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**EWASO NG'IRO NORTH RIVER BASIN DEV. AUTHORITY**

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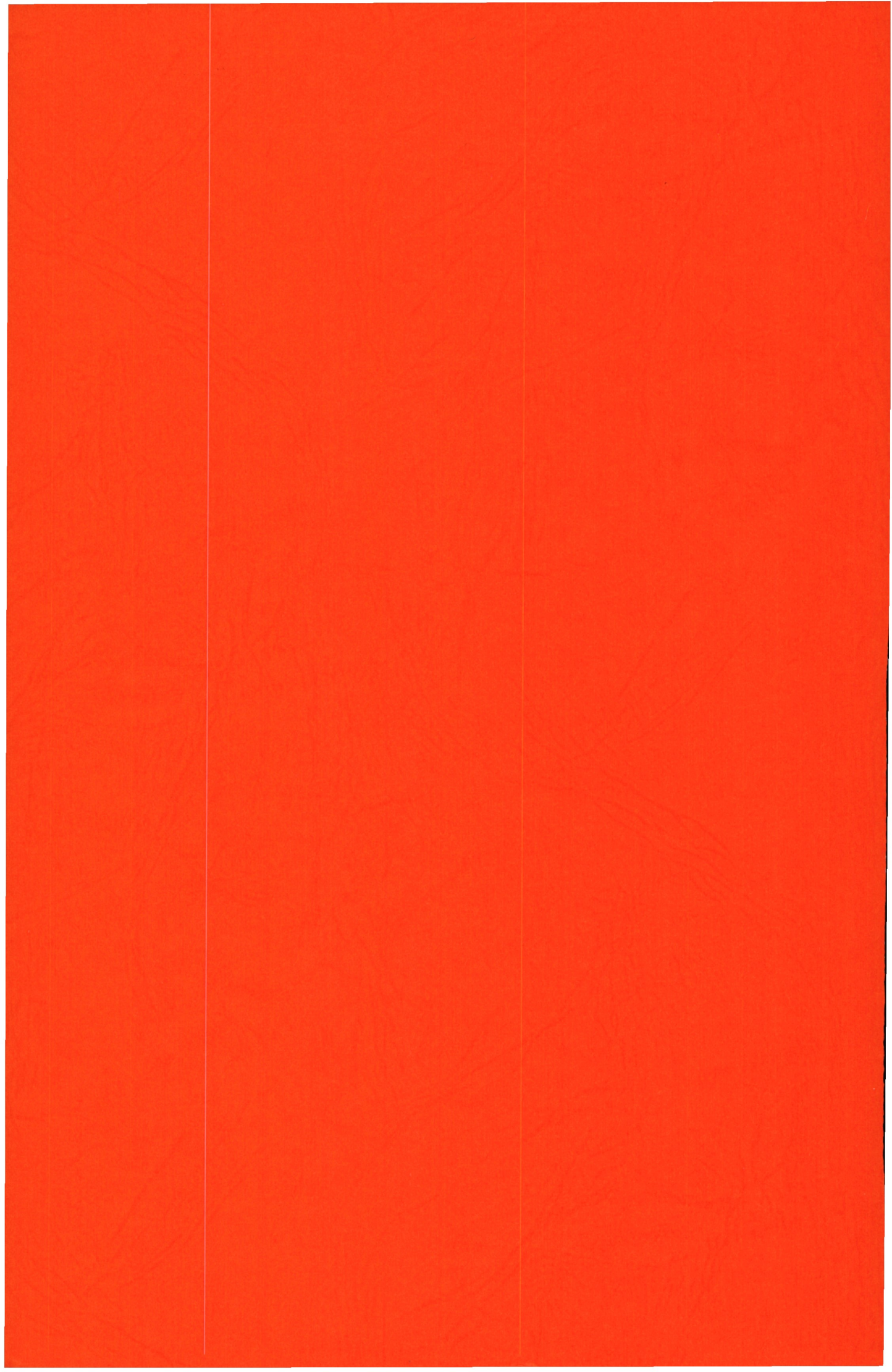
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# EWASO NG'IRO NORTH RIVER BASIN DEVELOPMENT AUTHORITY

