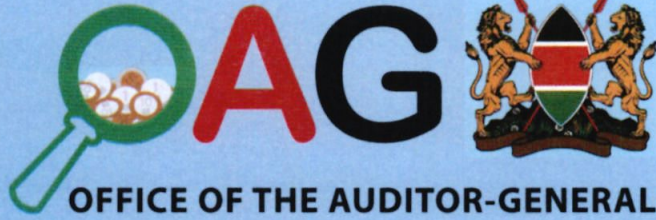


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**KIRINYAGA COUNTY INVESTMENT AND
DEVELOPMENT AUTHORITY**

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

PAPERS LAID	
DATE	27/2/2025
TABLED BY	Majority Whip
COMMITTEE	
CLERK AT THE TABLE	Angela



KIRINYAGA COUNTY GOVERNMENT

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024

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

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

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KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*(Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

2. Key Entity Information and Management

a) Background information

Kirinyaga Investment and Development Authority was established by and derives its authority and accountability from Kirinyaga Investment and Development Authority Act, 2018. Kirinyaga Investment and Development Authority Act, 2018 was assented to on 14th August 2018 and the Act was published thereafter. The Authority is domiciled under the Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development Department.

The Authority's objective is to provide for the establishment of the legal and institutional framework for the promotion and coordination of investments and development activities within the County. The Authority's principal activity is to provide for the establishment of the legal and institutional framework for investment and development activities within Kirinyaga County.

Principal Activities

As articulated under Section 5 of the Kirinyaga Investment and Development Authority Act 2018, the functions of the Authority are as below:

- a) holding property and assets on behalf of the County Government for the purposes of investment and development;
- b) negotiating and undertaking investments on behalf of the County Government to generate revenue;
- c) negotiating and undertaking any development initiative for the County with a business or social purpose;
- d) identifying strategic investment opportunities for the benefit of the county;
- e) undertaking business ventures solely or in partnership with other entities or persons for the benefit of the County;
- f) promoting local economic growth and job creation;
- g) promoting local content absorption, technology transfer, and value addition;
- h) advising and facilitating the County Government and County residents on investment opportunities within and outside the County;
- i) assisting and facilitating investors from within or outside the County to establish investments in the County;
- j) promoting and facilitating investment in the County;
- k) acting as the focal agency for investment promotion and facilitation in the county;
- l) advising the County Executive on necessary and strategic policies; programs and plans to be adopted to attract and retain investments in the County;
- m) promoting economic diplomacy aimed at advancing the investment and development interests of the County;
- n) advising on the long-term and medium-term strategic development plan;

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

- o) monitoring progress of implementation of investments and strategic development programs;
- p) Monitoring and reporting on the mountain cities development index.
- q) carrying out such other roles necessary for the implementation of the objects and purpose of this Act and perform such other functions as may, from time to time, be assigned by the County Executive.

The Authority's vision is to harness the external and internal, social investments, and human and natural resources to build a prosperous Kirinyaga.

The Authority's mission is to become the principal investment vehicle for internal and external resource development and deployment in Kirinyaga.

A. Members of the Board

Ref	Name	Position
1	Dr. Michael Ndwiga	Chairman
2	Calbert Munene Njeru	Member
3	Eunice Wanjiru Kiriamburi	Member
4	Edward Nyaga Njagi	Member
5	Carolyne Nyawira Kinyua	Member

B. Key Management

Ref	Name	Position
1	Eunice Wanjiru Kiriamburi	Ag Chief Executive Officer
2	Kenneth Nkanata	Head of Manufacturing
3	Patrick Kariuki Mbuimwe	Investment Analyst

C. Registered Offices

P.O. Box 260-10304 Kutus
Kirinyaga County
County Headquarters Building, Second floor
Kutus, Kenya

D. Authority's Contacts

Telephone: (254) -700-236573
E-mail: info@kida.co.ke

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

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Website: www.kida.co.ke

E. Authority's Bankers

Kenya Commercial Bank

P.O Box 90-10300

Kerugoya

F. Independent Auditors

Auditor General

Kenya National Audit Office

Anniversary Towers, University Way

P.O. Box 30084

GOP 00100

Nairobi, Kenya

G. Principal Legal Adviser

The County Attorney

Kirinyaga County





P.O. Box 260 -10304

Kutus

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY


Annual Report and Financial Statements for the year ended June 30, 2024

3. Members of the board

Name	Details of qualifications and experience
 <p>Dr. Michael Ndwiga Chairman</p>	<p>Academic and Work Experience</p> <p>Doctor of Philosophy (Ph.D.) in Economics</p> <p>He has over 11 years of work experience in Management and Leadership.</p>
 <p>Calbert Njeru Member</p>	<p>Academic and Work Experience</p> <p>Bachelor of Education (Science)</p> <p>Over 15 years in Education, Administration and Senior management</p> <p>He is the current CEC Co-operative Development Trade, Marketing, Tourism, Industrialization and Enterprise Development.</p>
 <p>Eunice Wanjiru Kiriamburi Secretary</p>	<p>Academic and Work Experience</p> <p>Masters in project management</p> <p>Masters of Business Administration in finance</p> <p>Bachelor of Business Administration</p> <p>She has 6years of work experience in management, marketing and project financing.</p> <p>She is current Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County</p>
 <p>Edward Nyaga Member</p>	<p>Academic and Work Experience</p> <p>Master of Business Administration in Human resource</p> <p>Bachelor of commerce (cooperative Business Option) - First Class Honours.</p>

