



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

 THE NATIONAL ASSEMBLY REPORT PAPERS LAID	
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THE AUDITOR-GENERAL

ON

**AQUACULTURE BUSINESS DEVELOPMENT
PROGRAMME (IFAD LOAN NO.2000002052)**

**FOR THE YEAR ENDED
30 JUNE, 2020**

**STATE DEPARTMENT FOR FISHERIES,
AQUACULTURE AND
THE BLUE ECONOMY**



**PROGRAMME NAME: AQUACULTURE BUSINESS DEVELOPMENT
PROGRAMME(ABDP)**

**IMPLEMENTING ENTITY: MINISTRY OF AGRICULTURE, LIVESTOCK AND
FISHERIES**

**STATE DEPARTMENT FOR FISHERIES, AQUACULTURE AND THE BLUE
ECONOMY**

PROGRAMME LOAN NUMBER: 2000002052

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2020

**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

Programme Name: Aquaculture Business Development Programme (ABDP)

Objectives

The Programme Development Objective is to increase the incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture in the targeted Counties.

Address: The programme headquarters offices are Nyeri, Nyeri County, Kenya.

Physical Address: IFAD Building

Postal Address: P.O. Box 904-10100, Nyeri, Kenya

Other Contacts:

E-mail: info@abdpku.org

Telephone: 0721 490056, 0750 484817, 0754 929293

The programme has a Regional Coordination Office based in Kisumu:

Telephone: 0701 100677, 0781 005151

1.2 Programme Information

Programme Start Date:	22 nd June 2018
Programme Closing Date:	March 2026
Programme Coordinator:	Mr. Sammy Macaria
Programme Donor/Sponsor:	Government of Kenya (GOK), International Fund For Agriculture Development (IFAD) and Beneficiaries
Programme Supervisor:	International Fund for Agricultural Development (IFAD)



Aquaculture Business Development Programme (ABDP)
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1.3 Programme Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture, Livestock, Fisheries and Cooperatives while the Lead Implementing Agency under the Ministry is the State Department for Fisheries, Aquaculture and Blue Economy.
Programme Financing Numbers	IFAD Loan No. 2000002052
Strategic goals of the Programme	(i) To raise the efficiency, profitability and sustainability of ongoing and new aquaculture activities in mixed smallholder farming systems, with associated nutrition activities to improve diet quality and food security of the wider rural communities (ii) To improve the efficiency of the whole aquaculture value chain, with a concentration of Programme effort and resources on operations that either include smallholders directly or demonstrably benefit the mass of small-scale producers.
Achievement of strategic goals	The Programme management aims to achieve the goals through the following means: (i) Ensuring the Programme's interventions move the country (especially the Programme Areas) towards achieving the "Big Four" Initiative through food and nutrition security; (ii) Creating conducive environment for investment in Aquaculture through sustainable Public Private Producer Partnerships (PPPPs); (iii) Enhance leadership and integrity in the management of resources for improved rural livelihoods of small holder aquaculture farmers and other value chain players; and (iv) Supporting smallholder aquaculture farmers to graduate from subsistence to commercially-oriented aquaculture practices through improvements in productivity, post-harvest management and effective market linkages for the produce.
Other important background	The Programme is national in scope but targeting Counties with high concentrations of aquaculture activity, high

information of the programme	production, existing sectoral infrastructure (processing, marketing and research), adequate water resources and marketing potential. The Programme started implementation in six (6) Counties in the first year and has expanded from the second year to reach a maximum of fifteen (15) namely, Homa Bay, Migori, Kakamega, Kisii, Kisumu, Siaya and Busia (in Western Kenya Region) and Kirinyaga, Nyeri, Meru, Tharaka Nithi, Embu, Kiambu, Machakos and Kajiado (in Central/Eastern Region). The Programme is structured around three components: Component 1 - Smallholder Aquaculture Development Smallholder aquaculture development aims to raise the efficiency, profitability and sustainability of ongoing and new aquaculture activities in mixed smallholder farming systems, with associated nutrition activities to improve diet quality and food security of the wider rural communities. In doing so, the Programme is promoting viable business activities based on aquaculture through group and enterprise mobilization, training and support, investment in productive infrastructure, and the transfer of technical and business skills. This component is organised into three subcomponents, namely; ▶ Smallholder aquaculture production, ▶ Development of enterprises in support of smallholder aquaculture production, and ▶ Community nutrition initiatives. The expected outcome for this component is to improve production, productivity as well as food security and diet quality of smallholder farmers. Component 2 - Aquaculture Value Chain Development Aquaculture value chain development is supporting the expansion of the subsector by promoting the establishment and scaling up of agribusiness enterprises of all sizes, including rural groups that “graduate” to a more advanced and stable business model. The Component complements the substantial strategic investments in primary producers (under component 1), through linking smallholders and beneficiaries’ groups to other successful emergent enterprises and larger businesses in the value chain to ensure that smallholders have access to quality inputs, technical expertise, post-harvest technologies
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and marketing channels. This is being achieved through creation of public private producer partnerships (PPPPs), including developing proper risk allocation measures, such as provision of matching grants to the private sector to alleviate the inherent risks in developing partnerships with smallholders. The component is also supporting policy engagement, public economic infrastructure, extension services, aquaculture research, quality assurance services, financial services and business development capacity.

This component is organised into two subcomponents, namely;

- ▶ Smallholder-based aquaculture value chain development, and
- ▶ Aquaculture sector enabling environment and support services.

Component 3 - Programme Management, Monitoring and Evaluation

Programme Management, Monitoring and Evaluation facilitates the implementation support structure for Components' activities and investments through providing physical and financial management; procurement; knowledge management; and monitoring and evaluation functions.

Implementing arrangements

The implementation arrangements for the Programme is set out in the Programme Implementation Manual (PIM). The Lead Agency coordinating the implementation of the Programme is the State Department for Fisheries, Aquaculture and the Blue Economy (SDFA&BE) in the Ministry of Agriculture, Livestock and Fisheries. The Programme Steering Committee (PSC) under the chairmanship of the PS, SDFA&BE is responsible for reviewing Programme progress against targets, assessing management effectiveness, deciding on corrective measures where appropriate while the Programme Coordination Unit (PCU) the day-to-day coordination and management of the Programme, and according to the financing agreement between the Government of Kenya (GoK) and the IFAD.

At the County Level, the Programme implementation is being done using existing County structures and spearheaded by the County Programme Implementation Teams (CPITs) that were established in line with the signed Memorandum of Understanding (MoUs) with Counties.

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Current situation that the programme was formed to intervene	The programme was formed to intervene in the following areas: (i) Improve food and nutritional security in line with the Government Big Four Agenda and Kenya's Economic Blueprint – The Vision 2030, and (ii) Reduce poverty of majority rural poor involved in aquaculture farming through improvement of incomes and standards of living.
Programme duration	The Programme started on 22 nd June 2018 and is expected to run until March 2026

1.4 Bankers

The following are the bankers for the current year:

1.4.1 Programme Designated Special Bank Accounts in Central Bank of Kenya

ABDP IFAD Loan Account No... **1000391798**

1.4.2 Programme Operational Bank Accounts

ABDP National Bank - Nyeri branch Account No. **01071216470700**

1.5 Auditors

The programme is audited by the Office of the Auditor General.

1.6 Roles and Responsibilities of key programme staff

The following is the list and roles of Key Programme staff.

