

REPUBLIC OF KENYA



Enhancing Accountability

REPORT	
PARLIAMENTARY ASSEMBLY PAPERS LAID	
DATE: 13 JUN 2023	DAY: Tuesday
TABLED BY: OF	Hon. Owen Bayo (Deputy Majority leader)
CLERK-AT THE-TABLE:	Inzafu Mwale

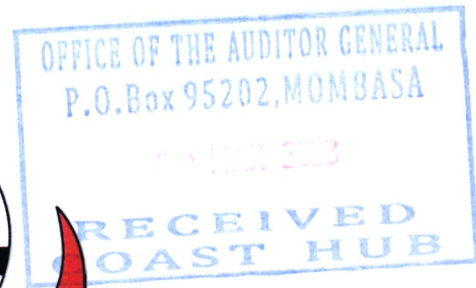
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ON

COAST DEVELOPMENT AUTHORITY

**FOR THE YEAR ENDED
30 JUNE, 2022**



COAST DEVELOPMENT AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE, 2022



ISO 9001:2015 CERTIFIED

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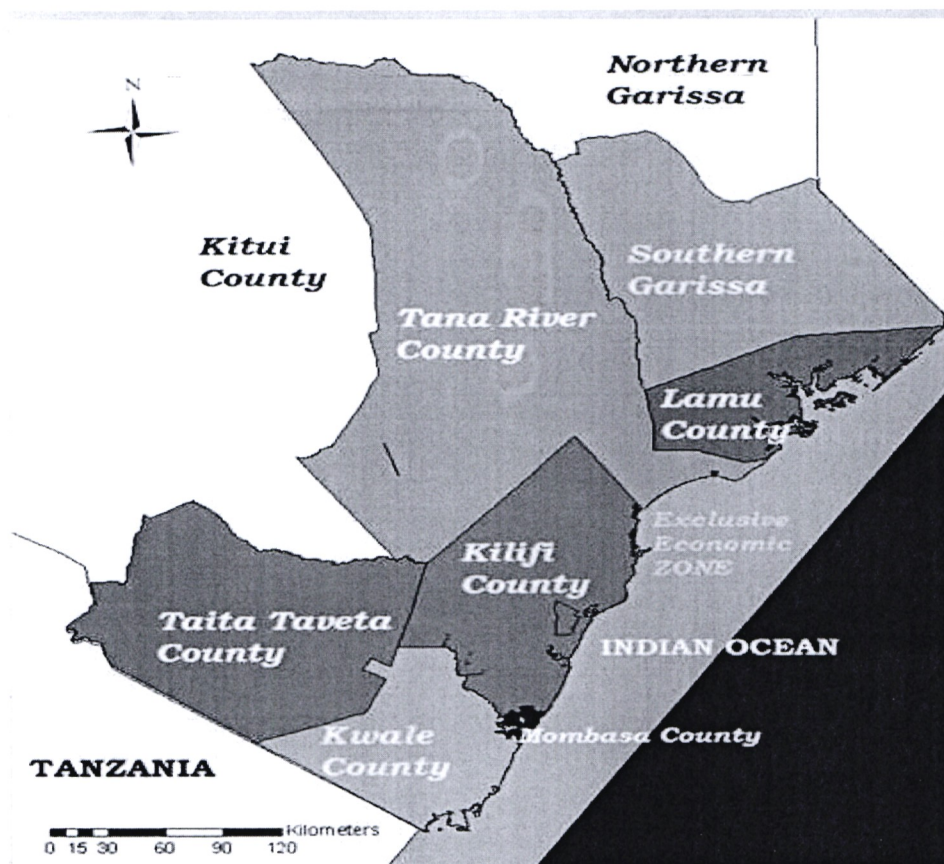
1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Coast Development Authority (CDA) is a State Corporation established by an Act of Parliament No. 20 of 1990 (Cap 449), revised in 1992 with the mandate to provide integrated development planning, coordination and implementation of projects and programmes within the whole of Coast region and the southern part of Garissa County and the Kenya's Exclusive Economic Zone (EEZ) and for connected purposes.

Area of Jurisdiction

CDA's area of jurisdiction covers seven counties in coastal Kenya namely: Taita Taveta, Kwale, Mombasa, Kilifi, Tana River, Lamu and Southern part of Garissa County. The estimated area covered is 103,326 sq. km (Kilifi 13,013km², Kwale 8,322 km², Taita -Taveta 16,556 km², Mombasa 282 km², Tana-River 38,694 km², Lamu 6,814 km², Southern Part of Garissa 19,465 km²) and Kenya's Exclusive Economic Zone (EEZ) (200 Nautical Miles of the Indian Ocean).



Our Vision

To be the lead agency in implementing sustainable integrated development

Our Mission

To accelerate socio-economic development through innovation, planning, coordination and partnerships in implementation of integrated programs, value-addition and environmental management

Our Core Values

- Efficiency and effectiveness
- Transparency,
- Accountability
- Integrity
- Professionalism
- Good Leadership
- Respect
- Dignity
- Team Work
- Empowerment
- Commitment

Core Objectives

- Promote ownership and commercial sustainable exploitation of the region's natural resources
- Enhance food security in the region
- Reduce poverty and improve livelihoods of the community in the region
- Reduce unemployment in the region
- Conserve the environment and manage the natural resources for sustainable development.

b) Principal Activities

Based on the general functions as outlined in section (8) of the CDA ACT CAP.449, the functions of the authority are: -

1. Plan for the development of the Area and initiate project activities identified from such planning in the development and through the Government generally;
2. Develop an up-to-date long range development plan for the Area;
3. Initiate such studies, and carry out surveys of the Area as may be considered necessary by the Government or the Authority and to assess alternative demands within the Area on the natural resources thereof, and initiate, operate, or implement such projects as maybe necessary to exploit those natural resources including Agriculture (both irrigated and rain fed), forestry, wildlife and tourism industries, electric power generation, mining and fishing, and to recommend economic priorities;
4. Coordinate the various studies of schemes within the Area such that human, water, animal, land and other resources are utilized to the best advantage and to monitor the design and execution of planned projects within the Area;
5. Effect a programme of both monitoring and evaluating the performance projects within the Area so as to improve such performance and establish responsibility thereof, and to improve future planning;
6. Coordinate the present abstraction and use of natural resources, especially water within the Area and to set up effective monitoring of the abstraction and usage;
7. Cause and effect the construction of any works deemed necessary for the protection and utilization of the water and soils of the Area including hydro-power development for the multipurpose utilization of water resources;
8. Ensure landowners in the Area undertake all the measures specified by the Authority to protect the water and soils of the Area;
9. Identify, collect, collate and correlate all such data related to the use of water and other resources and also economic and related activities within the Area as maybe necessary for the efficient forward planning of the Area;
10. Maintain a liaison between the Government, the private sector and other interested agencies in the matter of the development of the Area with a view to limiting the duplication of effort and ensuring the best use of the available technical resources
11. Examine the hydrological effects and the subsequent ecological changes on the development programmes and evaluate how they affect the economic activities of the persons dependent on river environment;
12. Implement development projects and programmes whose primary objective is to promote socio-economic development of the Coast Province in particular and Kenya in general;
13. Plan and liaise with the relevant authorities as necessary in exploration and development of the extensive fishing and marine activities in Kenya especially in the exclusive economic zone.

C) Key Management

The entity's day to day management is under the following key organs

- Board of Directors
- Managing Director
- Directors
- Deputy Directors

d) Fiduciary Management

During the fiscal period to 30 June 2022, the following members of the management team were charged with direct fiduciary responsibility

No.	Designation	Name
1	Managing Director	Dr. Mohamed Keinan Hassan, OGW
2	Director Corporate Services	Ms. Pamela Maghema Ngure
3	Deputy Director, Finance & Accounts	Mr. Mohamed Adan Abdi
4	Deputy Director Procurement & Supplies	Ms. Violet Indiazi
5	Corporation Secretary	Mr. Swaleh Gongo
6	Director Research Strategy & Planning	Mr. Hassan Bori
7	Director Business Development	Mr. Griffin Muthomi
8	Ag. Director, Natural Resource	Dr.Mwanasiti M.Bendera
9	Deputy Director, Internal Audit	Ms. Maximilla Kakuko

e) Fiduciary Oversight Arrangements

1. Human Resource Advisory Committee
2. Project Implementation Unit
3. Project Appraisal Unit
4. Management Committee
5. Corruption and Prevention Committee


f) Entity Head Quarters

Coast Development Authority
Mama Ngina Drive,
P.O.Box 1322-80100
Mombasa
Kenya

f) Entity Contacts

 + 254 020 8009196

 +254 0794 100000

 cda@cda.go.ke

 www.cda.go.ke

 @CoastDev

 Coast Development Authority

h) Entity Bankers

National Bank of Kenya
Nkrumah Road Branch
P.O. Box 90363 – 80100
Mombasa

Kenya Commercial Bank
Treasury Square
P.O. Box 90254-80100
Mombasa

Equity Bank
Mombasa Supreme Centre
P. O. Box 84618-80100
Mombasa

Absa Bank Kenya PLC
P.O Box 30120, 00100 GPO
Nkrumah Road
Mombasa

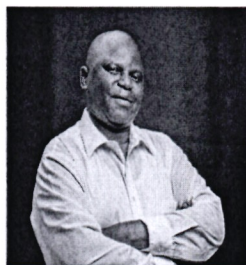
i) Independent Auditors

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

j) Principal Legal Adviser

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

2. BOARD OF DIRECTORS



Chairman

Philip Kitsao Charo

Date of Birth. 30.09.1965

Appointed on 4th October 2021 Gazette Notice No. 10600

Education

Mr. Philip Charo holds a degree B.Ed Arts ,Business Studies and Economics, Kenyatta University

Management and Organization, Kenya Institute of Bankers

Work Experience

Mr Charo has served as a special advisor to the Cabinet Secretary, Ministry of Transport, Infrastructure Housing and Urban Development. He has worked in the Private sector in Kenya and Tanzania and has experience in Policy formulation and Implementation.

Mr. Charo has a vast background in the banking industry. He has worked with the NIC Bank for 10 years in several positions as Head of Operations Kenya, Regional Branch Business Manager Coast, Head of Operations Tanzania, Service Delivery Manager, Coast and Service Delivery Manager Harbour House Branch.



Abdullahi Mohamed Abdi

Independent Director

Date of Birth. 01.01.1978

Appointed on 28th October 2021 through gazette notice no. 11506.

Education

He holds Masters in Business Administration is a Certified Public Accountant.

Work Experience

Mr. Abdullahi Abdi has been serving as the Executive Director of Womankind Kenya since 2012 to date. Mr. Abdi is a member of the Institute of Certified Public Accountants of Kenya (IVPAK) and a member of the Kenya Institute of Management (KIM).

He has held various leadership and management roles in finance and banking, sustainable development, public affairs. He is particularly adept at organizational and business management, project implementation, stakeholder management and holds various professional certificates in transformative leadership, humanitarian leadership and management, public policy development and analysis and effective board governance among others.



Muad Mohamed Khalif
Independent Director

Date of Birth: 02. 02. 1988

Appointed on 6th October 2021 through gazette notice no. 10698.

Education

He holds Bachelor's Degree in Administration

Work Experience

Mr. Muad Khalif is currently serving as Assistant Director, Administration Services for Mandera County Government since July 2020 to date.

Previously he served as a member in Mandera County Public Service Board from 2013-2019.

Mr. Khalif's area of expertise is in human resources processes and procedures, procurement and supply chain methodologies and he is conversant with strategic leadership and leading large teams.



**Hassan Rashid Mzinga
Independent Director**

Date of Birth: 12.06.1972

Appointed on 6th October 2021 through a gazette notice no. 10698.

Education

He has Diploma on Procurement and Materials Management, Technical University of Mombasa (Kwale Campus)

Work Experience

Mr. Mzinga is an accountant by training and has served in the hospitality industry, in the Coast Region.



**Fouzia Abass
Independent Director
Chairperson: Projects & Planning committee of the Board.**

Date of Birth: 28.05.1968

Appointed on 6th October 2021 through gazette notice no. 10698.

Education

She holds Masters in Business Administration.

Work Experience

Ms Fouzia is currently the General Manager Interpel Investment Limited .

She has a background in international business administration and has held various positions at the United Nations between 1997 to 2018.

Ms. Fouzia has represented the United Nations in various forums including presentations to the ACABQ which is the Accounting Committee representing the 193 member states of the UN where the UN budgets are reviewed, decided. and approved within the Regional Procurement office in Entebbe, Uganda. She has been responsible for procurement and

contracting for UN peacekeeping missions in the Democratic Republic Congo, Somalia and South Sudan.



Ibrahim Khamis Mutwafy
Independent Director
Chairperson: Risk & Audit committee

Date of Birth: 28.06.1968

Education

He holds a Master's degree in Business Administration from Jomo Kenyatta University of Agriculture and Technology (JKUAT).

Work Experience

Mr. Ibrahim Mutwafy is a seasoned banker with close to twenty years' experience in the banking industry having risen from a graduate officer to Head of Inland Banking .

Mr. Mutwafy has previously served as the Chairman of the Board of Directors of Kenyatta International Convention Centre (KICC) and Chairman of Mvita Constituency Development Fund (CDF).



Hon. Julius Ndegwa
Independent Director
Chairperson: Finance & Establishment Committee of the Board

Date of Birth .1973

Appointed on 6th June 2018 Gazette Notice No. 5589

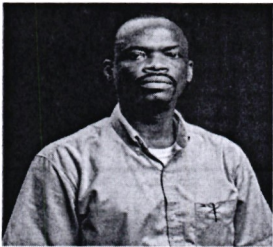
Education

He holds Bachelor of Commerce Degree.

Work Experience

Hon. Julius Kariuki has been an independent director of the Board of Coast Development authority since his appointment on 6th June 2018 and was re-appointed on 6th October 2021 through a gazette notice no. 10698. He is currently the Chairman – Finance and Establishment committee of the Board.

He has previously served as a Member of Parliament for Lamu West, served in the Lamu County Council as Councillor and is an established businessman



Jaffery Sayye

Independent Director

Date of Birth 24.03.1977

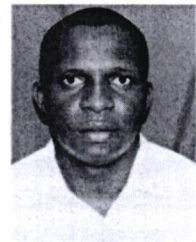
Jaffery Sayye is a seasoned grassroots mobilizer, a champion for good governance and community engagement for social change. His work and passion lies in leadership. He has vast experience in policy making, governance and Research both qualitative and quantitative research, He has great knowledge in civic engagement, policy making and strategy in community mobilization.

He has been a political strategist for 10 yrs with a solid grip on good governance and political leadership both in national politics, and in Government institutions.

He has been a grassroots mobilization campaigner in Coast Region for 15 years

He has served as a Board member in financial review committee for Yes Youth Can Campaign Coast region, under Mercy Corp. He is a Lobbyist and an agent of change. Jaffery was part of The E-Waste Implementation Toolkit (EWIT) project Kenya, under European Union, Ministry of Environment & Mineral Resources, National Environmental Management Authority and lobbied Parliament through the Committee of Environment.

No	Management	Details	Areas of Responsibility
	 <p>Mohamed Keinan Hassan, Ph. D, OGW Managing Director</p>	<p>Doctor of Philosophy (PhD) and M.Sc. from Jomo Kenyatta University of Agriculture and Technology Post Graduate Certificate-Enhancing Food Security in Africa, Murdoch University/West Australia B. in Vet Medicine, University of Nairobi Accounting Officers Course – Kenya School of Government. Strategic Leadership development Program- Kenya School of Government, Kabete Senior Management Course-Kenya School of Government, Kabete. Managing Director Coast Development Authority since 2016. Before this appointment, he worked with the Ministry of Devolution and Planning. He served in the Civil Service for over 30 years in different capacities and Ministries namely: Ministry of Livestock and later in the office of the President Special Programmes in the Arid Land Resource Management Project (a food security project jointly funded by World Bank and GOK). Awarded Order of Grand Warrior of Kenya, OGW by the President of Kenya in December, 2011. The award was in recognition of his approach to service delivery i.e., participatory methodology which empowered community to successfully identify, implement and sustain priority projects that address food security and reduce livelihood vulnerability. He is also a trainer of Community Managed Disaster Risk Reduction.</p>	<p>The Managing Director is the Chief Executive Officer (CEO) is responsible to the Board of Directors for day-to-day management and coordination of activities in the Authority. Duties and responsibilities (i) Coordinating the operations and administrative functions (ii) Developing policies and programmes (iii) Managing funds and property and other resources (iv) Managing and developing staff (v) Developing operations plans and programmes for achieving the Authority's objectives (vi) Co-operating with lead agencies and organizations locally and globally (vii) Developing economic, efficient and cost-effective internal management structure (viii) Formulating, implementing and reviewing the Strategic Plan, business plan and annual plans (ix) Ensuring implementation and fulfilment of the policies and agreed objectives; performance targets and service standards of the Authority (x) Providing advice as required on all matters within the Authority's mandate (xi) Performing any other duty necessary as stipulated in the Act.</p>