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY



Annual Report and Financial Statements for the year ended June 30, 2024

	<p>Certified Public Accountant (CPA – K) Member, Institute of Certified Public Accountant of Kenya (ICPAK)</p> <p>He has over 10 years of work experience in administration. He is the current Chief Officer in charge of Accounting services ,Revenue and Audit Department, County Government of Kirinyaga.</p>
 <p>Carolyne Nyawira Kinyua Member .</p>	<p>Academic and Work Experience</p> <p>Masters of laws in public Finance and financial services law (UON)</p> <p>Bachelors of laws (UON)</p> <p>Diploma Kenya school of law</p> <p>6 years' experience as an advocate of high court of Kenya</p> <p>Current County Attorney ,county Government of Kirinyaga .</p>

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

4. Management team

Name	Details of Qualifications and Experience
 <p>Eunice Wanjiru Kiriamburi</p>	<p>Academic and Work Experience</p> <p>Masters in project management Masters of Business Administration in finance Bachelor of Business Administration</p> <p>She has 6years of work experience in management, marketing and project financing. She is current Chief</p> <p>Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County</p>
 <p>Kenneth Nkanata</p>	<p>Head of Manufacturing</p> <p>Academic and Work Experience</p> <p>Masters of Business Administration (MBA) in Entrepreneurship</p> <p>Kenneth has over 32 years of experience in the manufacturing industry.</p>
 <p>Patrick Kariuki Mbuimwe</p>	<p>Investment Analyst</p> <p>Academic and Work Experience</p> <p>Masters of Business Administration (MBA) in Finance and Banking Masters of Science in Finance (Ongoing) Certified Investment and Financial Analyst (CIFA).</p> <p>Patrick has over 16 years of experience in the Finance and Investment sector.</p>

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

5. Board Chairperson's Report

I am honoured to present the Annual Report of the Kirinyaga Investment and Development Authority (KIDA) for the financial year 2023/2024. This report provides a comprehensive overview of the significant developments, key achievements, and strategic outlook of our organization.


During the past financial year, KIDA underwent a transformative phase with the amendment of its founding act, transitioning from an authority to a county corporation. This strategic shift was further strengthened by the inclusion of the Sagana Industrial City (SAIC) under KIDA's mandate, facilitating the establishment of a Board of Directors and aligning our financial reporting framework with the Public Finance Management Act. The formation of the new board is ongoing following the appointment of the board chairman as per the KIDA amendment.

For the financial year 2023/2024, KIDA was allocated funds exclusively for recurrent expenditure. Unfortunately, KIDA did not receive any allocation for the development budget during this period. This lack of development funding limited KIDA's ability to initiate or expand capital-intensive projects that are crucial for long-term economic growth and value addition within the county. Moving forward, securing development budget allocations will be critical to enabling KIDA to achieve its strategic objectives and contribute more significantly to the county's economic development.

A key focus area for KIDA has been the development of the Sagana Industrial City (SAIC). Within this framework, we have successfully established an Export Processing Zone (EPZ) and a Special Economic Zone (SEZ). The foundational infrastructure development for SAIC, in collaboration with various government agencies and stakeholders, is progressing well, and we are poised to commence the on boarding of investors. The SAIC project is envisioned to be a catalyst for economic growth in Kirinyaga County by creating employment opportunities, providing markets for agricultural produce, and serving as an anchor for the county's industrialization efforts.

The achievements of KIDA would not have been possible without the unwavering support and strategic guidance of the Governor of Kirinyaga County, her team, the dedicated staff of KIDA, and our various stakeholders. Together, we will continue to drive the economic transformation of Kirinyaga County and foster sustainable development.

Sincerely,

Name Dr. Michael Njiru Signature  Date 06/12/2024

Chairperson of the Board

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

6. Report of The Fund Administrator

I am pleased to present the Fund Administrator's Report for the Kirinyaga Investment and Development Authority (KIDA) for the financial year 2023/2024. This report outlines our financial performance, operational efficiency, and key initiatives undertaken during the year to achieve our strategic objectives.

For the financial year 2023/2024, KIDA was allocated funds exclusively for recurrent expenditure. Unfortunately, KIDA did not receive any allocation for the development budget during this period. This lack of development funding limited KIDA's ability to initiate or expand capital-intensive projects that are crucial for long-term economic growth and value addition within the county. Moving forward, securing development budget allocations will be critical to enabling KIDA to achieve its strategic objectives and contribute more significantly to the county's economic development.

