5. Two classes completed and 9 others are on-going.
	Fundraise for the support adolescents to negotiate the stage of development with ease.	4,000 (2,000 boys and 2,000 girls) out of a target 5,000 adolescents were trained on menstrual health and healthy relationships and given menstrual care packs. Donation in kind (care packs and trainers) of approximately 4 million was mobilized.
	Fundraise for skills development of the youths in vocational training	Mobilized Ksh.18 million spread in 3 years, in partnership with St Martin CSA Nyahururu. The project kicked off in June 2023
Strategic Partnerships	Establish strategic partnerships between CGL and authority/development partners	31 partnerships with authority and implementing partners were established. They are in different sectors and are relevant to the CIDP. 6 MOUs signed.

Key Projects to be implemented in 2023/2024

The budget allocation for the financial year 2023/2024 is Kshs.10, 900,000. The following key projects will be undertaken by the Authority in the financial year 2023/2024.

House Hold Economic Empowerment Project (HEEP)

HEEP aims at improving vulnerable households' access to water for kitchen gardening and domestic use, improve households' food and nutritional security as well as strengthen their resilience to climate change. The following strategies will be employed;

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2023

- Fundraise and implement the House Hold Economic Empowerment Project (HEEP)
- Support households to acquire water tanks and basic water harvesting infrastructure on cost sharing basis
- Educate households on kitchen gardening, offer technical support and provide seed capital on cost sharing basis
- Provide identified groups with bucks to improve local goat bleeds. This is aimed at increasing milk production with the hope of goat milk processing in future
- Promote chicken farming by supporting youth groups to make feeds, support selected farmers to brood chicks for up to one month for sale to other farmers and support members of targeted groups to purchase one month old chicks, on cost sharing basis.
- Support farmers to keep bees and other insects such as the black soldier fly.
- Educate groups on financial literacy, management of agribusiness, value addition and diversification of their livelihoods.
- The authority will also Offer technical support to departments in the County

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

7. Statement of Performance Against the County Authority's Predetermined Objectives

Introduction

Section 164 (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 County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the County government entity's performance against predetermined objectives.

The key development objectives of the LCDA as per the strategic plan for period 2022-2027 are to:

- To mobilize external resources on behalf of the County government.
- Create and manage partnerships for the implementation of priority projects.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program me	Objective	Outcome	Indicators	Performance
Fundraising	To improve food and nutritional security for ECDE learners	Reduced case of malnutrition in Laikipia County	Number of children enrolled in the project	Established partnership with Africa Nel Caure to pilot a feeding program in 22 schools in Rumuruti, Salama and Ol Moran Wards.
	To improve learning environment for ECDE learners	Children learn in conducive and stimulating environment	Number of classrooms that LCDA has mobilized resources for their construction	Mobilized resources (12 million) to build 13 ECDE classes out of a target of 5. 2 classes completed and 9 others are ongoing
	To empower adolescents to negotiate their stage of development	Reduced menstrual stigma and unhealthy relationships	Number of adolescents supported under the programme.	4,000 (2,000 boys and 2,000 girls) 5,000 were trained on menstrual health and healthy relationships and given menstrual care packs. Donation in kind (care packs and trainers) of approximately 4 million was mobilized.
	To increase the capacity of youths in Laikipia to	Empowered youth for employment	Number of youths supported to gain skills for employment	Mobilized Ksh.18 million spread in 3 years, in partnership with St Martin CSA Nyahururu.

LAIKPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

	secure employment			
Strategic Partnerships	To coordinate County development	Well-coordinated and accountable development in the County	Number of partnerships established	31 partnerships with funding and implementing partners were established.

8. Corporate Governance Statement

Succession Plan

The board members are appointed for a period of 3 years and renewable once. Two of the board members are automatic accounting officers in charge of finance and economic planning respectively who are in office for at least five years under the government in place and are deemed to induct and train those that are appointed. The issue of succession plan is usually considered while appointing or reappointing the board members. The board members elected by Laikipia County Co-operative Societies Forum are leaders with experience and exposure on co-operative societies matters and therefore competent to represent the views of the forum. The Authority Administrator is obligated to conduct thorough induction for the newly appointed board members and experience sharing forum.

Board Charter

The Authority service charter has been incorporated in the departmental service charter. The board members upon being appointed are expected to sign the Code of Conduct and Ethics. It defines board commitment to the highest standards of behaviour so as to contribute to the achievement of the authority mandate. By exemplifying the ethical behaviours and Board values described in the Code, the board will continue to uphold Article 10 of the Constitution of Kenya on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

Process of appointment and removal of trustees

This is clearly stipulated in Section 7(1) and 9(2) respectively of the Laikipia County Development Act, 2014.

