

REPUBLIC OF KENYA



16 OCT 2018



OFFICE OF THE AUDITOR-GENERAL

REPORT

*Paper Laid on the
Table of the House
by the Leader of the
Majority Party*

PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

*on Tuesday 16th October
2018.*

ON

**THE FINANCIAL STATEMENTS OF
SMALL-SCALE IRRIGATION AND
VALUE ADDITION PROJECT
(ID NO.P-KE-AAZ-009)**

**FOR THE YEAR ENDED
30 JUNE 2017**

**STATE DEPARTMENT OF
AGRICULTURE**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
30 SEP 2017
RECEIVED



Project Name...Small-scale Irrigation and Value Addition Project (SIVAP)

Implementing Entity...State Department of Agriculture

PROJECT GRANT/CREDIT NUMBER...2000130014530

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is **Small-scale Irrigation and Value Addition Project (SIVAP)**

Objective: The key objective of the project is **To enhance food, industrial crop and livestock production in the arid and semi-arid areas of Kenya. It also seeks to ensure equity in resource distribution and improved livelihoods for all vulnerable groups in Kenya.**

Address: The project headquarters offices are **Nairobi, Nairobi County, Kenya.**

The address of its registered office is:

Hill Plaza Building 9th Floor, Ngong Road, opposite Milimani Law Courts. P.O Box 3008-00100 Nairobi, Kenya.

The project also has offices/branches as follows:

- **None**

Contacts: The following are the project contacts

Telephone: **(254) 2719013/2718870**

E-mail: **npchoa@kilimo.go.ke/npchoa1@gmail.com**

Website: **www.kilimo.go.ke**

1.2 Project Information

Project Start Date:	The project start date is 1st July 2016
Project End Date:	The project end date is 30th June 2021
Project Manager:	The project manager is Mr. Abraham Barno
Project Sponsor:	The project sponsor is African Development Bank

1.3 Project Overview

Line Ministry/State Department of the project	The Project is being implemented by the State Department of Agriculture in the Ministry of Agriculture, Livestock and Fisheries.
Project number	2000130014530
Strategic goals of the project	<ul style="list-style-type: none"> i. Supports the first Pillar (Economic) of the MTP for Vision 2030. ii. Contribute to the Political and Economic stability of Kenya.

	<p>iii. Enhances Pillar 1 of Kenya Country Strategy Paper 2014-2018.</p> <p>iv. Inclusive growth and transition towards green growth.</p> <p>v. Empowerment of women and youth.</p>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <p>(i) Invest in large multipurpose water infrastructures.</p> <p>(ii) Improve livestock production.</p>
Other important background information of the project	<p>The Project is geared towards creating wealth and empowerment in the targeted areas.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <p>(i) Poverty eradication.</p> <p>(ii) Improved crop and livestock production.</p>
Project duration	<p>The project started on 1st July 2016 and is expected to run until 30 June 2021.</p>

1.4 Bankers

The following are the bankers for the current year:

- (i) **Central Bank of Kenya (C.B.K) A/C No. 1000289058-Loan Revenue**
- (ii) **Central Bank of Kenya (C.B.K) A/C No. 1000294868-Grant Revenue**

1.5 Auditors

The project is audited by the **Kenya National Audit Office (KENAO)**

1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
Abraham Barno	ADA	Msc. Agriculture & Rural Development	Project Co-ordinator
Patricia Aruwa	ADA	Msc. Dev, Studies	M&E Specialist
Emmy Wanjohi	ADA	Msc. Gender & Agriculture	Gender Specialist

Small-scale Irrigation and Value Addition Project (SIVAP)
Reports and Financial Statements
For the financial year ended June 30, 2017

Haron Goro	PAO	Bsc. Horticulture	Horticulture Specialist
Nicodemus Mwonga	Agriculture Engineer	Bsc. Agriculture Engineer	Project Engineer
Kennedy Makudih	Agriculture Engineer	Bsc. Agriculture Engineer	Project Engineer
Evans Maguli	SSCMO	Dip. SCM	Project Procurement Specialist
Robert Gwadoya	Accountant	CPA	Project Accountant

