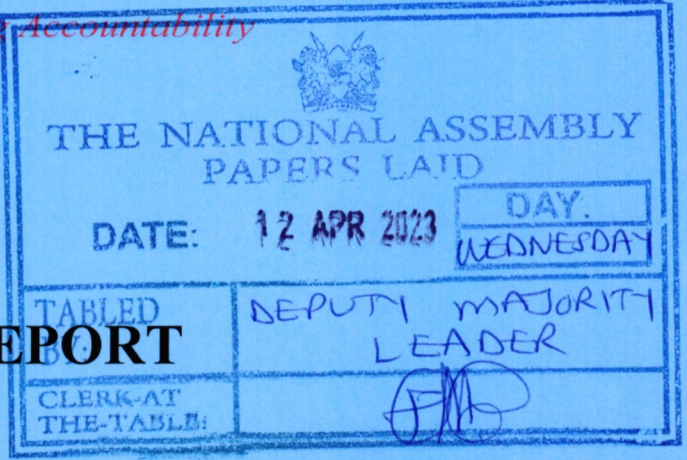


REPUBLIC OF KENYA



**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**KIMIRA OLUCH SMALLHOLDER FARM  
IMPROVEMENT PROJECT  
(ADF LOAN NO. 2100150012296)**

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

**STATE DEPARTMENT FOR REGIONAL AND  
NORTHERN CORRIDOR DEVELOPMENT**





**KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT  
(KOSFIP)**

**STATE DEPARTMENT FOR REGIONAL & NORTHERN CORRIDOR DEVELOPMENT**

**ADF LOAN NO. 2100150012296**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2022**

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***Kimira Oluch Smallholder Farm Improvement Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022***

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## **1. Project Information and Overall Performance**

### **1.1 Name and registered office**

#### **Name**

The project's official name is "Kimira Oluch Smallholder Farm Improvement Project" (KOSFIP).

#### **Objective**

The key objective of the project is to improve income levels in a sustainable manner for 3,000 rural households in Homabay County through improved agricultural productivity for poverty reduction and improved livelihoods.

#### **Address**

The Project Headquarters Office is located in Homa Bay town, Kenya.

The address of its Registered Office is:

P.O. Box 293-40300  
Ministry of Public Works Building  
Kendu Bay –Homa Bay Road  
Homa Bay, Kenya

#### **Contacts:**

The following are the project contacts

Telephone: (254) 059-223222  
E-mail: kosfip1@gmail.com

**Project information and overall performance (continued)**

**1.2 Project Information**

<b>Project Start Date:</b>	The project start date is 13th February, 2007
<b>Project End Date:</b>	The project end date is 30 <sup>th</sup> June, 2025
<b>Project Manager:</b>	The project manager is Mr. Wilson Omulo
<b>Project Sponsor:</b>	The project sponsor is The Africa Development Bank (ADB) and The Government of Kenya (GoK)

**1.3 Project Overview**

Line Ministry/State Department of the project	The Project is under the supervision of <i>Ministry of East African Community and Regional Development</i> , State Department for Regional & Northern Corridor Development
Project number	ADF LOAN NO. 2100150012296
Strategic goals of the project	The strategic goals of the project are as follows: (i) To enhance sustainable income levels for 3,000 rural households in Homa Bay County and thus help in alleviating poverty. (ii) To improve agricultural productivity and value of the produce for poverty reduction and improved rural livelihoods in Homa Bay County.
Achievement of strategic goals	The project management aims to achieve the goals through development of two sustainable and environmentally friendly smallholder irrigation schemes in Kimira and Oluch:-  <ul style="list-style-type: none"> <li>▪ Kimira Scheme in Rachuonyo North Sub County which covers a gross area of 1,790 Ha, with a net irrigable area of 808 Ha and a total of 44 irrigation blocks. It has 1,616 smallholder farmers' households.</li> <li>▪ Oluch Scheme in Rangwe and North Rachuonyo Sub County, which covers a gross area of 1,308 Ha, with a net irrigable area of 666 Ha and total of 53 irrigation blocks. It has 1,334 smallholder farmers households.</li> </ul> <p>A total number of 3000 households are to benefit directly from the two Irrigation Schemes, and another 400,000 to benefit indirectly</p>
Other important background information of the project	<b>Project Components:</b> The project implements its activities under three distinct components: <b>A. Irrigation Scheme Development and Management</b> with the following sub-components: 1. Formation of Water Users Associations

	<p>2. Irrigation Scheme Development  3. Supervision of Scheme Construction  4. Environmental Mitigation</p> <p><b>B. <u>Marketing and Extension</u></b> with the following sub-components:  1. Support to farmers  2. Support to Extension Workers  3. Marketing Linkages</p> <p><b>C. <u>Project Management and Coordination Component</u></b></p> <p>Project Achievements:  Under Irrigation Scheme Development and Management, the Project has constructed the following structures: -</p> <ul style="list-style-type: none"> <li>▪ 2 Gravity Intake Weirs</li> <li>▪ 4 motorable Bridges</li> <li>▪ 54.64 km of Reinforced concrete Water Conveyance System</li> <li>▪ 85.5km Water Drainage System</li> <li>▪ 10 Night Storage Reservoirs</li> <li>▪ 8 Communal canal based water take off points</li> <li>▪ 2 Irrigation Water Users Association (IWUA) offices buildings.</li> <li>▪ 28.5km Road Networks (Access and Service Roads)</li> <li>▪ 2 Sand trap.</li> </ul> <p>In Environmental Mitigation the following activities have been achieved : -</p> <ul style="list-style-type: none"> <li>▪ 120 (24 – ADB Grant and 96- GoK) Resettlement Permanent Houses and 1No. Community Church, constructed..</li> </ul> <p>The Project also supported: -</p> <ul style="list-style-type: none"> <li>• Vulnerable persons (school fees were paid to Universities, Colleges and Secondary Schools for 78 students from the vulnerable families in Oluch and 46 students in Kimira respectively. Livelihood start-up packages were also provided).</li> <li>• 3000 mosquito bed -nets provided.</li> <li>• 191 No. 8,000lts water tanks installed in schools, dispensaries and resettlement houses.</li> <li>• 3000 farmers trained on improved farming methods and project sustainability, among other capacity building activities.</li> </ul>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas:  (i) Low food security  (ii) High poverty rates in the County.</p>
<p>Project duration</p>	<p>The project started on 13<sup>th</sup> February 2007 and is expected to run until 30 June 2025</p>