	<p>Said Swaleh Gongo Director Legal Services/Corporation Secretary</p>	<p>Certified Public Secretary (CPS) (K) at East Africa School of Management – Nairobi Post Graduate Diploma in Human Resource Management at Kenya Institute of Management Nairobi Post-graduate Diploma in Law (Bar admission course) at Kenya School of Law – Nairobi Associated of Institute of Chartered Arbitrators at Institute of Chartered Arbitrators, Kenya Branch Bachelor degree in Laws (LLB) at International University of Africa – Sudan Masters in Laws (LLM) at Al-Nilein University – Sudan Masters in African Studies (Political Science) at International University of Africa – Sudan Diploma in Arabic Language at International University of Africa – Sudan Mangu High School (KCSE)</p>	<p>Duties and responsibilities</p> <ol style="list-style-type: none"> i) Ensuring that the Authority meets all its statutory obligations ii) Complies with the provisions of all relevant legislative instruments iii) Provide recommendations and legal advice iv) Liaise with external counsel for representation of the Authority on legal matters v) Represent the Authority in various litigation vi) Provide legal support to the dra up of legal documents, contract leases and other related documents vii) Provide legal advice and secretariat services to the Board viii) Keep custody of the Authority Seal and all legal instruments ix) Liaise with the Department of Justice on behalf of the Authority x) Open and prepare files for case instituted against the Authority xi) Open, maintain and update case registers xii) Liaise with Department of Justice on litigation of national interest. 												
<p>Alternate Directors</p>		<table> <tr> <td>Ms. Mary W. Munyingi</td> <td>- Representing CS National Treasury and Planning</td> </tr> <tr> <td>Ms. Rhoda Onyancha</td> <td>- Regional Commissioner, Coast</td> </tr> <tr> <td>Mr. Timothy J. Ogwang</td> <td>- Representing PS Agriculture, Livestock and Fisheries</td> </tr> <tr> <td>Mr. Nicholas Thairu</td> <td>- Representing PS, State Department Regional Authorities and Northern Corridor Development</td> </tr> <tr> <td>Mr. Livingstone Mburu</td> <td>- Representing Inspector General, State Corporations</td> </tr> <tr> <td>Ms. Agnes Waweru</td> <td>- Representing PS, Ministry of Water and Sanitation</td> </tr> </table>		Ms. Mary W. Munyingi	- Representing CS National Treasury and Planning	Ms. Rhoda Onyancha	- Regional Commissioner, Coast	Mr. Timothy J. Ogwang	- Representing PS Agriculture, Livestock and Fisheries	Mr. Nicholas Thairu	- Representing PS, State Department Regional Authorities and Northern Corridor Development	Mr. Livingstone Mburu	- Representing Inspector General, State Corporations	Ms. Agnes Waweru	- Representing PS, Ministry of Water and Sanitation
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Mr. Timothy J. Ogwang	- Representing PS Agriculture, Livestock and Fisheries														
Mr. Nicholas Thairu	- Representing PS, State Department Regional Authorities and Northern Corridor Development														
Mr. Livingstone Mburu	- Representing Inspector General, State Corporations														
Ms. Agnes Waweru	- Representing PS, Ministry of Water and Sanitation														


Board Committees

Name of Committee	Members
Finance and Establishment	<ol style="list-style-type: none"> 1. Mr.Julius Ndegwa Kariuki - Chairman 2. Mr.Muad Mohamed Khalif - Member 3. Mr.Nicholas Thairu – Member 4. Mr.John Elungata – Member 5. Mr.Livingstone Mburu -Member 6. Dr. Mohamed Keinan Hassan - Ex Officio Member
Audit Committee	<ol style="list-style-type: none"> 1. Mr. Ibrahim Khamis Athman - Chairman 2. Mr.Timothy J. Ogwang – Member 3. Mr. Abdullahi Mohamed Abdi – Member 4. Ms. Mary W. Munyingi-Member
Projects and Planning Committee	<ol style="list-style-type: none"> 1. Ms. Fauzia Abaas - Chairperson 2. Mr.Hassan Rashid Mziga -Member 3. Mr. Jeffrey Sayye - Member 4. Ms. Agnes Waweru -Member 5. Dr. Mohamed Keinan Hassan - Ex Officio Member

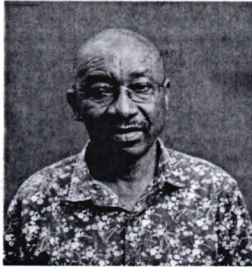
3. MANAGEMENT TEAM


No	Management	Details	Areas of Responsibility
1	 <p>Mohamed Keinan Hassan, Ph. D, OGW Managing Director</p>	<p>Doctor of Philosophy (PhD) and M.Sc. from Jomo Kenyatta University of Agriculture and Technology Post Graduate Certificate-Enhancing Food Security in Africa, Murdoch University/West Australia B. in Vet Medicine, University of Nairobi Accounting Officers Course – Kenya School of Government. Strategic Leadership development Program- Kenya School of Government, Kabete Senior Management Course-Kenya School of Government, Kabete. Managing Director Coast Development Authority since 2016. Before this appointment, he worked with the Ministry of Devolution and Planning. He served in the Civil Service for over 30 years in different capacities and Ministries namely: Ministry of Livestock and later in the office of the President Special Programmes in the Arid Land Resource Management Project (a food security project jointly funded by World Bank and GOK). Awarded Order of Grand Warrior of Kenya, OGW by the President of Kenya in December, 2011. The award was in recognition of his approach to service delivery i.e., participatory methodology which empowered community to successfully identify, implement and sustain priority projects that address food security and reduce livelihood vulnerability. He is also a trainer of Community Managed Disaster Risk Reduction.</p>	<p>The Managing Director is the Chief Executive Officer (CEO) is responsible to the Board of Directors for day-to-day management and coordination of activities in the Authority. Duties and responsibilities (i) Coordinating the operations and administrative functions (ii) Developing policies and programmes (iii) Managing funds and property and other resources (iv) Managing and developing staff (v) Developing operations plans and programmes for achieving the Authority's objectives (vi) Co-operating with lead agencies and organizations locally and globally (vii) Developing economic, efficient and cost-effective internal management structure (viii) Formulating, implementing and reviewing the Strategic Plan, business plan and annual plans (ix) Ensuring implementation and fulfilment of the policies and agreed objectives; performance targets and service standards of the Authority (x) Providing advice as required on all matters within the Authority's mandate (xi) Performing any other duty necessary as stipulated in the Act.</p>


2	 <p>Said Swaleh Gongo Director Legal Services/Corporation Secretary</p>	<p>Certified Public Secretary (CPS) (K) at East Africa School of Management – Nairobi Post Graduate Diploma in Human Resource Management at Kenya Institute of Management Nairobi Post-graduate Diploma in Law (Bar admission course) at Kenya School of Law – Nairobi Associated of Institute of Chartered Arbitrators at Institute of Chartered Arbitrators, Kenya Branch Bachelor degree in Laws (LLB) at International University of Africa – Sudan Masters in Laws (LLM) at Al-Nilein University – Sudan Masters in African Studies (Political Science) at International University of Africa – Sudan Diploma in Arabic Language at International University of Africa – Sudan Mangu High School (KCSE)</p>	<p>Duties and responsibilities</p> <ul style="list-style-type: none"> xiii) Ensuring that the Authority meets all its statutory obligations xiv) Complies with the provisions of all relevant legislative instruments xv) Provide recommendations and legal advice xvi) Liaise with external counsel for representation of the Authority on legal matters xvii) Represent the Authority in various litigation xviii) Provide legal support to the draw up of legal documents, contracts leases and other related documents xix) Provide legal advice and secretariat services to the Board xx) Keep custody of the Authority Seal and all legal instruments xxi) Liaise with the Department of Justice on behalf of the Authority xxii) Open and prepare files for cases instituted against the Authority xxiii) Open, maintain and update case registers xxiv) Liaise with Department of Justice on litigation of national interest.
3	 <p>Pamela Maghema Ngure Director Corporate Services</p>	<p>B. Com (Accounting) University of Nairobi Strategic Leadership development Program- Kenya School of Government, Kabete MBA Public Policy and Administration (on-going) Member Association of Chartered Certified Accountants IPSAS Reporting -Public Sector Accounting, Deloitte & Touché /National Treasury, Kenya School of Government, Nairobi Kenya Corruption Prevention and Good Adaptation, Transparency International Kenya</p>	<ul style="list-style-type: none"> (i) Developing and overseeing the implementation of a dynamic corporate strategy to deliver exemplary services and results as envisioned in the strategic plan; (ii) Developing the Authority’s budget and continuously monitor and evaluate its implementation; (iii) Giving oversight to the Authority financial affairs and advise the Authority on financial planning strategies and policies; (iv) Ensuring effective and efficient management of the Authority’s Resources including Finances and Assets;


		<p>ISO 19011: IFS System Certified Trainer, Kenya Tax Risk Management, KPMG, SAP R/3 Systems Certified Trainer, A.P. Moller – Maersk, Cape Town South Africa</p>	<p>(v) Ensuring the provision of meaningful, accurate and prompt management accounts (vi) Negotiating with banks and donors for appropriate support; (vii) Giving oversight to the Authority’s human capital affairs, ensuring that the Authority has the right and sufficient human resource to meet its objectives; (viii) Ensuring that current and future space and other facility needs are provided for; (ix) Providing oversight for effective records management operations; (x) Overseeing performance management system (xi) Participating in the development and review of the Institution’s strategic plan; (xii) Ensuring compliance with labour laws, public, Public Financial Management Act, IPSAS and IFRS and ISO Standards; (xiii) Reviewing the Corporate Services business plans in line with the overall strategic objectives and government performance contract; (xiv) Overseeing operations of HRM, Administration, ICT and Finance & Accounting departments.</p>
4	 <p>Griffin Muthomi Aritho Director Business Development Partnerships & Collaborations</p>	<p>Masters in Economics – Finance & International Trade option – Kenyatta University Bachelor of Arts in Economics – Economics and Finance Certificate in Risk and compliance – Centre for Corporate Governance Certificate in Corporate Governance and Ethics from Institute of Certified Public Accountants (ICPAK) Computer Proficiency Attended training and Empowerment for enhanced Customer Service organized by Power Play</p>	<p>Advising the Management on Viable Business and investment options and on related matters; (ii) Ensure development of policies, regulations, guidelines and strategy for Business Development and investments; (iii) Ensure development of CDA’s investment plans; (iv) Coordinate implementation and compliance with the CDA investment plans and strategies; (v) Advising Management of strategic investments opportunities; (vi) Ensure Establishment and linkages with strategic financial partners; (vii) Coordinate Regularly meeting with investment analysts and financial strategic partners to discuss</p>


			<p>investment opportunities; (viii) Ensure Development of Business and investment reports (ix) Coordinate Investment negotiations; (x) Oversee prudent management of all investment portfolios for the Authority;</p> <p>(xi) Oversee identification and monitoring of Risk and development of hedging mechanism and diversification strategies;</p> <p>(xii) Ensuring investment opportunities are aligned with CDA’s strategic objectives;</p> <p>(xiii) Overseeing the undertaking of Portfolio and Investment Research;</p> <p>(xiv) Liaison with external parties including, project developers and advisers;</p> <p>(xv) Ensuring that the Authority is adequately Advised on money markets;</p> <p>(xvi) Manage and supervise department staff;</p> <p>(xvii) Ensuring prudent utilization of the resources of the division;</p>
5	 <p>Hassan Ibrahim Bori Director Research & Strategic Planning</p>	<p>MA (Project Planning & Management) – University of Nairobi MBA (Strategic Management at Moi University Bachelor of Commerce at Kenyatta University KCSE at Starehe Boys Centre Strategic Leadership Development Programme Senior Management Course Awarded The Gold Standard of the President’s Award Scheme for Young People Kenya Institute of Management (KIM) Association of Award Holders – President’s Award Scheme – Kenya</p>	<p>(i) Oversee development of research and development strategies, tools, management processes and methodologies that will ensure effective identification, evaluation and implementation of projects;</p> <p>(ii) Coordinate the development of the Authority’s research and planning policy, procedures, guidelines and incentives that create a system approach to research and planning;</p> <p>(iii) Coordinate building and sustaining of a deep, corporate-wide capability to innovate by driving and continually measuring innovation Authority-wide with an aim to improve the Authority business spectrum;</p> <p>(iv) Coordinate the development of skills, tools, management process, metrics and systems to support research and planning across the Authority;</p> <p>(v) Oversee innovation idea hypothesis testing, scoping,</p>

			<p>evaluation and concept experimentation;</p> <p>(vi) Oversee screening and sequencing of innovative ideas within overall strategic direction;</p> <p>(vii) Coordinate implementation of quick wins and rapid results initiative with significant value to the business and playing a key role in the identification of new business/services/products and support in their rollout;</p> <p>(viii) Manage and Supervise department staff;</p> <p>(ix) Ensuring prudent utilization of the resources of the division;</p> <p>(xi) Work as team Leader of consultancies won by CDA's consultancy wing as income generating tool for the organization</p>
<p>6</p>	 <p>William Fondo Deputy Director, Mechanical Services</p>	<p>B.Sc. Control and Instrumentation, Jomo Kenyatta University of Agriculture and Technology Diploma in Agriculture Engineering-Farm Power Machinery, Egerton University Higher Diploma Mechanical Engineering, Mombasa Polytechnic</p>	<p>i) Formulating environmental and social strategies and action plans that ensure sustainable development;</p> <p>ii) Ensuring compliance with the relevant environmental laws and social regulations;</p> <p>iii) Ensuring environmental and social concerns are properly addressed;</p> <p>iv) Reviewing progress on environmental and social performance systems;</p> <p>v) Overseeing the preparation of periodic reports on status of environment with a view to ensuring compliance with corporate standards;</p> <p>vi) Providing support to project development initiatives in the authority and ensuring environmental and social development issues are addressed;</p> <p>vii) Reviewing environmental priorities for the authority in collaboration with other stakeholders with a view to managing associated risks;</p>

			<p>viii) Monitoring emerging environmental regulatory and legislative policy changes and/or initiatives and facilitating incorporation and implementation of those changes within the authority's activities;</p> <p>ix) Establishing linkages with consultants and other stakeholders on environmental and social matters for mutual benefit of the authority</p>
7	 <p>Violet Indiazi Manager ,Supply Chain Management</p>	<p>M.A Human Resources Management, Jomo Kenyatta University of Agriculture and Technology</p> <p>B.A Purchasing and Supplies Management, Jomo Kenyatta University of Agriculture and Technology</p> <p>Diploma in Supplies Management, Railway Institute</p> <p>Member Kenya Institute of Supplies Management</p>	<p>Overseeing the development and implementation of supply chain management Policies, plans and strategies;</p> <p>(ii) Overseeing the preparation and submission of timely procurement reports;</p> <p>(iii) Resolving procurement issues with contractors and consultants;</p> <p>(iv) Ensuring that procurement and disposal functions are implemented in full compliance with statutory provisions by the authority;</p> <p>(v) Providing technical/secretariat services to the authority's tender, procurement and disposal committees;</p> <p>(vi) Ensuring timely implementation of decisions of tender, procurement and disposal committees;</p> <p>(vii) Submitting statutory reports and ensuring compliance to budget guidelines</p> <p>(viii) Formulating and developing policies, plans and strategies in the areas of supply chain,</p> <p>(ix) Overseeing procurement, activities in the authority;</p> <p>(x) Developing and maintaining supply chain, capability and culture that reflect the values which facilitates performance, professionalism and initiative by staff throughout the authority;</p> <p>(xi) Championing value-for-money and model cost-effective measurement techniques for</p>

			<p>assessing output quality delivered by supply chain; (xii) Coordinating all procurement activities in the authority and discharge its duties in line with procurement and disposal laws; (xiii) Providing advice to the authority as required in relation to procurement of goods, works and services and contract management; (xiv) Maintaining a sound procurement policy that ensures acquisition of goods, services and works is executed.</p>
8	 <p>Maximilla Chelimo Kakuko Deputy Director, Internal Audit</p>	<p>Bachelor of Business Management (BBM) Finance option Moi University</p> <p>Senior Management Course -Kenya School of Government, Mombasa Member Institute of Internal Auditors CIA on going Institute of Internal Auditors Global</p>	<p>i) Overseeing the preparation of the Internal Audit systems, procedures and guidelines; (ii) Supervising the preparation of work programmes to ensure that audits are planned and well managed; (iii) Reviewing the internal controls and documenting on their effectiveness and adequacy; (iv) Recommending mitigation measures to address identified weaknesses where necessary; (v) Ensuring that the accounting, administration and other operations comply with CDA management policies; (vi) Overseeing the preparation and submission of audit reports to the CEO and the board; (vii) Ensuring that the internal audit systems, procedures and guidelines are prepared for approval; (viii) Supervising the preparation of work programmes to ensure that audits are planned and well managed; (ix) Ensuring that the internal controls are reviewed and documented on their effectiveness and adequacy; (x) Recommending mitigation measures to address identified weaknesses where necessary; (xi) Ensuring that the accounting, administration and other operations</p>

			<p>comply with CDA management policies;</p> <p>(xii) Overseeing the preparation and submission of audit reports to the MD and the board;</p> <p>(xiii) Liaising with the auditor general and ensure follow up on the process of implementation of internal and external audit recommendations; and</p> <p>(xiv) Supervising, training and developing staff under him or her</p>
9	 <p>Joyce Ochako Ag. Deputy Director, Human Resource & Administration</p>	<p>Bachelor of Business Administration (BBM) Human Resource option KEMU Certified Human Resource Professional (CHRP) Diploma in Business Administration UON Certified HR Auditor Member of the Institute of Human Resource</p>	<p>(i) Initiating innovative strategies to promote staff productivity and growth of the Authority</p> <p>(ii) Formulating strategic employee recruitment and retention plans</p> <p>(iii) Designing staff training and talent development programs</p> <p>(iv) Supporting management by providing Human Resource advice</p> <p>(v) Planning, directing, supervising and coordinating work activities of Human Resource staff</p> <p>(vi) Ensuring legal compliance by monitoring and implementing applicable Human Resource requirements</p> <p>(vi) Maintaining management guidelines by preparing, updating and recommending human resource policies and procedures.</p> <p>(vii) Managing human resource operations by recruiting, selecting, orienting, training and coaching</p> <p>(viii) Coordinating counselling and disciplining of staff</p> <p>(ix) Supporting the development and delivery of HR business processes which focus on HR functions such as induction, learning and development, succession planning and performance management</p> <p>(x) Overseeing workforce analysis, staff mapping and distribution/rationalization</p> <p>(xi) Recruitment and reward system</p>

<p>10</p>	 <p>Mohamed Adan Abdi Deputy Director, Finance & Accounts</p>	<p>Bachelor of Economics and Statistics University of Nairobi MBA Finance Mt Kenya University (on going) Diploma in Business Management Mt. Kenya University CPA Part 2 KASNEB KCSE Wajir High School SMC FROM Kenya School of Government Quick book and Computer packages from Horn of Africa Management Role of Accountant in achieving vision 2030 from KCA University Basic vegetable dehydration and equipment training from Egerton University</p>	<ol style="list-style-type: none"> i. Manage all issues regarding the financing . ii. Participate in Development and implementation of sound financial management policies and procedures. iii. Consolidating the Authority’s printed budget estimates and revised budget as per guidelines issued by The National Treasury. iv. Forecasting annual cash flow requirements and coordinating preparation of annual budgets. v. Ensure budgetary and cost control by reviewing expenditure returns from departments, prepare variance analysis and recommend corrective action; vi. Guide other departments by interpreting government accounting policy and applying it consistently in all operations of the Authority. vii. Plan and coordinate timely preparation of annual Work Plans and budget estimates. viii. Develop and manage internal controls and ensuring compliance. ix. Analyze and interpret financial reports . x. Ensure prudent and optimal utilization of Authority’s funds and assets; xi. Maintain proper records xii. Oversee preparation of the Annual Financial Report in xiii. Preparation of management accounting reports on quarterly and annual basis; xiv. Maintain accurate and complete financial records of the Authority and regularly review the financial system; xv. Ensure compliance with applicable financial statutory obligations and circulars.
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11	 <p>Dr. Mwanasiti M. Bendera Ag. Director Natural Resource Management & Infrastructure Development</p>	<p>Ph.D (Chemistry – Chemical Ecology) Jomo Kenyatta University College of Agriculture and Technology M.Sc.(Chemistry Natural Products) Egerton University, Njoro B.Sc. General , Egerton University, Njoro KCSE (High School Certificate) Strategic Leadership & Development Programme (SLDP - Kenya School of Government Matuga Capacity Building on PPP Project Proposal Development for Contracting Authorities Organized by National Treasury – PPP Unit Capacity Building Programme for Corporation Secretaries & Board Secretariat Staff Organized by SCAC and ICPS Senior Management Course-Kenya School of Government -Mombasa Innovative Technology for Sustainable Development Environment Impact Assessment and Audit training for EIA Experts Certification Public Procurement Regulations Procedures training, Mombasa Beach Hotel Quality Management System Internal Auditor Course, ISO 9001:2015 Biocom12 Conference on Semiochemicals involving plants organized by Phytochemical Society of Europe</p> <p>Member of Western Indian Ocean Marine Science Association (WIOMSA) Member of Research gate Group Member of <i>icipe</i> Scholar Association (IScA)</p>	<p>i) Overseeing construction and maintenance of structural works; (ii) Formulating and implementing policy matters on infrastructure development: coordinating the preparation, monitoring and evaluation of the strategic plans and projects; (iii) Coordinating the preparation of quality assurance plans facilitating the development of effective networks for risk management information sharing. (iv) Providing custody to risk methodologies and templates including risk registers, corporate risk profile, risk assessment criteria and business process documentation; (v) Ensuring preparation and implementation of environmental and social strategies and plans affecting CDA projects, environmental laws compliance in all projects; (vi) Ensuring monitoring and evaluation of projects in so far as its documented in the Environmental Management Plan.</p>
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4. CHAIRMAN STATEMENT

Introduction

Coast Development Authority (CDA) is a State Corporation established by an Act of Parliament No. 20 of 1990 (Cap 449), revised in 1992 with the mandate to provide integrated development planning, coordination and implementation of projects and programmes within the whole of Coast region (Six Coastal Counties), the southern part of Garissa County and the Kenya's Exclusive Economic Zone (EEZ) and for connected purposes. It is one of the six RDAs in Kenya that include Tana & Athi Rivers Development Authority (TARDA), Lake Basin Development Authority (LBDA), Kerio Valley Development Authority (KVDA), Ewaso Ngiro North Development Authority (ENNDA) and Ewaso Ngiro South Development Authority (ENSDA).