Specifically under Section 7(1),

- a) Non-executive chairperson appointed by the governor with the approval of the County assembly
- b) Chief Officer for the time being responsible for County planning and development
- c) Chief Officer for the time being responsible for finance or chief officer responsible for County administration where the chief officer responsible for finance is also responsible for County planning and development.
- d) Five persons appointed by the executive member through a competitive recruitment process, provided that there shall be representation from person with disability and youth.
- e) One person who is an expert in matters related to development, planning and management appointed by the Executive Member.
- f) The chief executive officer who shall be an ex officio member and secretary to the board.

Under Section 9(2),

A Member of the board may:

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2023

- a) At any time resign from the office by notice in writing to the executive member
- b) Be removed from office by the executive member if the member:
 - i) Has been absent from three consecutive meetings of the board, without the permission of the chairperson.
 - ii) Is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings
 - iii) Is convicted of an offence involving dishonesty or fraud
 - iv) Is adjudged bankrupt or enters into a composition scheme of arrangement with his creditors
 - v) Unfit to discharge his duties as a member of the Authority or fails to comply with the provisions of this act relating to disclosure

Roles and Functions of the Board

There is established the Laikipia Development Authority, the LCDA Act 2014, section 8 states the functions of the board shall be to:

- a) Ensure proper and efficient exercise of the powers and performance of the functions of the Authority.
- b) Advise the management of the authority generally on the exercise of the powers and the performance of the functions of the authority.
- c) Approve the estimates of the revenue and expenditure of the authority.
- d) Perform such other functions as are provided for under this act or any other written law.

Conflict of Interest

A member of the board shall be considered to have a conflict of interest for the purposes of this Act if he acquires any pecuniary or other interest that could conflict with the proper performance of his duties as a member or employee of the board.

Board Remuneration

The remuneration of the members of the board is determined by the County treasury as per the SRC.

9. Management Discussion and Analysis

The strategic focus of LCDA changed once the new County government took office, and as a result its key mandate under the previous government changed from nurturing investment and wealth creation projects, to resource mobilization and partnership building in an effort to fundraise for government projects. Therefore the key development objectives of the Laikipia County Development Authority's strategic plan 2022 - 2027:

- To mobilize resources on behalf of the County government
- To create partnerships and facilitate collaborations between various stakeholders and development partners.

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

- Resource Mobilization and Technical support
- Strategic Partnerships, Project Implementation, Monitoring and Evaluation and Reporting

Resource Mobilisation and Technical Support

This pillar is divided into three objectives:

- Project design, planning and concept paper/proposal development
- Donor mobilization and relations
- Offer technical support to County departments on policies and strategic planning

a) Project design, planning and concept paper/proposal development

The department captures pressing needs from the people of Laikipia, align them to the CIDP and design projects that are relevant to the people and the CIDP. It also receives request from other County departments to support them in concept note/proposal development of fund raising. Thereafter the projects are defined and described in concept papers and if need be translated into proposals for the purposes of fundraising. Currently the pillar has developed 61 proposals and concept papers for the purposes of fundraising for LCDA and departments' needs. It also offers departments support on technical issues mainly related to development.

a) Resource Mobilisation

- **School Feeding Programme**

LCDA in collaboration with the department of Education launched a school feeding programme targeting 318 ECDE Centres (with a total enrolment of 14840 learners) located in ten (10) Wards and 11 Urban /special schools aimed at solving the food challenge brought on by drought and poverty that affected ECDE pupils across the County.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

An assessment of the general situation showed cases of low enrolment, high rate of absenteeism, high dropout rates and malnutrition and stunted growth among the ECDE learners. Due to the drought many pastoralists migrated to other counties in search of pastures and water, leaving their children with elderly family members were not able to work and look for food. There were extreme cases of ECDE learners collapsing during lessons because of going for days without food. All these phenomena were attributed to acute and severe food shortage amongst the ECDE learners.

Laikipia County Development Authority (LCDA) fundraised and collaborated with several donor partners: HABITAT FOR HUMANITY, JICA, SOY AFRIC and AFRICA NEL COURE 37.5 tonnes of uji mix (an all fortified flour blend of corn (whole maize), soya beans, sorghum, vitamins and sugar necessary for children formative growth and cognitive development).

- **Adolescent empowerment programme**

The Laikipia County Development Authority implemented the adolescent empowerment programme. The programme covers among other issues menstrual hygiene project. This project which targets 2,000 boys and 2,000 girls aims at ensuring that all girls in their early adolescence will have access to sanitary towel. Secondly, both boys and girls will be given correct information on their sexuality, healthy relationship and menstrual hygiene with an aim of empowering them to make informed choices and appreciate their gender differences. The main aim of this project is to ensure that both boys and girls under the project negotiate adolescence in a healthy way. So far LCDA has been able to authority raise 4 million worth of menstrual health kits and dignity packs. LCDA in collaboration with other stakeholders and donor partners was able to launch the County's first ever Menstrual Health summit aimed at lobbying for policy advocacy and establishment of the menstrual health policy 2020 as well as create a networking opportunity to foster partnerships with various stakeholders involved in menstrual health management and youth empowerment.