During the year, several strategic initiatives were undertaken to enhance KIDA's operational capabilities and impact: A major milestone has been the development of basic infrastructure for the Sagana Industrial City (SAIC), which includes the establishment of an EPZ and a SEZ. Efforts have been intensified to secure additional funding and investment from both public and private sector partners. These efforts are aimed at expanding KIDA's financial base to support the ongoing and future development projects within the county, particularly the SAIC project. KIDA has fostered strong relationships with key stakeholders, including the County Government of Kirinyaga, national government agencies, development partners, and private investors. This collaborative approach has been instrumental in aligning our projects with broader economic development goals and ensuring sustainable outcomes. Despite these achievements KIDA still faces challenges with inadequate budgetary allocation.

Looking forward, KIDA is well-positioned to continue driving economic growth and development within Kirinyaga County. The full operationalization of SAIC is expected to create significant economic opportunities, including job creation, enhanced market access for farmers, and increased industrial output. We will continue to prioritize strategic partnerships, resource mobilization, and sound financial management practices to ensure the success of this and other projects.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

Name. EUNICE KIRIAMBUI Signature.  Date. 06/12/2024

Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing,
Industrialization and Enterprise Development

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

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

In accordance with Section 164 (2)(f) of the Public Finance Management Act, 2012, every Accounting Officer is required to include in the financial statements of each County Government entity a statement of performance against the predetermined objectives for the financial year. These financial statements are prepared in compliance with the standards and formats prescribed by the Public Sector Accounting Standards Board (PSASB).

For the financial year 2023/2024, the Kirinyaga Investment and Development Authority (KIDA) set forth a key development objective: to facilitate the establishment of Sagana Industrial City (SAIC). This strategic objective aligns with the broader economic development goals of Kirinyaga County to enhance industrialization, attract investment, and create employment opportunities. Key achievements and performance highlights include the Gazettement of the EPZ and SEZ, support in the development of the Sagana Industrial City Masterplan, and the establishment of the County Aggregation and Industrial Park (CAIP). As we move forward, KIDA remains dedicated to creating an enabling environment for investment, fostering innovation, and promoting sustainable industrialization in Kirinyaga County. KIDA will continue to leverage strategic partnerships, robust planning, and effective governance to ensure the realization of the Sagana Industrial City's full potential and to contribute meaningfully to the county's economic transformation.

Below we provide the progress on attaining the stated objectives:

<i>Program</i>	<i>Objective</i>	<i>Outcome</i>	<i>Indicator</i>	<i>Performance</i>
Establishment of Sagana Industrial Park	To operationalize Sagana Industrial Park	Increased investment in the County	Number of investors on boarded in the industrial park	Ongoing construction of County Aggregation and Industrial Park (CAIP)
Setting up a one-stop shop at Sagana Industrial Park	To support the on boarding of investors at Sagana Industrial Park	Efficient on boarding of investors	Number of one-stop shop established	Ongoing process of on boarding investors

8. CORPORATE GOVERNANCE STATEMENT

Corporate governance is fundamental to the effective management and accountability of the Kirinyaga Investment and Development Authority (KIDA). Throughout the reporting period, KIDA has demonstrated a strong commitment to upholding these principles, which are essential to the organization's success and integrity. During the year, KIDA amended its founding Act, leading to changes in the composition of the Board. The new Board is currently in the process of being formed, with the Chairman already appointed by the Governor.

KIDA operates under a clearly defined Board Charter, which outlines the roles, responsibilities, and expectations of its members. This charter is a living document, regularly reviewed and updated to reflect best practices and the evolving needs of the organization. The process for appointing and removing Board members is governed by the KIDA Act, with the Governor of Kirinyaga County playing a pivotal role in appointing the Board Chairman. The recruitment of other Board members is conducted transparently, ensuring that those appointed bring the necessary expertise and experience to effectively contribute to KIDA's goals.

The Board's responsibilities are extensive and include providing strategic oversight, guiding the organization's long-term vision, and ensuring that policies are implemented effectively. Each member's role is clearly defined to promote accountability and collective responsibility in driving KIDA's mission forward. Recognizing the importance of continuous learning, KIDA has established a comprehensive induction program for new Board members. This program ensures that they are well-acquainted with the organization's operations, governance structure, and strategic priorities. Additionally, ongoing training is provided to all Board members to keep them informed about industry trends and governance best practices.