S/N	Names	Title designation	Key qualification	Responsibilities
1	Sammy Macaria	Programme Coordinator	Masters Fisheries (Aquaculture), BSC Fisheries Management.	Programme Coordination
2	Ruth K. Ng'aarua	Finance and Administration Manager	Masters in Finance, B. Com, Accounting, CPA(K), CPS(K)	Finance and Administration activities
3	Grace W Njagi	Aquaculture Specialist	Masters Fisheries Science, BSC and Biochemistry	Aquaculture services and leader of

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S/N o	Names	Title designation	Key qualification	Responsibilities
			Chemistry.	Component 1
4	Michael Waweru	Senior Knowledge Management and M&E Officer	Masters of Arts in Economics, BSc in Economics & Statistics, CPA(K), CIFA.	Knowledge management, Monitoring and Evaluation
5	Ruth Lewo Mwarabu	Aquaculture Specialist	Master in Tropical Aquatic Ecology, BSc Applied Aquatic Science.	Aquaculture services and leader of Component 2
6	Samuel M. Ikima	Procurement Specialist	Masters Purchasing and Supplies Mgt, Bachelor in Business Administration- Human Resource, CIPS.	Procurement Services
7	Irene W. Machua	Programme Accountant	BA (Finance and Accounting), CPA(K).	Accounting services
8	Beryl A. Odhiambo	Regional Accountant	B.Com-Accounting, CPA(K), CIFA Part 2	Accounting Services
9	Esther N. Waweru	Programme Assistant	Master of Business Administration (MBA) - Strategic Management, Bachelor of Commerce – HRM, CPS(K), Diploma in Business Management	Administration activities
10	Kelly O. Owillah	Programme Assistant	Master of Arts in Project Planning, Bachelor of Arts Degree (Economics & Mathematics), Diploma in Community Development	Administration activities
11	Lucy W. Mungai	Office Assistant	Diploma in Secretarial Studies Certificate in Public Relations and Customer Care Certificate in computer applications.	Administration activities

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1.7 Funding summary

The approved budget for ABDP Programme is USD 143.3 Million equivalent of approximately Kshs. 14.9 billion as highlighted in the table below:

Source of funds	Donor Commitment-		Amount received to date – (30. 06. 2020)		Undrawn balance to date (30. 06. 2020)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	USD	Kshs.	USD	Kshs	USD	Kshs
(i) Loan						
IFAD-Loan	67,900,000	7,060,242,000	2,076,680	215,933,256	65,823,319	6,844,308,744
(ii) Grant						
IFAD-Grant to FAO	400,000	41,592,000	0	0	400,000	41,592,000
(iii) Counterpart funds						
Government of Kenya	31,400,000	3,264,972,000	2,481,118	257,986,630	28,918,882	3,006,985,370
(iv) Contributions in Kind						
Beneficiary Contributions	43,600,000	4,533,528,000	0	0	43,600,000	4,533,528,000
TOTAL	143,300,000	14,900,334,000	4,557,798	473,919,886	138,742,202	14,426,414,114

1.8 Summary of Overall Programme Performance

- ▶ The budget performance against actual amounts for current year is at 57%.
- ▶ The main activities and achievements attained during the period include;
 - Setting up of Kisumu Regional Coordination office;
 - Recruitment of additional PCU staff;
 - Sensitization of 15 Programme Implementing Counties and presentation of draft MOUs;
 - Signing of MOUs with the first 6 (six) Programme Implementing Counties namely Migori, Kakamega, Homabay, Nyeri, Meru and Kirinyaga;
 - Procurement of Programme Vehicles both for Programme Coordinating Unit and 6 (six) Implementing Counties;

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- Preparation of Consolidated AWPB and PP for 2020/21 Financial Year for PCU and Implementing Counties;
 - Training of Fisheries Extension Staff on Farmers Field School Methodology;
 - Training of Fisheries Extension staff on Aquaculture Production for cold water fishes;
 - Conducting eat more fish campaigns;
 - Rehabilitation and upgrading of Sagana Aquaculture Training Centre;
 - Re-printing of Fish Recipe Booklet for use in Community Nutrition Training;
 - Restocking of 4 (four) Community Dams in Homabay, Kakamega, Machakos and Kajiado Counties;
 - Procurement of pond Materials for beneficiaries in Kirinyaga, Meru, Nyeri and Migori Counties.
 - Rapid assessment of effects of floods in the Western Region Counties;
 - Procurement and operationalization of Finance and Accounting software;
-
- ▶ While conducting the above activities, the management endeavoured to adhere to the approved budget ceiling per activity. Efficiency in resource utilization was emphasized.
 - ▶ The main challenge experienced during project implementation and proposed way forward include;
 - Lengthy Procurement Process for Consultancy services; Biweekly meetings between Procurement Specialist and IFAD Procurement Consultant to fast track the process. The programme has recruited a procurement assistant to support the component;
 - Effects of flood and Covid 19 where most of the Programme activities were delayed; Rapid assessment on effects of floods was conducted which came up with the mitigation plan which the Programme will apply;

1.9 Summary of Programme Compliance:

There were no significant cases of non-compliance with applicable laws and regulations and essential external financing agreements.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The key development objectives of the Aquaculture Business Development Programme 2018-2026 plan as per the programme design is to increase the incomes, food security and nutritional status of the wider communities of poor rural households involved in aquaculture in the Programme Implementing Counties.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Ministry of Agriculture Livestock, Fisheries and Cooperatives-State Department For Fisheries Aquaculture & Blue Economy-Aquaculture Business development Programme	To develop enterprises in support of smallholder aquaculture production.	Development of enterprises in support of smallholder aquaculture production.	300 fishponds constructed, upgraded or rehabilitated and stocked with fish	160 fishponds rehabilitated
			4 dams to be restocked with fingerlings.	4 dams- Mwamba Dam in Kakamega, Kodhiambo Dam in Homabay, Emkaroni Dam in Kajiado and Ekalasaa Dam in Machakos restocked.
	To improve Community nutrition initiatives.	Improved Community nutrition initiatives.	1 curriculum developed on nutrition education.	14,000 copies reviewed and re-printed of the FAO Fish Recipe Booklet "Upishi wa Samaki wa Maji Matamu".

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				And distributed to the Implementing Counties.
			6 schools targeted for support to improve nutrition through production and consumption of fish and fish products	Rescheduled to be undertaken in FY 20/21
			2 Fish Fair Events organised to Improve Fish Recipe and Value-Added Product Development /m	4 Eat More Fish Campaigns were conducted in Meru, Nyeri, Kakamega and Tharaka Nithi Counties.
	To promote Aquaculture sector enabling environment and support services.	Aquaculture sector enabling environment and support services.	2 trainings for extension officers in the Programme Implementing Counties.	1 refresher training conducted in Sagana, 1 training on Cold water fishes conducted in Kiganjo Trout Centre
			Knowledge management Strategy developed to support aquaculture.	A Draft KM Strategy was developed and will be validated with stakeholders during the next FY

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			2 extension services training facilities rehabilitated through Programme support	BOQs for Sagana and RIAT were Developed.
			Number of public infrastructure upgraded and/or strengthened (markets, hatcheries, stores etc.) by the Programme	Postponed due to covid 19

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Aquaculture Business Development Programme exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile

As a development intervention, ADBP is embedded in the evolving GOK structures and has no separate existence or need for an exit strategy. The Programme has inbuilt economic sustainability. The strengthening and use of existing public services and community structures has established a strong institutional framework that would support sustainability. Beneficiaries and stakeholders have been prepared through effective training and advice and an orderly gradual transfer of ownership and management responsibilities.