- **Youth empowerment and employability program**

This programme is a partnership between LCDA, the department of Education and St. Martin Catholic Social Apostolate. The project worth 18 million, is aimed at empowering the youth through vocational training and skill development. The pilot phase of this programme will be launched in Nyahururu and Rumuruti vocational centres and will entail: Refresher training for instructors in an industrial setting, purchase of training modern training equipment , training of instructors and key project stakeholders in international labour laws, certified training on entrepreneurship and business, competency based training, introduction of apprenticeship training for vocational trainees to sharpen their skills, sponsorship of 100 needy students and capital investment for best performing graduates to start their business. The programme seeks to enhance youth enrolment in vocational training centres as well as improve their skills in the job market while inculcating a positive attitude towards TVETs and VTCs. The project is set to commence in October 2023.

- **Health**

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

LCDA in collaboration with the department of health and The LEO Project have built a community health centre in Segera ward worth 19 million. Named The Caitlin O’Hara Community Health Clinic, the establishment will provide accessible and equitable health services to the community in Segera.

The following table shows the resources mobilized during the financial year:

Department of Education	Amount (Kshs.)
ECDE Classes	12 Million
Feeding programme (Uji)	570,000
Youth Empowerment	18 Million spread in 3 years
Department of Health	Amount (Kshs.)
Adolescent empowerment	4 million
Juakali Community health Centre	19 Million

Table 1 Resources mobilized

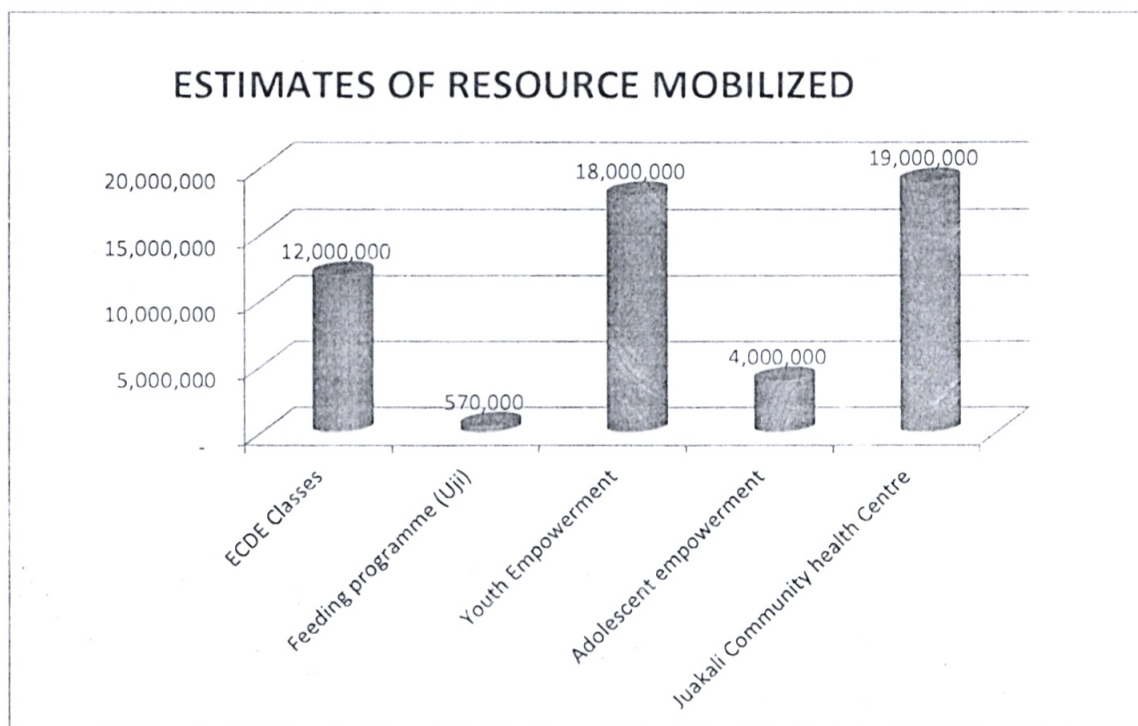


Figure 1 Resources mobilized

2) Strategic Partnerships

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

- Established partnership with 31 funding and implementing partners
- 5 MOUs signed and 6 others awaiting signing
- Developed a database for nongovernmental organizations working in Laikipia
- In the process of establishing a cloud based and GIS supported database in partnership with Habitat for Humanity
- Working with the office of the First Lady to implement adolescence empowerment project
- Exploring with County Department on establishing funding relationship with various funding partners
- Working with Africa Nel Cuore, Habitat for Humanity and Ontulili Association to initiate water and road improvement projects across the County. So far a proposal bid for 7.5 million to construct and rehabilitate 3 boreholes in Kararu, Muramai and Majengo has been successful.
- Exploring partnership on open governance and citizen participation in development with Twaweza Ni Sisi organization.
- Working with Vision Afric as a development partner to help the County government implement its development agenda.