1.7 Funding summary

The Project is for duration of 6 years from 2016 to 2021 with an approved budget of US\$ 70.684 million (use donor currency) equivalent to KShs 6,833,462,641.32 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30 th June 2017)		Undrawn balance to date (30 th June 2017)	
	Donor currency(US\$)	KShs	Donor currency(US\$)	KShs	Donor currency(US\$)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Global Agriculture and Food Security Programme	24,000,000	2,320,229,520	25,859.51	2,500,000	23,974,140.49	2,317,729,520
Insert name of donor	xxx	xxx	xxx	xxx	xxx	xxx
(ii) Loan						
African Development Bank	39,546,000	3,823,158,192	558,565.43	54,000,000	38,987,434.57	3,769,158,192
Insert name of development partner	xxx	xxx	xxx	xxx	xxx	xxx
(iii) Counterpart funds						
Government of Kenya	7,138,000	690,074,930	237,907.49	23,000,000	6,900,092.51	667,074,930
Total	70,684,000	6,833,462,642	822,332.43	79,500,000	69,861,667.57	6,753,962,642

1.8 Summary of Overall Project Performance:

- Budget performance against actual amounts for current year and for cumulative to-date,
- Physical progress based on outputs, outcomes and impacts since project commencement,
- Comment on value-for-money achievements,
- List the implementation challenges and recommended way forward.

1.9 Summary of Project Compliance:

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

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project (SIVAP) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

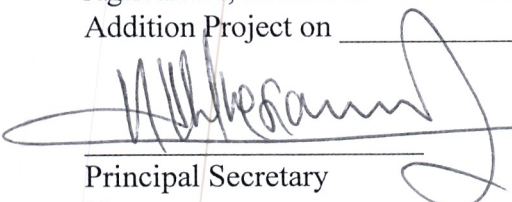
The *Principal Secretary* for the Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The *Principal Secretary* for the Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2017, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The *Principal Secretary* for the Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock and Fisheries and the *Project Coordinator* for Small-scale Irrigation and Value Addition Project on _____ 2017 and signed by them.


Principal Secretary
Name


Project Coordinator
Name


Project Accountant:
Name: ROBERT GWADDOY

14/09

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON SMALL-SCALE IRRIGATION AND VALUE ADDITION PROJECT (ID No. P-KE-AAZ-009) FOR THE YEAR ENDED 30 JUNE 2017 – STATE DEPARTMENT OF AGRICULTURE

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Small-Scale Irrigation and Value Addition Project (ID No. P-KE-AAZ-009) set out on pages 1 to 31, which comprise the statement of financial assets and liabilities as at 30 June 2017, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 35 of the Public Audit Act, 2015 and Section 5.03 of the Protocol of Agreement Grant No. 5570155000751 and Loan Agreement No. 2000130014530 signed on 4 February 2016 between the African Development Bank and the Republic of Kenya. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Small-Scale Irrigation and Value Addition Project (ID No. P-KE-AAZ-009) as at 30 June 2017 and of its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Protocol of Agreement, the Loan Agreement and Public Finance Management Act, 2012.

In addition, the special account statement presents fairly, transactions for the year, and the closing balance has been reconciled with the books of account.

Further, as required by Article 229(6) of the Constitution, I confirm that public money has been applied lawfully and in an effective manner.

Basis for Qualified Opinion

1. Statement of Comparison of Budget and Actual Amounts

The statement of comparative budget and actual amounts for the year ended 30 June 2017 does not reflect the actual amounts under the “actual on comparable basis” column. No reason has been given for this omission.

Report of the Auditor-General on the Financial Statements of Small-Scale Irrigation and Value Addition Project (ID No. P-KE-AAZ-009) for the year ended 30 June 2017- State Department of Agriculture

2. Receipts

i) The statement of receipts and payments reflects an amount of Kshs.23,000,000 being receipts from Government entities. The receipts have not however, been supported by verifiable documents.

ii) The amount of Kshs.23,000,000 reflected in the statement of receipts and payments as transfers from Government entities differs by an amount of Kshs.3,000,000 from the figure of Kshs.20,000,000 shown against the item in the trial balance.

3. Variances Between the Financial Statements and Trial Balance

Variances have been noted between figures reflected in the disclosures to the financial statements under Note 8.8 and the corresponding figures in the trial balance in respect of the following items:

Item	Financial Statements Kshs	Trial Balance Kshs	Variance Kshs
Domestic travel and subsistence	19,588,796	24,326,788	4,737,992
Training expenses	989,620	1,342,770	353,150
Hospitality supplies and services	346,617	212,330	134,287
Other Operating payments	692,000	792,468	100,468
Routine maintenance – vehicles and other transport equipment	1,108,630	1,091,630	16,913

No explanation has been provided for the above variances.