2. Environmental performance

The programme will engage a consultant to conduct environmental impact assessment of existing/ new ponds and reservoirs in all the Programme implementing Counties to ensure environmentally friendly best aquaculture practices would have a positive impact on the physical agricultural landscape, in particular the efficient use of scarce water resources.

3. Employee welfare

The programme ensures gender mainstreaming during hiring of staff. In the setting up of the office facility, consideration has been put in place for the people living with disabilities to ensure that there is ease of movements by constructing ramp. Staff development plans have been put in place and staff are continually supported to improve their skills through short term course. Staff performance appraisal and reward systems are conducted semi-annually. The Programme has provided staff with medical insurance and Work Injury Benefit Act (WIBA) insurance.

4. Market place practices

During procurement of goods and services, the programme has ensured that there is competition through advertisement of tenders on programme websites and National Newspapers. The programme ensures that there is value for money while ensuring quality of good, works and services.

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The adheres to the procurement guidelines whereby the government provide that Women, Youth and people living with disabilities are given 30% of all the procurement in the reporting period.

5. Community Engagements

The programme has provided fingerlings for community dams. Involvement of community in the programme activities through contribution of labour, and materials.

4. STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture, Livestock and fisheries, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2020. 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 Programme; (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 Programme; (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, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme accept responsibility for the Programme'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, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme are of the opinion that the Programme's financial statements give a true and fair view of the state of Programme's transactions during the financial year ended June 30, 2020, and of the Programme's financial position as at that date. The *Principal Secretary* for the Ministry of Agriculture, Livestock and fisheries, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme 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, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme confirm that the Programme has complied fully with applicable Government

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Regulations and the terms of external financing covenants, and that Programme funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Programme financial statements

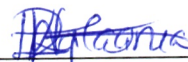
The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock and fisheries, State Department for fisheries, Aquaculture and Blue Economy and the *Programme Coordinator* for Aquaculture Business Development Programme on 22nd December 2020 and signed by them.



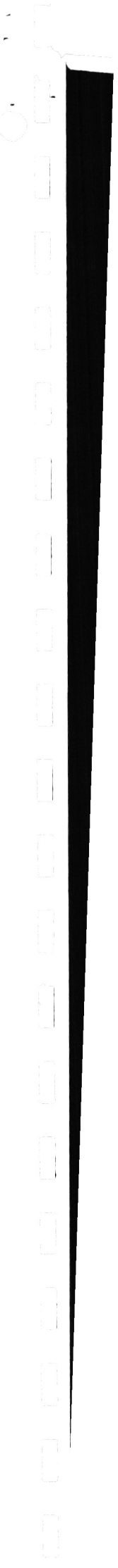
Principal Secretary
Name: Prof Micheni Ntiba



Programme Coordinator
Name: Sammy Macaria

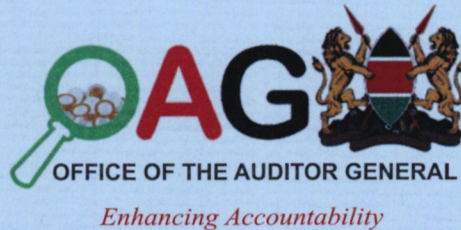


Project Fin.&Admin Manager:
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ICPAK Member NO. 21799



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REPORT OF THE AUDITOR-GENERAL ON AQUACULTURE BUSINESS DEVELOPMENT PROGRAMME (IFAD LOAN NO.2000002052) FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR FISHERIES, AQUACULTURE AND THE BLUE ECONOMY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Aquaculture Business Development Programme set out on pages 1 to 25, which comprise of the statement of financial assets as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Aquaculture Business Development Programme as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Article IX Section 9.03 of the General Conditions of the Financing Agreement for Loan No.2000002052 dated 22 June, 2018 between the International Fund for Agricultural Development (IFAD) and the Republic of Kenya and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Aquaculture Business Development Programme 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

Report of the Auditor-General on Aquaculture Business Development Programme (IFAD Loan No.2000002052) for the year ended 30 June, 2020 – State Department for Fisheries, Aquaculture and The Blue Economy

believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, 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

1. Budget Control and Performance

The statement of comparative budget and actual amounts reflects actual receipts of Kshs.318,921,886 against final receipts budget of Kshs.582,010,073, resulting in underfunding of Kshs.263,088,187 or 45% of the budget. Further, Management spent Kshs.329,718,993 against the final payments budget of Kshs.582,010,073 resulting in an under expenditure of Kshs.252,291,080 or 43% of the budget. The Management has attributed the under expenditure to delay in procurement of consultancy services and Covid-19 restrictions.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public

2. Pending Bills

As disclosed under Note 9.1 to the financial statements and analyzed in Appendix 2A to the financial statements, the Programme had pending bills totalling Kshs.44,563,997 for supply of services as at 30 June, 2020. It has not been explained why the pending bills were not cleared by the end of the year yet the Programme had a cash and cash equivalents balance of Kshs.79,886,346 as at 30 June, 2020.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Compliance with the Public Procurement and Asset Disposal Act, 2015.

The statement of receipts and payments reflects acquisition of non-financial assets of Kshs.41,873,958 . Included in the balance is Kshs.7,437,471 incurred on procuring and installing an accounting software. The approved budget for the procurement of the software was Kshs.5,763,000. However, Management used restricted tendering and awarded the tender to the firm that quoted Kshs.7,437,471.60 instead of the lowest evaluated bidder of Kshs.4,240,960 as per tender opening committee.

Management did not avail supporting documents for use of restricted tendering, why the bid price was more than the budget and evidence showing that the unsuccessful bidders was notified. This is contrary to Section 87(3) of the Public Procurement and Asset Disposal Act, 2015.

Consequently, Management is 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 overall governance were not effective.

Basis for Conclusion

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by IFAD and the Republic of Kenya, except for the matters under Other Matter and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I report based on my audit, that: -

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Programme so far as appears from the examination of those records; and
- iii. The Programme's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Programme's ability to continue to sustain its 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 Programme or cease operations.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Programme 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 overall 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Programme'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 Programme 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 Programme 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

31 December, 2020

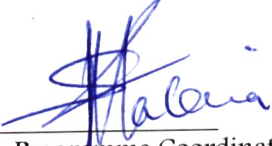
Aquaculture Business Development Programme (ABDP)
Annual Reports and Financial Statements for the financial year ended 30th June 2020

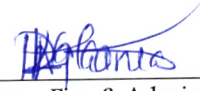
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	FY 2019/20		FY 2018/19		Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	
		Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Receipts from Government of Kenya-Cash	8.3 a)	102,986,630	-	155,000,000	-	257,986,630
Receipts from Government of Kenya-In kind Contribution	8.3 b)	-	72,249,820	-	-	72,249,820
Proceeds from Domestic and Foreign Grants	8.4	-	-	-	-	-
Loan from External Development Partners	8.5	156,004,765	59,928,491	-	-	215,933,256
Miscellaneous Receipts	8.6	2,000	-	10,000	-	12,000
TOTAL REVENUES		258,993,395	132,178,311	155,010,000	-	546,181,706
PAYMENTS						
Compensation of Employees	8.7	55,635,346	-	5,193,636	-	60,828,982
Purchase of goods and services	8.8	172,281,198	-	27,586,713	-	199,867,911
Social Security Benefits	8.9	-	-	-	-	-
Acquisition of Non-financial Assets	8.10	41,873,958	59,928,491	31,546,198	-	133,348,647
Transfers to Other Government Entities	8.11	-	-	-	-	-
Other grants and transfers and payments-In-kind contribution	8.12	-	72,249,820	-	-	72,249,820
TOTAL PAYMENTS		269,790,502	132,178,311	64,326,547	-	466,295,360
DEFICIT		10,797,107	-	90,683,453	-	79,886,346