10. Environmental and Sustainability Reporting

a) Community Engagements

- The authority has been involved in public engagements to create awareness of the authority as well as gather information on emerging needs. The Authority and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its budgetary allocations and resource mobilization through lobbying to increase its financing capabilities with an objective of ensuring that the Authority's going concern is secured.

b) Market place practices

- Responsible marketing and advertisement - The Laikipia County Development Authority also practices responsible marketing and advertisement using County Government social media platforms and print media well as respecting payment practices.

c) Sustainability strategy and profile

The LCDA is keen on posterity; The County's top management has activated various sustainability strategies for the County including but not limited to:

- Ensuring continuous compliance with government laws, regulations, policies and standards.
- Ensuring that substantial proportion of the county budget is allocated to the Laikipia County Development authority
- Completed the formulation of a County Risk Management Framework Policy that help the County identify and mitigate risks.
- Engaging citizens through public participation to incorporate their ideas and contributions on County development matters

d) Employees' welfare

The Laikipia County Development Authority relies on the County Public Service Board that is charged with the hiring and empowering of employees in the County. The authority has been allocated employees who serve in the LCDA office.

e) Corporate Social Responsibility and Community Engagements

The Laikipia County Development Authority has been engaging citizens to identify their demands and needs, holding social community activities e.g. leaders and elders' engagements.

- The authority undertook a campaign for Menstrual Health across Laikipia targeting primary school children class 6-8 in collaboration with various Partners including BATUK, Drawing Dreams Initiative, and Bethel Networks Kenya. The school children benefitted with about 1.5 million menstrual packages and under-wares.
- Spearheaded a mental health campaign among the youth to improve mental health and awareness among the youth and community in the County and enhance social, emotional and psychological support for youths recovering from mental illness and substance abuse.
- Undertook tree planting program in Laikipia County in collaboration with several developmental partners such as Equatorial Nuts Processors.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

11. Report of The Board

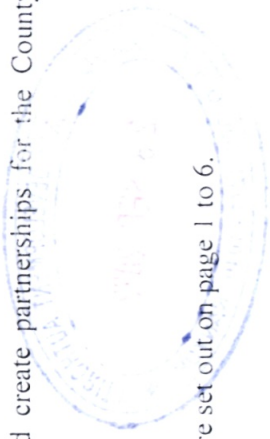
The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Authority affairs.

Principal activities

The principal activity of the authority is to raise funds and create partnerships for the County Government of Laikipia

Results

The results of the Authority for the year ended June 30, 2023 are set out on page 1 to 6.



Board of The Authority

The members of the Authority Administration Committee who served during the year are shown on page v. The changes in the Authority Administration Committee during the financial year are as shown below:

Ref	Position	Name	Status
1	Dr Allan Mugambi	Chairperson	Incoming
2	James Mugambi	CEO LCDA-Secretary	Incoming
3	Daniel Ngumi	Chief Officer Finance-Member	Incoming
4	Burje Mohamed	Chief Officer Economic Planning - Member	Incoming
5	Paul Maina	Member	Incoming
6	Dr James Mworira	Chairperson	Outgoing
7	Faith Waigwa	Member	Outgoing
8	Amb. Johnson Weru	Member	Outgoing
9	Joseph Ngugi Mutuura	Member	Outgoing
10	Margaret Iyasi Lesuuda	Member	Outgoing
11	Michael Dyer	Member	Outgoing
12	Grace Mohe	Member	Outgoing
13	Paul Njenga	Member	Outgoing
14	Charles Muiruri	Member	Outgoing
15	John Mwaniki	Secretary/ CEO	Outgoing

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Auditors

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

By Order of the Board



LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

12. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Authority established by Laikipia County Development Act 2014 section 16(1) shall prepare financial statements for the Authority in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

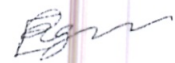
The Administrator of the County Public Authority is responsible for the preparation and presentation of the Authority’s financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements 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 Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Authority accepts responsibility for the Authority’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Laikipia County Development Authority Act 2014. The Administrator of the Authority is of the opinion that the Authority’s financial statements give a true and fair view of the state of Authority’s transactions during the financial year ended June 30, 2023, and of the Authority’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority’s financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Authority’s financial statements were approved by the Board on August 29th, 2023 and signed on its behalf by:

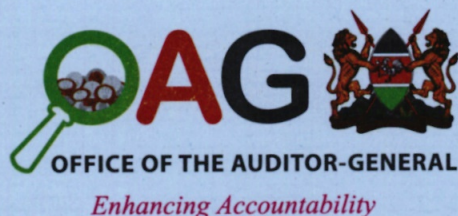


.....

CEO of the Laikipia County Development Authority

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA COUNTY DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia County Development Authority set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Laikipia County Development Authority as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Laikipia County Development Authority Act, 2014.