The performance of the Board, both collectively and individually, is assessed on an annual basis. These evaluations are crucial for identifying areas where the Board can improve its effectiveness and ensure that it continues to fulfill its governance responsibilities to the highest standard. KIDA has a stringent conflict of interest policy in place, designed to ensure that all Board decisions are made with impartiality and in the best interest of the organization. Board members are required to disclose any potential conflicts and to recuse themselves from decisions where a conflict may exist. In terms of remuneration, KIDA follows the guidelines set forth by the Salaries and Remuneration Commission (SRC). This approach ensures that Board compensation is fair, transparent, and consistent with public service standards. Furthermore, the Board members are expected to adhere to the highest standards of ethics and conduct. KIDA's strict code of conduct promotes integrity, accountability, and respect among its members.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

9. Management Discussion and Analysis

During the 2023/2024 reporting period, the Kirinyaga Investment and Development Authority (KIDA) continued to drive investment and development in Kirinyaga County. KIDA maintained a solid financial position, efficiently utilizing 99% of its allocated budget, demonstrating responsible financial management. Our strategic focus remained on attracting investments and fostering economic growth within Kirinyaga County. SAIC continued to be a flagship project for KIDA, with ongoing infrastructure development and efforts to attract investors to create a conducive environment for industrial activities. We actively promoted Kirinyaga County as an attractive investment destination, collaborating with stakeholders to leverage investment opportunities.

While KIDA has made significant progress, we remain aware of potential risks: Economic uncertainties could impact investment performance, limited funding could affect our ability to execute projects effectively, and changes in government policies may impact our strategies and the investment climate. We continue to foster partnerships with local and international organizations to enhance our capacity for economic development. Our commitment to transparency, accountability, and continuous improvement is unwavering. KIDA remains dedicated to its mission of promoting investment and development in Kirinyaga County. Despite challenges, we have achieved significant progress in key projects and financial management.

10. Environmental and Sustainability Reporting

Kirinyaga Investment and Development Authority (KIDA) is committed to integrating sustainable development principles into its operations, projects, and strategic planning. As a key driver of economic growth in Kirinyaga County, KIDA recognizes the importance of balancing economic development with environmental stewardship and social responsibility. KIDA is dedicated to ensuring that all projects and activities comply with environmental laws, regulations, and standards, including the Environmental Management and Coordination Act (EMCA) and relevant county regulations.

KIDA is committed to building climate resilience and promoting sustainable infrastructure in Kirinyaga County through green building standards, and climate adaptation Initiatives. We are actively involved in enhancing sustainable value chains within Kirinyaga County to support environmental and social sustainability and we recognize the critical role of communities in achieving sustainable development and actively engages local stakeholders in its sustainability efforts.

KIDA remains steadfast in its commitment to sustainable development, balancing economic growth with environmental protection and social equity. Through proactive environmental stewardship, climate resilience measures, community engagement, and innovative practices, we aim to create a sustainable and prosperous future for Kirinyaga County. We extend our gratitude to our partners, stakeholders, and the community for their continued support as we work together toward achieving our sustainability goals.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

11. Report of The Trustees

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

Principal activities

The principal activities of the Fund are articulated under Section 5 of the Kirinyaga Investment and Development Authority Act 2018; the functions of the Authority are as below:

- a) holding property and assets on behalf of the County Government for the purposes of investment and development;
- b) negotiating and undertaking investments on behalf of the County Government to generate revenue;
- c) negotiating and undertaking any development initiative for the County with a business or social purpose;
- d) identifying strategic investment opportunities for the benefit of the county;
- e) undertaking business ventures solely or in partnership with other entities or persons for the benefit of the County;
- f) promoting local economic growth and job creation;
- g) promoting local content absorption, technology transfer, and value addition;
- h) advising and facilitating the County Government and County residents on investment opportunities within and outside the County;
- i) assisting and facilitating investors from within or outside the County to establish investments in the County;
- j) promoting and facilitating investment in the County;
- k) acting as the focal agency for investment promotion and facilitation in the county;
- l) advising the County Executive on necessary and strategic policies; programs and plans to be adopted to attract and retain investments in the County;
- m) promoting economic diplomacy aimed at advancing the investment and development interests of the County;
- n) advising on the long-term and medium-term strategic development plan;
- o) monitoring progress of implementation of investments and strategic development programs;
- p) Monitoring and reporting on the mountain cities development index.
- q) carrying out such other roles necessary for the implementation of the objects and purpose of this Act and perform such other functions as may, from time to time, be assigned by the County Executive.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

Results

The results of the Fund for the year ended June 30, 2024 are set out on page 1

Trustees

The members of the Board of Trustees who served during the year are shown on page vii. During the past year, KIDA experienced some notable changes in its leadership and staffing. Mr. Kibuga Kariithi, the Chairman of the KIDA board, and one of our esteemed board members, Mr. Nicasio Karani Migwi, made the decision to step down from their positions and the Chief Officer, Department of Cooperative Development, Trade, Tourism, Marketing, Industrialization, and Enterprise Development, Kirinyaga County took over as acting chairperson. We appreciate their dedicated service to KIDA and wish them success in their future endeavours.

Auditors

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

By Order of the Board



.....
Chair of the Board/Fund Administration Committee

Date:06/12/2024.....