4. Cash and Cash Equivalents

i). The statement of financial assets and liabilities reflects a cash and cash equivalents balance of Kshs.38,823,299, against bank balances which differs from the cash book bank balance of Kshs.37,345,790 reflected in the two supporting bank reconciliation statements (Kshs.37,216,790 for account number 1000289058 and Kshs.129,000 for account number 1000294868). No explanation has been provided for the resulting difference of Kshs.1,477,509.

ii). The cash and cash equivalents balance of Kshs.38,823,299 shown in the statement of financial assets and liabilities also differs from the cash and cash equivalents at end of the year balance of Kshs.49,566,892 shown in the statement of cash flows. The accuracy of cash

and cash equivalents balance as at 30 June, 2017 cannot be confirmed under the circumstances.

5. Accounts Receivables

- a) The statement of financial assets and liabilities reflects an amount of Kshs.10,743,593 under accounts receivable while the corresponding Note 8.14 to the financial statements reflects outstanding imprests and advances, with a nil balance. This anomaly has not been clarified.
- b) In addition, the accounts receivable balance of Kshs.10,743,593 shown in the statement of financial assets and liabilities has not been supported with any verifiable documents including a schedule and analyses. As a result, it has not been possible to ascertain the validity, completeness and accuracy of the balance.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Small-Scale Irrigation and Value Addition Project in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

In preparing the financial statements, management is responsible for assessing the Project's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the going concern accounting assumption unless the management either intends to liquidate the Project's or to cease operations, or have no realistic alternative but to do so

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.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 of Kenya. 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 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.

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern of accounting assumption and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease 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 Project to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

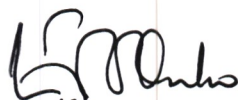
I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the African Development Bank (ADB), I confirm that:

- i. The Project funds have been used in accordance with the conditions of the Protocol of Agreement and Loan Agreement with due attention to economy, efficiency and effectiveness for purposes for which they were provided;
- ii. Counterpart funds have been provided and used in accordance with the conditions of Protocol of Agreement and Loan Agreement;
- iii. Goods and services financed have been procured in accordance with the Protocol of Agreement and Loan Agreement and the Bank's rules and procedures;
- iv. Necessary supporting documents, records and accounts have been kept in respect of all Project activities;
- v. Adequate internal control to monitor expenditure and other financial transactions and ensure safe custody of assets exists; and
- vi. Ledgers and fixed assets register for the Project's assets are maintained as required.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

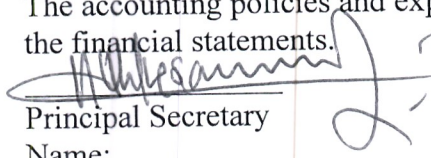
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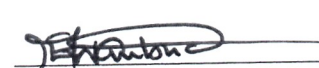
Small-scale Irrigation and Value Addition Project (SIVAP)
Reports and Financial Statements
For the financial year ended June 30th, 2017

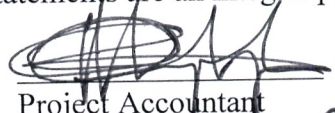
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 20XX

	Note	2016/17		2015/16		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	8.3	xxx	23,000,000	xxx	-	23,000,000
Proceeds from domestic and foreign grants	8.4	2,500,000		xxx	xxx	2,500,000
Loan from external development partners	8.5	54,000,000	64,768,500	xxx	xxx	118,768,500
Miscellaneous receipts	8.6	xxx	xxx	xxx	xxx	xxx
TOTAL RECEIPTS		56,500,000	87,768,500	Xxx	xxx	144,268,500
PAYMENTS						
Compensation of employees	8.7	xxx	3,185,000	xxx	xxx	3,185,000
Purchase of goods and services	8.8	18,332,478	8,415,630	xxx	xxx	26,748,108
Social security benefits	8.9	xxx	Xxx	xxx	xxx	xxx
Acquisition of non-financial assets	8.10	xxx	64,768,500	xxx	xxx	64,768,500
Transfers to other government entities	8.11	xxx	Xxx	xxx	xxx	xxx
Other grants and transfers and payments	8.12	xxx	Xxx	xxx	xxx	xxx
TOTAL PAYMENTS		18,332,478	76,369,130	xxx	xxx	94,701,608
SURPLUS/DEFICIT		38,167,522	11,399,370	xxx	-	49,566,892