**Project Information and Overall Performance (Continued)**

**1.4 Bankers**

Project Account No.: 01141047028702:  
Co-operative Bank of Kenya, Homa Bay Branch  
P. O. Box 406-40300,  
**HOMA BAY**

**1.5 Auditors**

The Project is audited by Office of the Auditor General

The Auditor General  
Office of the Auditor General  
Anniversary Towers  
Monrovia Street  
P. O. Box 30084-00100  
**NAIROBI**

**Project Information and Overall Performance (Continued)**

**1.6 Roles and Responsibilities**

The key personnel involved in the project are;

<b>Names</b>	<b>Title designation</b>	<b>Responsibilities</b>
Dr. Belio R. Kipsang, CBS	Principal Secretary, State Department for Regional & Northern Corridor Development	Accounting Officer
Ms Wanjiku Manyatta	Ag. Director, Regional Development Authorities.	Liaison Officer for Project activities at State Department for Regional & Northern Corridor Development
Wilson Omulo	Project Manager	Overall management of the project
Tom Odundo	Head Accounting Unit State Department for Regional & Northern Corridor Development	Coordinating and effecting payments from the state department.
Victor Bwire	Ag project Accountant August 2021- July 2022	Head of Accounts
George Ouma	Ag. M&E Officer and Environmentalist	In charge of Monitoring and Evaluation and Environment Department
Richard Misati	Ag Project Accountant August 2022 to date	Head of Accounts
John Rop Serem	Human Resource Manager & Administrator	Managing Human Resource and General Administration
Amos Amenya	Snr. Agronomist	In charge of Agronomy Department
Florence Atera	Rural Sociologist and Gender Specialist	In charge of Rural Sociology Department
Sarah Khanani	Cartographer	In charge of Cartography Department
Wesley Cheruiyot	Assistant Engineer	In charge of Engineering Activities
Maurice Arego	Transport Officer	In charge of Transport Department

**Funding summary**

The Project is for a duration of (18) years from 2007 to 30<sup>th</sup> June 2025 with an approved ADF Loan of UA 22,978,992 equivalent to Kshs 2,851,000,000, ADF Grant of UA 1,147,529 equivalent to Kshs 142,408,349 and GoK counterpart of Kshs. 5,187,998,011 as highlighted in the table below:

Below is the funding summary:

**Kimira Oluch Smallholder Farm Improvement Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Project information and overall performance (continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date -- (30 June 2022)			Undrawn balance to date	
	Donor currency	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs	
(i) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)	
African Development Fund.	1,147,529.00	142,408,349.00	1,147,529.00	142,408,349.00	-	-	
(ii) Loan							
African Development Fund	22,978,992.00	2,851,000,000.00	22,978,992.00	2,851,000,000.00	-	-	
(iii) Counterpart funds							
Government of Kenya	41,804,980.00	5,187,998,011.00	34,128,909.00	4,362,826,463.05	7,676,071.00	825,171,547.95	
<b>Total</b>	<b>65,931,501.00</b>	<b>8,181,406,360.00</b>	<b>58,255,430.00</b>	<b>7,356,234,812.05</b>	<b>7,676,071.00</b>	<b>825,171,547.95</b>	

NB: The Exchange rate used was 1AU = KES 124

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

Project information and overall performance (continued)

**B. Application of Funds**

Application of funds	Amount received to date -- (30 <sup>th</sup> June 2022)		Cumulative amount paid to date -- (30 <sup>th</sup> June 2022)	Unutilised balance to date (30 <sup>th</sup> June 2022)	
	Donor currency (A)	Kshs (A')		Donor currency (A)-(B)	Kshs (A')-(B')
(i) Grant					
African Development Fund.	1,147,529.00	142,408,349.00	142,408,349.00	-	-
(ii) Loan					
African Development Fund	22,978,992.00	2,851,000,000.00	2,851,000,000.00	-	-
(iii) Counterpart funds					
Government of Kenya	34,128,909.00	4,362,826,463.05	4,362,826,463.05	-	0
<b>Total</b>	<b>58,255,430.00</b>	<b>7,356,234,812.05</b>	<b>7,356,234,812.05</b>	<b>-</b>	<b>-</b>

**Project information and overall performance (continued)**

**1.7 Summary of Overall Project Performance:**

**Budget performance against actual amounts for current year and for cumulative to-date,**

Cumulatively since the project commenced its implementation activities, Kshs.7,356,234,812 has been disbursed. During this reporting period, the project received Kshs.62,763,830 for implementation of recurrent activities. The Project's overall utilization of the allocated funds mentioned above translates to 100% absorption rate during the period under review. The funds received did not cover development budget and the project was not able to achieve the required threshold of 30% to 70%, with regards to recurrent expenditure (operating services) and development expenditure respectively. However, we utilised the funds committed and rolled over from the previous financial year towards specific activities that included construction of minor tertiary irrigation infrastructure and fencing of night storage reservoirs that were posing danger to the community. This enabled connection of more farmers to the irrigation infrastructure, thus increasing overall crop production. As such, there was unfavourable variance in the absorption of the funds advanced to the project due to massive budget cuts.