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by *(The Fund should state the appropriate legislation establishing the Fund)* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board. The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the Fund;
- (v) selecting and applying appropriate accounting policies; and
- (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2024, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. OR

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

Approval of the financial statements

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

Annual Report and Financial Statements for the year ended June 30, 2024

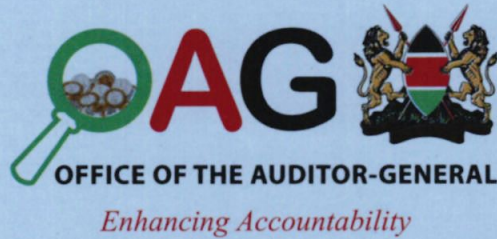
The Fund's financial statements were approved by the Board on 06/12/2024 2024 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KIRINYAGA COUNTY INVESTMENT AND DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kirinyaga County Investment and Development Authority set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance,

Report of the Auditor-General on Kirinyaga County Investment and Development Authority for the year ended 30 June, 2024

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kirinyaga County Investment and Development Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kirinyaga County Investment and Development Authority Act, 2018 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Unmodified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Emphasis of Matter

Uncertainty in Sustainability of Operation and Services

The Authority has outstanding employee benefit obligation of Kshs.4,618,520 some amount dating back the year 2018/2019. However, the Authority has not disclosed in its financial statements the inability to operate optimally, and relies on the County Government and therefore the sustainability of operations and services of the Authority is uncertain.

My opinion is not modified in respect of this matter.

Other Information

Conclusion

Management is responsible for the Other Information set out on page ii to xiv, which comprise of Key Entity Information and Management, Members of the Board Profiles,

Management Team profiles, Board Chairperson's Report, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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 of Conclusion

1. Irregular Payment of Special House Allowance

The approved salary structure for Kirinyaga County Investment and Development Authority (KIDA) as per the Salaries & Remuneration Commission circular No. SRC/TS/CG/KIR/3/61/15(118) dated 13 August, 2020 provided that its employees should earn a house allowance of Kshs. 25,000 and Kshs. 21,000 for the Chief Executive Officer and the Head of Department respectively. However, review of the payroll extract provided for audit revealed that two employees of KIDA were paid a house allowance and a special house allowance exceeding the allowances by Kshs.264,000. The basis for paying the special house allowance was not provided.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Under Staffing of the Authority

Examination and analysis of personnel records and the approved staff establishment of the Kirinyaga Investment and Development Authority availed for audit review revealed that the Authority has two (2) staff as at 30 June 2024. This is a staff deficit of fourteen (14) employees as per the staff establishment which requires the Authority to have sixteen (16) permanent employees. The Authority is thus operating below its optimal staffing level contrary to Section 11(2b) of Kirinyaga Investment and Development Authority Act, 2018.

In the circumstances, the effectiveness of the Authority to fulfill its mandate may be negatively impacted due to understaffing.

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 controls, risk management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Authority Administration

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

In preparing the financial statements, Management is responsible for assessing the Kirinyaga County Investment and Development Authority ability to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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


Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 December, 2024

14. Statement of Financial Performance for the Year Ended 30th June 2024

Description	Note	FY2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	-
Transfers From the County Government	2	11,615,713	0
Fines, Penalties and Other Levies	3	-	-
Revenue From Exchange Transactions			
Interest Income	4	-	-
Other Income	5	-	-
Total Revenue		11,615,713	0
Expenses			
Employee Costs	6	6,620,935	0
Board expenses	7	0	0
Use of goods and services	8	4,725,920	-
Depreciation and Amortization Expense	9	-	-
Finance Costs	10	-	-
Total Expenses		11,346,855	0
Other Gains/Losses			
Gain/Loss on Disposal of Assets	11	-	-
Gain /Loss on fair value of investments	12	-	-
Surplus/(Deficit) for the Period		268,858	0

(The notes set out on pages 19 to 39 form an integral part of these Financial Statements)

[Signature]
 Name: **ELINICE UGAMBURI**
 Administrator of the Fund

[Signature]
 Name: **CATHERINE WANJIKU KARITHI**
 Fund Accountant
 ICPAK Member Number: **18631**

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY

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15. Statement of Financial Position as at 30 June 2024

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	13	-	-
Current Portion of Long- Term Receivables From Exchange Transactions	14	-	-
Prepayments	15	-	-
Inventories	16	-	-
Investments in financial assets	17	-	-
Total current assets		0	0
Non-Current Assets			
Property, Plant and Equipment	18	-	-
Intangible Assets	19	-	-
Long Term Receivables from Exchange Transactions	14	-	-
Investment Property	20	-	-
Total non- current assets		0	0
Total Assets (A)		0	0
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	21	-	-
Current Provisions	22	-	-
Current Portion of Borrowings	23	-	-
Employee Benefit Obligations	24	4,618,520	4,405,673
Social benefit liabilities	25	-	-
Total current liabilities		4,618,520	4,405,673
Non-Current Liabilities			
Non-Current Provisions	22	-	-
Long Term Portion of Borrowings	23	-	-
Non-Current Employee Benefit Obligation	24	-	-
Social benefit liabilities	25	-	-

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Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Total Liabilities (B)		4,618,520	4,405,673
Net Assets (A-B)		(4,618,520)	(4,405,673)
Represented By:			
Revolving Fund		-	-
Reserves		-	-
Accumulated Surplus/Deficit		(4,618,520)	(4,405,673)
Net Assets		(4,618,520)	(4,405,673)

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 6/12/2024 and signed by:

EUNICE KIRAMBURI
.....