Basis for Qualified Opinion

Unsupported Intangible Assets

As reported in the previous year, the statement of financial position and Note 18 to the financial statements reflects Kshs.2,983,000 in respect to net book value of intangible assets. Information available indicated that a Consultancy Services Agreement was signed between the Authority and the Consultant for branding, marketing, and communication strategy. The contract outlined the basic phases of deliverables. However, although the consultant had been paid an amount of Kshs.2,983,000, the contract execution period had lapsed and the deliverables which included improving the Laikipia County Development Authority destination website, integration of the destination of Laikipia website with other counties websites, and installing tracking tools across the sites to be able to measure activities throughout the site had not been met or achieved as at 30 June, 2023.

In addition, the tender was not posted on the Government tender advertisement portal (tenders.go.ke) or the County website contrary to Executive Order No.2 of 2018 on procurement which states that all public procurement entities shall maintain and continuously update and publicize complete information of all the tenders awarded.

In the circumstances, the accuracy, regularity and value for money for the expenditure of Kshs.2,983,000 on intangible assets could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,240,438 and Kshs.24,609,059, respectively, resulting to an under-funding of Kshs.3,631,379 or (13%) of the budget. Similarly, the Authority expended Kshs.24,600,000 against an approved expenditure budget of Kshs.28,240,438 resulting to an under-expenditure of Kshs.3,640,438 or (13%) of the budget.

The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public. There is need for management to adopt a realistic budget strategy to avoid instances of under-realization of the budget for efficient and effective delivery of goods and services to the residents of Laikipia County.

My opinion is however not modified in respect of the above 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 Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised. However, Management had not resolved the issues as at 30 June 2023 as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.

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

1.0 Non-Appointment of Board Members

Available information revealed that Laikipia County Development Authority failed to appoint board members in the year under review as required under Section 7 of the Laikipia County Development Authority Act, 2014.

In the circumstances, Management was in breach of the law.

2.0 Investment of Funds in an Unviable Project

The statement of financial position and Note 19 to the financial statements reflects Kshs.10,000,000 in respect to investment in property which represented the Authority's investment in a technology enterprises company. Available information revealed that Management of the Authority entered into an agreement of cooperation with the Company to manufacture of tuk-tuks. According to the agreement, the Authority was to invest an initial capital of Kshs.5,000,000 based on the existing orders of tuk-tuks and an additional amount of Kshs.5,000,000 for a 30% shareholding in the Company.

Further, according to the agreement with the Company, the Authority was required to pay an additional monthly lease rentals of Kshs.50,000 for the warehouse in which the tuk-tuks would be assembled. As at 30 June, 2023, accrued lease rentals amounted to Kshs.700,000. However, review of financial records confirmed that that the projected production of initial 50 tuk-tuks was not realized and only seven (7) units had been completed and tested and therefore the viability of the project could not be confirmed.

In addition, it was also noted the Company had not obtained required licenses and approvals from National Transport Safety Authority (NTSA), Kenya Revenue Authority (KRA) and Kenya Bureau of Standards (KEBS) to enable mass production of the tuk-tuks. Therefore, the implementation of the project was irregular.

In the circumstances, the value for money on the investment of Kshs.10,000,000 on manufacture of tuk-tuks could not be confirmed.

3.0 Unapproved Budget

The statement of comparison of budget and actual amount reflects that the Authority had revenue and an expenditure budget of Kshs.24,600,060 and Kshs.28,240,438, respectively. However, there was no evidence to indicate that the Board had initiated the budget formulation process by preparing the budget estimates as required by Section 19(1) of the Laikipia County Development Authority Act, 2014 which states that at least three months before the commencement of each financial year, the Authority shall cause to be prepared estimates of the revenue and expenditure of the Authority for that year.

Further, evidence that the annual estimates were approved by the Board and forwarded to the County Executive Committee Member (CECM) for final approval as required by Section 19(3) of the Act was not provided for audit review casting doubt as to whether the Board was involved in the budget formulation process.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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

Responsibilities of Management and 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 (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 controls 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.

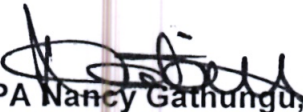
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 January, 2024

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

14. Statement of Financial Performance for the Year Ended 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	24,368,621	25,500,000
Fines, Penalties and Other Levies	3	-	-
		24,368,621	25,500,000
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
		-	-
Total Revenue		24,368,621	25,500,000
Expenses			
Employee Costs	6	-	-
Use of goods and services	7	24,201,562	17,971,112
Depreciation and Amortization Expense	8	159,101	227,287
Finance Costs	9	-	-
Total Expenses		24,360,663	18,198,399
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	-	-
Gain /Loss on fair value of investments	11	-	-
Surplus/(Deficit) for the Period		7,958	7,301,601

(The notes set out on pages 17 to 36 form an integral part of these Financial Statements)