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE ACCOUNTS OF THE EWASO NG'IRO NORTH DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2000**

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ISIOLO



# EWASO NGIRO NORTH RIVER DEVELOPMENT AUTHORITY

## BOARD MEMBERS 1999/2000

Mr. Erastus Phares Rutere	Chairman
Mr Omar A. Abdullahi	Vice-Chairman
Mr Issack Sheikh Gabow	Member
Mr. Karei Ole Dagane	Member
Mr. H. B. Shill	Member
Mr. Guyo Haro Okora	Member
Capt. (Rtd) Moses M. Ngonjine	Member
Mr. Hezekiel Gichuru	Member
Mr. Issack Kuli	Member
Mr. Shadrack J. Hidi	Managing Director

## EX- OFFICIAL MEMBERS

Permanent Secretary	Ministry of Water Resources
Permanent Secretary	Ministry of Agriculture, Livestock & Marketing
Permanent Secretary	Ministry of Finance
Permanent Secretary	Ministry of Environment &, Natural Resources
Permanent Secretary	Ministry of Health
Permanent Secretary	Ministry of Energy
Director of Water Dev.	Ministry of Water Resources
Inspector of State Corporation	
Provincial Commissioner	North Eastern Province
Provincial Commissioner	Eastern Province
Provincial Commissioner	Rift Valley Province
Provincial Commissioner	Central Province

## CHIEF OFFICERS

Mr. David Lengala	Daputy Managing Director
Mr. Hesbon N. Makani	Senior Accountant
Mr. Paul Ndirima	Administration
Mr. James Karekia	Senior Economist
Mr. Philip Gichuki	Senior Water Engineer
Mr. Josiah Mulwa	Agricultural Officer
Mr. Hassan Wako Wario	Senior Administration Officer
Mr. Symon Muiruri	Planning Officer
Mr. Omar Sheikh	Senior Livestock Officer

## **BANKERS**

**BARCLAYS BANK OF KENYA LTD.**

## **AUDITORS**

**AUDITOR-GENERAL (CORPORATIONS)**

## **HEAD OFFICE**

**ISILOLO  
P.O. BOX 203  
TEL. (0165) 2002, 2058**

**AREA OF JURISDICTION:** Semi arid & arid distsrict of: Isiolo. Marsabit. Wajir. Garissa. Samburu. Nyandarua. Mandera. Laikipia. Meru. Moyale and Nyeri.



KENYA NATIONAL ASSEMBLY  
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**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON  
THE ACCOUNTS OF THE EWASO NG'IRO NORTH  
DEVELOPMENT AUTHORITY FOR THE YEAR ENDED  
30 JUNE 2000**

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I have examined the Accounts of the Ewaso Ng'iro North Development Authority for the year ended 30 June 2000 in accordance with provisions of Section 29 (2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith.

In my opinion, and subject to the reservations set out herebelow, the Accounts, when read together with the Notes thereon, present fairly the Authority's financial state of affairs as at 30 June 2000 and of its deficit for the year then ended.

**1. FIXED ASSETS**

As was the case in previous years, the Land and Buildings figure of Kshs.13,706,433 reflected on the Authority's Balance Sheet as at 30 June 2000 still excludes the value of land owned by the Authority. The value of the Authority's fixed assets is, therefore, understated to the extent of the value of land not incorporated in these Accounts. Under the circumstances, it has not been possible to confirm the correctness of the Balance Sheet Land and Buildings figure of Kshs.13,706,433 as at 30 June 2000. In addition the Authority has also not obtained title deeds for three of its land plots and in the absence of such title documents the ownership and the security of its land properties cannot be confirmed.

**2. CREDITORS**

The Creditors balance of Kshs.3,690,987 reflected on the Authority's Balance Sheet as at 30 June 2000 includes outstanding unremitted statutory deductions amounting Kshs.731,814 as well as unremitted pension deductions of Kshs.911,229 as at 30 June 2000. Although the non-remittance of the total amount of Kshs.1,643,043 was likely to attract penalties, the Authority failed to settle the liabilities apparently due to liquidity problems.