**Physical progress based on outputs, outcomes and impacts since project commencement together with value-for-money achievements:**

- A 59 Km main water conveyance system and associated infrastructure developed and currently conveying water to 97 irrigation blocks.
- 122.4 Km of tertiary canals (in-block irrigation infrastructure) has been constructed and supplying water to 75 irrigation blocks. Irrigation agriculture is ongoing in the connected block which has resulted in increased income for the beneficiaries.
- 2No Irrigation Water Users Associations (IWUAs) formed and sensitized which has enhanced ownership and participation by the project beneficiaries.
- 1,389 farmers have been trained on modern irrigation agriculture and are currently adopting modern farming methods and utilizing the irrigation infrastructure with current crop production standing at 8,000 M/T per year, in the net irrigable areas.

**Challenges and Recommended Way Forward**

- The adverse effects of project activities have been mitigated through execution of both social and physical environmental safeguards as prescribed in the Environmental Management Plan (EMP).
- Livelihood of the households affected by the irrigation infrastructure has been restored by resettling them away from the effects of the irrigation infrastructure.

**1.8 Summary of Project Compliance**

There were no non-compliance issues during the year under review

## **2. Statement of Performance against Project's Predetermined Objectives**

### **Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the plan are:

- a) To develop sustainable and environmentally friendly smallholder irrigation schemes in Kimira and Oluch areas of 44 and 53 irrigation blocks on 808ha and 666ha net irrigable area respectively
- b) To empower farmers through acquisition of entrepreneurial skills to manage the schemes.
- c) To increase household incomes and food security through irrigated agriculture

### **Progress on attainment of strategic development objectives**

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

***Kindira Oluch Smallholder Farm Improvement Project  
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Below we provide the progress on attaining the stated objectives:

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Kindira Oluch Smallholder Farm Improvement project(KOSFIP)	To develop sustainable and environmentally friendly smallholder irrigation schemes in Kindira and Oluch areas	-Increased cropped area (more land under crops)	Hectares of land under agricultural production	In FY 2020/21, 7.3 Km of the in- block irrigation infrastructure was completed, thus increasing irrigable area by 9%.
	To empower farmers through acquisition of entrepreneurial skills to manage the schemes	Improved agriculture processing and market access.	Crop yield (in Metric tonnes) per hectare	There was an increase of 34% production levels.
	To increase household incomes and food security through irrigated agriculture	Increased farm income resulting from increased volumes of produce sold	% of population with adequate income to meet basic necessities of life.	There was an increase of 23% in number of farmers trained and adopting modern irrigation technologies.

### **3. Environmental and Sustainability reporting**

Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. Below is a brief highlight of our activities that drive towards sustainability.

#### **1. Sustainability strategy and profile**

The project's efforts to ensure sustainability are hinged on three pillars, namely; economy, society and the environment. Best practices and policies have been put in place to align the project activities to these pillars. The project has identified ways and means of ensuring proper management and sustainability of the irrigation schemes after completion so that the infrastructure is optimally utilized. These include training of farmers to foster acceptability, ownership and capacity to operate and manage the irrigation scheme upon completion; Formation of Cooperatives, Extension & Marketing and Micro financing to address issues of production in the irrigation schemes; Identification of an institution to provide technical backstopping to farmers and mainstream the project interventions, and deliberate linkage and collaboration with other relevant agricultural sectors. The environmental management of the schemes will also be guided by the applications of Environmental Management & Coordination Act (EMCA 1999) and other environmental policies and regulations in the country. Since women and youth are the dominant actors in production, the project is has deliberate efforts to promote their involvement and participation in the scheme leadership as a way of fostering sustainability

#### **2. Environmental performance**

The project design was made to provide for environmental mitigation. This was necessary given that the project was classified under ADB's Environmental and Social Assessment Procedures (ESAP) as Category 1. Environmental Impact Assessment (EIA) was conducted in line with the Environmental Management & Coordination Act (EMCA 1999).

The environmental and social sustainability of the schemes has been addressed by including the negative environmental impacts in the Code of Good Practices for Construction and developing an Environmental & Social Management Plan (ESMP) that would be used to monitor the environmental issues occurring in all the phases of the Project.

Implementation of the works has also taken care of environmental and social concerns by providing appropriate and adequate crossings over the works, upgrading and equipping health facilities, provision of clean drinking water (from roof catchments and communal water points). The project has also trained farmers on various aspects of environmental conservation,

However, some of the conservation activities that were geared towards environmental and social sustainability remain fragile given the low level of adoption of technologies by the farmers. The main canals have been lined to reduce the risk of siltation and the growth of weeds. However, the weak soil structure in the project area which is susceptible to erosion poses a threat to the earthen drainage canals through scouring. In addition, the project design excluded environmentally sensitive areas (problem areas) from the irrigation layout, especially, areas with serious risk of salinity and fragile ecosystem.