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


Principal Secretary
Name: Prof Micheni Ntiba


Programme Coordinator
Name: Sammy Macaria


Programme Fin. & Admin Manager:
Name: Ruth Ng'arua
ICPAK Member No. 21799

Aquaculture Business Development Programme (ABDP)
Annual Reports and Financial Statements for the financial year ended 30th June 2020

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019/20	2018/19
		KES	KES
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.13A	79,855,854	90,683,453
Cash Balances	8.13B	30,492	0
Cash Equivalents	8.13C		0
Total Cash and Cash equivalents		79,886,346	90,683,453
Accounts Receivables-Imprests and Advances	8.14	-	0
TOTAL FINANCIAL ASSETS		79,886,346	90,683,453
REPRESENTED BY:			
Fund balance B/FWD	8.15	90,683,453	0
Prior year adjustments	8.16		0
Deficit for the year		-10,797,107	90,683,453
NET FINANCIAL POSITION		79,886,346	90,683,453

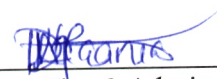
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 22nd December 2020 and signed by:



Principal Secretary
Name: Prof Micheni Ntiba



Programme Coordinator
Name: Sammy Macaria



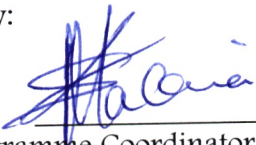
Programme Fin. & Admin Manager:
Name: Ruth Ng'arua
ICPAK Member No. 21799

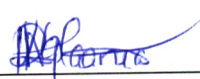
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019/20	2018/19
	Note	KES	KES
Receipts for operating income			
Transfer from Government entities	8.3	102,986,630	155,000,000
Proceeds from domestic and foreign grants	8.4	0	0
Miscellaneous receipts	8.6	2,000	10,000
Cash Flow from operating income		102,988,630	155,010,000
Payments from operating expenses			
Compensation of employees	8.7	-55,635,346	5,193,636
Purchase of goods and services	8.8	-172,281,198	27,586,713
Social Security benefits	8.9	0	0
Transfers to other government entities	8.11	0	0
Other grants and transfers	8.12	0	0
Adjustments During the year			
Adjustments for Decrease/Increase in Receivables	8.16	0	0
Net cash flow from operating activities		-124,927,914	122,229,651
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8.10	-41,873,958	31,546,198
Net cash flows from Investing Activities		-41,873,958	(31,546,198)
CASHFLOW FROM BORROWING ACTIVITIES			
Loans from External Development Partner			
Foreign borrowing	8.5	156,004,765	0
Net cash flow from financing activities		156,004,765	0
NET INCREASE IN CASH AND CASH EQUIVALENT		-10,797,107	90,683,453
Cash and cash equivalent at BEGINNING of the year		90,683,453	0
Cash and cash equivalent at END of the year		79,886,346	90,683,453

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 22nd Dec 2020 and signed by:


Principal Secretary
Name: Prof Micheni Ntiba

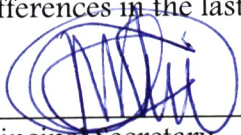

Programme Coordinator
Name: Sammy Macaria

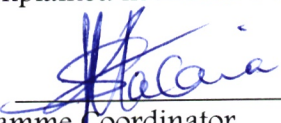

Programme Fin. & Admin Manager
Name: Ruth Ng'arua
ICPAK Member No. 2179

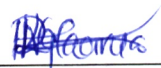
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=d-c	f=d/c %
Receipts						
Transfer from Government entities (GOK)	205,973,260	0	205,973,260	102,986,630	102,986,630	50%
Proceeds from domestic and foreign grants	0	0	0	0	0	0
Loans from external development Partners	327,876,956	48,159,857	376,036,813	215,933,256	160,103,557	57%
Miscellaneous receipts	0	0	0	2,000	2,000	0
Total Receipts	533,850,216	48,159,857	582,010,073	318,921,886	263,088,187	55%
Payments						
Compensation of employees	58,363,503	0	58,363,503	55,635,346	2,728,157	95%
Purchase of goods and services	317,688,861	95,629,858	413,318,718	172,281,198	241,037,520	42%
Social Security benefits	0	0	0	0	0	0
Acquisition of non-financial assets	132,797,852	-22,470,000	110,327,852	101,802,449	8,525,403	92%
Other grants and transfers and payments	25,000,000	-25,000,000	0	0	0	0
Total Payments	533,850,216	48,159,858	582,010,073	329,718,993	252,291,080	57%

Note: The overall budget utilization is **57%**. The significant budget utilization/performance differences in the last column are explained in **Annex 1** to these financial statements.


Principal Secretary
Name: Prof Micheni Ntiba


Programme Coordinator
Name: Sammy Macaria


Programme Fin. & Admin Manager:
Name: Ruth Ng'arua
ICPAK Member No. 21799

10. 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.

8.1.2. Reporting entity

The financial statements are for ABDP Programme 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 Programme 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 partner.

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 Programme currently under development where conditions have been satisfied or their on-going 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.

- **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



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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

- **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.

e) 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.

f) 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

g) 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.

h) 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.

i) 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.

j) Third party payments

These are payments made on behalf of the Programme to third parties in form of loans and grants. These payments do not constitute cash receipts and payments.

k) 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.

l) 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.

m) 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, 2020.

n) Errors

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3 RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government. The Programme received a total of KES 102,986,630 in cash and KES 72,249,820 as in-kind contribution for the period being reported. Expenditures amounting to KES 139,585,935.43 in cash and KES 72,249,820 in-kind were paid out. Below find the counterpart part receipt:

	2019/20	2018/2019	Cumulative-to-date
	KES	KES	KES
<i>a) Counterpart funding through Ministry Agriculture, Livestock and Fisheries</i>			
Counterpart funds Quarter 1	0	0	0
Counterpart funds Quarter 2	0	0	0
Counterpart funds Quarter 3	102,986,630.00	0	102,986,630.00
Counterpart funds Quarter 4	0	155,000,000.00	155,000,000.00
Totals	102,986,630.00	155,000,000.00	257,986,630.00

	2019/20	2018/2019	Cumulative-to-date
	KES	KES	KES
<i>b) Counterpart funding-In-kind Contribution</i>			
Counterpart funds for the FY	72,249,820	0	72,249,820
Totals	72,249,820	0	72,249,820

8.4 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months' period to 30 June 2020, the programme did not receive any grant proceeds.

8.5 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months' period to 30 June 2020, the programme received KES 215,933,256 from loan proceeds. KES 156,004,765 was in form of Loan Revenue and KES 59,928,491 in form of direct payment for Programme Motor Vehicles. Below find Loan receipt;

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
		USD			FY 2019/20	FY 2018/19
			KShs	KShs	KShs	KShs
Loans Received from Bilateral Donors (Foreign Governments)						
	-	-	-	-	-	-
Loans Received from Multilateral Donors (International Organizations)						
International Fund for Agricultural Development	17/10/2019 18/02/2020 16/06/2020	752,427.03 772,999.00	156,004,765	59,928,491	215,933,256	
Total		1,525,422.03	156,004,765	59,928,491	215,933,256	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.6 MISCELLANEOUS RECEIPTS

Cash amounting to KES 2,000 was paid in Nyeri County Bank Account to activate the account.