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


 Principal Secretary
 Name:


 Project Coordinator
 Name:


 Project Accountant
 Name **ROBERT GWABOY**
 ICPAK Member Number: **14109**

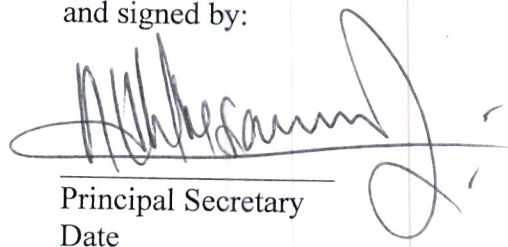
(IPSAS 1.3.24 requires an entity to separately disclose third party payments separately on the statement of receipts and payments. These are payments made by development partners directly on behalf of the entity. In recognising these transactions, the receipts must be equal to the payments made and therefore there is no surplus or deficit.)

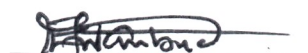
*Small-scale Irrigation and Value Addition Project (SIVAP)
Reports and Financial Statements
For the financial year ended June 30, 2017*

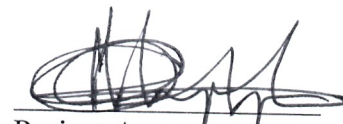
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 20XX

	Note	2016/17 KShs	2015/16 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.13.A	38,823,299.45	xxx
Cash Balances	8.13.B	xxx	xxx
Total Cash and Cash Equivalents	8.13.C	xxx	xxx
Accounts receivables – G.O.K Balance	8.14	10,743,592.55	xxx
TOTAL FINANCIAL ASSETS		49,566,892.00	xxx
REPRESENTED BY			
Fund balance b/fwd	8.15	xxx	xxx
Prior year adjustments	8.16	xxx	xxx
Surplus/Deficit for the year		49,566,892.00	xxx
NET FINANCIAL POSITION		49,566,892.00	xxx

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2017 and signed by:


Principal Secretary
Date


Project Coordinator
Date 30/9/2017


Project Accountant
Date 30/9/2017
ICPAK Member Number:
14109

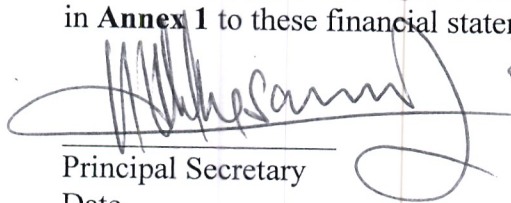
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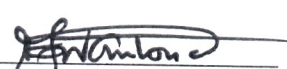
Small-scale Irrigation and Value Addition Project (SIVAP)
Reports and Financial Statements
For the financial year ended June 30, 2017

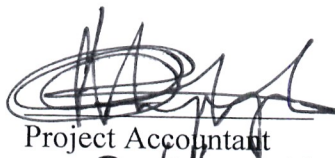
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	23,000,000		23,000,000			100%
Proceeds from domestic and foreign grants	2,500,000		2,500,000			100%
Proceeds from borrowings	118,768,500		118,768,500			100%
Miscellaneous receipts						
Total Receipts	144,268,500		144,268,500			100%
Payments						
Compensation of employees	3,185,000		3,185,000			100%
Purchase of goods and services	26,748,108		26,748,108			100%
Social security benefits						
Acquisition of non-financial assets	64,768,500		64,768,500			100%
Transfers to other government entities						
Other grants and transfers						
Total Payments	94,701,608		94,701,608			100%

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


Principal Secretary
Date


Project Coordinator
Date 30/9/2017


Project Accountant
Date 30/9/2017
ICPAK Member No.

14109

8. NOTES TO THE FINANCIAL STATEMENTS

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

8.1. Basis of Preparation

8.1.1. Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

8.1.2. Reporting entity

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

8.1.3. Reporting currency

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

8.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Repayment of borrowing (principal amount)**

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

- **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Pending bills

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

g) Budget

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

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

h) Third party payments

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

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Exchange rate differences

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

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 20XX.

l) Errors

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2016/17 KShs	2015/16 KShs	Cumulative to-date
<i>Counterpart funding through Ministry xxx</i>			
Counterpart funds Quarter 1	11,500,000.00	xxx	11,500,000.00
Counterpart funds Quarter 2	xxx	xxx	xxx
Counterpart funds Quarter 3	xxx	xxx	xxx
Counterpart funds Quarter 4	11,500,000.00	xxx	23,000,000.00
<i>Other transfers from government entities</i>			
Ministry xx	xxx	xxx	xxx
Ministry xy	xxx	xxx	xxx
Project zxy	xxx	xxx	xxx
Agency xz	xxx	xxx	xxx
Appropriations-in-Aid	xxx	xxx	xxx
	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