### 3. BOARD EXPENSES AND ALLOWANCES

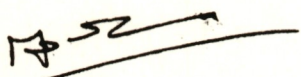
During the year 1999/2000, the Authority did not have a properly constituted Board of Directors as the term of the previous Board had expired on 15 July 1999. It was, therefore, not clear how the functions bestowed on the Board under Section 15 (1) of the State Corporations Act were executed. Further, although the term of office of the Authority's Board expired on 15 July 1999, total expenditure of Kshs.751,819 was shown as incurred in respect of Board allowances and Board related matters while an amount of Kshs.95,310 was paid as honorarium to the Authority's immediate former chairman after the expiry of his term on 15 July 1999. No justification has, however, been provided for charging this expenditure against public funds.

*S. M. Maluki*  
**S. M. MALUKI**  
**AUDITOR GENERAL (CORPORATIONS)**

13 August 2001

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY  
BALANCE SHEET AS AT 30<sup>th</sup> JUNE 2000**

		29th JUNE 2000	30TH JUNE 1999
<b><u>FIXED ASSETS</u></b>	<b><u>NOTES</u></b>		
Land & Building	2	13'706'433.75	14'057'880.75
Motor vehicles	2	635'974.00	2'225'233.50
Equipment, Furniture & Fittings	2	1'451'437.90	1'948'233.85
<b>TOTAL FIXED ASSETS</b>		15'793'845.65	18'231'348.10
<b><u>CURRENT ASSETS</u></b>			
Bank balance	5	2'252'862.30	1'867'279.25
Stock	8	657'000.00	631'500.00
Debtors	7	913'191.45	1'279'141.25
Sundry Debtors		1'333'333.00	-
<b>TOTAL CURRENT ASSETS</b>		5'156'386.75	3'777'920.50
<b><u>CURRENT LIABILITIES</u></b>			
Creditors	6	3'690'897.50	2'980'492.55
<b>NET CURRENT ASSETS</b>		1'465'489.25	797'427.95
<b>NET ASSETS</b>		17'259'334.90	19'028'776.05
<b><u>FINANCED BY:</u></b>			
<b>ACCUMULATED FUND</b>			
Recurrent Fund	4	-6'870'719.50	-2'361'145.65
Development Fund	4	24'130'054.40	21'389'921.70
		17'259'334.90	19'028'776.05

Chairman  .....

DATE 12-04-2001 .....

Managing Director  .....

DATE 12.04.2001 .....

**RECURRENT INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDING 30<sup>th</sup> JUNE 2000**

	30th JUNE 2000	30TH JUNE 1999
<u>INCOME</u>	Kshs.	Kshs.
GOVERNMENT GRANTS	15'999'996.00	18'988'036.50
INTEREST RECEIVABLE	64'824.10	477'088.25
OTHER INCOME	66'000.00	197'140.50
<b>TOTAL INCOME: A</b>	<b>16'130'820.10</b>	<b>19'662'265.25</b>
<u>EXPENDITURE</u>		
Personnel Emoluments	6'196'409.35	6'626'874.40
Gratuity and Pension	736'809.20	770'571.00
House Allowance	1'639'192.30	1'954'540.50
Other Personal Allowances	1'835'866.50	1'609'284.60
Passage and Leave	210'551.60	142'918.00
Medical Allowances	1'526'095.00	1'673'318.50
Medical In-patient	74'785.00	141'265.50
Medical Ex-gratia	-	197'991.60
Transport Operating Expenses	1'487'728.45	1'926'020.60
Travel and Accommodation	1'378'171.30	1'737'259.25
Postal and Telegrams	20'589.00	20'026.00
Telephone and Telex	348'673.00	1'128'458.80
Official Entertainment	210'944.50	223'310.00
Board Expenses	751'819.00	3'689'383.60
Electricity and Water	143'361.60	72'179.55
Publishing and Printing	85'029.60	173'147.55
Uniform and Clothing	-	25'767.00
Library Expenses	-	31'594.00
Stationery	272'308.00	304'889.00
Advertising and Publicity	-	166'307.20
Show Expenses	-	40'000.00
Rent and Rates: Non-Residential	161'000.00	372'000.00
Miscellaneous and other charges	308'703.55	342'811.05
Chairman's Honoraria	95'310.00	97'500.00
Insurance	165'388.00	746'236.00
Purchase of Motor Vehicles		438'623.95
Purchase of Equipment, F & F	-	172'234.00
Repairs and Maintenance of Equipment	174'005.00	411'282.95
Training, Courses and Seminars	141'273.00	150'000.00
Bank Charges	88'882.15	129'180.40
Audit Fees	150'000.00	
Depreciation	2'437'502.45	
<b>TOTAL EXPENDITURE: B</b>	<b>20'640'397.55</b>	<b>25'514'975.00</b>
<b>Surplus/Deficit for the year (A - B)</b>	<b>(4'509'577.45)</b>	<b>(5'852'709.75)</b>