Name:

Administrator of the Fund

Catherine Wanjiku Karuthi
.....

Name: CATHERINE WANJIKU KARUTHI
Fund Accountant

ICPAK Member Number: 18631

16. Statement of Changes in Net Assets for the year ended 30th June 2024

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2022			(4,405,673)	(4,405,673)
Surplus/(Deficit) For the Period			(0)	(0)
Funds Received During the Year			-	-
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2023			(4,405,673)	(4,405,673)
Balance				
As At 1 July 2023			(4,405,673)	(4,405,673)
Prior year adjustment			(481,705)	(481,705)
Restated balance as at 1july 2023			(4,887,378)	(4,887,378)
Surplus/(Deficit) For the Period			268,858	268,858
Funds Received During the Year			-	-
Transfers			-	-
Revaluation Gain			-	-
Balance As At 30 June 2024			(4,618,520)	(4,618,520)

Refer to note 32 on prior year adjustment.

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17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Transfers from the county government		11,615,713	0
Interest received		-	-
Receipts from other operating activities			
Total receipts		11,615,713	0
Payments			
Fund administration expenses			-
Staff/Boards expenses		6,889,793	
General expenses		4,725,920	-
Finance cost		-	-
Other payments		-	-
TOTAL PAYMENT		(11,615,713)	0
Net cash flows from operating activities	26	0	0
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	-
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-

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Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents			
Cash and cash equivalents at 1 July		-	-
Cash and cash equivalents at 30 June			

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

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18. Statement of Comparison of Budget and Actual Amounts for The Period 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Public Contributions and Donations						
Transfers From County Govt.	15,000,000	0	15,000,000	11,615,713	3,384,287	77%
Interest Income						
Other Income						
Total Income	15,000,000	0	15,000,000	11,615,713	3,384,287	77%
Expenses						
Employee cost	10,000,000	0	10,000,000	6,889,793	3,110,207	69%
General Expenses	5,000,000	0	5,000,000	4,725,920	274,080	95%
Finance Cost						
Total Expenditure	15,000,000		15,000,000	11,615,713	3,384,287	77%
Surplus For the Period					0	
Capital expenditure						

Budget notes

1. During the financial year 2023/2024 the fund utilized 77% of the budget.
2. The surplus in the statement of financial performance and the zero balance in the statement of comparison of budget and actual amounts for the period 2024 is due to difference in accounting basis.

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Kirinyaga Investment and Development Authority is established by and derives its authority and accountability from Kirinyaga Investment and Development Authority Act of 2018. The entity is wholly owned by the County Government of Kirinyaga and is domiciled in Kenya. The entity's principal activity is investment promotion and trade facilitation.

2. Statement of compliance and basis of preparation

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

3. Adoption of new and revised standards

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held	<i>Applicable 1st January 2025</i> The Standard requires,

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for Sale and Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared</p>

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	to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity's financial statements.)*

Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023/2024 was approved by the County Assembly on 23rd May 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund recorded additional appropriations of Ksh - on the FY 2023/2024 budget following the governing body's approval.

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

Summary of Significant Accounting Policies (Continued)

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Property, plant and equipment

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

a) Intangible Assets

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

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

b) Investment property

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

Summary of Significant Accounting Policies (Continued)

c) Financial instruments

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

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Summary of Significant Accounting Policies (Continued)

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Summary of Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

d) Inventories

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

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

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

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

e) Provisions

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

f) Social Benefits

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

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Summary of Significant Accounting Policies (Continued)

g) Contingent liabilities

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

Contingent assets

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

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

i) Changes in accounting policies and estimates

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

j) Employee benefits – Retirement benefit plans

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

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

Summary of Significant Accounting Policies (Continued)

k) Foreign currency transactions

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

l) Borrowing costs

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

m) Related parties

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

n) 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.

o) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

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

c) Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)

6. Notes to The Financial Statements Continued

1. Public contributions and donations

Description	2023/2024	2022/2023
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From The Public	-	-
Total	-	-

(Provide brief explanation for this revenue)

2. Transfers from County Government

Description	2023-2024	2022/2023
	Kshs	Kshs
Gross pay	5,396,640	-
Use of goods and services	4,725,920	0
Gratuity	1,493,153	-
Total	11,615,713	0

3. Fines, penalties and other levies

Description	2023/2024	2022/2023
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

4. Interest income

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

(Provide brief explanation for this revenue)

Notes to the Financial Statements Continued

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

5. Other income

Description	2023/2024	2022/2023
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income	-	-

(NB: All income should be classified as far as possible in the relevant classes and other income should be used to recognise income not elsewhere classified. Disclose write backs if any or recoveries from write offs).

6. Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries And Wages	5,396,640	-
Staff Gratuity	1,224,295	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other –Board Expenses	-	-
Total	6,620,935	-

7. Board Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Sitting Allowances	-	-
Other –Board Expenses	-	-
Total	-	-

The board have an arrear of ksh 1,175,000 which accumulated from 2018-2019 to 2021-2022 as shown in annex 1.1 (support schedule)

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

8. Use of Goods and Services

Description	2023/2024	2022/2023
	Kshs.	Kshs.
General Office Expenses	4,488,370	-
Loan Processing Costs	-	-
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	-	-
Electricity And Water Expenses	-	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	237,550	-
Rental Costs	-	-
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (<i>Specify</i>)	-	-
Social benefit expenses*		
Total	4,725,920	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42

9. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

10. Finance costs

Description	2023/2024	2022/2023
	Kshs.	Kshs.
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

11. Gain/(loss) on disposal of assets

Description	2024/2023	2022/2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

12. Gain/ (loss) on Fair Value Investments

Description	2023/2024	2022/2023
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

13. Cash and cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Xxx Car Loan Account	-	-
Xxx County Mortgage Account	-	-
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	-	-
Others (<i>Specify</i>)	-	-
Total Cash And Cash Equivalents	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to the Financial Statements Continued

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

Financial Institution	Account number	2023/2024	2022/2023
		Kshs	Kshs
a) KIDA OPERATIONS ACCOUNT			
Kenya Commercial Bank	1266208798	0	0
Sub- Total		0	0
b) KIDA APPROVAL FACTORY			
Kenya Commercial Bank	1266208941	0	0
Sub- Total		0	0
c) KIDA KIAGA ANIMAL FEED			
Kenya Commercial Bank	1266209077	0	0
Bank B		0	0
Sub- Total			
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		0	0

14.Receivables from exchange transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	-	-
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Notes to the Financial Statements Continued

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Additional disclosure on interest receivable

Description	2023/2024	2022/2023
	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due	-	-
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

15.Prepayments

Description	2023/2024	2022/2023
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

16.Inventories

Description	2023/2024	2022/2023
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories at The Lower of Cost and Net Realizable Value	-	-

Notes to the Financial Statements Continued

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

17. Investments in financial assets

Description	2023/2024	2022/2023
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		-
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

(Entity should disclose whether the fixed investment financial assets are measured at amortised cost or at fair value through changes in net assets/ equity) Investments in equity should be measured at fair value through surplus or deficit. Other information to be disclosed includes: the interest rates, maturity dates, valuation methodology, and impairment of these investments.

Movement of Equity Investments

Impairment allowance/ provision	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year		
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

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

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

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
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Notes TO The Financial Statements (Continued)

18. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	(-)	(-)	-	-	(-)
Transfers/Adjustments	-	(-)	-	(-)	(-)
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Additions	-	-	-	-	-
Disposals	(-)	-	-	-	(-)
Transfer/Adjustments	(-)	-	-	(-)	(-)
At 30th June 2024	-	-	-	-	-
Depreciation And Impairment					
At 1 st July 2022	(-)	(-)	(-)	(-)	(-)
Depreciation	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	-	-	-	(-)
At 30th June 2023	-	-	-	-	-
At 1st July 2023					
Depreciation	(-)	(-)	(-)	-	(-)
Disposals	-	-	-	-	-
Impairment	(-)	(-)	-	-	(-)
Transfer/Adjustment	-	(-)	(-)	-	-
At 30th June 2024	-	-	-	-	-
Net Book Values					
At 30 th June 2023	-	-	-	-	-
At 30 th June 2024	-	-	-	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

19.Intangible assets

Description	2023/2024	2022/2023
	Kshs	Kshs
Cost	-	-
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment	-	-
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

20.Investment Property

Description	2023/2024	2022/2023
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	--	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024
Notes To The Financial Statements (Continued)

21. Trade and other payables from exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Trade Payables	-		-	
Refundable Deposits	-		-	
Accrued Expenses	-		-	
Other Payables	-		-	
Total Trade and Other Payables	-		-	
Ageing analysis (Trade and other payables)	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

(NB: Amount under deposits and retentions should tie to cash held in deposit account)

22. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount and time value for money	(-)	(-)	(-)	(-)
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

23. Borrowings

Description	2023/2024	2022/2023
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

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

Description	2023/2024	2022/2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings	-	-
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

(NB: the total of this statement should tie to note 22 totals. Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed). Borrowings should be measured at amortised cost as per IPSAS 41)

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Notes to The Financial Statements (Continued)

24. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	2023/2024	2022/2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation				367,827	0
Prior years Benefit Obligation				4,250,693	4,405,673
Total				4,618,520	4,405,673

The amount includes board members allowance and unpaid Employees Gratuity that have accrued from 2018 – June 2024 that has not been paid as per the schedule attached.