Coast Development Authority is currently domiciled in the Ministry of East African Community (EAC) and Regional Development, State Department of Regional Development and Northern Corridor Development.

Governance and Board Changes

The board remains committed to the highest standards of corporate essential for public service. The board ensures the Authority abides to tenets of the Constitution of Kenya and all other laws of Kenya. The board members adhere to the highest level of integrity and business ethics in their dealings with the Authority.

The Authorities board has the appropriate mix of skills, knowledge and experience to perform its role effectively.

In the financial year under review the board continued to achieve high levels of corporate governance by focusing on;

- Implementation of the Authorities Strategic Plan
- Timely and relevant disclosures and financial reporting .
- Ensured execution of strong audit procedures and audit independence
- Ensured director competencies through induction for new directors

The Board has operated in line with Mwongozo Code of Conduct for the Board.

Authority's Performance and Achievements


The financial year 2021/22 was a highly eventful year

Pursuant to the attainment of organizational objectives and endeavour to place the Authority at a high performing level, the Authority aligned itself with the new Human Resource structures and policies that have been developed and approved within the Government set guidelines.

The Authority triumphed in the African Public Service Event at the Kenyatta International Conference Center when it presented a unique innovation for Community Managed E Project Monitoring .CDA was awarded second runners up trophy in the category of Public Services Digitization.

Appreciation

On behalf of the Board, I wish appreciate the support granted to the Authority by the Government through the Ministry of East African Community and Regional Development and Northern Corridor Development . I wish to acknowledge the National Treasury & Planning for the support given throughout the year. I commend the Management and Staff of CDA who continue to serve the communities in the coastal region diligently through successful implementation of approved projects.


CHAIRMAN

5. REPORT OF THE MANAGING DIRECTOR

Overview

CDA is one of the six regional development authorities with mandate to initiate, plan and implement development projects and programmes within the coastal counties, southern half of Garissa County and the exclusive economic zone. It is one of the six RDAs in Kenya that include Tana & Athi Rivers Development Authority (TARDA), Lake Basin Development Authority (LBDA), Kerio Valley Development Authority (KVDA), Ewaso Ngiro North Development Authority (ENNDA) and Ewaso Ngiro South Development Authority (ENSDA).

The Coastal counties are affected by floods and drought. The general price increase had negatively affected lives and livelihoods as well as the region socioeconomic development.

The Authorities Strategic Plan for 2018/19-2022/23 is in line with the global sustainable development goals, Kenyan, Vision 2030, the country Big 4 Agenda, coast Region Development and the Integrated Coast Region Master Plan (ICRMP 2010-2030).

The Authority's fourth Strategic Plan aims at sustainable utilization of the natural resources for improved food security and guides the development of the coastal region

The funding for the identified programmes/projects undertaken during the year came from the national government, development partners and internally generated resources. CDA has in addition proposed several projects for consideration under the Public Private Partnerships approach. The projects have received expression of interest from several investors.

Corporate Governance

The Authority's Board comprises the Chairman and nine (9) independent, and representatives of the The National Treasury, State Department of Regional Development, Ministry of Agriculture, Ministry of Water and Sanitation and Regional County Commissioner.

Human Resources Development

Pursuant to the attainment of organizational objectives and endeavour to place the authority at a high performing level, ensuring compliance with Government Policies and procedures and good Governance, the Authority was expected to align itself with the new Human Resource structures and policies that have were developed and approved within the Government set guidelines. A committee implemented the Transition Matrix and aligned the staff placements in line with the approved approved Authority's human resource instruments.

The Authority facilitated staff to enhance their managerial and leadership skills by undertaking professional courses at Kenya School of Government and attending workshops and seminars for continuous professional development.

The Authority has been able to provide adequate Staff Medical Insurance, Group Life Insurance and Work Injury Benefit Assurance (WIBA) in the financial year.

The Authority successfully advertised and filled up 2 Accountant positions.

ISO 9001:2015 Surveillance Audit

In the financial year 2021/2022 on site surveillance audit for ISO 9001:2015 that took place on 20-21/04/2022 resulted in the Authority's Continued Certification of the ISO 9001:2015 by SGS. The audit concluded that the organization has maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope, organization's policy and objectives. The Authority is committed to maintain the quality management system.

Performance Contracting

The Authority is on performance contracting. The board of directors for Authority signed the Performance Contract with the Ministry of East Africa Community and Regional Development and The National Treasury and Planning.

Financial Status

During the financial year 2021/2022 the Authority was allocated a total Kshs.217,680,000 Recurrent and Kshs.220,108,000 for Development expenditure. The Authority has been able to pay salaries and all statutory payments within the stipulated deadlines.

Project Implementation

The Authority implemented the following projects during the financial year

- **Integrated Fruit and Honey Processing Plant. - Galole Constituency, Tana River County**
The objective of the project is to operationalize Integrated Fruit processing Plant at Hola in Tana River County. During the year the procurement of pineapple processing plant was done awaiting delivery and installation of the same. The waste management system was established, bottled water was available to the market, mango pulp was produced and sold and in addition farmers were trained on good agricultural practices.
- **Modernization of Wananchi Cottages - Kilifi Town, Kilifi County**
The project entails construction of conference and accommodation facility to support capacity building of youth, women and blue economy stakeholders through provision of affordable conference. During the year project Conference facility was at 90% completion with construction of kitchen completed, accommodation block at 80% completion, renovation of the old facility ongoing at 90% completion and interior decoration work commenced and procurement of décor material is on going. The completion was initially disrupted by restriction of movement during the covid pandemic.
- **The Drought Mitigation Projects-**
The Authority received funding for construction of Sangailu Peace dam with a capacity of 100,000m², Mlilo School Borehole and Rehabilitation of strategic water facilities.
- **Small holder Irrigation Schemes- Galole Constituency, The following was achieved during the year;**
 - Topographical survey and designs for 200 acres at Vanga Irrigation undertaken
 - Irrigation infrastructure for 618 acres of land in Chakama (Gaba and Kanduru) established and land put under irrigated cultivation
 - Training undertaken for 314 households on GAPs in Chakama on high value crop

Donor Funded Projects

The Malindi Integrated Social and Health Development Project (MISHDP) is a project implemented by CDA in Kilifi County and is funded by the Italian Government through the Italian Agency for Development Cooperation (AICS). Phase II funding is a concessional loan of Eur 6,395,373 (Ksh 7866 M) Loan Agreement and Financial Agreement were signed by both the Italian Government and the Kenya Government on 26th January 2022 and the loan agreement came into force in May, 2022. The implementation period for the project is 3 years.

The Authority is also implementing donor funded projects namely Mwache Catchment Conservation project and the Kenya Climate Change Adaptation Projects (KCCAP). The Mwache Conservation Project which will benefit residents of Kwale and Mombasa with 186,000m³ of water

per day for domestic and livestock. The KCCAP project focuses mainly on rehabilitation of South Coast mangrove forest and coral reefs.

Africa Public Service Day -2022

The Authority triumphed again in this year's African Public Service event held at the Kenyatta International Conference Center, Nairobi. This year national theme was 'celebrating public service transformation ten years and beyond.' The event attracted many exhibitors and innovations from African Union Member States.

CDA innovators comprising of Pamela Maghema Ngure, Director Corporate Services, Dr. Mwanasiti Bendera, Ag. Director Natural Resources and Beatrice Kavemba, Ag Principal Officer ICT presented their unique innovation titled "Community Managed E Project Monitoring that was invented during the Covid lockdown, this innovation involved the local community project beneficiaries appraising project milestones thus contributed to reduction of monitoring costs and reduction in carbon emission leading to carbon credits. CDA as awarded Second Runners up trophy in the category of Public Services Digitization.

Pending Bills

The Authority did not accumulate any pending bills during the year. Creditors balance as at 30th June was Ksh. 28,316,714.

Legal Matters

Coast Development Authority (CDA) was sued in Mombasa High Court Civil Suit number 11 of 2017, Endebess Development Company Limited Versus Coast Development Authority. The Garnishee Order issued on 26th April 2021 Endebess Development Company Limited attaching *nisi* our salaries Bank Account Number 01004007563400, National Bank of Kenya, Nkrumah Road Branch, Mombasa has not been lifted. The matter was ruled against CDA and is at the Appeal Court pending conclusion after CDA appealed against the ruling.

Appreciation

I finally want to thank the Ministry of East African Community and Regional Development, the Principal Secretary, State Department of Regional and Northern Corridor Development and the CDA Board for their support during the year. The Authority is committed and will ensure all governing regulations including statutory compliance, accounting, procurement of good and services are adhered to.


Mohamed Keinan Hassan Ph.D. OGW
MANAGING DIRECTOR

6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021 2022

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives.

The Authority objectives are aligned to the Strategic Plan, Vision 2030 and Big 4 Agenda.

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Ownership and Commercial Exploitation of Natural Resources	To operationalize Integrated Fruit processing Plant at Hola in Tana River County	<ul style="list-style-type: none"> • Pineapple processing plant procured and installed • Waste management system established • Litres of bottled water availed to the market • Tonnes of pulp availed to the market • No. of farmers trained 	<ul style="list-style-type: none"> • Procurement and Installation of pineapple processing line • Establishment of a waste management system • Avail 200,000 litres of bottled water to the market • Avail 200 tonnes of pulp to the market • Training of 300 farmers on Good Agricultural Practices on Mango Orchard Management 	<ul style="list-style-type: none"> • Procurement of pineapple processing plant ongoing • Waste management system established • 200,633 litres of bottled water availed to the market • 3,343 kgs of pulp produced, • 314 farmers trained on Good Agricultural practices
	Modernize Wananchi Cottages and Conference facility at Kilifi	<ul style="list-style-type: none"> • Conference facility furnished and equipped • Accommodation block furnished and equipped • Old facility renovated • Interior and exterior décor undertaken 	<ul style="list-style-type: none"> • Furnishing and equipping of the conference facility • Furnishing and equipping of the accommodation block • Renovation of the old facility • Interior and exterior décor 	<ul style="list-style-type: none"> • Conference facility at 90% completion with construction of kitchen completed • Accommodation block at 80% completion • Renovation of the old facility ongoing at 90% completion • Interior decoration work commenced and procurement of décor material on going

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Integrated Development Programmes and Projects	Boji, Chakama, Challa, Bura and Vanga Small Holder Irrigation Project	<ul style="list-style-type: none"> No. of Topographical survey and designs undertaken No. of irrigation infrastructure established in Chakama No of Irrigation infrastructure and Auxiliary facilities establish in Challa No. of households capacity built in Chakama on high value crop production and irrigation farming Report on Community water user association capacity built on operation and maintenance of water and irrigation infrastructure Report on operationalization of 10-acre demonstration farm in Chakama 	<ul style="list-style-type: none"> Carry out topographical survey and designs targeting 200 acres at Vanga Irrigation Establish irrigation infrastructure in 250 acres of land in Chakama Establish Irrigation infrastructure and Auxiliary facilities in 50 acres in Challa Capacity building of 300 households in Chakama on high value crop production and irrigation farming Capacity building of community water user association on operation and maintenance of water and irrigation infrastructure Operationalize a 10-acre demonstration farm in Chakama 	<ul style="list-style-type: none"> Topographical survey and designs for 200 acres at Vanga Irrigation undertaken Irrigation infrastructure for 618 acres of land in Chakama (Gaba and Kanduru) established and land put under irrigated cultivation Irrigation infrastructure for 618 acres of land in Chakama (Gaba and Kanduru) established and land put under irrigated cultivation Construction of irrigation infrastructure (water pipelines) in in Challa completed and 64 acres currently under irrigation with farmers producing tomatoes, maize, onions, chilies, bananas, beans and watermelons Training undertaken for 314 households on GAPs in Chakama on high value crop 10 acres Demonstration farm operationalized. Production and sale of farm produce undertaken during the period which bananas, maize and watermelons. 14,000 casuarina tree seedlings were grown
	Mwache Multipurpose Dam Integrated project implemented-Mwache Catchment Management	<ul style="list-style-type: none"> Ha. under catchment management interventions Km of terraces established No. of trees planted and grown 	<ul style="list-style-type: none"> Establishment of 30 Km terraces in Mwache Catchment Planting and growing of 50,000 trees in the Mwache catchment area 	<ul style="list-style-type: none"> 16.75Km (50.25ha) of terraces established through on-farm demonstrations for soil erosion control. 11.28km (33.8ha) of land in the Riparian area marked and pegged and left fallow

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
		<ul style="list-style-type: none"> • No. of WRUAs capacity built • No. of SCMPs developed 	<ul style="list-style-type: none"> • Capacity building and development of Sub-catchment Management Plans (SCMPs) for 3No. Water Resource Users Associations (WRUAs) 	<ul style="list-style-type: none"> for the vegetation to regenerate. • 83,370 tree seedlings planted in riparian areas, homesteads and institutions such as schools, churches, police stations among others • Capacity build 3 WRUAs namely Mlunguni, Barani and Shirango-Kafuloni • 3No. Sub-Catchment Management Plans (SCMPs) developed, ratified and adopted by respective WRUAs.
Blue Economy and Exclusive Economic Zone Resources Utilization	Kenya Coastal Integrated Climate Change Management Program – KCCAP	<ul style="list-style-type: none"> • Acres of Mangrove rehabilitated. • Acres of Coral reef and seagrass rehabilitated. 	<ul style="list-style-type: none"> • Coral reef & sea grass rehabilitation • Mangrove Rehabilitation • Information dissemination and sensitization event • Assessment of one new site • Shoreline stabilization and erosion and accretion control • 	<ul style="list-style-type: none"> • 249,045 mangroves seedlings planted at Makongeni, Kiwegu, Jimbo and Vanga area in Kwale County covering 70 Ha • 2 acres of seagrass degraded area rehabilitated and 10,000 Seedlings of seagrass planted. Mapping of coral reef and sea grass report published • Seagrass rehabilitation report produced and dissemination and sensitization undertaken using Kiswahili and English seagrass rehabilitation posters. • Munje CCA in Msambweni was assessed and found to be an ideal site for upscaling of restoration of coral reef and sea grass ecosystems. • Shoreline stabilization and erosion and accretion control

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
				ongoing at Mwaembe beach with NEMA as the implementer.
National Government Strategic Programmes	Support to resilience and mitigation measures for development of adverse calamities	<ul style="list-style-type: none"> No. of water pans/Earth-fill dams constructed in drought prone areas 	<ul style="list-style-type: none"> Construct Galmagalla Earth Fill Pan Project Construct Yaqhrit Earth Fill Pan Project 	<ul style="list-style-type: none"> 350,000m³ capacity Galmagalla Earth fill Pan constructed 80,000m³ Yaqhrit Earth fill Pan constructed.
Cross Cutting Issues	Institutional Capacity developed	<ul style="list-style-type: none"> No. of Staff capacity build Training needs assessment report Job evaluation and salary review report 	<ul style="list-style-type: none"> Carry out training needs assessment Review the terms and conditions of service Undertake a job evaluation and salary review Providing short courses 	<ul style="list-style-type: none"> Staff training assessment done Job evaluation in collaboration with SRC completed. Staff attended short courses under various disciplines
	National Cohesion and Values	<ul style="list-style-type: none"> Report on national values and principles of governance 	<ul style="list-style-type: none"> Fast track implementation of programmes, projects and activities Submit Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance 	<ul style="list-style-type: none"> Report on national values and principles of governance submitted and achieved a score of 100% from the Directorate of National Cohesion and Values

7. CORPORATE GOVERNANCE STATEMENT

The Authority's Board comprises the Chairman and seven (7) independent, non-executive members. The Board also includes the Principal Secretaries to The National Treasury, State Department of Regional Development and Northern Corridor of the East Africa Community and Regional Development, Ministry of Agriculture and Livestock Development, Ministry of Water and Sanitation and Regional County Commissioner. The Managing Director is an ex-officio member and Secretary to the Board. The Board brings together members with vast experience from different professional backgrounds with diverse skills.