*Environmental and Sustainability reporting*

Conservation of the upper catchment areas of the two rivers, which are the sources of the irrigation water for the two schemes, is being done to reduce land degradation and ensure the protection and sustainable use of the upstream water catchments. The conservation measures have since reduced the level of solid deposits in the Kibuon and Tende river waters

**3. Employee welfare**

The Project has a mixed workforce consisting of staff seconded from other government institutions, staff contracted by the parent ministry and staff on temporary employment. The hiring process has been competitive and above board with advertisement of positions put in the local dailies (where applicable). The project has gender considerations with 30% of the staff being females. The project has deliberate efforts to improve the skills and knowledge of the work force by implementing a training program, where staff is supported to undertake short courses relevant to their areas of competence. This is done in strict adherence to the set rules guiding the process. After training, there is continuous sharing of the training experiences, where the trained staff discusses with the rest of the project staff. Performance appraisal of staff is also routinely done with the support of the parent ministry. This has ensured that the employees are oriented towards achieving the results as stated in the project objectives.

Policy on safety and Compliance with Occupational Safety and Health Act of 2007, (OSHA)

The Project ensures that as far as possible, every employee has adequate safe and healthy working conditions. This is done by conducting routine risk assessment, providing safety protective materials (gears) while performing activities which have recognized hazards, proper maintenance of machineries and equipment (eg vehicles), availing fire extinguishers at the exit points, as well as having regularly supervised safety drills. The project also has a provision for assembly point in case of fire break outs. All these are done in compliance with Occupational Safety and Health Act of 2007, (OSHA.2007).

**4. Market place practices-**

**a) Responsible Supply chain and supplier relations-**

The Project has been operating a satisfactory procurement system, where the list of pre- qualified (local) bidders is obtained and used. The open and fair tendering system has seen the project honouring the contracts by promptly settling payments for and works completed or services delivered. (This can be confirmed by the fact that there are no pending payments for services rendered in this financial year). Further, the project committed to comply with the presidential directives on considerations to local contents (in procurement). The project has also assimilated the value contents of the Access to Government Procurement Opportunities provisions (AGPO) and is adhering very well to its requirements.

*Environmental and Sustainability reporting*

**b) Responsible ethical practices**

The Project observes fair and responsible competition practices by ensuring that all its undertakings are done above board and competitively. All the requirements are made known to potential persons (stakeholders) who intend to be involved in the processes as a way of curtailing possible corruption cases. Responsible political involvement is ensured by tapping in on the participation of the local political leadership. This has enabled the project to acquire political support which is very key in mobilisation of the community to accept the project and effectively utilise the infrastructure.

**c) Regulatory impact assessment**

The Project's management always strives to safeguard citizen and stakeholder's rights.

**5. Community Engagements**

The Project is classified as 'without- community-cash-project'. In which case, the community was to provide in-kind contribution by giving way leave for construction of the irrigation system. Thus sections of the land have been forfeited for construction of irrigation infrastructure. Further, the community has been providing labour during routine cleaning and maintenance of the irrigation system. Other forms of engagement include representation and participation in the Project Steering Community (PSC) meetings and participation in the project implementation through the Irrigation water users associations (IWUA) activities. Several community based self- help groups, especially among women, aimed at social functions or small scale savings for production or marketing have also come up and are participating alongside the umbrella farmers body (IWUA).

The Project implemented environmental social safeguard measures activities which are also part of corporate social responsibility (CSR). In particular, it completed construction of a health facility (in Oluch scheme) thereby improving access to health services in the area. In addition, the community has been benefiting from the irrigation system by drawing water for domestic use as opposed to earlier period when women had to walk for long distances to fetch water.

**4. Statement of Project Management responsibilities**

The Principal Secretary for the State Department of Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2022.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) Safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (vi) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the State Department of Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the State Department of Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date. The Principal Secretary for the State Department of Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

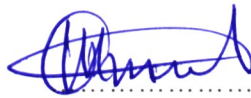
The Principal Secretary for the State Department of Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project Financial Statements**

The Project financial statements were approved by the Principal Secretary State Department of Regional and Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) for on 28/9 2022 and signed by them.



Dr. Belio R. Kipsang CBS  
Principal Secretary



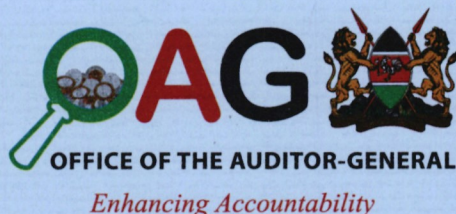
Mr. Wilson Omulo  
Project Manager



CPA Richard M. Misati  
Project Accountant  
ICPAK Member No:23338

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT (ADF LOAN NO. 2100150012296) FOR THE YEAR ENDED 30 JUNE, 2022 – STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT**

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### 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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the Kimira 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 charge 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.

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*Report of the Auditor-General on Kimira Oluch Smallholder Farm Improvement Project (ADF Loan No. 2100150012296) for the year ended 30 June, 2022 – State Department for Regional and Northern Corridor Development*

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Kimira Oluch Smallholder Farm Improvement Project No. ADF Loan No.2100150012296 set out on pages 1 to 18 which comprise statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and the summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) Project No. ADF Loan No.2100150012296 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 Cash Basis and comply with the Protocol of Agreement Grant No.2100155007200 and the Loan Agreement No.2100150012296 both dated 14 July, 2006 between the Republic of Kenya and African Development Fund and the Public Finance Management Act, 2012.