**DEVELOPMENT INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDING 30<sup>th</sup> JUNE 2000**

	30th JUNE 2000	30TH JUNE 1999
<b>INCOME</b>	Kshs	Kshs
<b>Grant</b>	3'800'000.00	3'500'000.00
<b>Bricks and Tiles</b>	2'400.00	101'000.00
<b>Other Donors: DPIRP</b>		-
<b>Sale of Livestock</b>	134'670.00	113'100.00
<b>Sale of eggs and chicks</b>	305'049.00	187'543.00
<b>Other Miscellenious income</b>	901.00	
<b>Total Income</b>	4'243'020.00	3'901'643.00
<b>Expenditure</b>		
Horticultural Development	700.00	196'100.00
Water supplies and Development	39'965.00	534'200.40
Purchase of Motor Vehicles	-	
Plant and Machinery	-	
Bricks and Tiles making	235'980.00	255'748.90
Livestock Development	623'797.10	1'723'597.75
Construction of Building - Non-Residenti	90'385.00	128'301.00
Construction of Building - Residential	-	44'800.00
Dam Construction	-	235'197.80
Emergency Water supply Programme	-	122'030.00
Catchment Conservation and Rehab.	-	258'173.00
Minor Irrigation	40'186.80	523'468.35
Integrated Dev. Project	15'000.00	
Catchment Study ADB	456'873.40	
<b>TOTAL EXPENDITURE: B</b>	1'502'887.30	4'021'617.20
<b>Surplus/ Deficit for the year (A-B)</b>	2'740'132.70	(119'974.20)

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2000

### ACCOUNTS POLICES BASIS FOR ACCOUNTING

The accounts are prepared on historical cost basis of accounting

### DREPRECIATION OF FIXED ASSETS

Depreciation is calculated to write off the cost of the fixed assets over their anticipated useful lives at the following rates:

Freehold Land and Building :	2.5%
Plant and Machinery&equipment :	12.5%
Motor Vehicles :	25%
Furniture and Fittings :	12.5%

<b>2.FIXED ASSETS</b>	<b>LEASEHOLD LAND AND BUILDING</b>	<b>MOTOR VEHICLES</b>	<b>FURNITURE FITTINGS &amp; EQUIPMENT</b>	<b>TOTAL</b>
30th June 1999	14'057'880.75	8'212'355.00	3'974'367.50	26'244'603.25
Additions	-	-	-	-
	14'057'880.75	8'212'355.00	3'974'367.50	26'244'603.25
<b><u>ACC. DEPRECIATION</u></b>				
30th June 1999		5'987'121.50	2'026'133.65	8'013'255.15
Adjustment/charge for 1999	351'447.00	1'589'259.50	496'795.95	2'437'502.45
30th June 1999	351'447.00	7'576'381.00	2'522'929.60	10'450'757.60
<b><u>3. NET BOOK VALUE</u></b>				
30TH JUNE,2000	13'706'433.45	635'974.00	1'451'437.90	15'793'845.65
30TH JUNE, 1999	14'057'880.75	2'225'233.50	1'948'233.85	18'231'348.10
<b><u>4. ACCUMULATED FUND RECURRENT:</u></b>				
Balance brought forward			-2'361'145.65	
Less Deficit for the year			(4'509'577.45)	
			<b>-6'870'723.10</b>	
<b><u>DEVELOPMENT:</u></b>				
Balance Brought Forward			21'389'921.70	
Less Deficit for the Year			2'740'132.70	
			<b>24'130'054.40</b>	

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The following table shows the total cost of the various items purchased during the year.