The Board is responsible and accountable to the Government through the National Treasury and Planning and adheres to the highest standards of corporate governance and ethics as well as ensuring compliance with all applicable laws. It is committed to ensuring that the Authority's obligations, roles and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The Members and Management perform their duties with impartiality, honesty, transparency and accountability, professionalism, integrity, care and due diligence and act in good faith to the best interests of the public. Further, the Board is committed to ensuring that ethics and integrity remain at the core of the Authority's operations. It recognizes that ethical management is key to the Authority's sustainability and is therefore, continuously putting in place practices, systems and processes to integrate ethics in all its operations. All new Members and staff equally undergo mandatory induction training that includes ethical conduct and are required to sign the Code of Ethics and to adhere to its principles and provisions.

Role of the Chairman of the Board

The Chairman provides leadership and governance of the Board and creates conditions for overall Board and individual Director's effectiveness by ensuring that all key and appropriate issues are discussed by the Board in a timely manner. He ensures that the Board plays a full and constructive part in the development and determination of the Authority's strategies and policies. He also ensures that the Board is supplied with timely and sufficient information to enable it to discharge its duties effectively. In furtherance of the above, the Chairman ensures adherence to good corporate governance practices and procedures, and continuously promotes the highest standards of integrity, probity and corporate governance throughout the Authority and particularly at Board level.

Role of the Board

The Board is responsible for overall strategic direction and operational guidance of the Authority. In this regard, the responsibilities of the Board include:

Establishing short and long-term goals of the Authority and develop strategies to achieve these goals;

Monitoring the Authority's performance against these set goals;

Overseeing the preparation of annual financial statements and reports;

Approving annual budgets;

Ensuring that the Authority has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

The Board's key achievements during the FY 2021/22 were: -

- Approved and continually monitored the implementation of the Authority's Annual operating Plans and Budget;
- Implemented the Authority's Performance Contract with The National Treasury and Planning;
- Filled the vacancies for Directors
- Reviewed and approved the Authority's Human Resource Instruments, revised organizational structure
- Drought Mitigation-Initiated Earth fill pans in Sangailu, Garissa County and Mlilo School Borehole in Taita and Rehabilitation of Strategic Water Facilities.
- Initiating the Proposal for Integrated Sugar Project

Board Membership and Attendance

Board Committees

The Board meets at least once every quarter depending on the exigencies of the business.

The Board has established three (3) standing committees to assist in the execution of its responsibilities: Finance and Establishment, Projects and Planning and Audit.

a) **Finance and Establishment Committee**

The Finance and Establishment is responsible for reviewing budgeting process and oversight of financial reporting. This Committee is mandated to review Human Resource policies and succession planning aspects of the Authority, review of Human Resources compliance with national legislation, organize the structuring and performance evaluation of Senior Staff, oversee and advise the Board on recruitment and promotion of staff.

b) **Projects and Planning Committee**

The Projects and Planning Committee's mandate is to guide on strategic planning and related technical aspects of the operational performance of the Authority. This involves review of the Strategic Plan, Annual Development Budget, monitoring of projects under implementation and operation strategies.

c) **Audit Committee**

The Audit Committee is mandated to periodically review the Authority's financial statements in liaison with the External Auditors, review the financial statutory and non-statutory reporting obligations, advice on risk identification and mitigation measures and check on effectiveness and robustness of internal control measures. The Authority's internal auditor attends all meetings of the committee.

Name of Committee	Members
Finance and Establishment	1. Mr. Julius Ndegwa -Chairman 2. Mr. Muad Mohamed Khalif - Member 3. Mr.Nicholas Thairu- Member 4. Mr. John Elungata – Member 5.Livingstone Mburu -Member 6. Dr. Mohamed Keinan Hassan - Ex Officio Member
Audit Committee	1. Mr. Ibrahim Khamis Athman - Chairman 2. Mr. Timothy J. Ogwang - Member 3. Mr. Abdullahi Mohamed Abdi –Member 4. Ms. Mary W. Munyingi - Member
Projects and Planning Committee	1. Ms. Fauzia Abaas - Chairperson 2. Mr. Hassan Rashid Mzinga - Member 3. Mr.Jaffrey Sayye - Member 4. Ms. Agnes Waweru -Member 5. Dr. Mohamed Keinan Hassan - Ex Officio Member

Capacity Building for the Board

Training and development programs were organized to equip the Board with the necessary skills for effective discharge of their mandate. During the year, members also attended various capacity building programs focusing on Corporate Governance, Internal Audit, Leadership and Public Finance.

Board Evaluation

Board evaluation is key in assessing the performance, efficiency and effectiveness of an organization. The Authority undertakes regular annual performance evaluation of its Board to enable it review its strategies to

ensure continuous growth and sustainability. The evaluation exercise was undertaken during the year in review.

Board Remuneration

Members are entitled to a sitting allowance for every meeting attended, lunch allowance (in lieu of lunch being provided), accommodation allowance and mileage reimbursement where applicable. This is done within the limits set by the Government for State Corporations. In addition, the Chairman is paid a monthly honorarium and airtime.

Statement of Compliance and Conflict of Interest

Conscious of its responsibilities to Members, service providers, suppliers, creditors, employees and the society, to the best of the Authority and management's knowledge, no person, employee or agent acting on behalf of the Authority, with the knowledge of authority of the Authority or management, committed any offence under the Prevention of Corruption Act or indulged in any unethical behaviour in the conduct of the Authority's business, or been involved in money laundering, or any practice or activity contrary to national laws or international conventions.

Code of Conduct

Each Member of the Authority derives his/her authority and position from a legitimate nomination procedure. However, on becoming a member, he/she becomes bound by the overriding fiduciary duty to act in good faith in pursuit of the best interests of the Authority Members as a whole. In the discharge of their duties, Members operate within the framework of a collective Authority. In order to enable the Members to operate effectively and in the best interest of the Authority, all Members observe rules and regulations governing the conduct of Authority as contained in its manual.

Risk Management

The Members of the Authority are committed to a process of Risk Management that guides in the identification of strategic and operational risks through a structured, systematic, proactive and integrated process. This is done through a risk management framework, which enables management to focus in a comprehensive and holistic manner on all risks faced by Authority. A risk management policy established by the Authority is one of the important steps in ensuring that the management identifies and manages all risks, and further that the Members of the Authority provide oversight, as well as policy direction in managing risks.

Risk Management Structure and Roles

Risk management requires an integrated approach between the various risk related specialists, department and staff. The risk management structure of the Authority comprises; The Audit Committee and the management team.

Role of the Audit Committee

The Authority established committees among them, the Audit Committee, whose mandate is to monitor implementation of risk management framework established by the Authority. The Committee also ensures that the risk management system implemented by management meets the requirements set out in the policy.

Role of Internal Audit and Risk

In addition to implementation of the risk management framework, the Authority has an independent Internal Audit Department, whose function is to provide independent assurance to the Authority and management through structured audits, reviews, testing and other techniques, carrying out risk-based audits, reporting on effectiveness and efficiency of risk management process, as well as reporting on the Authority's compliance with the risk policy. Continuous risk assurance audits were conducted during the year to review the Authority risk status. A review of the strategic and operational risk registers were undertaken.

Role of Management Team

The Management team's role in risk management is that of implementing the risk framework established by the Authority. In addition, the management receives and approves quarterly reports on operational risk management issues, and reports to the Audit Committee and the board, on any strategic risks identified. The management team also approves risk mitigating actions to be taken by the Authority, contributes to the development of the Risk Management System.

Risk Categories

The Authority has identified and categorized risks as follows:

1. Strategic risks: These arise out of the Authority's strategic plan.
2. Financial risks: They are associated with the financial operations of the Authority
3. Operational risks: These are risks associated with the operations of the Authority.
4. Legal and regulatory risks: Legal risks can arise from non-compliance with the legal and regulatory requirements.

Risk Training and Awareness

The Authority's commitment to risk management has also been evidenced by the awareness and continuous training offered to the Members of the board, management and staff of the Authority throughout the year.

Code of Conduct

The Authority has continued to observe and implement the provisions of the Code of Conduct as stipulated in the Mwongozo. The Code binds both the Board Members and staff who commit to its requirements upon joining the Authority.

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For the year ended 30 June, 2022

Board Member	Gender	Classification	Designation	Research & Planning Committee (Total no of meetings held 3)	Finance & Establishment Committee (Total no of meetings held 18)	Audit Committee (Total no of meetings held 3)	Full Board Meeting (Total no of meetings held 5)
Hon. Phillip Charo	M	Independent Member	Board Chairman	n/a	n/a	n/a	5
Hon. Julius Ndegwa	M	Independent Member	Chairperson Finance & Establishment Committee	n/a	18	n/a	5
Mr. Ibrahim Khamis Mutwafy	M	Independent Member	Chairperson Audit Committee	n/a	n/a	3	5
Ms. Fouzia Abaas	F	Independent Member	Chairperson Projects and Planning Committee	1	n/a	n/a	3
Mr. Abdullahi Mohamed Ali	M	Independent Member	Member	n/a	n/a	3	5
Mr. Muad Mohamed Khalif	M	Independent Member	Member	n/a	18	n/a	5
Mr. Hassan Rashid Mzinga	M	Independent Member	Member	3	n/a	n/a	5
Mr. Jaffery Sayye	M	Independent Member	Member	3	n/a	n/a	5
Mr. Nicholas Thairu	M	Representing the PS East Africa Community and Regional Development	Member	n/a	10	3	4
Ms. Agnes Waweru	F	Representing the PS—Ministry of Water and Sanitation	Member	3	n/a	n/a	3
Mr. Timothy Ogwang	M	Representing the PS - Ministry of Agriculture and Livestock Development.	Member	n/a	n/a	3	4
Ms. Mary Munyingi	F	Representing PS, The National Treasury	Member	n/a	5	3	5
Mr. John Elungata	M	Regional County Commissioner	Member	n/a	17	n/a	4
Livingstone Mburu	M	Representing Inspector General Corporations	Member	n/a	1	n/a	1

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Board Member	Gender	Classification	Designation	Research & Planning Committee (Total no of meetings held 3)	Finance & Establishment Committee (Total no of meetings held 18)	Audit Committee (Total no of meetings held 3)	Full Board Meeting (Total no of meetings held 5)
Dr. Mohamed Keinan Hassan, OGW	M	Ex Officio Member	Secretary to the Board	3	13	n/a	4

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Authority is currently implementing its strategic plan, which covers the period Strategic Plan 2018/19 – 2022/23, which coincides with the implementation of the government’s Big Four Agenda and the Third Medium Term Plan of Kenya’s Vision 2030. The goals and initiatives of the strategic plan will provide guidance to the Authority as it develops activities to realize the stated objectives. These activities support the Key Result Areas of Ownership and commercial exploitation of natural resources, Integrated Regional Development Planning, Integrated Development Programmes and projects - Conservation and Environmental management, Basin-based resource studies, information and technology transfer, Community Support and Empowerment, Blue Economy and Exclusive Economic Zone of Kenya and National government strategic programmes

a) Operational Performance

During the financial year 2021-2022 the approved budget for the Authority was Gross Ksh 235,680,000 for recurrent expenditure, Appropriation in Aid Ksh 18,000,000 and Ksh 220,108,000 for development expenditure. The projects for implementation under the Gok funding were Small Holder farmers Irrigation Scheme, Intergrated Fruit Processing Plant, Sangailu Peace Dam, Strategic Water Structures and Mlilo Primary School, Borehole. The Authority also received Ksh 36,800,000 for the Mwache Catchment Conservation Project.

The Authority has been able to meet obligations as they fall due.

b) Key Projects Implemented

Project	Achievement (30 06 2022)
Integrated Fruit and Honey Processing Plant	90%
Small holder Irrigation Schemes	91%
Drought Mitigation	55%
Modernization of Wananchi Cottages	80%
Rehabilitation of Strategic Water Facilities	95%

PROJECT PICTORIALS

i) Integrated Fruit and Honey Processing Plant



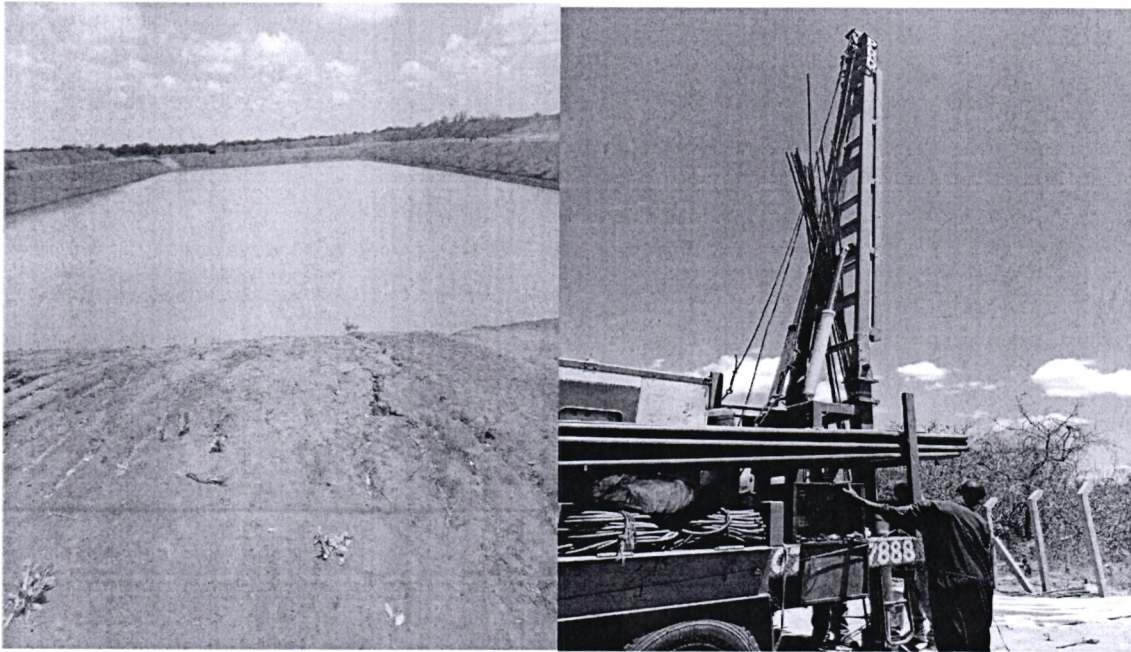
Mango processing and water production at the Hola Plant in Tana River.

ii) Small holder Irrigation Schemes



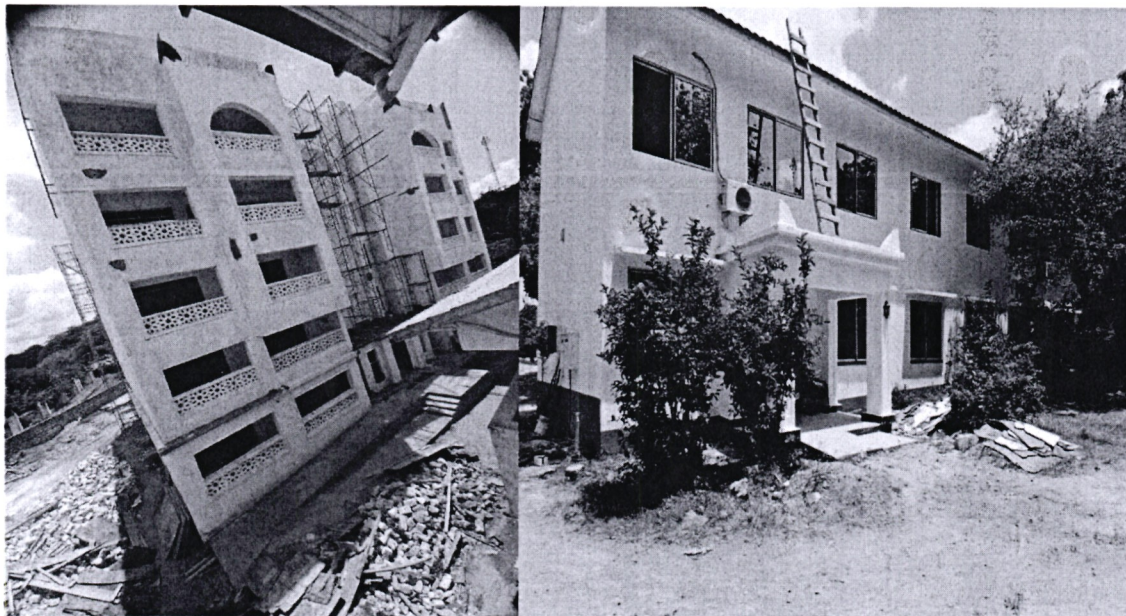
Chakama Small Holder Irrigation Scheme, Kilifi County

i) Drought Mitigation / Rehabilitation of Strategic Water Facilities



Yaqhrif Earth fill Pan and Mlilo Primary School Borehole

ii) Modernization of Wananchi Cottages



c) Financial Performance

i) Budget Performance

The Authority had an approved budget of Ksh 217,680,000 for recurrent. For Development Budget FY 2021/22 the Authority approved was Ksh 220,108,000 compared to Ksh 51,220,500 respectively for the FY 2020/21.

ii) Expenditure

The Authority incurred Ksh 334,363,869 in total expenditure and provisions for the year under review, compared to Ksh. 322,461,937 in the previous year. Of the Kshs.191,737,694 was spent on compensation to employees Including medical expenses, Ksh.24,815,196

Expenditure Item	2021/2022	2020/2021
Compensation to Employees	191,737,694	174,414,928
Board Expenses	15,847,718	12,938,409
Use of goods and services	105,730,334	121,963,366
Depreciation	21,048,123	26,083,643
Total	334,363,869	322,461,937

The Authority reported a Deficit of Ksh 40,195,230 in the year under review compared to a deficit of Ksh 61,207,974 in the previous year. This translated to a change of 34 %

d) Compliance with Statutory Requirements

The Authority is required to comply with various laws and constitutional provisions, which include the Constitution, the CDA Parliament No. 20 of 1990 (Cap 449), revised in 1992, the PFM Act, Income Tax Act, NSSF Act and the National Hospital Insurance Fund (NHIF) Act, among others. Further, provisions of Article 226 (1a) of the Constitution requires that the Authority to prepare annual report and financial statements, which should be submitted to the Auditor General and the National Assembly. The Authority prepared the annual report relating to the FY 2020/2021 and 2019/2020 and is awaiting the Audit Certificate. Other provisions of the laws such as the NHIF Act, NSSF Act and Income Tax Act have also been complied with by the Authority, and the related monthly and annual deadlines for returns observed as per the requirements of each Act.

e) Major Risks Facing the Authority

The Authority has identified risks affecting which are categorized as below

- Strategic risks: These arise out of the Authority's strategic plan.
- Financial risks: They are associated with the financial operations of the Authority.
- Operational risks: These are risks associated with the operations of the Authority.
- Legal and regulatory risks: Legal risks can arise from non-compliance with the legal and regulatory requirements.