[Provide explanation as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 20xx we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						FY 2016/17	FY 2015/16
			KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)							
Global Agriculture & Food Security Programme	xxx		2,500,000			2,500,000	Xxx
Grants Received from Multilateral Donors (International Organisations)							
Insert name of international organization	xxx					xxx	Xxx
Grants Received from Local Individuals and organisations							
Insert name of individual or local organisation	xxx					xxx	Xxx
Total						2,500,000	Xxx

*. The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that the adequate documents and support document is requested from the donors to support this grant.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 20xx we received funding from development partners in form of negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs		FY16/17	FY15/16
Loans Received from Bilateral Donors (Foreign Governments)						
African Development Bank	xxx	xxx	54,000,000	64,768,500	118,768,500	xxx
Loans Received from Multilateral Donors (International Organisations)						
Insert name of international organization	xxx	xxx	xxx	xxx	xxx	xxx
Total					118,768,500	XXX

8.6. MISCELLANEOUS RECEIPTS

	FY 2016/17			FY 2015/16	Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs	KShs	KShs		
Property income	xxx	xxx	xxx	Xxx	xxx
Sales of goods and services	xxx	xxx	xxx	Xxx	xxx
Administrative fees and charges	xxx	xxx	xxx	Xxx	xxx
Fines, penalties and forfeitures	xxx	xxx	xxx	Xxx	xxx
Voluntary transfers other than grants	xxx	xxx	xxx	Xxx	xxx
Other receipts not classified elsewhere	xxx	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx	xxx

[Provide explanation as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.7. COMPENSATION OF EMPLOYEES

	FY 2016/17			FY 2015/16	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
-					
Basic salaries of permanent employees	xxx	xxx	xxx	xxx	xxx
Basic wages of temporary employees	xxx	xxx	xxx	xxx	xxx
Personal allowances paid as part of salary	xxx	3,185,000	3,185,000	xxx	3,185,000
Personal allowances paid as reimbursements	xxx	xxx	xxx	xxx	xxx
Personal allowances provided in kind	xxx	xxx	xxx	xxx	xxx
Pension and other social security contributions	xxx	xxx	xxx	xxx	xxx
Compulsory national social security schemes	xxx	xxx	xxx	xxx	xxx
Compulsory national health insurance schemes	xxx	xxx	xxx	xxx	xxx
Social benefit schemes outside government	xxx	xxx	xxx	xxx	xxx
Other personnel payments	xxx	xxx	xxx	xxx	xxx
Total	<u>xxx</u>	<u>3,185,000</u>	<u>3,185,000</u>	<u>xxx</u>	<u>3,185,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.8. PURCHASE OF GOODS AND SERVICES

	FY 2016/17			FY 2015/16	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KS hs	KShs
Utilities, supplies and services	70,000	xxx	70,000	xx x	70,000
Communication, supplies and services		1,299,000	1,299,000	xx x	1,299,000
Domestic travel and subsistence	17,354,896	2,233,900	19,588,796	xx x	19,588,796
Foreign travel and subsistence	xxx	xxx	xxx	xx x	xxx
Printing, advertising and – information supplies & services		1,664,998	1,664,998	xx x	1,664,998
Rentals of produced assets	xxx	xxx	xxx	xx x	xxx
Training payments	586,200	403,420	989,620	xx x	989,620
Hospitality supplies and services	227,887	118,730	346,617	xx x	346,617
Insurance costs	xxx	xxx	xxx	xx x	xxx
Specialised materials and services	xxx	xxx	xxx	xx x	xxx
Other operating payments	xxx	692,000	692,000	xx x	692,000
Routine maintenance – vehicles and other transport equipment	56,027	1,052,603	1,108,630	xx x	1,108,630
Routine maintenance- – other assets	xxx	xxx	xxx	xx x	xxx
Exchange rate losses/gains (net)	xxx	xxx	xxx	xx x	xxx
Total	18,332,478	8,415,630	26,748,108	X X X	26,748,108

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[Provide explanation as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.9. SOCIAL SECURITY BENEFITS