STATEMENT OF EXPENSES

The following table shows the total cost of the various items purchased during the year.

Category	Item	Quantity	Unit Price	Total Cost
Furniture and Fixtures	Tables	10	\$12.00	\$120.00
	Chairs	50	\$2.00	\$100.00
	Bookshelves	5	\$20.00	\$100.00
Books	Textbooks	100	\$1.00	\$100.00
	Reference	50	\$2.00	\$100.00
Supplies	Stationery	1000	\$0.05	\$50.00
	Printing	1000	\$0.05	\$50.00
Travel	Domestic	100	\$1.00	\$100.00
	Foreign	50	\$2.00	\$100.00
Miscellaneous	Postage	1000	\$0.05	\$50.00
	Repairs	100	\$1.00	\$100.00
Total				\$1000.00

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDING 30th JUNE 2000**

**CASH INFLOW FROM OPERATING ACTIVITIES**

LOSS DURING THE YEAR	-1'769'444.75
ADD DEPRECIATION	2'437'502.45
LESS INCREASE IN STOCK	-25'500.00
ADD DECREASE IN DEBTORS	365'953.40
ADD INCREASE IN CREDITORS	710'404.95
LESS SUNDRY DEBTORS	<u>-1'333'333.00</u>
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b><u>385'583.05</u></b>

**CASH FLOW FROM INVESTING ACTIVITIES**

INCREASE IN CASH	385'583.05
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**RECONCILIATION**

CASH AND CASH EQUIVALENT AT THE BEGINNING	1'867'279.25
ADD INCREASE IN CASH	<u>385'583.05</u>
CASH AND CASH EQUIVALENT AT THE END	<b><u>. 2'252'862.30</u></b>

<b>NOTES TO THE ACCOUNTS(CONT.)</b>			
<b>5. BANK BALANCES:</b>			
Savings Account	- BBK ISIOLO		597'541.20
Bricks and Tiles Account	- BBK ISIOLO		101'570.75
Optimun Account	-BBK ISIOLO		1'553'750.35
Current A/c	-BBK GARISSA		-
<b>BANK BALANCE</b>			<b>2'252'862.30</b>
<b>6. CREDITORS:</b>			
Auditor General(Corporations)			300'000.00
Bank Overdraft			280'356.55
sundry Creditors			3'110'540.95
<b>TOTAL</b>			<b>3'690'897.50</b>
<b>7. DEBTORS:</b>			
Staff Advances (See Schedules attached)			73'435.85
Outstanding Imprests (schedules attached)			243'073.00
Garissa Regional Office			524'682.60
Rent prepaid			72'000.00
<b>TOTAL</b>			<b>913'191.45</b>
<b>8. LIVESTOCK</b>			
<b>Cost of Livestock Sale:</b>			
	Opening Stock		631'500.00
	Less : sale of 430 chicks @ Kshs.150.00		(64'500.00)
			567'000.00
	add: appreciation of camels		90'000.00
	Closing Value of Livestock *		657'000.00
<b>CLOSING STOCK-LIVESTOCK *</b>			
	73 camels @ 9,000/=		657'000.00
			657'000.00
	Livestock recurrent expenses 1999/2000		623'797.10
	Livestock recurrent expenses 1998/99		1'723'597.75
	Livestock recurrent expenses 1997/98		1'835'292.20
	Livestock recurrent expenses 1996/1997		2'565'136.95
	Livestock recurrent expenses 1995/1996		654'357.00
	<b>TOTAL (Livestock recurrent expenses )</b>		<b>7'402'181.00</b>
9. Sudry debtors of Kshs. 1, 333, 333.00 refers to the government grant for recurrent expenditure which was due but received after 30th June 2000.			
10. Leaseland and building excludes the value of land which has not been valued.			