The Authority further adopted various mitigation measures against the identified risks. The major risks identified are as follows:

No	Nature of Risks	Description	Risk Rating	Mitigation Measures
1	Strategic risks	Changing economic and political environment	Medium	The Authority to invest in public sensitization and stakeholders' involvement forum at every stage of the strategic programmes' implementation
		Community Opposition to projects		
		Inadequate legal interventions in the legal framework, which interfere with the implementation of the strategic objectives of the Authority		
2	Operational Risks	Loss of skilled workforce	Low	Authority to hire high calibre staff, train and motivate them in terms of remuneration in order to increase retention of staff.
		Inadequate support from major stakeholders and partners		Inadequate and regular collaborations and sensitization of stakeholders and partners on the essence of the Authority's mandate in achievement of national goals.
		Inadequate understanding of the Authority's mandate by customers.		Sensitization of the Authority's customers on the mandate of the Authority.
3	Financial Risks	Inadequate funding from GoK and insufficient support from development partners.	High	Continuous engagement with the NT and development partners for optimal funding of the Authorities' activities.
4	Technological Risk	Rapid technological changes.	Low	Regular training on technological changes
		Cyber Crime		Monitoring and implementation of latest technology and enhancement of knowledge in cyber security
5	Legal	Policy Changes	Medium	Partner with the Attorney General and National Assembly for necessary support
		Law Suits		

f) Financial Probity and Serious Governance Issues

There are no issues of financial improbity reported by any board committee or by external auditors. There are no governance issues and no undisclosed conflicts of interest at the Board or top management of the Authority.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Coast Development Authority (CDA) is a State Corporation with the mandate to provide integrated development planning, coordination and implementation of projects and programmes within the whole of the Coast region, Southern Garissa and Kenya's Exclusive Economic Zone (EEZ).

CDA works with stakeholders in the planning, formulation, implementation, monitoring and evaluation of its projects/programmes with the aim to improve the socio-economic well-being of the communities through sustainable exploitation and management of the natural resources. This is in line with the vision and mission. The Coast region is endowed with natural resources however, the poverty level is still high. In addition to poverty levels, the region experiences other development challenges such as poor infrastructure, environmental degradation, unemployment, food deficit and high prevalence rate of HIV/AIDS. In order to address these challenges, CDA has been adopting a participatory and integrated approach in implementing its development projects for sustainable utilization and management of the natural resources. CDA therefore, will continue working with all relevant stakeholders in the planning, formulation, implementation, monitoring and evaluation of its projects/programmes. In so doing, the Authority hopes to improve the socio-economic well-being of the community in line with its mandate and vision.

i) Sustainability Strategy and Profile

The Authority deployed resources in the implementation of various development and income generation projects.

The implementation of these programmes is continuous and will be enhanced

In the FY 2021/2022 to ensure the Authority's sustainability. The Authority is completing construction of the Wananchi Cottages which will have 41 accommodation rooms, modern restaurant, 2 conference rooms for 400 participants. The additional multiline fruit processing plant has been procured for the Integrated Fruit Factory Plant in Hola to complement the Mango Processing line..

ii) Environmental Performance

The Authority undertook programmes to ensure that its environmental activities remain sustainable in the long run. This effort is demonstrated by establishment of tree nurseries and donation of tree seedlings in the Mwache Catchment area, and establishment of woodlot at Chakama. The Authority has established waste management system at its Integrated Fruit Processing Plant in Hola. At the head office the has set up an environmentally friendly garbage disposal process. All projects undertaken by the Authority are subjected to Environmental Impact Assessment (EIA) audits.

iii) Employee Welfare

Human Resources Policy Instruments

The Authority will implement approved human resource instruments and transition staff in line with the approved transition matrix. The Authority adheres to the Employment Act. The Authority advertises for posts using different media platform i.e., Daily Newspapers (My Gov) and through the Authority website. CDA is an equal opportunity employer committed to gender and disability mainstreaming

- Staff Performance and Training

Staff are subjected to a fair performance appraisal system whose output, amongst other aspects, is the identification of areas of improvement and training aligned to the Performance Contract and annual workplans for the department.

- **National Cohesion and Equal Opportunity**

The Authority submits an annual report to the Directorate of National Cohesion and Values on the measures taken and progress achieved in the realization of national values and principle of governance. The Authority ensures inclusivity in all its programmes.

- **Staff Insurance and Safety**

The Authority has developed policy on safety and compliance and initiates annual safety Audit in all the Authority work stations. The Authority offices are a certified registered place of work with the Ministry of Labour, and thus, it is in conformity with the requirements of the Occupational Safety and Health Act of 2007, (OSHA, 2007). The Authority has adequate insurance cover for all its employees (medical, life, injury etc). All staff are well equipped with appropriate protective equipment.

iv) Market Place Practices

The Authority is pursuing public private partnerships and has signed MOUs with various investors interested in undertaking projects conceptualised by CDA.

The National Ethics and Anti-Corruption Policy is anchored on the Political Pillar of Kenya Vision 2030. The MTP II identifies National Values and Ethics as one of the cornerstones of the Country's overall development through a value-based system. The Authority adheres to the Anti-Corruption Policy. The Anti-Corruption committee meets every quarter to review and mitigate corruption in the Authority. The Authority has in place a Corruption Risk Mitigation Plan

a) Responsible Supply Chain and Supplier Relations.

The procurement process for the Authority is guided by the Public Procurement and Asset Disposal Act (No. 33 Of 2015) The Public Procurement and Asset Disposal Regulations, 2020 All successful tenders are advertised and updated on the Authority's website.

The office is open for all suppliers during working hours of 8am to 5pm Monday to Friday hence ready to receive clarifications, complaints and any compliments which are acted on promptly.

The special groups also compete among themselves on reserved tenders which are set aside by the Authority and pays within 15 days as directed.

CDA has given procurement opportunities to various supplies and settles all payables within 30 days. CDA does not hesitate to issue information on the winning supplies as well as regret letters to those that were not successful encouraging them for any future engagements during the tendering process.

b) Responsible Marketing and Advertisement

The Authority endeavours to act in an ethical manner when providing services to the citizens. The Authority maintains the balance of interests of all the stakeholders as well as in providing benefits to various stakeholder groups. The Authority reputable media channels which have ethical backgrounds for all its advertisements and communication.

10. REPORT OF THE DIRECTORS

Directors submit their report together with the audited financial statements for the year ended 30 June, 2022 which show the state of the Authority affairs.

i) Principal Activities

The principal activities of the entity continue to be

- Mwache Multipurpose Dam Development Project
- Lake Challa Water Resources Project
- Integrated Water and Coastal Management Project (Adaptation to climate change)
- Integrated Community Water Supply (Water pans, dams and boreholes)
- Integrated Fruit Processing Plant Project
- Integrated Community Development Projects (Mineral Exploration and Promotion).
- Dry Port
- Integrated Livestock improvement
- Boji Irrigation Scheme
- Wananchi Cottages

ii) Results

The results of the entity for the year ended 30 June , 2022 are set out on page 1-7

iii) Directors

The Chairperson was appointed with effect from 4th October 2021 and Seven independent board Members were appointed with effect from 6th October 2021 for a period of three years each.

Director Abdillahi Mohamed Abdi was appointed on 28th October,2021.

The members of the Board of Directors who served during the year are shown on page vii-xiv

iv) Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity is not a regulatory entity and did not make any surplus during the year (FY 2021/2022 Nil) and hence no remittance made to the Consolidated Fund.

v) Auditors

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

By Order of the Board



.....
Name

Corporate Secretary/Secretary to the Board

11. STATEMENT OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 15 (1) of the State Corporations Act, 2012 requires that the Directors shall be responsible for the proper management of the affairs of the state corporation and shall be accountable for the moneys, the financial business and the management of the state corporation.

The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on 30 June, 2022. This responsibility includes:

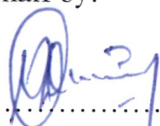
- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity;
- (iii) designing, implementing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

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and State Corporations Act, 2012. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended 30 June, 2022 and the Authority's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

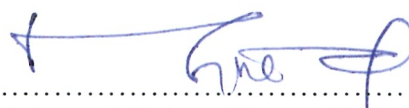
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on 07/03/2023 and signed on its behalf by:



.....
Mzee Mwinyi Mzee
Chairman of the Board



.....
Mohamed Keinan Hassan, Ph.D, OGW
Accounting Officer

REPUBLIC OF KENYA



Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COAST DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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

Qualified Opinion

I have audited the accompanying financial statements of Coast Development Authority set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

Report of the Auditor-General on Coast Development Authority for the year ended 30 June, 2022

other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, the Public Finance Management Act, 2012 and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Coast Development Authority as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Coast Development Authority Act, Cap 449 of the Laws of Kenya.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The financial statements submitted for audit had the following inaccuracies in their presentation as disclosed below;

1.1 Statement of Financial Position

The statement of financial position reflects an amount of Kshs.558,593.478 under property, plant and equipment (PPE) and as disclosed in Note 24 to the financial statements, it includes an intangible asset item of software worth Kshs.5,906,151 which should have been disclosed separately as required as per the templates prepared and prescribed by the Public Sector Accounting Standards Board (PSASB). Additionally, it indicates a depreciation rate for land of 1% while the Authority's has no depreciation policy for land.

1.2 Statement of Changes in Net Assets

The statement of changes in net assets reflects transfer from unsupported or unexplained accumulated deficit of Kshs.4,710,769. Further, it also reflects net GoK Grants of Kshs.220,108,000 received during the year under review which has no disclosure note or supporting schedule. In addition, retained earnings is wrongly reflected as a surplus of Kshs.755,685,860, while the correct position is a deficit of Kshs.755,685,859.

1.3 Statement of Cash Flows

- i. Reconciliation of net cash flows from operating activities is not provided in the notes to the financial statements as per the template.
- ii. The statement of financial position reflects an amount of Kshs.558,593,478 under property, plant and equipment and as disclosed in Note 24 to the financial statements includes additions of Kshs.52,482,071, while the statement of cash flows statement reflects purchase of property, plant and equipment and intangible assets of Kshs.269,871,195, resulting to unexplained variance of Kshs.217,389,124.
- iii. Provisions for contingent assets and audit fees of Kshs.50,232,467 and Kshs.2,624,000 respectively and work in progress-write off of Kshs.112,929,909 are wrongly reflected as cash flows items yet provisions and write-offs do not involve actual cash flows.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2022 could not be confirmed.

2. Variances between the Ledger and the Statement of Financial Performance

Review of the statement of financial performance reflects variances between the financial statements and the general ledgers presented for audit as detailed below:

	Balance as per Ledger Balances (Kshs.)	Balance as per the Financial Statements (Kshs.)	Variances (Kshs.)
Revenue from Non-Exchange Transactions	292,825,199	283,825,199	9,000,000
Employee Costs	191,103,034	191,737,694	(634,660)
Board Expenses	20,962,883	15,847,718	5,115,165
Project Expenses	20,333,943	20,427,973	(94,030)

No reconciliation was provided for the variances.

In the circumstances, the propriety of the balances as reflected in the financial statements for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Expenditures

3.1 Provision of Internet Services

The statement of financial performance reflects general expenses of Kshs.49,914,604 which include Kshs.1,167,256 in respect of provision of internet services as disclosed in Note 14 to the financial statements. However, the engagement of the service provider was not supported with procurement documents on sourcing and contracting.

3.2 Board Expenses

The statement of financial performance and Note 10 to the financial statements reflects Board expenses of Kshs.15,847,718 which include conference fees, travelling expenses and other expenses of Kshs.372,788, Kshs.1,272,800 and Kshs.3,183,275 respectively, all totalling Kshs.4,828,863 but which were not supported with expenditure schedules.

In the circumstances, the propriety, accuracy and completeness of the provision of internet services amount of Kshs.1,167,256 and Board expenses of Kshs.4,828,863 totalling to Kshs.5,996,119 for the year ended 30 June, 2022 could not be confirmed.

4. Disputed Land Ownership

The statement of financial position as at 30 June, 2022 and Note 24 to the financial statements reflects property, plant and equipment balance of Kshs.558,593,478 which includes Kshs.334,580,485 in respect of land. However, review of the Authority's assets register revealed that five (5) parcels of land had ownership disputes. Further, out of the disputed parcels of land, two parcels of land had a total value of Kshs.21,500,000, while no value was provided for three (3) of the parcels of land.

In the circumstances, the ownership of land valued at Kshs.334,580,485 and the accuracy and completeness of property, plant and equipment balance of Kshs.558,593,478 as at 30 June, 2022 could not be confirmed.

5. Board Sitting Allowances

The statement of financial performance and as disclosed in Note 10 to the financial statements reflect Board expenses of Kshs.15,847,718 which include sitting allowances of Kshs.6,345,400. Review of the Authority's records revealed one (1) full Board and thirteen (13) Finance and Establishment Committee excess sittings, contrary to the provision of Circular No. OP/CAB,9/1A of March 11, 2020, Paragraph A (2) that provides that 'Board meetings shall be restricted to a minimum of four as provided in the State Corporations Act and capped at a maximum of six (6) for each financial year, or as may be specified in the respective enabling legal instruments and the same principle shall apply to respective Committees of the Boards'. The excess sittings resulted to payment of sitting allowances of Kshs.240,000 and Kshs.1,040,000 for full Board and Finance and Establishment Committee respectively, all totalling Kshs.1,280,000.

In the circumstances, the propriety of the expenditure on Board expenses amounting to Kshs.1,280,000 could not be confirmed. In addition, Management was in breach of the law.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.298,993,000 and Kshs.294,169,000 respectively, resulting in an over-funding of Kshs.4,824,000 (or 2%) of the budget. Similarly, the Authority expended Kshs.334,364,000 against an approved budget of Kshs.298,993,000, resulting in an over-expenditure of Kshs.35,371,000 (or 11%) of the budget.

The over-funding and over-expenditure may lead to unapproved and unbudgeted expenditure.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, there was no evidence provided to support the resolving of various prior year issues indicated as having been resolved under the progress on follow up of auditor's recommendations section of the financial statements.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Unauthorized Transfer of Funds

The statement of financial position reflects cash and cash equivalents balance of Kshs.265,714,033 which include NBK Main Account balance of Kshs.0.63 as at 30 June, 2022 and an opening balance of Kshs.51,720,468. As previously reported, in the Court case number, MOMBASA HCC No.11 of 2017 Endebess Development Company Limited Vs Coast Development Authority the bank account was attached, garnishee order, prohibiting the Authority from transacting in the account. However, during the year under review, a transfer of Kshs.51,720,468 was made from the account without express instructions from the Authority and against the Court order. No explanation was provided for the transfer.

In the circumstances, the lawfulness of the transfer of Kshs.51,720,467 could not be confirmed and Management was in breach of the Court order.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to sustain its services disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Authority or to cease operations.

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

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

The Board of Directors is responsible for overseeing the Authority's 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

19 April, 2023

*Coast Development Authority
Annual Report and Financial Statements
For the year ended 30 June, 2022*

13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Income	Notes	2021/2022	2020/2021
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Public Contributions and Donations	6	26,145,199	32,411,365
Transfers from Other Governments entities	4	257,680,000	217,680,000
		283,825,199	250,091,365
Revenue From Exchange Transactions			
Other Income	7	10,343,439	11,162,598
		10,343,439	11,162,598
Total Revenue		294,168,638	261,253,963
Expenses			
Employee Costs	8	191,737,694	174,414,928
Depreciation and Amortization Expense	9	21,048,123	26,083,643
Board Expenses	10	15,847,718	12,938,409
Project Expenses	11	20,427,973	18,840,884
Repairs and Maintenance	12	9,242,558	12,144,092
Grants and Subsidies	13	26,145,199	32,411,365
General Expenses	14	49,914,604	44,316,616
Audit Fee	16	0	1,312,000
Total Expenses		334,363,869	322,461,937
Other Gains/(Losses)			
Surplus Before Tax			
Taxation			
Surplus/Deficit For the Period		(40,195,230)	(61,207,974)
Remission to National Treasury		-	-
Net Surplus/Deficit for the year		(40,195,230)	(61,207,974)

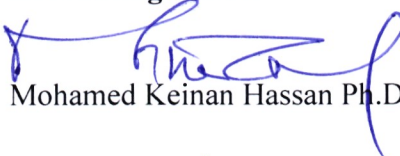
Attributable to:

Surplus/Deficit attributable to Minority Interest			
Surplus/Deficit attributable to Owners of Controlling Entity		(40,195,230)	(61,207,974)

The notes set out on pages 8 to 28 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1-7 were signed on behalf of the Board of Directors by:


Accounting Officer


Mohamed Keinan Hassan Ph.D. OGW

Date

7/3/2023

Head of Finance


Pamela Maghema Ngure
~~ICPAK~~ Member Number
ACCA 0159416
Date 7/3/2023

Date

Chairman of the Board


Mzee Mwinyi Mzee

Date

7/3/2023

*Coast Development Authority
Annual Report and Financial Statements
For the year ended 30 June, 2022*

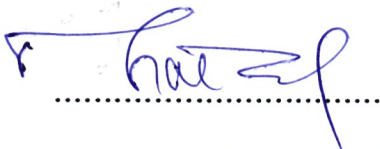
14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	265,714,033	500,525,712
Receivables from Exchange Transactions	19	20,519,614	14,474,859
Receivables from Non-Exchange Transactions	20	42,307,754	32,163,427
Current Portion of Long-Term Receivables from Exchange Transactions		-	-
Inventories	21	4,135,371	3,228,433
Bank Guarantee- NBK Main	18	50,232,467	-
Community Projects/Work in Progress	22	759,070,171	636,463,409
Total Current Assets		1,141,979,410	1,186,855,840
Non-Current Assets			
Property, Plant and Equipment	24	558,593,478	527,159,531
Biological Assets	23	2,195,000	2,080,000
Total Non-current Assets		560,788,478	529,239,531
Total Assets		1,702,767,888	1,716,095,371
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	25	28,316,714	16,866,469
Trade and Other Payables from Non-Exchange Transactions	26	13,029,549	13,370,428
Deferred Income	30	25,174,913	16,743,618
Employee Benefit Obligation	27	5,567,830	20,072,657
Taxation			
Total Current Liabilities		72,089,007	67,053,173
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	29	10,539,399	8,546,402
Provision for Audit Fees		2,624,000	-
Total Non-current Liabilities		13,163,399	8,546,402
Total Liabilities		85,252,406	75,599,575
Net Assets		1,617,515,483	1,640,495,797
Development Grants		2,115,667,433	2,008,489,342
Reserves		342,786,314	342,786,314
Accumulated Deficit		(755,685,859)	(710,779,860)
Total Net Assets and Liabilities		1,702,767,888	1,716,096,371