### Basis for Qualified Opinion

#### 1. Accuracy of the Financial Statements

##### 1.1 Unsupported Transfer from Government Entities

The statement of receipts and payments and as disclosed under Note 11.1 to the financial statements reflects an amount of Kshs.62,763,831 being transfer from other government entities. The amount was received and expended by the State Department for Regional and Northern Corridor Development presumably on behalf of the Project. The Management indicated that financial records in respect of these amounts were maintained at the state department Headquarters with the field office just processing. Further, the ledger and other support documents for these receipts were not provided for audit review.

In the circumstances, the completeness and accuracy of the amount of Kshs.62,763,831 under transfer from other government entities could not be confirmed.

##### 1.2 Fund Balance

The statement of receipts and payments reflects a cumulative deficit balance of Kshs.230,900 while the statement of financial assets reflects a fund balance of Kshs.311 resulting in unexplained variance of Kshs.231,211. In addition, the Management did not explain how the deficit has been funded.

In the circumstances, the accuracy, completeness of the fund balance of Kshs.311 could not be confirmed.

### **1.3 Statement of Receipts and Payments Cumulative Balances**

The statement of receipts and payments reflects total cumulative receipts of Kshs.4,362,826,464. However, the cumulative amounts do not include cumulative receipts from the financiers of Kshs.2,993,408,349 as disclosed in the Project Information and Overall Performance Table A on source of funds. The cumulative balance reflected in the statement of receipts and payments is therefore inaccurate.

In addition, Table A on source of funds reflects an amount of UAP 7,676,071 (Kshs.825,171,548) as being the undrawn balance from the Government of Kenya (GOK) Counterpart Funds. However, the financial statements for the previous year, (2021) showed a similar amount of UAP 7,676,071, which translated to Kshs.890,005,390. The Project received Kshs.62,763,831 from GOK in the year under review. In the circumstances, the Table A on source of funds and the statement of receipts and payments cumulative figures are incorrect.

Further, the statement of receipts and payments reflects cumulative payments of Kshs.4,363,057,364, which differs with the Table B on application of funds which reflects accumulated balance of Kshs.7,356,234,812 as at 30 June, 2022. The cumulative amount shown on the statement of receipts and payments does not include cumulative amounts paid by financiers of Kshs.2,993,408,349. Management did not explain how the cumulative payments were financed as they exceeded receipts by Kshs.230,900.

In the circumstances, the accuracy of the financial statements could not be confirmed.

## **2. Fixed Assets**

The statement of receipts and payments reflects cumulative amount on acquisition of non-financial assets of Kshs.2,484,137,711. However, Annex 4 to the financial statements on summary of fixed assets reflects total project assets of Kshs.57,325,434 while the schedule provided for audit shows assets totalling to Kshs.68,604,515 resulting into unexplained difference of Kshs.11,279,081.

Further, as was reported in the previous year, the consultant who was supervising the project procured two motor vehicles with registration numbers KBS 681Z and KBS 682Z at a total cost of Kshs.7,200,000. However, the vehicles were not handed over to the project after the completion of the consultancy services. This is contrary to Paragraph 10.0(IV) of the Service Contract No. KOSFIP/C/2 2020-2011 on consultant fees and payments, which states that after completion of the project, the consultant shall hand over equipment and vehicles to the project.

In addition, two other vehicles GKA 099Y and GKA 100Y whose log books are currently in custody of KOSFIP were released to Kenya Agricultural & Livestock Research Organisation (KALRO), Kisii Centre in November, 2011. The KOSFIP Management has made no effort to recover the two vehicles.

The value of the two vehicles, which technically belong to the project have not been recorded in the fixed assets register and are therefore not part of the Kshs.57,325,434 disclosed in Annex 4 to the financial statements. Further, the two other vehicles, currently under the control of KALRO cannot be said to belong to the Project.

In the circumstances, the accuracy and ownership of project fixed assets could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kimira Oluch Smallholder Farm Project Improvement 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.

### **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**

#### **1. Pending Bills**

Analysis of Pending bills disclosed in the financial statement as Annex 3 reveals that two main service providers to KOSFIP have not been paid a total of Kshs.700,656,527 for a period of more than two years. The two firms were involved in the provision of major civil works and services for phase one of the KOSFIP. This is contrary to Section 53 (8) of the Public Procurement and Disposal Act, 2015 which provides that the project manager should not commence any procurement proceeding until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates. In the circumstances, Management was in breach of the law.

#### **2. Handing Over/Taking Over of Assets and Liabilities**

From 26 to 29 June, 2022, the project spent over Kshs.2,400,000 when the project officials were travelling back and forth between Homa-Bay and Kisumu for the purpose of preparing handing over report. An assessment/handling report was thereafter prepared which involved 4 parties: Lake Basin Development Authority, State Department for Regional and Northern Corridor Development, the project contracted team whose term had lapsed and the new team appointed to take over the management of the project.

It was however noted that there was no official handing over report signed by the four parties. The report provided during the audit was in soft copy which could easily be altered and therefore could not be relied on.

In the circumstances, the status of assets and liabilities of the project as at 30 June, 2022 could not be ascertained.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing 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

#### 1. Late Submission of the Financial Statements

The Project management presented the financial statements for audit on 21 October, 2022, which is three weeks past the statutory deadline. This delay was occasioned by the fact that most of the project's expenditure were incurred at the parent ministry and the project management therefore did not envisage any need to prepare financial statements. However, there has been no formal handover of the project activities, assets and any existing liabilities to the Ministry or any other relevant authorities.