Particulars	FY 2019/20			FY 2018/19	Cumulative to-Date
	Receipts controlled by the Entity	Receipts controlled by third parties	Total Receipts		
	KES	KES	KES	KES	KES
Cash receipt for account activation	2,000	0	10,000.00	10,000	12,000 .00
Other Cash receipt	0	0	0	0	0
Totals	2,000	0	10,000.00	10,000	12,000.00

8.7 COMPENSATION OF EMPLOYEES

	FY 2019/20			FY 2018/19	Cumulative
	Payments controlled by the Entity	Payments controlled by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of Contractual employees	53,622,076	0	53,622,076	4,817,529.00	58,439,605
Basic Wages of temporary employees	1,518,270	0	1,518,270	26,107.00	1,544,377
Personal allowances paid as reimbursement	495,000	0	495,000	350,000.00	845,000
Pension and other social security contributions	0	0	0	0	0
Compulsory national social security schemes	0	0	0	0	0
Compulsory national health insurance schemes	0	0	0	0	0
Social benefit schemes outside government	0	0	0	0	0
Other personnel payments	0	0	0	0	0
Total	55,635,346	0	55,635,346	5,193,636	60,828,982

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.8. PURCHASE OF GOODS AND SERVICES

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	16,124,944	-	16,124,944	1,657,209	17,782,153
Communication, supplies and services	2,197,801	-	2,197,801	1,758,850	3,956,651
Domestic travel and subsistence	88,980,363	-	88,980,363	16,341,200	105,321,563
Foreign travel and subsistence	-	-	-	-	-
Printing, advertising and – information supplies & services	18,731,601	-	18,731,601	389,992	19,121,593
Rentals of produced assets	-	-	-	-	-
Training payments	32,564,914	-	32,564,914	-	32,564,914
Hospitality supplies and services	2,623,190	-	2,623,190	691,070	3,314,260
Insurance costs	4,283,854	-	4,283,854	-	4,283,854
Refined Fuel and lubricants	1,382,301	-	1,382,301	2,010,000	3,392,301
General office supplies	3,542,635	-	3,542,635	3,869,976	7,412,611
Specialized materials and services	-	-	-	0	-
Other operating payments	228,682	-	228,682	14,050	242,732
Routine Maintenance- Motor Vehicle	1,273,021	-	1,273,021	610,224	1,883,245
Routine maintenance – other assets	337,892	-	337,892	244,142	582,034
Refunds and Adjustments	10,000	-	10,000		10,000
Total	172,281,198	-	172,281,198	27,586,713	199,867,911

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.9. SOCIAL SECURITY BENEFITS

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Government pension and retirement benefits	0	0	0	0	0
Social security benefits in cash and in kind	0	0	0	0	0
Employer social benefits in cash and in kind	0	0	0	0	0
Total	0	0	0	0	0

8.10. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of buildings	0	0	0	0	0
Construction of buildings	0	0	0	0	0
Refurbishment of buildings	21,610,062	0	21,610,062	8,290,201	29,900,263
Purchase of vehicles & other transport equipment	6,658,721	59,928,491	66,587,212	0	66,587,212
Overhaul of vehicles & other transport equipment	0	0	0	0	0
Purchase of household furniture & institutional equipment	0	0	0	0	0
Purchase of office furniture & general equipment	13,605,175	0	13,605,175	23,255,997	36,861,172
Total	41,873,958	59,928,491	101,802,449	31,546,198	133,348,647

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2020, the Programme transferred KES **20,962,858.00** to the Programme implementing Counties. As at 30th June 2020, the Counties had spent KES 15,406,571. Balances at the closure of the Financial Year was KES 5,556,287 for all the Counties. The table below indicates the funds transferred per County, amount spent and balances therein;

Funding for the County and Reported Expenditures as at 30th June 2020			
Name	Amount Funded (KES)	Expenditure as at 30th June 2020	Balance
Nyeri	3,491,600.00	2,412,955.00	1,078,645.00
Kirinyaga	3,463,500.00	2,878,092.00	585,408.00
Meru	3,382,250.00	1,834,950.00	1,547,300.00
Kakamega	3,936,900.00	2,036,962.00	1,899,938.00
Homabay	3,513,208.00	3,293,458.00	219,750.00
Migori	3,175,400.00	2,859,694.00	315,706.00
Total	20,962,858.00	15,316,111.00	5,646,747.00

8.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

During the 12 months to 30 June 2020, the Programme incurred expenses as in-kind contribution by the Government being office rent for NPCU Nyeri and Region Coordinating Office in Kisumu, Staff seconded to the Programme, tax exemption for procurement of Vehicles and External audit services. The total amounted to KES 72,249,820.

8.13 A. CASH AND CASH EQUIVALENTS C/FWD

	2019/20	2018/19
	Kshs	Kshs
Bank accounts (Note 8.13A)	79,855,854	90,683,453
Cash in hand (Note 8.13B)	30,492	0
Cash equivalents (short-term deposits) (Note 8.13C)	~	0
Outstanding imprests and advances (Note 8.13D)	~	0
Total	79,886,346	90,683,453

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The Programme has 1 Programme accounts and 1 foreign currency designated accounts managed by the National Treasury as listed below:

		2019/20	2018/19
<u>Foreign Currency Accounts</u>		USD	USD
Central Bank –Ac. No. 1000391798		0	0
<u>Local Currency Accounts</u>		Kshs	Kshs
National Bank Account No. 01071216470700		73,813,871.00	90,683,453
Homabay County KCB Acc 1265492328		211,750.00	
Migori County KCB Acc 1266907971		315,706.00	
Kakamega County KCB Acc 1267506172		1,899,938.00	
Kirinyaga County KCB Acc 1265975272		699,374.00	
Nyeri County National Bank Acc 01071221865200		1,367,915.00	
Meru County KCB Acc 1266598448		1,547,300.00	
Total local currency balances		79,855,854	90,683,453

Special Deposit Accounts

The programme has made two withdrawals from the Designated Account amounting to USD 1,525,422.03. Below is the movement schedule.

Special Deposit Accounts Movement Schedule

	USD	USD
(i) A/C Name [A/c No. 1000391798]		
Opening balance	N/A	
Total amount deposited in the account		2,634,589.44
Total amount withdrawn (as per Statement of Receipts & Payments)	1,525,422.03	
Closing balance (as per SDA bank account reconciliation attached)	1,109,163.89	1,109,163.89

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. B Cash In Hand

As at 30th June 2019, the Programme did not have any cash in hand

	2019/20	2018/19
	Kshs	Kshs
PCU	22,492	0
Homabay County	8,000	0
Total cash balances	30,492	0

8.13. C Cash equivalents (short-term deposits)

As at 30th June 2020, there were no short-term deposits

	2019/20	2018/19
	Kshs	Kshs
Bank 1..... [A/C No.....]	0	0
Bank 2..... [A/C No.....]	0	0
Others (<i>Specify</i>)	0	0
	0	0
Total	0	0

8.14. Outstanding Imprests and advances

As at 30th June 2020, there were no 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 2020</i>
	TOTAL				

8.15 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	Kshs	Kshs
Bank accounts	90,683,453	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	90,683,453	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16 PRIOR YEAR ADJUSTMENT

	2019/20	2018/19
	Kshs	Kshs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Receivables ~ Outstanding Imprests	0	0
	0	0
Total	<u>0</u>	<u>0</u>

11. OTHER IMPORTANT DISCLOSURES

9.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)

	2019/20	2018/19
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	44,563,997	4,062,925.75
	44,563,997	4,062,925.75

9.2 PENDING STAFF PAYABLES (See Annex 2B)

	2019/20	2018/19
	Kshs	Kshs
Permanent employees - management	0	0
Permanent employees - others	0	0
Temporary employees	0	0
Others (<i>specify</i>)	0	0
Total	<u>0</u>	<u>0</u>

9.3 OTHER PENDING PAYABLES (See Annex 2C)

There were no other pending payables as at 30th June 2020.