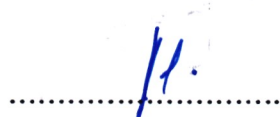
Coast Development Authority
 Annual Report and Financial Statements
 For the year ended 30 June, 2022

Net Assets		1,617,515,483	1,640,495,797
Development Grants		2,115,667,433	2,008,489,342
Reserves		342,786,314	342,786,314
Accumulated Deficit		(755,685,859)	(710,779,860)
Total Net Assets and Liabilities		1,702,767,888	1,716,096,371

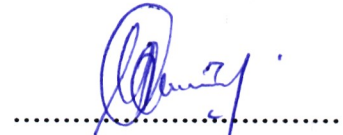
The Financial Statements set out on pages 1-7 were signed on behalf of the Board of Directors by:



Mohamed Keinan Hassan, Ph.d,OGW
 Accounting Officer



Pamela Maghema Ngure
 Head of Finance



Mzee Mwinyi Mzee
 Chairman of the Board

ACCA 0159416
 ICPAK Member Number

Date 07/03/2023

Date 07/03/2023

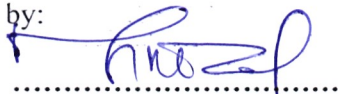
Date 07/03/2023

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Revaluation Reserves	Fair Value Adjustment	Capital /Development Grants	Retained Earnings	Total
	Kshs		Kshs.	Kshs.	Kshs.
Balance as at 30 June 2020	342,786,314	-	1,957,268,842	(646,430,437)	1,653,624,719
Profit for the Year				(61,207,974)	(61,207,974)
Transfers to/from Accumulated Deficit	-	-	-	(3,141,450)	(3,141,450)
Opening Balance Adjustments	-	-	-	-	-
Net GOK Grants	-	-	51,220,500	-	51,220,500
Completed Community Projects	-	-	-	-	-
Balance as at 30 June 2021	342,786,314	-	2,008,489,342	(710,779,860)	1,640,495,796
Deficit for the Year	-	-	-	(40,195,230)	(40,195,230)
Transfers to/from Accumulated Deficit	-	-	-	(4,710,769)	(4,710,769)
Opening Balance Adjustments	-	-	-	-	-
Net GOK Grants	-	-	220,108,000	-	220,108,000
Adjustments to WIP	-	-	(112,929,909)	-	(112,929,909)
As at 30 June 2022	342,786,314	-	2,115,667,433	755,685,859	1,702,767,888

The financial statements set out on pages 1-7 were signed on behalf of the Board of Directors

by:



Mohamed Keinan Hassan, Ph.d,OGW
Accounting Officer

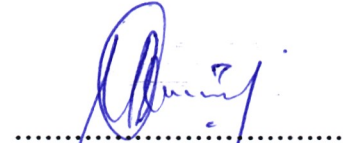
Date 07/03/2023



Pamela Maghema Nguni
Head of Finance

ACCA 0159416
ICPAK Member Number

Date 07/03/2023



Mzee Mwinyi Mzee
Chairman of the Board

Date 07/03/2023

16. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022	2020/2021
		Kshs	Kshs
Cashflow from Operating Activities			
Receipts			
Transfer from Government Entities	5	257,680,000	217,680,000
Public Contribution and Donation	6	26,145,199	32,411,365
Sale of Good and Services		-	-
Other Income	7	10,343,439	11,162,598
Total Receipts		294,168,638	261,253,963
Payments			
Use of Goods and services	11	20,427,973	18,840,884
Employee Costs	8	191,737,694	174,414,928
Board Expenses	10	15,847,718	12,938,409
Repairs and Maintenance	12	9,242,558	12,144,092
Contracted Services	14	49,914,604	44,316,616
Grants and Subsidies	13	26,145,199	32,411,365
Total Payments		313,315,745	295,066,294
Net Cash Flow from Operating Activities		(19,147,107)	(33,812,331)
Cashflow From Investment Activities			
Purchase of PPE and Intangible Assets	24	(269,871,195)	(315,603,594)
Proceeds from sale of PPE		-	-
Purchase of Biological Assets	23	(115,000)	(165,000)
Provision for contingent Asset	18	(50,232,467)	-
Provision for Audit Fees		(2,624,000)	-
Net Cash Flow from Investing Activities		(322,842,662)	(315,768,594)
Cashflow from Financing Activities			
Proceeds from Borrowing		-	-
Work in Progress-Write Off	32	(112,929,909)	-
GOK Development Grants	5	220,108,000	51,220,500
Net Cash Flow from Financing Activities		107,178,091	51,220,500
Net Increase/Decrease in Cash and Cash Equivalent		(234,811,679)	(324,159,369)
Cash and Cash Equivalent at 1 July 2021	28	500,525,712	824,685,081
Cash and Cash Equivalent at 30 June 2022	28	265,714,033	500,525,712

17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance	
					difference (Budget – Actual)	Performance difference (Budget – Actual)
	a	b	c=(a+b)	d	e=(c-d)	F=d/c*100
Amounts in Ksh '000	Kshs (000)	Kshs (000)	Kshs (000)	Kshs (000)	Kshs (000)	%
Revenue						
Public Contributions and Donations	26,145	-	26,145	26,145	-	-
Transfer from Government Grants and Subsidies	254,848	-	254,848	257,680	2,832	1.01%
Other Income	18,000	-	18,000	10,344	(7,657)	0.57.46%
Finance Income	-	-	-	-	-	-
Total Income	298,993		298,993	294,169	(4,825)	
Expenses						
Employee Costs	178,089		178,089	191,738	(13,649)	-1.08%
Remuneration of Directors	13,435		13,435	15,847	(2,412)	-1.18%
Other Expenses	60,494		60,494	70,342	(9,847)	-1%
Depreciation Amortization	14,835		14,835	21,048	(6,213)	-1.41%
Repairs and Maintenance	5,994		5,994	9,243	(3,249)	-1.54%
Grants and Subsidies	26,146		26,146	26,146	-	-
Total Expenditure	298,993		298,993	334,364	(35,370)	
Deficit for The Period				(40,195)	(40,195)	
Capital Expenditure	120,108	120,000	220,108	220,108	-	-

18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Authority is established by and derives its authority and accountability from the Act of Parliament Cap 449 No. 20 of the laws of Kenya in 1990 and the State Corporations Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is implementing sustainable integrated development.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The financial statements have been prepared in accordance with the PFM Act, CDA Act (and International Public Sector Accounting Standards (IPSAS)). The accounting policies adopted have been consistently applied to all the years presented.

The Cash Flow Statement is prepared using the direct method.

3. Summary of Significant Accounting Policies

a)) Revenue recognition

(i) Revenue from Non-Exchange Transactions-IPSAS 23

• Exchequer Allocations

The Authority recognizes revenue from exchequer allocation when the monies are received and asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and fair value of the asset can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

• 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 Authority and can be measured reliably.

(ii) Revenue from Exchange Transactions-IPSAS 9

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority. There was no tender sales revenue for the year under review.

b) Budget Information - IPSAS 24

The annual budget is prepared on a cash basis, that is, all planned costs and income are presented as per the economic line classification to determine the needs of the Authority. As a result of the adoption of the cash basis for budgeting purposes, there are timing differences to include in the reconciliation between the actual comparable amounts and the amounts presented as separate additional financial information in the comparison of budget and actual amounts.

c) Intangible Assets - IPSAS 31

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.

d) Provisions - IPSAS 19

Provisions are recognized when the Authority 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 Authority expects some or all of a provision to be reimbursed, 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.

e) Contingent Liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority; or a present obligation that arises from past events, but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

The Authority 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.

The Authority 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 Authority 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.

f) Changes in Accounting Policies and Estimates - IPSAS 3

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

g) Employee Benefits - IPSAS 25

• Retirement Benefits Plans

The Authority operates a retirement benefit scheme for all its permanent and pensionable employees. Further, an amount equivalent to 31 per cent of basic salary has been set aside as gratuity for all employees on contract. The Authority's contribution towards employee pension scheme and staff gratuity for employees on contract are charged to the statement of financial performance in the year to which the employees rendered their services to the Authority.

h) Related Parties - IPSAS 20

The Authority regards a related party as a person or an authority with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the board members including the board chairperson.

i) 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.

j) 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, Bank account balances include amounts held at various commercial banks at the end of the financial year.

k) Significant Judgments and Sources of Estimation Uncertainty – IPSAS 1

In preparing the financial statements in conformity with IPSAS, management makes estimates and assumptions that affect the amounts of revenues, expenses, assets and liabilities, and the related disclosures, presented in the financial statements at the end of the reporting period. Use of available information and the application of judgment is inherent in the formation of estimates.

Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgments include: Leave provision, useful lives and depreciation methods and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements.

l) 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 Authority based its assumptions and estimates on parameters available when the 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 Authority. Such changes are reflected in the assumptions when they occur (IPSAS 3)

m) Useful Lives and Residual Values of Non-Current Assets

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 Authority;
- The nature of the asset, its susceptibility and adaptability to changes of technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and
- Changes in the market in relation to the asset

The various classes of assets, their useful lives and depreciation rate is indicated below: The method of depreciation and amortization used is reducing balance.

Asset Class	Useful Life (Yrs.)	Depreciation Rate %
Motor vehicle	4	25
Office equipment	8	12.5
Computer equipment	3	33.3
Furniture and fittings	8	12.5

n) Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

- Provisions are recognized when;
- A reliable estimate can be made of the obligation.
- It is probable that an outflow of resources embodying economic benefits of service.
- Potential that the Authority will be required to settle the obligation.
- The Authority has a present obligation resulting from a past event.

The provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate or reversed if it is no longer probable and that an outflow of resources embodying economic benefits or services potential will be required to settle the obligation. Employees' entitlement to annual leave is recognized when it accrues. A provision is made on the estimated liability for annual leave as a result of services rendered by the employees up to the amount of obligation.

4. Exchequer Transfers- Recurrent

Description	2021//2022	2020//2021
	Ksh	Ksh
Quarter 1	94,420,000	54,420,000
Quarter 2	54,420,000	54,420,000
Quarter 3	54,420,000	54,420,000
Quarter 4	54,420,000	54,420,000
Total Exchequer	257,680,000	217,680,00

5. Exchequer Transfers- Development

Description	2021//2022	2020//2021
	Ksh	Ksh
Quarter 1	65,054,000	-
Quarter 2	-	-
Quarter 3	-	-
Quarter 4	155,054,000	51,220,500
Total Exchequer	220,108,000	51,220,500

6. Public Contributions and Donations

Description	2021/2022	2020/2021
	Kshs	Kshs
Kenya Climate Change Adaptation Program	3,928,526	8,111,517
KWSCRIP Mwache	22,216,672	24,299,848
Drought Mitigation Program	-	-
Total Transfers and Sponsorships	26,145,199	32,411,365

7. Other Income

This is revenue from the income generating projects for the Authority

	2021/2022	2020/2021
	Ksh	Ksh
Wananchi Cottages	156,357	102,435
Coral Block	6,698,552	7,252,742
Water Boozer	-	1,179,720
Other Incomes	572,780	1,010,804
Disposal of assets	-	484,700
IFPP	2,915,750	1,132,197
Total	10,343,439	11,162,598

8. Employee Costs

	2021/2022	2020/2021
	Ksh	Ksh
Staff Costs	-	-
Funeral Expenses	138,000	217,800
Group Personal Accident	593,574	-
Group Life	723,116	-
Medical	24,815,196	19,047,776
NSSF Expenses	-	336,800
Group Personal Insurance	973,154	-
Pension Trustee	-	-
Personal Emoluments	147,192,876	139,727,109
Staff Policies & Reports	448,750	1,136,440
Staff Welfare	-	-
Subscriptions to Professional Bodies	255,020	92,360
Training	4,580,868	3,773,239
Travelling & Accommodation	6,209,918	5,156,587
Stipend Allowance	-	-
Wages	5,807,221	4,673,871
Work Men Compensation	-	252,946
Total	191,737,694	174,414,928

9. Depreciation and Amortization Expense

Description	2021/2022	2020/2021
	Kshs	Kshs
Property, Plant and Equipment	21,048,123	26,083,643
Intangible Assets		
Investment Property Carried at Cost		
Total Depreciation and Amortization	21,048,123	26,083,643

10. Board Expenses

Description	2021/2022	2020/2021
	Kshs	Kshs
Chairman's Honoraria	707,098	848,000
Other Allowances	15,140,620	12,090,409
Total Director Emoluments	15,847,718	12,938,409

11. Project Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Wananchi Cottages	3,667,205	2,852,600
Coral Block	9,966,756	8,130,518
Kazi Kwa Vijana (KKV)	-	-
Samburu Ranch	2,765,948	482,010
Water Boozer	212,389	1,011,026
IFPP	3,684,295	6,277,410
Shimoni	131,380	87,321
Total Project Expenses	20,427,973	18,840,884

12. Repairs and Maintenance

Description	2021/2022	2020/2021
	Kshs	Kshs
Property	4,580,914	3,282,724
Investment Property–Earning Rentals		-
Equipment and Machinery	162,645	424,542
Vehicles Maintenance	3,672,534	8,189,977
Furniture and Fittings	-	-
Computers and Accessories	826,465	246,849
Total Repairs and Maintenance	9,242,558	12,144,092

13. Grants and Subsidies

Description	2021/2022	2020/2021
	Kshs	Kshs
Kenya Climate Change Adaptation Program	3,928,527	8,111,517
KWSCRIP Mwache	22,216,672	24,299,848
Malindi Integrated Social Health Development Programme	-	-
Special Programs	-	-
Kenya Coastal Development Programme	-	-
Total Grants and Subsidies	26,145,199	32,411,365

14. General Expenses

	2021/2022	2020/2021
	Kshs	Kshs
Admin Costs	2,760,775	1,218,955
Electricity and Water	1,727,971	909,278
Insurance	1,657,307	1,056,902
Publicity and Advertisements	1,512,882	1,931,834
Internet	1,167,256	786,664
General Office Supplies	2,024,497	2,228,276
Postage	138,471	131,663
Stationery	798,059	1,142,993
Telephone Expenses	1,353,180	1,487,278
Legal & Professional Charges	906,111	3,447,086
ISO Audit	436,020	661,880
Transport & Operation	833,758	853,526
Bank Charges	1,607,912	215,355
Land Rates	2,967,230	-
Monitoring & Evaluation	1,718,467	3,083,822
Reports	664,050	5,093,910
Work Environment	1,800,495	946,120
Finance & Stewardship	6,974,980	3,930,804
Corporate Social Responsibility	237,500	587,469
Project Concept	389,995	4,269,406
County Coordination	1,046,588	808,588
Tender Evaluation	992,390	-
Official Entertainment		74,800
Regional Planning & Coordination	8,766,215	3,151,562
Strategic Planning Implementation	3,174,961	833,640
Performance Contracting	551,240	3,417,471
Budgeting	2,421,230	1,382,594
Competence Development	658,669	137,680
Stamp Duty	593,574	260,000
Sanitary Supply	32,820	267,060
Total General Expenses	49,914,604	44,316,616

15. Finance Costs

Description	2021/2022	2020/2021
	Kshs	Kshs
Borrowings (Amortized Cost) *	-	-
Finance Leases (Amortized Cost)	-	-
Unwinding of Discount	-	-
Interest on Bank Overdrafts	-	-
Interest on Loans from Commercial Banks	-	-
Total Finance Costs	-	-

16. Audit Fees

Description	2021/2022	2020/2021
	Kshs	Kshs
Audit Fees	-	1,312,000
Total Audit Fees		1,312,000

17. (a) Cash and Cash Equivalent

Description	2021/2022	2020/2021
	Kshs	Kshs
Current Account	265,403,013	500,265,365
Cash on Hand	280,204	260,347
MPESA Paybill	30,816	-
Total Cash and Cash Equivalents	265,714,033	500,525,712

(b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account No	2021/2022	2020/2021
a) Current Account		Kshs	Kshs
Barclays Coral Block	2022577967	-	-
Barclays Coral Block B	2024191144	33,124	34,540
Barclays Wananchi Cottages	2024191047	36,829	283,855.60
Equity Bank-KWSCRIP	1560267200967	23,928,903	10,600,057
Equity Kilifi	1060299686735	3,171,555	239,310.70
KCB Kenya Climate Change	1166235319	368,900	4,354,041
KCB Main Account	1166235173	787,871	-3,249
KCB Try Sq Farms	1105622029	76,411	308,015
NBK -Malindi Integrated Project	01002009182400	83,858	92,618
NBK Development	01002008243100	236,703,180	431,844,476
NBK EEZ Project	01002008243101	35,646	732,362
NBK FFS	01002057026205	142,310	84,971
NBK FFS RH	01002057026208	34,425	35,625
NBK Main Account	01004007563400	0.63	51,658,742
Sub Total		265,403,013	500,265,365
b) Others (specify)			
Cash Account-Wananchi Cottages	n/a	19,660	-
Cash Account KCB Main	n/a	251,544	260,347
Mpesa Paybill Account		30,816	
Cash Account - Development		-	1
Cash Account – Coral Block		9,000	-
Sub Total		311,020	260,349
Grand Total		265,714,033	500,525,712

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to the short period to maturity. Cash and cash equivalents comprise cash at bank.