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

#### 2. Unbudgeted Expenditure

The statement of receipts and payments and as disclosed under Note 11.4 to the financial statements reflects a total expenditure amount of Kshs.62,763,831. Further, included the amount of Kshs.62,763,831 is an amount of Kshs.27,750,177 relating to purchases of goods and services. Review of the schedule provided to support the figures reveals an amount of Kshs.7,363,824 being payments for field allowance, salary deduction, meals allowances and security wages which were budgeted for under compensation of employees but actual expenditure made under purchase of goods.

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

#### 3. Engagement of Security Officers

Included in the total expenditure on compensation of employees of Kshs.34,453,654 is Kshs.3,017,324 paid as wages to project security officers during the period under review. However, there was no formal engagement or contract between the KOSFIP and the security officers as provided under Section 76 (2) of the Employment Act, 2007 which

provides that an employer shall notify every vacancy occurring in the establishment, business or work place in a prescribed form giving the following details; (a) the employer's name and full address; (b) details of the vacant post; (c) minimum qualification required of the person seeking to be employed; (d) the place of work; and (e) the type of work, whether casual, permanent or term contract; and (f) such other information as required

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

#### **4. Project Completion and Timelines**

The protocol of agreement and the loan agreement between the Republic of Kenya and the African Development Fund (AFD) for the Project was signed on 14 July, 2006 and its implementation commenced in February 2007. The final disbursement for the loan was to be 30 September, 2013. The loan had a grace period of 10 years after the signing of the loan agreement. It has been observed that it is now four (4) years since the loan repayments started, and nine years since the last disbursement by the Fund was supposed to be made. The Project is therefore past approved timelines and its current operation structure is not supported by an original or any subsequent agreements.

No reasons have been given for the failure to hand over the project and its activities, assets and any existing liabilities to the parent Ministry or other relevant authorities as earlier envisaged.

The Management is therefore in breach of the law and the financing agreements and the approval of the funding since lapse of the project timeline have not been documented by any extension.

### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, 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**

##### **1. Lack of an Audit Committee**

The Project had not established an Audit Committee to assist management with responsibilities for issues of risk, internal controls, governance and associated assurance, and a follow up on the implementation of the recommendations of internal and external auditors.

## **2. Lack of Staff Establishment**

During the year under review, the Project incurred an expenditure of Kshs.34,453,654 on compensation of employees. However, it was observed that it did not have an approved establishment and a human resource plan to support achievement of goals and objectives in the strategic plan.

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the financing agreement between African Development Fund and the Republic of Kenya I report based on my audit, that:

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

The State Department for Regional Development and Northern Corridor are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 Project policies and procedures may deteriorate.

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL


Nairobi

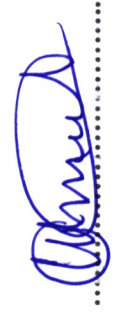
08 December, 2022


**6. Statement of Receipts and Payments for the year ended 30th June 2022.**

	Note	2021/2022		2020/2021		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity KShs	Payments made by third parties KShs	Receipts and payment controlled by the entity KShs	Payments made by third parties KShs	
<b>RECEIPTS</b>						
Transfer from Government entities	11.1	-	62,763,831.00	62,594,000.00	-	4,360,755,444.00
Miscellaneous receipts	11.2	-	-	-	-	2,071,020.00
Balance brought forward	11.7	2,517,479.00				
<b>TOTAL RECEIPTS</b>		<b>2,517,479.00</b>	<b>62,763,831.00</b>	<b>62,594,000.00</b>	<b>-</b>	<b>4,362,826,464.00</b>
<b>PAYMENTS</b>						
Compensation of employees	11.3		34,453,654.00	49,984,658.00		979,241,266.00
Purchase of goods and services	11.4	2,517,168.00	27,750,177.00	95,389,016.00		899,678,387.00
Acquisition of non-financial asset	11.5		560,000.00	25,214,925.00		2,484,137,711.00
<b>TOTAL PAYMENTS</b>		<b>2,517,168.00</b>	<b>62,763,831.00</b>	<b>170,588,599.00</b>	<b>-</b>	<b>4,363,057,364.00</b>
<b>SURPLUS/(DEFICIT)</b>		<b>311.00</b>	<b>-</b>	<b>(107,994,599.00)</b>	<b>-</b>	<b>(230,900.00)</b>

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

  
.....  
Dr, Belio R. Kipsang CBS  
Principal Secretary

  
.....  
Mr. Wilson Omulo  
Project Manager

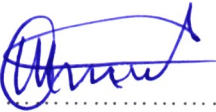
  
.....  
CPA Richard M. Misati  
Project Accountant  
ICPAK Member No:23338

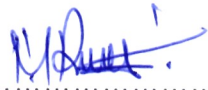
7. Statement of Financial Assets as at 30<sup>th</sup> June 2022

	Note	2021-2022	2020-2021
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11.6 A	254.44	2,511,982.00
Cash Balances	11.6 B	57.00	5,497.00
<b>Total Cash and Cash Equivalents</b>		<b>311.44</b>	<b>2,517,479.00</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>311.44</b>	<b>2,517,479.00</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd		-	-
Prior year adjustments		-	-
Surplus/(Deficit) for the year		<b>311.44</b>	<b>2,517,479.00</b>
<b>NET FINANCIAL POSITION</b>		<b>311.44</b>	<b>2,517,479.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/9 2022 and signed by:

  
.....  
Dr. Beho R. Kipsang CBS  
Principal Secretary

  
.....  
Mr. Wilson Omulo  
Project Manager


  
.....  
CPA Richard M. Misati  
Project Accountant  
ICPAK Member No:23338


**8. Statement of Cashflow for the year ended 30<sup>th</sup> June 2022**

		2021-2022	2020-2021
	Note	KShs	KShs
<b>Receipts from operating activities</b>			
Transfer from Government entities	11.1	62,763,831.00	62,594,000.00
Miscellaneous receipts	11.2	-	-
<b>Payments from operating activities</b>			
Compensation of employees	11.3	34,453,654.00	49,984,658.00
Purchase of goods and services	11.4	30,267,345.00	95,389,016.00
<b>Net cash flow from operating activities</b>		<b>(1,957,168.00)</b>	<b>(82,779,674.00)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	11.5	560,000.00	25,214,925.00
<b>Net cash flows from Investing Activities</b>		<b>560,000.00</b>	<b>25,214,925.00</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
Cash and cash equivalent at BEGINNING of the year	11.6	2,517,479.00	110,512,078.00
Cash and cash equivalent at END of the year		<b>311.00</b>	<b>2,517,479.00</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 28/9 2022 and signed by:

  
 .....  
 Dr, Belio R. Kipsang CBS  
 Principal Secretary

  
 .....  
 Mr. Wilson Omulo  
 Project Manager

  
 .....  
 CPA Richard M. Misati  
 Project Accountant  
 ICPAK Member No:23338


9. Statement of Comparison of Budget and Actual amounts for the year ended 30<sup>th</sup> June 2022

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	90,800,000.00	(21,000,000.00)	69,800,000.00	62,763,831.00	7,036,169.00	90%
Miscellaneous receipts						0%
Balance b/f	2,517,479.00	-	2,517,479.00	2,517,479.00	-	100%
<b>Total Receipts</b>	<b>93,317,479.00</b>	<b>(21,000,000.00)</b>	<b>72,317,479.00</b>	<b>65,281,310.00</b>	<b>7,036,169.00</b>	<b>90%</b>
<b>Payments</b>						
Compensation of employees	34,453,654.00		34,453,654.00	34,453,654.00	-	100%
Purchase of goods and services	58,303,825.00	(21,000,000.00)	37,303,825.00	30,267,343.00	7,036,482.00	81.14%
Acquisition of non-financial assets	560,000.00		560,000.00	560,000.00	-	100%
<b>Total Payments</b>	<b>93,317,479.00</b>	<b>(21,000,000.00)</b>	<b>72,317,479.00</b>	<b>65,280,997.00</b>	<b>7,036,482.00</b>	<b>90.27%</b>

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

  
 .....  
 Dr. Belio R. Kipsang  
 Principal Secretary

  
 .....  
 Mr. Wilson Orulo  
 Project Manager

  
 .....  
 CPA Richard M. Misati  
 Project Accountant  
 ICPAK Member No:23338

## **10. Significant Accounting Policies**

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

### **10.1 Statement of compliance and basis of preparation**

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

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

### **10.2 Reporting entity**

The financial statements are for Kimira Oluch Smallholder Farm Improvement Project (KOSFIP) under the State Department of Regional & Northern Corridor Development. The financial statements are for the reporting entity (KOSFIP) as required by Section 81 of the PFM Act, 2012 .

### **10.3 Reporting currency**

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

### **10.4 Recognition of receipts**

KOSFIP recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

#### **i) Transfers from the Exchequer**

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

#### **ii) External Assistance**

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

**Significant Accounting Policies (Continued)**

**iii) Other receipts**

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

**iv) Donations and grants**

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

**v) Proceeds from borrowing**

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

**vi) Undrawn external assistance**

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

**10.5 Recognition of payments**

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

**i) Compensation to employees**

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

**Significant Accounting Policies (Continued)**

**ii) Use of goods and services**

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

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

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

**10.6 In-kind donations**

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

**Significant Accounting Policies (Continued)**

**10.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**10.8 Restriction on cash**

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

**10.9 Imprests and Advances**

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

**10.10 Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises 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 entity; or
- b) A present obligation that arises from past events but is not recognised because:

**Significant Accounting Policies (Continued)**

- i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

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

**10.11 Contingent Assets**

KOSFIP 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 (KOSFIP) 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.

**10.12 Pending bills**

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

**Significant Accounting Policies (Continued)**

**10.13 Budget**

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

**10.14 Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, Kshs 62,763,830.05 being ex chequer disbursements were received in form of direct payments from third parties (The State Department of Regional & Northern Corridor Development).

**10.15 Exchange rate differences**

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

**Significant Accounting Policies (Continued)**

**10.16 Comparative figures**

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

**10.17 Subsequent events**

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

**10.18 Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

There were no prior year adjustments in the year under review.

**11. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

	2021/22	2020/21	Cumulative
	KShs	KShs	to-date (from inception)
<b>Counterpart funding the State Department For Regional &amp; Northern Corridor Development</b>			
Counterpart funds Quarter 1		43,794,000.00	900,143,278.00
Counterpart funds Quarter 2		-	1,083,759,685.00
Counterpart funds Quarter 3		-	1,011,208,290.00
Counterpart funds Quarter 4	62,763,831.00	18,800,000.00	1,365,644,191.00
	<b>62,763,831.00</b>	<b>62,594,000.00</b>	<b>4,360,755,444.00</b>

*[The Counterpart funds were received and spent on behalf of KOSFIP at The State Department of  
Regional & Northern Corridor Development.]*



**Notes to the Financial Statements (Continued)**

**2. Miscellaneous receipts**

	2021/22			2020/21	Cumulative to- date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		(from inception)
	KShs	KShs	KShs		
Other receipts not classified elsewhere	-	-	-	-	2,071,020.00
					<b>2,071,020.00</b>