	FY 2016/17			FY 2015/16	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs		
Government pension and retirement benefits	xxx	xxx	xxx	xxx	xxx
Social security benefits in cash and in kind	xxx	xxx	xxx	xxx	xxx
Employer social benefits in cash and in kind	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx

[Provide explanation as necessary]

8.10. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2016/17			FY 2015/16	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs		
Purchase of buildings	xxx	xxx	xxx	xxx	xxx
Construction of buildings	xxx	xxx	xxx	xxx	xxx
Refurbishment of buildings	xxx	xxx	xxx	xxx	xxx
Construction of roads	xxx	xxx	xxx	xxx	xxx
Construction of civil works	xxx	64,768,500	64,768,500	xxx	64,768,500
Overhaul & refurbishment of construction and civil works	xxx	xxx	xxx	xxx	xxx
Purchase of vehicles & other transport equipment	xxx	xxx	xxx	xxx	xxx
Overhaul of vehicles & other transport equipment	xxx	xxx	xxx	xxx	xxx

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Purchase of household furniture & institutional equipment	xxx	xxx	xxx	xxx	xxx
Purchase of office furniture & general equipment	xxx	xxx	xxx	xxx	xxx
Purchase of specialised plant, equipment and machinery	xxx	xxx	xxx	xxx	xxx
Rehabilitation & renovation of plant, equipment & machinery	xxx	xxx	xxx	xxx	xxx
Purchase of certified seeds, breeding stock and live animals	xxx	xxx	xxx	xxx	xxx
Research, studies, project preparation, design & supervision	xxx	xxx	xxx	xxx	xxx
Rehabilitation of civil works	xxx	xxx	xxx	xxx	xxx
Acquisition of strategic stocks	xxx	xxx	xxx	xxx	xxx
Acquisition of land	xxx	xxx	xxx	xxx	xxx
Acquisition of other intangible assets	xxx	xxx	xxx	xxx	xxx
Total	xxx	64,768,500	64,768,500	xxx	64,768,500

[Provide explanation as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2017, we transferred funds to reporting government entities as shown below:

	FY 2016/17			FY 2015/16	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
Ministry ABC	xxx	xxx	xxx	Xxx	xxx
Project XYZ	xxx	xxx	xxx	Xxx	xxx
	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>
Transfers to County Government					
County ABC	xxx	xxx	xxx	Xxx	xxx
County XYZ	xxx	xxx	xxx	Xxx	xxx
	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>Xxx</u>	<u>xxx</u>
TOTAL	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2016/17			FY 2015/16	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	xxx	xxx	xxx	xxx	xxx
Transfers to lower levels of government e.g schools	xxx	xxx	xxx	xxx	xxx
Miscellaneous payments	xxx	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx	xxx

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2016/17	2015/16
	KShs	KShs
Bank accounts (Note 8.13A)	38,823,299.45	xxx
Cash in hand (Note 8. 13B)	xxx	xxx
Cash equivalents (short-term deposits) (Note 8.13C)	xxx	xxx
Total	<u>38,823,299.45</u>	<u>xxx</u>

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

8.13. A Bank Accounts

Project Bank Accounts

	2016/17	2015/16
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	xxx	xxx
Kenya Commercial Bank [A/c No.....]	xxx	xxx
Co-operative Bank of Kenya [A/c No.....]	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total Foreign Currency balances	<u>xxx</u>	<u>xxx</u>
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No1000289058]	38,757,316.45	xxx
Central Bank of Kenya [A/c No1000294868]	65,913.00	xxx
Co-operative Bank of Kenya [A/c No.....]	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
Total local currency balances	<u>38,823,299.45</u>	<u>xxx</u>
Total bank account balances	<u>38,823,299.45</u>	<u>xxx</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 20xx are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2016/17	2015/16
	KShs	KShs
(i) A/c Name [A/c No.....]		
Opening balance	xxx	xxx
Total amount deposited in the account	xxx	xxx
Total amount withdrawn (as per Statement of Receipts & Payments)	xxx	xxx
Closing balance (as per SDA bank account reconciliation attached)	xxx	xxx
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	xxx	xxx
Total amount deposited in the account	xxx	xxx
Total amount withdrawn (as per Statement of Receipts & Payments)	xxx	xxx
Closing balance (as per SDA bank account reconciliation attached)	xxx	xxx

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix xx* support these closing balances.