18. Bank Guarantee

Description	2021/2022	2020/2021
	Kshs	Kshs
Bank Guarantee	50,232,467	-
Total	50,232,467	-

19. Receivables from Exchange Transactions

Receivables From Exchange Transactions	2021/2022	2020/2021
Current Receivables	Kshs	Kshs
Wananchi Cottages Receivables	4,608,818	4,608,818
Coral Block Receivables	1,424,400	1,424,400
Total Current Receivables	6,033,218	6,033,218
Other Staff Receivables	529,726	531,365
Staff Telephone	-	-
Pension Everestina Nyambu	-	-
VAT-CDA	-	17,664
Staff Advances	-	-
Service Deposits	13,956,670	7,892,612
Less Impairment Allowance		
Current Portion Transferred to Current Receivables		
Total Non-Current Receivables	14,486,396	8,441,641
Total Receivables	20,519,614	14,474,859

20. Receivables from Non-Exchange Transactions

Description	2021/2022	2020/2021
Non-Current Receivables	Kshs	Kshs
Imprests Outstanding	34,725,134	23,548,501
Claims Reg CDA Main	2,245,825	3,123,047
Other Advances CMDP	1,655	-
Advances to other RDA's	123,734	123,734
Advance to MRD	510,336	510,336
Pambazuko Dev Co	1,018,317	1,018,317
Pledges	6,132	6,132
Ukunda Showground	1,756,136	1,756,136
Staff Advances	1,920,485	2,077,224
MISHDP	-	-
PAYE	-	-
UNION	-	-
Govt Grants Receivables	-	-
Less: Impairment Allowance	-	-
Total Current Receivables	42,307,754	32,163,427

21. Inventories

Description	2021/2022	2020/2021
	Kshs	Kshs
Consumable Stores	4,135,371	3,228,433
Medical Supplies	-	-
Coral Block	-	-
Slates	-	-
Total inventories at the lower of cost and net realizable value	4,135,371	3,228,433

22. Community Projects

	2021/2022	2020/2021
Community Projects /Work in Progress	Kshs	Kshs
Boji Irrigation Scheme	51,519,427	49,621,727
Project Account – AbaQ Qiiq Dam	73,346,713	73,346,713
Integrated Community Enterprise: Coral Block Cutting	8,268,956	8,268,956
Wananchi Cottages – Building	106,270,290	58,279,345
Integrated Fruit Processing	-	79,087,607
Lake Challa	187,383,322	166,430,225
Livestock Development	-	10,837,173
Malindi Integrated Project	6,885,659	6,885,659
Milk Cooling Plant	1,488,207	1,488,207
ASK Show	-	1,713,028
Minor Irrigation- Chakama	128,048,498	100,582,159
Mwache Dam	-	2,690,140
Mariakani Milk Scheme	8,211,693	8,211,693
Drought Mitigation Programme	187,647,406	46,992,811
IFPP	-	20,830,542
MISHDP	-	1,197,424
Total Community Project	759,070,171	636,463,408

23. Biological Assets

Description	2021/2022	2021/2021
Biological Assets	2,195,000	2,080,000
Total Biological Assets	2,195,000	2,080,000

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**24. Property Plant and Equipment
CDA ASSET MOVEMENT SCHEDULE AS AT 30TH JUNE 2022**

ASSET CLASS	LAND	BUILDING	COMPUTER/ PHOTOCOPIER	FURNITURE & FITTINGS	PLANT EQUIPMENT	M/VEHICLE	TOTAL
DEPRECIATION RATE IN %	1%	2%	30%	13%	13%	25%	
BAL.30.6.2021 (COST)	334,580,485	127,036,051	17,750,678	3,345,397	89,007,355	26,694,500	598,414,466
BAL.30.6.2021 ACC DEPN	-	15,135,495	4,487,846	7,199,918	11,792,764	16,896,969	55,512,992
Write offs/Adjustments CHARGE FOR THE YEAR	-	-	2,680,224	-	685,040	-	10,341,706
ACCUMULATED DEPRECIATION	-	2,540,721	5,325,203	418,175	11,125,919	6,673,625	26,083,643
	-	17,676,216	7,132,826	641,651	22,233,643	23,570,600	71,254,935
BAL.30.6.2021 NET	334,580,485	109,359,835	10,617,853	2,703,746	66,773,712	3,123,900	527,159,531
BAL.30.6.2021 (COST)	334,580,485	127,036,051	17,750,678	3,345,397	89,007,355	26,694,500	598,414,466
ADDITION	-	21,733,695	1,408,186	12,807,261	10,626,777	-	46,575,920
W.I.P	-	47,990,945	-	-	-	-	47,990,945
SOFTWARE	-	-	5,906,151	-	-	-	5,906,151
Less W.I.P	-	(47,990,945)	-	-	-	-	(47,990,945)
BAL.30.6.2022 (COST)	334,580,485	148,769,746	24,889,462	21,256,333	99,826,793	26,694,500	656,017,320
BAL.30.6.2021 ACC DEPN	-	17,676,216	7,132,826	641,651	22,233,643	23,570,600	71,254,935
CHARGE FOR THE YEAR	-	2,975,395	5,747,659	418,175	11,125,919	780,975	21,048,123
ACCUMULATED DEPRECIATION	-	20,651,611	12,880,485	1,059,825	33,359,563	24,351,75	92,303,059
BAL.30.6.2022 NET	334,580,485	128,118,136	12,184,531	15,092,833	66,274,570	2,342,925	558,593,478

25. Trade and Other Payables from Exchange Transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Trade payables	28,316,714	16,866,469
Total Accounts Payable	28,316,714	16,866,469

Trade payables represent outstanding payments to suppliers for goods and services consumed.

26. Trade and Other Payables from Non-Exchange Transactions

Description	2021/2022	2020/2021
	Kshs	Kshs
Provision for Bad & Doubtful Debt	2,774,453	2,774,453
Wetland Lagoon	2,440,146	2,440,146
VAT	2,295,597	2,293,629
Staff Claim Refunds	-	-
Imprest	-	340,432
Amedo Hire Purchases	-	2,415
Farmers Rev Fund Kilifi & Taita	105,310	105,310
MISHDP	2,790,043	2,790,043
Claim	-	-
Provision for Audit Fees	2,624,000	2,624,000
Total Trade and Other Payables from Non-Exchange Transactions	13,029,549	13,370,428

27. Employee Benefit Obligation

	2021/2022	2020/2021
	Kshs	Kshs
CDA Sacco	584,689	843,281
CDA Staff Welfare	40,500	81,000
CIC Insurance	-	218,554
DPM Dues	207,399	207,399
Group Life and Accident	-	-
HELB	44,916	63,270
ICEA Endowment Plan	63,644	63,644
KUFCAW	4,863	34,938
NBK Loan Administration Costs	-	6,574
PAYE:30% Withholding Tax	-	-
Pension 20%	1,468,579	3,006,367
Salary Control	13,510	10,640,020
Training Levy	787,805	990,880
Ukulima Sacco	26,419	26,419
NSSF	70,400	58,400
NHIF	212,200	170,500
COTU	-	-
PAYE	1,962,907	3,581,411
Voluntary Pension	80,000	80,000
Total Employee Benefit Obligation	5,567,831	20,072,658

The entity operates a defined benefit scheme for all full-time employees from July 1, 2012. The scheme is based on 7.5% percentage of salary of an employee contribution and 15% employer contribution. The liability at the end of the year is **Ksh 1,468,579**.

The entity also contributes to the statutory National Social Security Fund (NSSF).

29 Non-Current Employee Benefit Obligation

Non-current employee benefit obligation	2021/2022	2020/2021
	Kshs	Kshs
Service Gratuity	-	-
Service Gratuity: Abdalla Lugogo	-	-
Service Gratuity 31%	10,539,399	8,546,402
Service Gratuity 31%Account		-
Total Non-Current Employee Obligation	10,539,399	8,546,402

30 Deferred Income

Description	2021/2022	2020/2021
	Kshs	Kshs
National government		
International funders		
Public contributions and donations	25,174,913	16,743,618
Total Deferred Income	25,174,913	16,743,618

The deferred income movement is as follows:

	National Government	International funders	Public contributions and donations	Total
Balance brought forward	-	-	16,743,618	45,122,315
Additions	-	-	34,576,494	4,032,668
Transfers to Capital fund	-	-	-	-
Transfers to income statement	-	-	(26,145,199)	(32,411,365)
Other transfers	-	-	-	-
Balance carried forward	-	-	25,174,913	16,743,618

31 Provisions

a) Current provisions

Description	Leave Provision
	Kshs
Balance at the beginning of the year	
2021-2022 Provision	1,681,000
Reversed/utilised/withdrawn	
Total provision as at 30.6.2022	1,681,000

b) Non-Current Provisions

Description	Staff Gratuity	Pending Legal suits	Total Kshs
	Ksh	Ksh	Ksh
Balance at the beginning of the year	8,546,402	-	8,546,402
Additional provisions	6,124,278	-	6,124,278
Provisions utilized	(4,131,281)	-	(4,131,281)
Total non-current provision as at 30 June 2022	10,539,399	-	10,539,399

The gratuity amount relates to gratuity for the Authority's staff on contractual terms.

32 Work In Progress Write Offs

Community Project/Work in Progress	2021/2022	2020/2021
Project Accounts:Development Expenditure:ASK Show	1,713,028	-
Project Accounts:Intergrated Fruit Processing	79,297,437	-
Project Accounts:Livestock Development	10,837,173	-
Kazi Kwa Vijana(KKV):Chakama	4,578,169	-
Project Accounts:Mwache Dam	2,690,140	-
IFPP	13,813,960	-
	112,929,909	-

33 STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022

Cashflow from Operating Activities			
	Notes	2021/2022	2020/2021
		Kshs	Kshs
Receipts			
Transfer from Government Entities	5	266,680,000	217,680,000
Public Contribution and Donation	6	26,145,199	32,411,365
Sale of Good and Services		-	-
Other Income	7	10,343,439	11,162,598
Total Receipts		303,168,638	261,253,963
Payments			
Use of Goods and services	11	20,427,973	18,840,884
Employee Costs	8	191,737,694	174,414,928
Board Expenses	10	15,847,718	12,938,409
Repairs and Maintenance	12	9,242,558	12,144,092
Contracted Services	14	49,914,604	44,316,616
Grants and Subsidies	13	26,145,199	32,411,365
Total Payments		313,315,746	295,066,294
Net Cash Flow from Operating Activities		(19,147,108)	(33,812,331)
Cashflow From Investment Activities			
Purchase of PPE and Intangible Assets	24	(269,871,195)	(315,603,594)
Proceeds from sale of PPE		-	-
Purchase of Biological Assets	23	(115,000)	(165,000)
Provision for contingent Asset	18	(50,232,467)	-
Provision for Audit Fees		(2,624,000)	-
Net Cash Flow from Investing Activities		(322,842,662)	(315,768,594)
Cashflow from Financing Activities			
Proceeds from Borrowing		-	-
Work In Progress-Write Off	32	(112,929,909)	-
GOK Development Grants		220,108,000	51,220,500
Net Cash Flow from Financing Activities		107,178,091	51,220,500
Net Increase/Decrease in Cash and Cash Equivalent		(234,811,679)	(324,159,369)
Cash and Cash Equivalent at 1 July	28	500,525,712	824,685,081
Cash and Cash Equivalent at 30 June	28	265,714,033	500,525,712

34 Financial Risk Management

The Authority's activities expose it to a variety of credit and liquidity risks. The overall risk management programme focuses on the unpredictability of the market and seeks to minimize potential adverse effects on its operations. The Authority regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices. Risk management is carried out by the management under the direct supervision of the Board. The Board provides policies for overall risk management, as well as policies covering specific areas such as interest rate risk, credit risk and liquidity risk

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Authority.

Credit risk arises from bank balances, receivables and amounts due from related parties. Although this risk is unlikely to occur in the short term, it is mitigated as follows:

Cash and short-term deposits are placed with well-established financial institutions of high quality and credit standing and also approved by the NT;

Credit risk with respect to accounts receivable is limited due to the nature of the Authority's business and its reliance on government grant as the main source of funding. Market risk is the risk that the value of an investment will decrease due to changes in market factors. The above stated mitigating factors apply to market risk as well.

The amount that best describes the Authority's exposure to credit risk at the end of the financial year is as follows:

Description	2021/2022	2020/2021
	Ksh	Ksh
Cash at Bank	265,714,033	500,525,712
Prepayments	13,956,670	7,892,611
Staff Travel Imprests	34,725,134	23,778,296
Salary Advances	1,920,485	2,077,224
Total Credit Risk	316,316,322	534,273,843

(ii) Liquidity Risk Management

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations when they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Authority's reputation.

The Authority ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the Authority.

The amounts that best describes the Authority's exposure to liquidity risk at the end of the quarter is made up as follows:

Description	2021/2022	2020/2021
	Ksh	Ksh
Contractors' retention	-	-
Withholding tax payable	-	-
Provisions	1,312,000	1,312,000
Trade payables	28,316,714	16,791,402
Payroll liabilities	16,107,230	28,061,906
Total liquidity risk	45,735,944	46,165,308

(iii) 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.

iv) Capital Risk Management

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

	2021/2022	2020/2021
	Kshs	Kshs
Revaluation reserve	342,786,314	342,786,314
Retained earnings	(755,685,859)	(710,779,860)
Capital reserve	2,228,597,342	2,008,489,342
Total funds	1,815,697,797	1,640,495,797
Total borrowings		
Less: cash and bank balances	265,714,033	500,525,712
Net debt/ (excess cash and cash equivalents)	n/a	n/a
Gearing	n/a	n/a

35 Related Party Balances

Nature of Related Party Relationships

Entities and other parties related to the entity 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 Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties are;

- i) The National Government
- ii) The Parent Ministry
- iii) Key Management
- iv) Board of Directors
- v) Income Generating Projects
- vi) Donor's funding Projects (Mwache Dams, Kenya Climate Change Adaptation Programme)

	2021/2022	2020/2021
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to		
Sales of services	-	-
Total	-	-
b) Grants from the Government		
Grants from National Govt	437,788,000	268,900,500
Grants from County Government		
Donations in Kind		
Total	437,788,000	268,900,500
c) Expenses incurred on behalf of Related Party		
Payments of salaries and wages for employees		
Payments for goods and services for		
Total		
d) Key Management Compensation		
Chairman's' Honoraria	707,098	848,000
Compensation to the CEO	7,305,132	7,305,132
Compensation to Key Management	9,829,687	9,829,687
Other Directors Allowance/Emoluments	15,140,620	12,090,409
Total	38,097,702	30,073,228

36 Contingent Liabilities

Contingent liabilities	2021/2022	2020/2021
	Kshs	Kshs
Court case against the entity- Murphy Auctioneers Civil Application No 129/2019	6,953,000	6,953,000
Court Case against Endeless Development Company	62,000,000	62,000,000
Bank guarantees in favour of subsidiary	-	-
Total	68,953,000	68,953,000

- The Authority appealed against the case filed by Murphy Auctioneers and the hearing date has not been set.
- Coast Development Authority (CDA) was sued in Mombasa High Court Civil Suit number 11 of 2017, Endeless Development Company Limited Versus Coast Development Authority. The suit was determined in favour of the plaintiff, Endeless Development Company Limited, wherein Coast Development Authority was condemned to pay Kshs.62,000,000/= plus interest thereon. When the judgment was delivered our advocates observed the judgment was unfair and we had good grounds for appeal. Acting on the advice of our advocates and the instructions from the Board of Directors, we appealed against the judgment of the court in Mombasa Court of Appeal Civil Appeal No. E3 of 2020, Coast Development Authority Versus Endeless Development Company Limited.

The Authority applied for stay of execution pending the hearing and determination of the appeal but the High Court granted the said stay of execution on condition that we furnish security by way of bank guarantee to the tune of the decretal amount. On advice of the Authority's advocates, The Authority declined to furnish the said bank guarantee since CDA is public entity and we cannot in law be ordered to furnish security of costs. Consequently CDA, under Certificate of Urgency applied for stay of execution at the Court of Appeal. Unfortunately, the court of appeal has not been sitting for the last three months. The Appeal has now been allocated a hearing date on 20th July 2021. On 26th April 2021 Endeless Development Company Limited commenced garnishee proceedings and attached *nisi* our salaries Bank Account Number 01004007563400, National Bank of Kenya, Nkrumah Road Branch, Mombasa. Our advocates are challenging the said garnishee proceedings at the High Court.

The Court of Appeal gave its ruling on 17th December 2021 where it stated that ,in its view the conditional stay of execution is fair to both the CDA and Endeless Development Company Ltd. It stated that it will not set aside the ruling of the High Court. The court ordered CDA to comply with the conditional stay of execution order granted by the High Court and place a bank guarantee of Ksh. 62 million to comply with the conditional stay of execution as ruled by the High Court .CDA lodged an appeal. The matter will be heard on 1st March,2023.

37 Comparatives

Prior period comparative information has been presented in the current financial year. Where necessary, comparative figures have been adjusted to conform to changes in presentation of the current year.

38 Subsequent Events after the Reporting Period

There have been no events subsequent to the financial year end with significant impact on the financial statements for the year ended 30 June 2022.