28 SEP 2023
 James Mwangi
 Administrator of the Authority


28 SEP 2023
 Caleb Mwangi
 Authorised Accountant
 ICPAK Member Number: 10187

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position As at 30 June 2023

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	8,999	240,438
Current Portion of Long- Term Receivables From Exchange Transactions	13	12,612,900	12,612,900
Prepayments	14	350,000	350,000
Total Current Assets		12,971,899	13,203,338
Non-Current Assets			
Property, Plant and Equipment	17	776,725	530,335
Intangible Assets	18	2,983,000	2,893,000
Investment Property	19	10,000,000	10,000,000
Total non- current assets		13,759,725	13,759,725
Total Assets		26,731,624	26,716,673
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	2,298,934	2,291,942
Total current liabilities		2,298,934	2,291,942
Non-Current Liabilities		-	-
Total Liabilities		2,298,934	2,291,942
Net Assets		24,432,690	24,424,731
Accumulated Surplus		24,432,688	24,424,731
Total Net Assets and Liabilities		24,432,688	24,424,731

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 August 2023 and signed by:


28 SEP 2023
 James Mugambi
 Administrator of the Authority


28 SEP 2023
 Caleb Mwangi
 Authority Accountant
 ICPA Registration Number: 10187

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Revolving Authority	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2021)	-	-	17,123,129	17,123,129
Surplus/(Deficit) For the Period	-	-	7,301,601	7,301,601
Funds Received During the Year	-	-		-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2022	-	-	24,424,730	24,424,730
Balance As At 1 July 2022	-	-	24,424,730	24,424,730
Surplus/(Deficit) For the Period	-	-	7,958	7,958
Funds Received During the Year	-	-	-	-
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2023	-	-	24,432,688	24,432,688

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022-2023	FY2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the County government		24,368,621	15,481,511
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		24,368,621	15,481,511
Payments			
Authority administration expenses		-	-
Use of Goods and services		24,201,562	16,456,467
Finance cost		-	-
Net cash flows from operating activities	25	167,059	(974,956)
Cash flows from investing activities			
Purchase of property, plant and equipment		(398,498)	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from revolving authority receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(231,439)	(974,956)
Cash and cash equivalents at 1 July		240,438	1,215,393
Cash and cash equivalents at 30 June		8,999	240,438

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 30 June 2023

Description	Original budget	Adjustments	Final Budget	Actual on comparable difference	Performance difference	% Utilisation
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from County Government - 2022/2023	28,000,000		28,000,000	24,600,060	(3,399,940)	88%
Opening cash and cash equivalent	240,438		240,438	240,438	-	100%
Total income	28,240,438	-	28,240,438	24,840,498	3,399,940	
Expenses						
Use of goods and services	27,834,438		27,834,438	24,201,562	(3,632,876)	87%
Equipment – Computers	406,000	-	406,000	398,498	(7,502)	98%
Total expenditure	28,240,438	-	28,240,438	24,600,060	(3,640,378)	
Surplus for the period	-	-	-	240,438	240,438)	

Budget Notes

1. The transfers received were not fully received due to the low achievement of revenue target by the county government
2. The performance difference on the utilisation on use of goods and services was due to inadequate transfers from County government.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

19. Notes to the Financial Statements

1. General Information

Laikipia County Development Authority is established by and derives its authority and accountability from The Laikipia County Development Authority Act 2014. The entity is wholly owned by the Laikipia County Government and is domiciled in Kenya. The entity's principal activity is to fund raise and create partnerships for the County Government of Laikipia

2. Statement of compliance and basis of preparation

The Authority's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

(i) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023*

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

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

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2022/2023 was approved by the County Assembly on 29th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded no additional appropriations on the FY 2022/2023 budget following the governing body's approval.

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

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 6 of these financial statements.

c) Property, plant and equipment

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

d) Intangible Assets

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

LAIKPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

h) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

j) Contingent liabilities

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

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.

k) Nature and purpose of reserves

The Entity does not create nor maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

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

m) Employee benefits – Retirement benefit plans

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

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

LAIKIPLA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) 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.

r) Comparative figures

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

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 21.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. No provisions were made.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

2. Transfers from County Government

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Transfers From County Govt. –Operations	24,368,621	25,500,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	24,368,621	25,500,000

This relates to the transfers received from the County Government

3. Fines, penalties and other levies

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

5. Other income

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Insurance Recoveries	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

6. Employee Costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other	-	-
Total	-	-

7. Use of Goods and Services

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
General Office Expenses	710,000	309,246
Rental of produced assets	-	575,000
Investment Costs	-	1,349,100
Board Allowances	-	339,400
Bank Charges	4,210	6,420
Electricity And Water Expenses	-	115,580
Fuel And Oil Costs	-	49,623
Training Expenses	-	392,000
Printing And Stationery	-	1,671,918
Communication Supplies and Services	-	136,800
Foreign Travel	-	1,806,170
Hospitality Supplies and Services	550,000	2,838,655
Domestic travel and subsistence	22,937,352	8,381,200
Total	24,201,562	17,971,111

This relates to Authority expenses for the financial year.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