NOTES TO THE ACCOUNTS

6. BANK BALANCES	
Bank of America	100,000.00
Chase Bank	50,000.00
Wells Fargo	25,000.00
Bank of Montreal	15,000.00
TD Bank	10,000.00
<b>TOTAL</b>	<b>200,000.00</b>
7. DEBTORS	
Accounts Receivable	150,000.00
Notes Receivable	50,000.00
Prepaid Expenses	10,000.00
Other Debtors	10,000.00
<b>TOTAL</b>	<b>220,000.00</b>
8. LIVESTOCK	
Land	100,000.00
Buildings	50,000.00
Equipment	25,000.00
Inventory	15,000.00
Other Assets	10,000.00
<b>TOTAL</b>	<b>200,000.00</b>
CLOSING STOCK BALANCE	
Inventory	100,000.00
Accounts Payable	(50,000.00)
Notes Payable	(25,000.00)
Other Liabilities	(25,000.00)
<b>TOTAL</b>	<b>0.00</b>

The following table shows the value of land and buildings at the end of the period. The value of land and buildings at the beginning of the period was \$100,000.00. The value of land and buildings at the end of the period was \$200,000.00. The increase in value is due to the purchase of land and buildings during the period.

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY**  
**LIST OF SALARY ADVANCES AS AT 30TH JUNE 2000**

<b>INDEX</b>	<b>NAME</b>	<b>AMOUNT</b>
1	Rose Munyao	1'500.00
2	Paul Ndirima	1'300.00
3	Abdi Gose	3'332.00
4	Mohamed Abdullahi	1'500.00
5	James Karekia	15'000.00
6	Cyprian Lomatukae	2'800.00
7	Ramadhani Abdirahman	1'850.00
8	Hawo Denge Elema	5'000.00
9	Kiptisia Kisa David	1'665.00
10	Ambrose Muthaura	8'000.00
11	Abdi Kulu	300.20
12	David Lengala	2'617.65
13	Symon Muiruri	8'000.00
14	Mohamed Omar	700.00
15	Abdi Samaow	3'541.00
16	M. H. Abdow	12'000.00
17	Abdullahi M. Saidi	1'330.00
18	Wako Galgalo	3'000.00
	<b>TOTAL</b>	<b><u>73'435.85</u></b>

**EWASO NGIRO NORTH DEVELOPMENT AUTHORITY  
OUTSTANDING IMPREST FOR THE YEAR ENDED 30TH JUNE 2000**

INDEX	NAME	SUB-TOTAL	AMOUNT		
1	Sharamo Roba Duba		3'000.00		
2	Ambrose Muthaura		3'500.00		
3	Teresia Kanyenya		5'000.00		
4	Nicholas Kiambi	4'000.00			
5	Nicholas Kiambi	2'500.00			
6	Nicholas Kiambi	6'000.00			
7	Nicholas Kiambi	6'000.00			
8	Nicholas Kiambi	6'000.00	24'500.00		
9	Hussein Wario		15'500.00		
10	Mohamud Ally		3'000.00		
11	John Olekeshine	3'000.00			
12	John Olekeshine	3'000.00	6'000.00		
13	Abdi Bakajo		1'660.00		
14	Wako Galgalo		2'000.00		
15	Hersi Bante	2'400.00			
16	Hersi Bante	588.00	2'988.00		
17	Shadrack Jirma Hidi	26'825.00			
18	Shadrack Jirma Hidi	2'500.00			
19	Shadrack Jirma Hidi	2'000.00	31'325.00		
20	Salan A. Hassan	330.00			
21	Salan A. Hassan	1'770.00			
22	Salan A. Hassan	2'700.00			
23	Salan A. Hassan	3'200.00	8'000.00		
24	Mohamed Halkano		2'500.00		
25	Mohamed Silat		5'500.00		
26	Mohamed Abdow		35'000.00		
27	David Lengala		79'100.00		
28	Abduba Galma		9'000.00		
29	Adan Ali		1'500.00		
	Gufu Gone		4'000.00		
	<b>TOTAL</b>		<b>243'073.00</b>		