39 Currency

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on External audit Report	Issues/Observations from Auditor	Management Comment	Focal Point Person to resolve the issue	Status:(Resolve/ Not Resolve)	Timeframe: Estimated date of resolution
1.0 Unsupported Prior Year Adjustments	The statement of changes in net assets reflects transfer from accumulated deficit of Kshs.3,398,392 as at 30 th June, 2019. This comprised the opening balance adjustments of Kshs.24,597 and net adjustments of Kshs.3,373,795 relating to prior year adjustments. The adjustments were made in the current financial year instead of the financial year 2017/2018. This was contrary to Paragraph 47 of the International Public Sector Accounting Standard (IPAS)3 on Accounting Policies, Changes in Accounting Estimates and Errors which provides that the corrections of error which occurred in the previous periods id presented by	Corrections were made in the financial statement to correct the presentation anomalies noted. The variances were due to typing errors made on the financial statements and these errors were corrected. The supporting schedules for the same were redone to reflect the amendments in the financial statements.	Pamela Maghema Ngiire Director Corporate Services	Resolved	N/A

*Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022*

	<p>restating the comparative amounts from the prior period in which the error occurred. Further, the journal vouchers effecting the changes were not availed for Audit review.</p> <p>Consequently, the accuracy and the presentation of the prior year adjustment of Kshs.3,373,795 for the year ended 30th June,2019 was not in accordance with the International Public Sector Accounting Standard (IPSAS) 3 on Accounting Policies, Changes in Accounting Estimates and Errors.</p>				
<p>2.0 Inaccuracies in Cash and Cash Equivalents</p>	<p>The statement of Financial Position and as disclosed under Note 20 to the financial statements reflects the cash and cash equivalents balance of Kshs.261,188,879 as at 30th June, 2019.</p> <p>However, included in the bank balance is Barclays Coral Block Account balance of Kshs.424,815 whose supporting schedules reflects Kshs. 420,054 resulting from</p>	<p>The bank reconciliations have been done and adjustments on the Financial Statements has been done</p>	<p>Pamela Maghema Ngure Director Corporate Services</p>	<p>Resolved</p>	<p>N/A</p>

**Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022**

<p>3.0 Service Deposit</p>	<p>unreconciled and unexplained variance of Kshs.4,761. Further, the cash and cash Equivalent reflect the National Bank of Kenya - Malindi Integrated Project Account balance of Kshs.94,478. However, the supporting bank confirmation certificate reflects an amount of Kshs. 93,817.65 resulting to unreconciled and unexplained variance of Kshs.660</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.261,188,879.65 as at 30th June,2019 could not be confirmed.</p>	<p>In October 1996, the Authority ordered Olivetti typewriter valued at 537,827 from a supplier based in Mombasa and a down payment of 250,000 was made. Subsequently an Olivetti typewriter was delivered costing 28,750 and the firm closed their offices thereafter. All</p>	<p>Violet Indiazzi Manager Procurement and Supplies</p>	<p>Not Resolved The firm closed their offices .</p>	<p>30th June,2022</p>
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*Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022*

	<p>payment for purchase of computers in the year 2009/2010. Review of the status during the Audit Indicated that the computers were not received during the year under review. Available information indicates that the supplier has since closed down business. In the circumstance, recovery of the advance payment of Kshs.221,250 or receipt of the computer is uncertain.</p>	<p>efforts to trace the Company and the owners have been futile. The same was communicated to Ministry as it kept recurring in our annual audit queries. The National Treasury has requested PPRA to debar following recommendation from the PIC as per the letter written to us by PPRA. The Public Procurement Regulatory Authority is in the process of debarring the company from transacting with Government institutions</p>	<p>Pamela Nguire Director Services Hafsa Thabit Legal Officer</p>	<p>Not Resolved</p>	<p>30th June, 2022</p>
<p>4.1 Outstanding Imprest</p>	<p>As previously reported, the statement of the financial position and as disclosed under Note 22 of the financial statements reflects receivables from non-exchange transactions balance of Kshs.91,234,224 as at 30th June, 2019. Included in this balance is Kshs.22,363,797 in respect of outstanding imprests due from employees.</p>	<p>These officers resigned from the Institution to take up jobs from other entities. However, they did not come back to clear with CDA. Follow up letters were sent to them advising on status of outstanding imprest and requesting them to immediately settle/ surrender on the same and necessary follow up are put in place on the same.</p>			

**Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022**

4.2. Other Debts	<p>However, imprest of Kshs.15,257,624 due from former employees have been outstanding for more than two years and the recoverability is doubtful. Management has not demonstrated measures put in place to recover the amounts. This contrary to Regulation 92(5-6) of the Public Finance Management (National Government) Regulations,2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station failure to which the imprest shall be converted into a loan recoverable with interest at the prevailing Central Bank Rate. Consequently, recoverability of the outstanding imprest of Kshs.15,257,624 for the year ended 30th June,2019 could not be ascertained.</p>	<p>The Kshs 123,734 advanced to other Regional</p>	<p>Mohamed Keinan Hassan,Ph.D,OGW</p>	<p>Not Resolved</p>	<p>30th June,2022</p>
<p>However, imprest of Kshs.15,257,624 due from former employees have been outstanding for more than two years and the recoverability is doubtful. Management has not demonstrated measures put in place to recover the amounts. This contrary to Regulation 92(5-6) of the Public Finance Management (National Government) Regulations,2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station failure to which the imprest shall be converted into a loan recoverable with interest at the prevailing Central Bank Rate. Consequently, recoverability of the outstanding imprest of Kshs.15,257,624 for the year ended 30th June,2019 could not be ascertained.</p>	<p>The Kshs 123,734 advanced to other Regional</p>	<p>Not Resolved</p>	<p>30th June,2022</p>		

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Annual Reports and Financial Statements for the year ended June 30, 2022*

	<p>and as disclosed under Note 22 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.91,234,224 as at 30th June,2019. Included in this amount is Kshs.123,734 advanced to other Regional Development Authorities (RDA's) which has been outstanding for more than Seven (7) years. Management did not provide documents and explanations on how the lending to the other Regional Development Authorities (RDA's) was done including repayments to date.</p> <p>In the circumstance, the accuracy and validity of the receivables from non-exchange transactions balance of Kshs.91,234,224 as at 30th June,2019 could not be confirmed.</p>	<p>Development Authorities was incurred while preparing the Ministry and RDAs Strategic Plans in 2008 in a Mombasa Hotel. This was share of conference charges among Regional Development Authorities paid by CDA on behalf of the other Regional Authorities as directed by the PS of the Parent Ministry. All the RDAs undertook to refund the Authority. The Authorities have not refunded the amounts yet despite reminder by the Permanent Secretary. The amounts outstanding are as following: Ewaso Nyiro North Development Authority- Kshs 58,000 Lake Basin Development Authority- Kshs 35,000 Tana and Athi River Development Authority- Kshs 30,733</p>	<p>Managing Director</p>	
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Coast Development Authority

Annual Reports and Financial Statements for the year ended June 30, 2022

<p>5.0 Unaccounted Parcels of Land</p>	<p>As reported previously statement of the financial position reflects property, plant and equipment balance of Kshs.506,127,553 as at 30th June,2019(2017/2018- Kshs.410,255,529). The balance excluded nine (9) parcels of land located in Kwale, Kilifi, Taita Taveta and Tana River Counties which had not been valued. The Authority possessed allotment letters for the parcels of land and was at the final stages of obtaining ownership documents. Consequently, the accuracy and completeness of the carrying values of the property plant and equipment totalling to Kshs.506,127,553 as at 30th June,2019 could not be confirmed.</p>	<p>The value of plots in Kwale, Kilifi Ijara and Tana River Counties were not included in financial statements because they did not have title deeds then. These lands have now been surveyed and necessary land documentation issued as follows:</p> <ul style="list-style-type: none"> • Kwale plot 0.2Ha- Title • Kilifi plot 0.2Ha- Leasehold • Malindi Township- PDP • Kwale south Samburu- 300 Acres • Tana River 40Ha- Title • Ijara- Allotment letter • Masalani-1.12-PDP NO-NEP/13/2003/2 • TaitaTavetaWundanyi 1.0 Acre - Allotment letter <p>Taveta Nakuruto 1.0Acre- Sale agreement The referred rates and survey fees have been paid to relevant County Governments.</p>	<p>Hafsa Thabit Legal Officer</p>	<p>Partly Resolved</p>	<p>30th June,2022</p>
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*Coast Development Authority
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6.0 Land Balance Payable	As previously reported, the statement of financial position as at 30th June, 2019 reflects trade and other payables from exchange transactions balance of Kshs.33,468,217. Excluded from this balance is an amount of Kshs.5,199,500 in respect to balance on the purchase price for the land. Records provided for audit revealed that the purchased price for the piece of land was Kshs.9,800,000 as per the sale agreements. The Authority paid 4,600,500 leaving an outstanding amount balance of Kshs.5,199,500 as at 4 th August, 2014.	The revalued amounts relate to the plots without title.(Tana river and Masalani) The revalued amount has been included in the PPE schedule as at 30 th June 2018 The PPE has been updated and reconciled to the ledger and Fixed Assets Register	Not Resolved	30 th June,2022
			Hafsa Thabit Legal Officer	

**Coast Development Authority
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7.0 Community Projects and Work in Progress	<p>The statement of financial position and as disclosed under Note 24 to the financial statements reflects community project and Work in Progress balance of Kshs.267,451,804. Included in this balance is an amount of Kshs.28,741,725 for which Management did not provide the supporting schedules for audit review. In addition, included in this balance is an amount of Kshs.10,837,173 in respect of Livestock development. However, the supporting schedule availed for audit review reflects an amount of Kshs.10,938,373 resulting to unreconciled and unexplained variance of Kshs.101,200. Consequently, the accuracy and completeness of community projects and work in progress balance of Kshs.267,451,804 as at 30th June,2019 could not be confirmed.</p>	The variance of Kshs.101,200 was a typo error on the opening balance. The correction has been since been effected.	Pamela Ngure Director Corporate Services	Resolved	N/A
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	<p>However, as per land report tabled at 76th Full Board meeting held on 19 september, 2018, it was reported that the total purchased price of Kshs.9,800,000 had been paid but the land was unscrupulously sold by a squatter to a private investor. The case is before the Court awaiting determination. Consequently, the accuracy, completeness and ownership of the land as at 30th June, 2019</p>	<p>The balance was to be paid in quarterly basis after the first installment. After the initial payment, the Authority took possession of the plot to start boulders extraction. Immediately thereafter conflict on the ownership of land among the community members followed and CDA staff were attacked and chased by rowdy community members from the site. The same matter on the ownership dispute went to the High Court of Malindi. The court ruled in the community member's favour. The Authority appealed against this judgement in the Court of Appeal. The matter is still pending in court and the Authority will disclose the court case and contingent liability in the subsequent financial statement.</p>			
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*Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022*

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Project Name	Project Description	County	Start Date	Original End Date	Revised End Date	Original Budgeted Cost of Project	Cost Variations to Date	Revised Project Cost	Disbursements to Date	Current Status (% Completion)	Inter-Agency Intervention Required	Remarks(Notes, Challenges, etc.)
Boji		Tana River	1.7.2011	30.06.2013	30.06.2022	145,000,000	-	-	140,170,000	90%	N/A	<ul style="list-style-type: none"> Water supply pipeline infrastructure complete 139 acres ploughed and harrowed Construction of Farm offices and fencing of the 2Acre Utility area complete Pipeline trenches excavated Pipe laying ongoing Construction of division boxes ongoing Portable pumps delivered Hand dug wells excavated awaiting installation of solar-powered pumps Solar powered borehole complete Water supply for domestic in Nakuru to location ongoing Water supply for irrigation at Kasokoni scheme ongoing Concept notes finalized. Implementation planned for 2021/22 Concept notes finalized. Implementation planned for 2020/21
Chakama	Small Holder irrigation	Kilifi	1.7.2011	30.06.2013	30.06.2022	400,000,000	-	-	75,110,250	15%	N/A	
Challa		Taita Taveta	1.7.2011	30.06.2013	30.06.2022	300,000,000	-	-	103,110,250	30%	N/A	
Bura		Tana River	1.7.2011	30.06.2013	30.06.2022	250,000,000	-	-	-	5%	N/A	
Vanga		Kwale	1.7.2011	30.06.2013	30.06.2022	300,000,000	-	-	-	5%	N/A	

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<p>8.0 Unaccounted for Biological Assets.</p>	<p>The statement of financial position and disclosed under Note 25 to the financial statement reflects biological assets valued at Kshs.1,415,000 as at 30th June,2019(2017/2018- Kshs.1,415,000). However, records provided for audit review indicated that during the year under review, there were twenty-two (22) new calves of undetermined value which had not been included in the biological assets register. In circumstance, the accuracy and completeness of biological assets balance of Kshs.1,415,000 as at 30th June,2019 could not be confirmed.</p>	<p>The observation was noted and proper documents for the animals was provided.</p>	<p>Pamela Maghema Ngure Director Corporate Services</p>	<p>Resolved</p>	<p>N/A</p>
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Managing Director



Date.....07/03/2023.....

**Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022**

Project Name	Project Description	County	Start Date	Original End Date	Revised End Date	Original Budgeted Cost of Project	Cost Variations to Date	Revised Project Cost	Disbursements to Date	Current Status (% Completion)	Inter-Agency Intervention Required	Remarks(Notes, Challenges, etc.)	
2	Mwache Catchment Conservation Project	Kwale	15.01.2015	31.12.2020	31.12.2021	500,000,000	-	-	114,181,785	73.80%	National Land Commission and Director Survey on Land compensation	Marking and pegging, tree plantings, nursery establishment and terracing ongoing-SCMP Development for the WRUA completed.	
3	Kenya Climate Change Adaptation Programme (KCCAP)	Kwale, Kilifi, Taita Taveta	1/4/2016	31/03/2018	30/06/2020	116,242,183	-	-	59,017,817	47%	NEMA	Delayed disbursement and activities are season based affecting overall performance	
4	Wananchi Cottages	Kilifi	01.7.2019	30.06.2013	30.06.2022	300,000,000	-	-	184,980,000	70%	N/A	Construction of modern kitchen and conference completed. Additional accommodation construction ongoing	
5	Hola Integrated Fruit Processing Plant	Tana River	1/1/2011	30/06/2019	30/06/2020	426,000,000	-	-	326,000,000	76.5%	KRA	All structures completed, process plant installed and commissioned. Production commencing in November 2021	
6	Rehabilitation of Strategic Water Facilities	Lamu, Garissa, Taita Taveta	01.7.2019	30.06.2022	N/A	20,000,000	-	-	20,000,000	95%	N/A	Rehabilitation of 5 djabias (Faza, Manda, Siyu in Lamu) and 4 shallow boreholes completed in Tana Delta	

**Coast Development Authority
Annual Reports and Financial Statements for the year ended June 30, 2022**

Project Name	Project Description	County	Start Date	Original End Date	Revised End Date	Original Budgeted Cost of Project	Cost Variations to Date	Revised Project Cost	Disbursements to Date	Current Status (% Completion)	Inter-Agency Intervention Required	Remarks(Notes, Challenges, etc.)	
												Excavation works ongoing	Construction of embankment ongoing
7	Galmagalla Earth Fill Pan	Garissa	01.6.2020	31.7.2021	31.10.2021	200,000,000			200,000,000	70%	N/A	Bush clearing has commenced Equipment mobilized on site Excavation works ongoing	Construction of embankment ongoing
8	Abaq Qiiq Earth Fill Pan	Tana River	01.6.2020	31.7.2021	31.9.2021	100,000,000			100,000,000	90%	N/A	Excavation completed, Construction of Auxiliary facilities ongoing	
9	Drought Mitigation	Tana River	1.6.2021	31.12.2021	N/A	40,000,000			40,000,000	5%	N/A	Commencement procurement process	
Total						2,997,242,183			1,325,570,102				

15 AUG 2022

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MINISTRY OF EAST AFRICAN COMMUNITY (EAC) AND
REGIONAL DEVELOPMENT

STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT

ACCOUNTS OFFICE

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NAIROBI, KENYA

22nd July, 2022

Managing Director
Coast Development Authority
P.O Box 1322-80100
Mombasa, Kenya

CONFIRMATION OF INTER ENTITY TRANSFER FOR FY 2021/2022

The audit process for the State Department for Regional and Northern Corridor Development for the financial year 2021/2022 has begun. We wish to confirm the amounts disbursed to you as at 30th June, 2022 as indicated in the table below as well as the Actual Appropriation in Aid (A.i.A) collected in the same period. Please compare the amounts disbursed to you with the amounts you have received and populate to column D in the table below please sign and stamp this request in the space provided and return it to us not later than 5th August, 2022.

Confirmation of amounts received by Coast Development Authority as at 30 th June 2022						
Reference Number	Date Disbursed	Amounts Disbursed to Coast Development Authority as 30 th June, 2022			Amount Received by CDA as at 30 th June 2022 (D)	Difference (E)=(D)-(C)
		Recurrent (A)	Development (B)	Total (C)=(A)+(B)		
FT21221DNBSC	09.08.21	54,420,000.00		54,420,000.00		
FT2122391ZSM	11.08.21		65,054,000.00	65,054,000.00		
FT21302Z1RWZ	29.10.21	18,140,000.00		18,140,000.00		
FT21302RQ3LF	29.10.21	18,140,000.00		18,140,000.00		
FT21302Q3XVS	29.10.21	18,140,000.00		18,140,000.00		
FT220342BD3M	03.02.22	18,140,000.00		18,140,000.00		
FT22034DDPCX	03.02.22	18,140,000.00		18,140,000.00		
FT22034DH5JB	03.02.22	18,140,000.00		18,140,000.00		

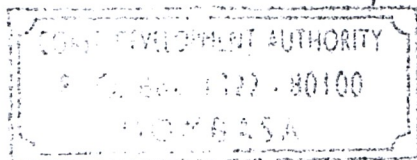
FT22118PPY51	28.04.22	18,140,000.00		18,140,000.00	
FT22124JMKQV	04.05.22	18,140,000.00		18,140,000.00	
FT22124JRPWB	04.05.22	18,140,000.00		18,140,000.00	
FT22132VLT5K	12.05.22		51,684,668.00	51,684,668.00	
FT2213263KGB	12.05.22		51,684,665.00	51,684,665.00	
FT22132QM9PL	12.05.22		51,684,667.00	51,684,667.00	
TOTAL		217,680,000.00	220,108,000.00	437,788,000.00	

**Appropriation
In Aid (A.I.A)**

I confirm the amounts shown above are correct as of the date indicated and are included in the financial statements

**Head of Accounting Unit
Coast Development Authority**

Name: PAMELA MAGHEMA NGURE Sign: [Signature] Date: 15/8/2022



[Signature]

Tom M Odundo
For: Principal Secretary

APPENDIX III: INTER-ENTITY TRANSFERS

APPENDIX IV: REPORTING OF CLIMATE RELEVANT EXPENDITURES

1.PROJECT NAME: THE KENYA WATER SECURITY AND CLIMATE RESILIENCE PROJECT - PHASE 2 (COAST REGION)

ACTIVITY	AMOUNT
Community Training on Dryland	669,764
Forest Cover Mwache Catchment	3,656,607
Gabion Construction	1,496,266
Gender Mainstreaming	84,700
Information Dissemination	989,986
Land Use Improvement	1,159,360
Monitoring & Evaluation	210,580
Sand Harvesting Legislation	962,031
Sub Catchment Management Plan Development	7,644,383
Woodlot Demonstration Plots	415,011
Water Resource Users Association Formed/Sub Catchment Management Plan Implemented	892,677
Water Quality Monitoring	535,072
Administrative Costs	3,500,235
TOTAL KWSCRIP-MWACHE EXPENSES	22,216,672

2.PROJECT NAME: KENYA CLIMATE CHANGE AND ADAPTATION PROGRAMME (KCCAP)

ACTIVITY	AMOUNT
Coral Reef Rehabilitation	1,539,465
Mangrove Rehabilitation	1,451,028
Maintenance Costs	464,107
Communication Costs	193,100
Monitoring and Evaluation	184,210
Capacity Building on Forest Management	44,800
Bank Charges	35,017
Construction of Roof Catchment	16,800
TOTAL KCCAP EXPENSES	3,928,527