8. Depreciation and Amortization Expense

Description	FY 2022-2023	FY 2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	159,101	227,287
Intangible Assets	-	-
Total	159,101	227,287

9. Finance costs

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

10. Gain/ (loss) on disposal of assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

11. Gain/ (loss) on Fair Value Investments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

12. Cash and cash equivalents

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Car Loan Account	-	-
County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	8,999	240,438
Others	-	-
Total Cash And Cash Equivalents	8,999	240,438

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
a) Current Account			
Equity Bank	0270279074923	8,999	240,438
Sub- Total		8,999	240,438
b) Others(Specify)			
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		8,999	240,438

13. Receivables from Non-Exchange transactions

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Transfers from County government	12,612,900	12,612,900
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	12,612,900	12,612,900
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Non-Exchange Transactions	12,612,900	12,612,900

The accounts receivables relate to 'transfers from County Government

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued
Additional disclosure on interest receivable

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

14. Prepayments

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Prepaid Vehicle	350,000	350,000
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	350,000	350,000

15. Inventories

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

For investments in equity share listed above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year Kshs	Prior year Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Cost	Land and Buildings	Motor Vehicles(12.5%)	Furniture and fittings	Computers and office equipment (30%)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1 st July 2019	-	-	-	-	1,082,317	1,082,317
Additions	-	-	-	-	-	-
At 30 th June 2020	-	-	-	-	1,082,317	1,082,317
At 1 st July 2020	-	-	-	-	-	-
Additions	-	-	-	-	-	-
At 30 th June 2021	-	-	-	-	1,082,317	1,082,317
At 1 st July 2021	-	-	-	-	-	-
Additions	-	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-	-
Depreciation And Impairment	-	-	-	-	-	-
At 1 st July 2020	-	-	-	-	-	-
Depreciation	-	-	-	-	324,695	324,695
At 30 th June 2021	-	-	-	-	324,695	324,695
At 1 st July 2021	-	-	-	-	-	-
Depreciation	-	-	-	-	227,287	227,287
At 30 th June 2022	-	-	-	-	-	-
Net Book Values	-	-	-	-	757,622	757,622
At 30 th June 2021	-	-	-	-	530,335	530,335
At 30 th June 2022	-	-	-	-	530,335	530,335

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

At 1 st July 2022					
Additions	-	-	-	405,490	405,490
Depreciation				159,101	159,101
At 30 th June 2023					
Net Book Values	-		-	776,725	776,725

An additional equipment (desktop and laptop) was purchased at a cost of kshs. 405,490; however, VAT of Kshs. 6,992 remained unpaid (Accounts payable) by the 30 June 2023.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	2,983,000	2,983,000
Additions	-	-
At End of The Year	2,983,000	2,983,000
Amortization And Impairment		
At Beginning of The Year	2,983,000	2,983,000
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	2,983,000	2,983,000

19. Investment Property

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
At beginning of the year	10,000,000	10,000,000
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	10,000,000	10,000,000

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022-2023		FY 2021-2022	
	Kshs		Kshs	
Accounts Payables	2,298,934		2,291,942	
Accrued Expenses				
Other Payables				
Total Trade and Other Payables	2,298,934		2,291,942	
Ageing analysis (Trade and other payables)	FY 2023	% of the Total	FY 2022	% of the Total
Under one year	6,992	0.3 %	2,291,942	100 %
1-2 years	2,291,942	99.7%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	2,298,934	100%	2,291,942	100%

21. Provisions

Description	leave provision	bonus provision	Other provision	total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	-	-	-	-
Additional Provisions	-	-	-	-
Provision Utilised	-	-	-	-
Change Due To Discount And Time Value For Money	-	-	-	-
Transfers From Non -Current Provisions	-	-	-	-
Balance At The End of The Year	-	-	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments Of External Borrowings During the Period	-	-
Repayments Of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2022-2023	FY2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

24. Social Benefit Liabilities

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

25. Cash generated from operations

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	7,958	7,301,601
Adjusted For:		
Depreciation	159,101	227,287
Working Capital Adjustments		
Increase In Receivables	-	(10,018,489)
Increase In Payables	-	1,864,645
Changes in prepayment	-	(350,000)
Net Cash Flow From Operating Activities	167,059	(974,655)

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

26. Related party balances

a) Nature of related party relationships

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

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Transfers From Related Parties ⁷	24,368,621	15,481,511
Transfers To Related Parties	-	-
Total	24,368,621	15,481,511

c) Key management remuneration

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Due From Parent Ministry		
Due From County Government	1,244,279	12,612,900
Total	1,244,279	12,612,900

e) Due to related parties

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended 30th June 2023

Other Disclosures Continued

27. Contingent assets and contingent liabilities

Contingent Liabilities		Kshs	Kshs
		FY 2022-2023	FY 2021-2022
Court Case Against the Authority	-	-	-
Bank Guarantees	-	-	-
Total	-	-	-

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

28. Financial risk management

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

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

a) Credit risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	1,244,279	-	1,244,279	-
Bank Balances	8,999	-	8,999	-
Total	1,253,278		1,253,278	
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	12,612,900	-	12,612,900	-
Bank Balances	240,438	-	240,438	-
Total	12,853,338		12,853,338	

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

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

The entity has no significant concentration of credit risk on amounts due.