25. Social Benefit Liabilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme		
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total		
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

KIRINYAGA INVESTMENT AND DEVELOPMENT AUTHORITY
Annual Report and Financial Statements for the year ended June 30, 2024

Notes To The Financial Statements (Continued)

26. Cash generated from operations.

Description	2023/2024	2022/2023
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	-	-
Adjusted For:		
Depreciation	-	-
Amortisation	-	-
Gains/ Losses On Disposal Of Assets	(-)	(-)
Interest Income	(-)	(-)
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	(-)	(-)
Increase In Receivables	(-)	(-)
Increase In Payables	-	-
Net Cash Flow From Operating Activities	-	-

(The total of this statement should tie to the cash flow section on net cash flows from operating activities)

Notes To The Financial Statements (Continued)

27. Related party balances

a) Nature of related party relationships

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

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

b) Related party transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	2023/2024	2022/2023
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

Other Disclosures Continued

e) Due to related parties

Description	2023/2024	2022/2023
	Kshs	Kshs
Due To Parent Ministry	-	-
Due To County Government	-	-
Due To Key Management Personnel	-	-
Total	-	-

28. Contingent assets and contingent liabilities

Contingent Liabilities	2023/2024	2022/2023
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Monthly Honoraria for chairman	261,000	
Total	261,000	-

Kirinyaga investment and development Authority is established as a county corporation under the Kirinyaga Investment and Development Authority (Amendment) Act 2023 the authority is therefore awaiting Authority from SRC to pay the monthly honoraria of maximum Ksh 80,000 per month, mobile phone airtime ksh 5,000 and ksh 2,000 landline prepaid telephone card as per the state corporations' guidelines of 2004.

Notes to The Financial Statements (Continued)

29. Financial risk management

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

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

a) Credit risk

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2024				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes to The Financial Statements (Continued)

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

The entity has significant concentration of credit risk on amounts due from 2023

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

b) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	4,618,520	4,618,520
Total	-	-	4,618,520	4,618,520
At 30 June 2023				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	0	0
Total	-	-	0	0

Notes to The Financial Statements (Continued)

c) Market risk

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

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

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

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

i. Foreign currency risk

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

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

Description	Other currencies		Total
	Kshs	Kshs	Kshs
At 30 June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables			
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
2023/2024			
Euro	10%	-	-
USD	10%	-	-
2022/2023			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs - (2024: Kshs -). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs - (2023 - Kshs -).

Notes To The Financial Statements (Continued)

d) Capital risk management.

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

Description	2023/2024	2022/2023
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

30. Events after the reporting period

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

31. Ultimate and Holding Entity

The entity is a County Public Fund established by Kirinyaga Investment and Development Authority Act 2018 under the department of cooperative Development, Trade, Tourism, Marketing, Industrialization and Enterprises Development of the County Government of Kirinyaga. Its ultimate parent is the County Government of Kirinyaga.

32. Currency

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

33. PRIOR YEAR ADJUSTMENT

Description of error	Balance b /f from 2022/2023 Audited report	Prior year adjustment	Restated balance as at 1 July 2023
Accumulated surplus /Deficit	(4,405,673)	(481,705)	(4,887,378)

20. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Uncertainty in sustainability of services	The sustainability of the Kirinyaga Investment and Development Authority (KIDA) is now firmly established. The amendment of the KIDA Act of 2018 in October 2023 granted KIDA the mandate to oversee and manage Sagana Industrial City. Building on this development, KIDA is finalizing the formulation of regulations, which are currently awaiting gazettelement. Once these regulations are enacted, KIDA will be empowered to collect revenue from investors in Sagana Industrial City through leases and service charges. This revenue stream will provide a stable financial foundation, ensuring KIDA's long-term operational sustainability and its capacity to fulfil its mandate effectively.	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 Fund 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.

Fund Manager/Accounting Officer (Kirinyaga Investment and Development Authority)

Date: 06/12/2024



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Annex II: Inter-Fund Confirmation Letter

Kirinyaga Investment and Development Authority

Confirmation of amounts received by Kirinyaga Investment and Development Authority as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed(Kshs) as at 30 th June 2024				Amount Received by KIDA (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		11,615,713	0	0	11,615,713	11,615,713	0
Total		<u>11,615,713</u>	<u>0</u>	<u>0</u>	<u>11,615,713</u>	11,615,713	0

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

Head of Accountants department of beneficiary Fund:

Name Raymond Mwangi Sign [Signature] Date 6/12/2024

Annex III: Reporting of Climate Relevant Expenditures

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

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Annex IV: Reporting on Disaster Management Expenditure

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