8.13. B Cash In Hand

	2016/17	2015/16
	KShs	KShs
Location 1	xxx	Xxx
Location 2	xxx	Xxx
Location 3	xxx	Xxx
Other locations (<i>specify</i>)	xxx	Xxx
Total cash balances	xxx	xxx

[Provide a cash count certificate for each location above]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. C Cash equivalents (short-term deposits)

	2016/17	2015/16
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	xxx	xxx
Co-Operative Bank of Kenya [A/C No.....]	xxx	xxx
Others (<i>Specify</i>)	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>

[Provide short appropriate explanations as necessary]

8.14. OUTSTANDING IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2017</i>	<i>Balance 2016</i>
Total	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>	<u>xxx</u>

8.15. FUND BALANCE BROUGHT FORWARD

	2016/17	2015/16
	KShs	KShs
Bank accounts	xxx	xxx
Cash in hand	xxx	xxx
Cash equivalents (short-term deposits)	xxx	xxx
Outstanding imprests and advances	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16. PRIOR YEAR ADJUSTMENT

	2016/17	2015/16
	KShs	KShs
Bank accounts	xxx	xxx
Cash in hand	xxx	xxx
Cash equivalents (short-term deposits)	xxx	xxx
Receivables - Outstanding Imprests	xxx	xxx
	xxx	xxx
Total	<u>xxx</u>	<u>xxx</u>

[Provide short appropriate explanations as necessary]

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9. OTHER IMPORTANT DISCLOSURES

9.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)

	2016/17	2015/16
	KShs	KShs
Construction of buildings	xxx	xxx
Construction of civil works	xxx	xxx
Supply of goods	xxx	xxx
Supply of services	xxx	xxx
	xxx	xxx

9.2 PENDING STAFF PAYABLES (See Annex 2B)

	2016/17	2015/16
	KShs	KShs
Permanent employees - management	xxx	xxx
Permanent employees - others	xxx	xxx
Temporary employees	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

9.3 OTHER PENDING PAYABLES (See Annex 2C)

	2016/17	2015/16
	KShs	KShs
Amounts due to National Government entities	xxx	xxx
Amounts due to County Government entities	xxx	xxx
Amounts due to third parties	xxx	xxx
Others (<i>specify</i>)	xxx	xxx
	xxx	xxx

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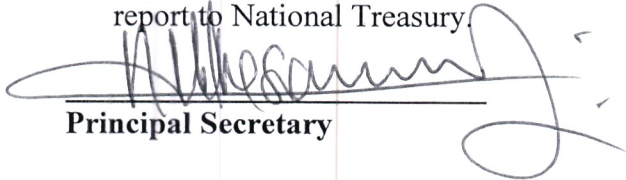
10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Principal Secretary

Date



Project Coordinator

Date 30/9/2017

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	xxx	xxx	xxx	xxx	
Proceeds from domestic and foreign grants	xxx	xxx	xxx	xxx	
Proceeds from borrowings	xxx	xxx	xxx	xxx	
Miscellaneous receipts	xxx	xxx	xxx	xxx	
Total Receipts	xxx	xxx	xxx	xxx	
Payments					
Compensation of employees	xxx	xxx	xxx	xxx	
Purchase of goods and services	xxx	xxx	xxx	xxx	
Social security benefits	xxx	xxx	xxx	xxx	
Acquisition of non-financial assets	xxx	xxx	xxx	xxx	
Transfers to other government entities	xxx	xxx	xxx	xxx	
Other grants and transfers	xxx	xxx	xxx	xxx	
Total payments	xxx	xxx	xxx	xxx	

Explain all variance below 90% and above 100%

- (i) Xxx
- (ii) Xxx
- (iii) Xxx

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ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

Small-scale Irrigation and Value Addition Project (SIVAP)
Reports and Financial Statements
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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2017	Outstanding Balance 2016	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
1.							
2.							
3.							
Sub-Total							
Permanent Employees - Others							
4.							
5.							
6.							
Sub-Total							
Temporary employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

*Small-scale Irrigation and Value Addition Project (SIVAP)
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ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

Xxxx Project
Statement of Budget Performance
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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 20xx/xx (a)	*Purchases/Additions in the Year (KShs) 20xx/xx (b)	**Disposals in the Year (KShs) 20xx/xx (c)	Closing Cost (KShs) 20xx (d)= (a)+ (b)-(c)
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total				

Notes

* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

Xxxx Project
Statement of Budget Performance
For the year ended June 30, 20XX

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)