	2019/20	2018/19
	Kshs	Kshs
Amounts due to National Government entities	0	0
Amounts due to County Government entities	0	0
Amounts due to third parties	0	0
Others (<i>specify</i>)	0	0
Total	0	0

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12.PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following are issues, findings and recommendation during 2018/19 FY audit.

Referenc e No. on the external audit Report	Issue Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designa tion)	Status: (Resolve d / Not Resolved)	Timefram e: (Put a date when you expect the issue to be resolved)
4.1	Late submission of Financial Statement	Funds were transferred to Kiganjo National Trout Hatchery and the State Department initially thought it should be accounted as normal government expenditure through Kieni East Suspense Account. After wider consultation, it was agreed that the funds were for Programme Preparatory activities and thus to be accounted for by the Programme.	Sammy Macaria - Progra mme Coordin ator	Resolved	N/A
4.2	Difference between AIE issued and financial	The excess of KES 370,400 was meant for			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	statement	expenditure for State Department at the District Fisheries Nyeri.			
4.3	Audit Inspection- ➤ No hand over report of assets; ➤ No procurement reports; ➤ Procurement of Deep freezers and fish ball machine for Kiganjo Trout Centre using programme funds	➤ The only asset which ABDP/IFA D had was the building which was handed over by the County Government of Nyeri to the state department on 1st Dec 2017. ➤ The procurement records were available and can be available. However, as at then, S3 cards for stores were in the	Sammy Macaria - Programme Coordinator	Resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		process of being developed. ➤ The deep freezer were for value addition outlet for eat more fish campaign which is one of the activities under component 1 of the programme			

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

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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

22/12/2020
Date



Programme Coordinator

22/12/2020
Date

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ANNEXES

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 DURING THE YEAR/PERIOD					
Cash Balance B/F	-	-			
Government of Kenya	205,973,260	102,986,630	102,986,630	50%	Total funds disbursed by the GOK was half the allocated amount for the period
External financing	376,036,813	215,933,256	160,103,557	57%	The Programme received loan Revenue of KES 156,004,765 and Direct Payments of KES 59,928,491.
Miscellaneous receipts	N/A	2,000	2,000		
Total receipts	582,010,073	318,921,886	263,088,187	55%	
PAYMENTS DURING THE YEAR/PERIOD					
Compensation of employees	58,363,503	55,635,346	2,728,157	95%	All staff for the Programme have been recruited
Purchase of goods and services	413,318,719	172,279,198	241,039,521	42%	Delay in the procurement of Consultancy Services and also the effect of Covid 19 affected utilization of funds.
Social Security benefits	0	0	0	0	
Acquisition of non-financial assets	110,327,852	101,802,449	8,525,403	92%	Motor cycles were not procured

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Other grants and transfers and payments	0	0	0	0	
Total payments	582,010,074	329,718,993	252,291,081	57%	

ANNEX 2 A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings						
				~		
				~		
Sub-Total	~		~	~	~	
Construction of civil works						
				~		
				~		
Sub-Total	~		~	~	~	
Supply of Services						
Pension	73,625.00	31/03/2020	0	73,625.00	0	Staff Pension for March 2020
Pension	73,625.00	30/04/2020	0	73,625.00	0	Pension for April 2020
Pension	73,625.00	29/05/2020	0	73,625.00	0	Pension for May 2020
Commissioner of Income Tax	73,993.00	10/6/2020	0	73,993.00	0	For Contractors WHT
Commission		16/06/2020	0		0	For Contractors

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ner of Income Tax	6,033.00			6,033.00		WHT
Grace Njagi	3,401,000.00	18/06/2020	0	3,401,000.00	0	Cash for FFS Training
New Fortis Sacco	100,000.00	25/06/2020	0	100,000.00	0	Sacco deductions for June 2020
Mwito Sacco	105,004.00	25/06/2020	0	105,004.00	0	Sacco deductions for June 2020
National Treasury Revenue Collection	73,625.00	25/06/2020	0	73,625.00	0	Sacco deductions for June 2020
Britam	15,684.00	25/06/2020	0	15,684.00	0	Insurance deductions for June 2020
Commissioner of Income Tax	951,706.00	25/06/2020	0	951,706.00	0	PAYE for June 2020
NSSF	5,600.00	25/06/2020	0	5,600.00	0	NSSF for June 2020
NHIF	28,800.00	25/06/2020	0	28,800.00	0	NHIF for June 2020
Mhasibu Sacco	30,000.00	25/06/2020	0	30,000.00	0	Sacco Deductions for June 2020
HELB	8,000.00	25/06/2020	0	8,000.00	0	Staff Helb deductions for June 2020
Toyota Kenya	14,213.00	30/06/2020	0	14,213.00	0	Routine maintenance of vehicle
Lugeo General Supplies	81,400.00	30/06/2020	0	81,400.00	0	Cleaning Services
Toyota Kenya	54,004.00	30/06/2020	0	54,004.00	0	Routine maintenance of vehicle
Adybet Enterprises	88,125.00	30/06/2020	0	88,125.00	0	Curtains for Kisumu RCO
Mweru Hotel	273,400.00	30/06/2020	0	273,400.00	0	Catering services during training on data collection
Irene Wanjiku	906,849.00	30/06/2020	0	906,849.00	0	Cash withdrawal for office use
Nation Media Group	801,403.00	30/06/2020	0	801,403.00	0	Advertisement Services
All state Media	188,000.00	30/06/2020	0	188,000.00	0	Supply of Masks and Sanitizers During training of