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Accounts Payables	-	-	2,298,934	2,298,934
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total			2,298,934	2,298,934
At 30 June 2022				
Accounts Payables			2,291,942	2,291,942
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total			2,291,942	2,291,942

LAIKPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

c) Market risk

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

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

The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	Other currencies		Total Kshs
	Kshs	Kshs	
At 30 June 2023			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

The Authority manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Authority's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Authority to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Authority's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2022: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2021 – Kshs -).

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Notes To The Financial Statements (Continued)

d) Capital risk management.

The objective of the Authority's capital risk management is to safeguard the Authority's ability to continue as a going concern. The entity capital structure comprises of the following authorities:

Description	FY 2022-2023	FY2021-2022
	Kshs	Kshs
Revaluation reserve	-	-
Revolving authority	-	-
Accumulated surplus	-	-
Total Funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-%	-%

29. Events after the reporting period

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

30. Ultimate and Holding Entity

The entity is a County Public Authority established by Laikipia County Development Act 2014 under the Department of Finance. Its ultimate parent is the County Government of Laikipia.

31. Currency

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

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

20. Annexes

Annex I: 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame
	The statement of financial position reflects Kshs.530,335 in respect to property, plant, and equipment as at 30 June, 2022 while the assets register, reflects Kshs.892,990 in respect to the same assets resulting to unreconciled variance of Kshs.362,655 between the two records. In the circumstance, the accuracy, completeness, and ownership of the property, plant, and equipment balance of Kshs.530,335 could not be confirmed.	The assets register reflected Kshs.892,990 as this was the acquisition cost, the statement of financial position reflected Ksh.530,335 as this was the netbook value after depreciation	Resolved	
	The statement of financial position and as disclosed in Note 16 to the financial statements reflects Kshs.2,983,000 in respect to net book value of intangible assets. Information available indicated that a Consultancy Services Agreement was signed between the Authority and the Consultant for branding, marketing, and communication strategy. The contract outlined the basic phases of deliverables. However, although the Consultant had been paid an amount of Kshs.2,983,000, the contract execution period had lapsed and information available revealed that the deliverables, which included improving the Laikipia County Development Authority	This was noted. The amount of Kshs. 2,983,000 that was paid for all the deliverables had been met. The remaining amount of kshs.760,000 has not yet been paid for until the last phase of deliverables are met.		

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements For the year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame
	destination website, integrate the destination Laikipia website with other counties websites, and install tracking tools across the sites to be able to measure activities throughout the site, among others had not been met or achieved.			
	The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.25,500,000 and Kshs.15,481,511 respectively resulting to an under-funding of Kshs.10,018,489 or 39% of the budget. Similarly, the Authority expended Kshs.15,346,466 against an approved budget of Kshs.25,500,000 resulting to an under-expenditure of Kshs.10,153,534 or 40% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.	<p>The LCDA budget is arrived through pre -determined objectives. These objectives are based on programs contained and envisioned in the governor's manifesto 2018-2022 CIDP which places emphasis on enterprise growth and innovation promotion.</p> <p>The revenue source of LCDA primarily comes from transfer of funds from Laikipia County Executive. Therefore any under realization is a result of inadequate transfer from Laikipia County Executive due to under realization of Laikipia County Executive revenue budget.</p>		
	As reported in the previous year, Laikipia County Development Authority Board has ten (10) Board members, out of which seven members or 70% of the total number of the Board members were from the dominant ethnic community in the county. This is contrary to Section 7(1) and (2) of the National Cohesion and	This has been an on-going process in a bid to achieve the minimum requirements		

LAIKIPIA COUNTY DEVELOPMENT AUTHORITY
 Annual Report and Financial Statements For the year ended 30th June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Time frame
	<p>Integration Act, 2008 which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, the Authority was in breach of the law.</p>			



Laikipia County
 Laikipia County Development Authority
 Annual Report and Financial Statements for the year ended June 30, 2023

Annex II: Inter-Authority Confirmation Letter

Laikipia County Development Authority

The *Laikipia County Development Authority* wishes to confirm that no amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Authority] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Authority] (Kshs) as at 30 th June 2023				Amount Received by [beneficiary Authority] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Authority:

Name Sign Date

Laikipia County
 Laikipia County Development Authority
 Annual Report and Financial Statements for the year ended June 30, 2023

Annex III: Reporting of Climate Relevant Expenditures

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

Laikipia County
 Laikipia County Development Authority
 Annual Report and Financial Statements for the year ended June 30, 2023
 Annex IV: Reporting on Disaster Management Expenditure

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