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						County Staff
Infogen Solutios	63,156.00	30/06/2020	0	63,156.00	0	Office networking and Cabling
Markan General Suppliers & Contractors	650,000.00	30/06/2020	0	650,000.00	0	Renovation of Sanaga Aquaculture Training Centres
Markan General Suppliers & Contractors	650,000.00	30/06/2020	0	650,000.00	0	Renovation of Sanaga Aquaculture Training Centres
Markan General Suppliers & Contractors	657,987.00	30/06/2020	0	657,987.00	0	Renovation of Sanaga Aquaculture Training Centres
Commissioner Of Income Tax	67,516.00	30/06/2020	0	67,516.00	0	Renovation of Sanaga Aquaculture Training Centres
Sheywe Guest House	850,000.00	30/06/2020	0	850,000.00	0	Catering Services during FSS Training
Sheywe Guest House	740,860.00	30/06/2020	0	740,860.00	0	Catering Services during FSS Training
Irene Wanjiku	80,000.00	30/06/2020	0	80,000.00	0	Payment for Security Services
Mackteck Solutions	82,100.00	30/06/2020	0	82,100.00	0	Supply of office stationeries and printing materials
Legit Ventures	855,266.00	30/06/2020	0	855,266.00	0	Furniture Sagana Aquaculture Training Centres
Legit Ventures	855,266.00	30/06/2020	0	855,266.00	0	Furniture Sagana Aquaculture Training Centres
Legit Ventures	855,266.00	30/06/2020	0	855,266.00	0	Furniture Sagana Aquaculture Training Centres
Euphonia Contractors Ltd	852,226.00	30/06/2020	0	852,226.00	0	Furniture Sagana Aquaculture Training Centres
Euphonia Contractors Ltd	852,226.00	30/06/2020	0	852,226.00	0	Furniture Sagana Aquaculture Training Centres
Euphonia Contractors Ltd	852,226.00	30/06/2020	0	852,226.00	0	Furniture Sagana Aquaculture Training Centres

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Jewlet Enterprises	500,000.00	30/06/2020	0	500,000.00	0	Restocking of K'Odhiambo Community Dam in Homabay County
Jewlet Enterprises	500,000.00	30/06/2020	0	500,000.00	0	Restocking of K'Odhiambo Community Dam in Homabay County
Jewlet Enterprises	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Mwamba Dam in Kakamega County
Jewlet Enterprises	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Mwamba Dam in Kakamega County
Paradise Fish Farm	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Inkalaasa Community Dam in Machakos County
Paradise Fish Farm	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Inkalaasa Community Dam in Machakos County
Paradise Fish Farm	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Enkaroni/Malep Community Dam in Kajiado County
Paradise Fish Farm	500,000.00	30/06/2020	0	500,000.00	0	Restocking of Enkaroni/Malep Community Dam in Kajiado County
Pann Printers Limited	750,000.00	30/06/2020	0	750,000.00	0	Re-printing of Fish Recipe Booklet for use in Community Nutrition Training
Pann Printers Limited	750,000.00	30/06/2020	0	750,000.00	0	Re-printing of Fish Recipe Booklet for use in Community Nutrition Training
Pann Printers Limited	774,300.00	30/06/2020	0	774,300.00	0	Re-printing of Fish Recipe Booklet for use in Community Nutrition Training
Skyshepherd Security Services	29,000.00	30/06/2020	0	29,000.00	0	Security Services
Regiment		30/06/2020	0		0	Furniture for the

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Distributors Ltd	503,766.00			503,766.00		office
Mackteck Solutions	193,500.00	30/06/2020	0	193,500.00	0	FFS Training in Kakamega
Prime Variable covers Ltd	4,859,600.00	30/06/2020	0	4,859,600.00	0	Pond materials for Nyeri County
Gallant link ltd	4,960,000.00	30/06/2020	0	4,960,000.00	0	Pond materials for Migori County
Irritec Ltd	4,660,000.00	30/06/2020	0	4,660,000.00	0	Pond materials for Meru County
River best	4,880,000.00	30/06/2020	0	4,880,000.00	0	Pond materials for Kirinyaga County
Ibinda Limited	1,060,200.00	30/06/2020	0	1,060,200.00	0	Purchase of tablets for extension staff
Anchor Security Services	327,116.00	30/06/2020	0	327,116.00	0	Security services for Kisumu RCO
All state Media	20,000.00	30/06/2020	0	20,000.00	0	Sanitizers for use during FFS training
Holly Wood service Station	49,966.00	26/06/2020	0	49,966.00	0	Fuel Expenses
Ann Nyaguthii Kimotho	64,000.00	26/06/2020	0	64,000.00	0	Telephone Expenses
Maureen Gathigia	2,000.00	30/06/2020	0	2,000.00	0	Activation of Bank Account
Jalis Enterprises Ltd	200,000.00	30/06/2020	0	200,000.00	0	Fuel Expenses
Priwama Enterprises	88,720.00	30/06/2020	0	88,720.00	0	Office Stationeries
Sub-Total	44,563,997	-		44,563,997	-	-

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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 2019/20	Outstanding Balance 2018/19	Comment
		a	b	c			
Permanent Employees - Management							
Sub-Total							
Permanent Employees - Others							
Sub-Total							
Others							
Sub-Total							
Grand Total							

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ANNEX 3 - SUMMARY OF FIXED ASSETS REGISTER

Asset class		Purchases/Ad ditions in the Year	Disposals in the Year	
	Opening Cost	(KShs)	(KShs)	Closing Cost
	(KShs)	2019/20	2019/20	(KShs)
	2019/20			2019/20
	(a)	(b)	(c)	(d)= (a)+ (b)- (c)
Land				-
Buildings and structures	-	-		-
Transport equipment	-	66,587,212	-	66,587,212
Office equipment, furniture and fittings	12,118,461.1 0	10,788,575		22,907,036
ICT Equipment, Software and Other ICT Assets	14,469,512.0 0	2,816,600		17,286,112
Other Machinery and Equipment				-
Heritage and cultural assets				-
Intangible assets				-
Total	26,587,973	80,192,387	-	106,780,360

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ANNEX 4 - TRIAL BALANCE FOR THE YEAR ENDED 30TH JUNE 2020

ITEM DESCRIPTION	DR	CR
	Kshs	Kshs
Fund balances B/F		90,683,453
Proceeds from domestic and foreign Grants		-
Loans from External development Partners		215,933,256
Transfer from Government Entities- Cash Transfer		102,986,630
Transfer from Government Entities-In kind contribution		72,249,820
Miscellaneous Receipt-Account activation-Nyeri County		2,000.00
Compensation to employees	55,635,345.75	
Utilities, supplies and services	16,124,944.13	
Communication, supplies and services	2,197,801.00	
Domestic travel and subsistence	88,980,363.00	
Printing, advertising and - information supplies & services	18,731,601.00	
Training expenses	32,564,914.00	
Hospitality supplies and services	2,623,190.00	
Insurance costs	4,283,854.00	
Fuel and lubricants	1,382,301.00	
General office	3,542,635.00	
Other operating expenses	228,682.00	
Routine maintenance - vehicles	1,273,021.00	
Purchase of office furniture & general equipment	13,605,175	
Routine maintenance – fixxing of office locks	337,892	
Refurbishment of Building	21,610,062	
Acquisition of Fixed assets	66,587,212.00	
Refunds and Adjustments	10,000.00	
Other Grants and Transfer- In kind Contribution	72,249,820.00	
Bank balances as at 30th June 2020	79,855,854.00	

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Cash balance as at 30th June 2020	30,492.00	
TOTALS	481,855,159.00	481,855,159.00

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ANNEX 5

In- Kind Contribution

ABDP IN KIND CONTRIBUTION						
AS AT 30TH JUNE 2020						
ITEM	Description	FY 2018/19 - KES	Dec 2019 - KES	June 2020 - KES	Total	NOTES
Office Rent						
	Nyeri PCU	877,500	2,106,000	2,106,000	5,089,500	1
	Kisumu RCO	-	640,000	960,000	1,600,000	2
		877,500	2,746,000	3,066,000	6,689,500	
Salaries					-	
	Seconded Driver - Driver 1	108,995	261,588	261,588	632,171	3
	Seconded Driver - Driver 2	137,325	329,580	329,580	796,485	
	Seconded Driver - Driver 3	129,250	310,200	310,200	749,650	
	Seconded Driver - Driver 4	-	-	338,820	338,820	
	Seconded Office -Assistant	-	-	431,280	431,280	
	County Accountants- 6			335,993	335,993	
		375,570	901,368	2,007,461	3,284,399	
Vehicle					-	
	GK A463E -115.89 4200cc Petrol Over 5years		3,401,371	897,403	4,298,774	4
	GK A862E - 101.15 2500cc Petrol Over 5years		2,317,347	793,522	3,110,868	
	GK B747C - 101.15 4200cc Petrol Over 5years		2,088,141	-	2,088,141	
	GK A182T - 67.10 2800cc Petrol Over 5 years		-	759,637	759,637	
	GKA871V -60.25 2200cc Petrol Over 5 years		247,109	152,635	399,745	
		-	8,053,968	2,603,196	10,657,164	
Tax						
	Vehicle tax exemption			37,066,172	37,066,172	5
	Tax paid bygovernment	-	3,863,234	6,220,266	10,083,500	
Audit fees		-	-	4,469,085	4,469,085	6
Grant Total		1,253,070	15,564,570	55,432,181	72,249,820	

The total Government In-Kind Contribution to the ABDP Programme is **KES 72,249,820** equivalent to **USD 716,764** as highlighted in the table above:

Notes

1. The monthly rent for the Programme Coordinating Unit offices in Nyeri is estimated at Ksh 351,000 per month inclusive of the service charges, as per the evaluation carried out by the Ministry of Land and Physical Planning – Nairobi in collaboration with the Nyeri County Planning office. (letter dated 20th February 2020). The calculation is from the day operation started in Nyeri on the 15th April 2019.
2. The evaluation of the Regional Coordinating office in Kisumu office was completed. The calculations for the same are in reference to the report issued by the Ministry

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of Land and Physical Planning – Kisumu. The Programme occupied the office since September 2019.

3. The Government seconded Four full-time drivers from the State Department for Fisheries Aquaculture & Blue Economy. Three of the drivers joined the Programme since April 2019 and one of them joined the in March 2020. An Office Assistant has also been seconded to the Programme since March 2020.

The salaries expense also include contribution by the county accounts (initial 6 implementing counties) for the period ended 30th June. This is an approximation based on the market rate.

4. Vehicle mileage has been charged as per the mileage sheets and the corresponding AA rates.
5. The tax expense includes tax exemption for the purchase of Programme vehicles as well as the tax component paid by via counterpart funding for IFAD funded activities.
6. The audit expense is an estimate of how much it would cost if an independent firm was engaged. ABDP used Ernst and Young quote for the same.

**FORM 104/B - DESIGNATED ACCOUNT RECONCILIATION STATEMENT
(IMPREST)**

(IN THE SPECIAL ACCOUNT DENOMINATION CURRENCY - IMPREST OPTION)

WA No.: 5

Project Title: Aquaculture Business Development Programme (ABDP)

Reporting Period: 1/4/2020 to 30/06/2020

IFAD Financing No.: IFAD 2000002052

DESIGNATED ACCOUNT (Bank Account No. 1000391798)

BANK NAME: Central Bank of Kenya

				USD
1 AMOUNT ADVANCED BY IFAD				
Initial Disbursement of 26/09/2019				2,000,000
TOTAL ADVANCED BY IFAD				2,000,000
2 LESS TOTAL AMOUNT JUSTIFIED TO IFAD				
APPLICATION NO.	DATE	USD	AMOUNT	
subtotal of 2				2,000,000.00
3 EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (Line 1 less Line 2)				
				2,000,000.00
4 BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENTS AS OF [DATE: 30/06/2020]				
				1,109,163.41
5 PLUS BALANCE OF THE PROJECT ACCOUNT(S) (LISTED SEPARATELY)				
BALANCE OF ABDP ACCOUNT NO.01071210470700	103.61	1,927,384.53		18,602.30
BALANCE OF ABDP ACCOUNT NO.01071210470700	100.78	71,886,486.47		713,301.12
CASH AT HAND BALANCE	100.78	22,492.00		223.18
BALANCE OF ABDP COUNTIES BANK ACCOUNT				
NYERI COUNTY ABDP ACCOUNT NO. 01071221865200	100.78	1,367,915.00		13,573.28
KIRINYAGA COUNTY ABDP ACCOUNT NO. 1265975272	100.78	699,374.00		6,939.61
MERU COUNTY ABDP ACCOUNT NO. 1266598448	100.78	1,547,300.00		15,353.24
MIGORI COUNTY BDP ACCOUNT NO. 1266907971	100.78	315,706.00		3,132.63
KAKAMEGA COUNTY ABDP ACCOUNT NO. 1267506172	100.78	1,899,938.00		18,852.33
HOMABAY COUNTY ABDP ACCOUNT NO. 1265492328	100.78	211,750.00		2,101.11
HOMABAY COUNTY-CASH AT HAND	100.78	8,000.00		79.38
subtotal of 5				792,158.18
TOTAL OF BANK BALANCES [DESIGNATED A/C, PCU & CASH IN HAND BALANCE] (Line 4 + Line 5)				1,901,321.59
6 PLUS TOTAL AMOUNT CLAIMED IN THIS WA NO 5				KES 63,159,892.04
				623,401.59
7 PLUS TOTAL AMOUNT WITHDRAWN FROM THE DESIGNATED ACCOUNT AND NOT YET CLAIMED FOR REPLENISHMENT				
subtotal of 7				
REASON: Advances to staff not yet fully accounted for and Eligible amount of expenditures for which a WA has not yet been prepared				
8 PLUS AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS BUT NOT YET CREDITED AT THE DATE OF BANK STATEMENT AND/OR CLAIMED AFTER DATE OF BANK STATEMENT				
APPLICATION NO.	DATE	USD	AMOUNT	
subtotal of 8				
9 MINUS INTEREST EARNED (to be completed. If zero, please enter '0')				
10 TOTAL ADVANCE ACCOUNTED FOR (Line 4 through Line 9)				2,524,723.18
11 EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 10				(524,723.18)
	PREVIOUS KES	WA 5 KES	TOTAL KES	EXCHANGE RATE
GOK Counterpart Funding-Cummulative	(196,891,520.73)		(196,891,520.73)	100.78
Counterpart financial resources spent(GOK)	117,745,973	70,916,933	188,662,906	100.78
Cheques not yet cleared/presented to Bank		(44,652,987)	(44,652,987)	100.78
Subtotal of 11				(524,723.18)
12 DATE: 30/07/2020				
SIGNATURE:				
Name in Full		IRENE WANJIKU MACHUA		
Title in Full		PROGRAMME ACCOUNTANT		

Results 1 - 4 of 4

Run Date: 06/07/2020 Run Time: 16:36:29
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER: 1000391798

ACCOUNT TITLE: AQUACULT. BUS. DEVT NAT'L GOVT DA A
30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
1	26/09/2019	FT19269H2SN8	AQUACULT FUND	0.00	2,000,000.00
2	17/10/2019	FT19290NRW6P	PA123140	-752,427.03	0.00
3	18/02/2020	FT20049WFVMD	PA124404	-772,999.00	0.00
4	08/06/2020	FT201601LQR6	FUNDING	0.00	634,589.44
CLOSING BALANCE: 1109163.41					

END OF ACCOUNT STATEMENT

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Account equals 1000391798
 Statement From equals 20190701
 Statement To equals 20200630

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