*[There was no miscellaneous receipt during the year under review]*

**3. Compensation to Employees**

	2021/22			2020/21	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees		34,453,654.00	34,453,654.00	24,532,368.00	430,994,747.00
Personal allowances paid as part of salary			-	25,028,750.00	541,346,931.00
Compulsory national social security schemes			-	423,540.00	6,899,588.00
<b>Total</b>	<b>-</b>	<b>34,453,654.00</b>	<b>34,453,654.00</b>	<b>49,984,658.00</b>	<b>979,241,266.00</b>

Included in Basic wages for temporary employees are statutory deductions such as NHIF and NSSF

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

Notes to the Financial Statements (Continued)

**4. Purchase of Goods and Services**

	2021/22			2020/21		Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	KShs	KShs	
Utilities, supplies and services	KShs	KShs	KShs	KShs	KShs	KShs
Communication, supplies and services		924,000.00	924,000.00	1,095,823.00	34,502,243.00	
Domestic travel and subsistence	2,478,628.00	12,689,600.00	15,168,228.00	25,658,000.00	335,314,144.00	
Printing, advertising and – information supplies & services		-	-	271,300.00	1,466,476.00	
Training payments		1,943,296.00	1,943,296.00	189,450.00	104,234,780.00	
Hospitality, supplies and services		80,000.00	80,000.00	8,300,930.00	185,448,903.00	
Insurance costs		-	-	-	403,358.00	
Specialised materials and services		-	-	210,572.00	289,177.00	
Office & General Supplies	29,500.00	2,550,544.00	2,580,044.00	1,649,157.00	4,229,201.00	
Fuel & Lubricants		1,260,275.00	1,260,275.00	3,569,356.00	4,829,641.00	
Other operating payments	3,600.00	5,245,032.00	5,248,632.00	48,809,553.00	113,917,571.00	
Routine maintenance – vehicles and other transport equipment		2,960,690.00	2,960,690.00	4,880,382.00	111,236,225.00	
Routine maintenance- – other assets	5,440.00	96,738.00	102,178.00	532,483.00	1,380,677.00	
<b>Total</b>	<b>2,517,168.00</b>	<b>27,750,175.00</b>	<b>30,267,343.00</b>	<b>95,389,016.00</b>	<b>899,681,385.00</b>	

*[Included in payments made by the entity are funds b/f from the previous period]*

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

Notes to the Financial Statements (Continued)

**5. Acquisition of Non-Financial Assets**

	2021/22			2020/21	Cumulative to-date
	Payments made by the Entity in Cash KShs	Payments made by third parties KShs	Total Payments KShs		
Construction of other Infrastructure		-	-	25,164,935.00	2,486,527,721.00
Purchase of Household & Institutional Appliances		560,000.00	560,000.00	49,990.00	609,990.00
<b>Total</b>	-	<b>560,000.00</b>	<b>560,000.00</b>	<b>25,214,925.00</b>	<b>2,487,137,711.00</b>

*[Included in Purchase of Households & Institutional Appliances are Desktops and laptops purchased in the year under review.]*

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Notes to the Financial Statements (Continued)**

**6. Cash And Cash equivalents**

	2021/22	2020/21
	KShs	KShs
Bank accounts (Note 11.6A)	254.44	2,511,982.00
Cash in hand (Note 11.6B)	57.00	5,497.00
<b>Total</b>	<b>311.44</b>	<b>2,517,479.00</b>

KOSFIP has one number of project accounts spread within the project implementation area and does not have a foreign currency designated accounts managed by the National Treasury as listed below:

**11.6 A Bank Accounts**

**Project Bank Accounts**

	2021/22	2020/21
	KShs	KShs
<b>Local Currency Accounts</b>		
Co-operative Bank of Kenya [A/c No. 01141047028702, Homa Bay Branch ]	254.44	2,511,982.00
<b>Total local currency balances</b>	<b>254.44</b>	<b>2,511,982.00</b>
<b>Total bank account balances</b>	<b>254.44</b>	<b>2,511,982.00</b>

**11 B Cash in hand**

	2021/22	2020/21
	KShs	KShs
Cash office at the Project HQ Homa Bay	57	5,497
<b>Total cash balances</b>	<b>57</b>	<b>5,497</b>

**7. Fund Balance Brought Forward**

	2021/22	2020/21
	KShs	KShs
Bank accounts	2,511,982	110,270,236
Cash in hand	5,497	241,842
<b>Total</b>	<b>2,517,479</b>	<b>110,512,078</b>

**8. Prior Year adjustment**

There were no prior year adjustments.

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

Notes to the Financial Statements (Continued)

12. Other Important Disclosures

Pending Accounts Payable (See Annex 3 )

	Balance b/f FY 2020/2021	Additions for the period	Paid during the year	Balance c/f
				FY 2021/2022
Description	Kshs	Kshs	Kshs	Kshs
Major Civil works (Simohydro Corporation & Machiri JV)	693,732,337.00	-	-	693,732,337.00
Consultancy	6,924,190.00	-	-	6,924,190.00
<b>Total</b>	<b>700,656,527.00</b>	<b>-</b>	<b>-</b>	<b>700,656,527.00</b>


*Kimira Oluch Smallholder Farm Improvement Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022*


**13. Prior Year Auditor-General's Recommendations**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: a date when you expect the issue to be resolved)
1	Procurement of Computers and stationery	The procurement department has since availed the evidence to OAG office in Homa Bay	Resolved	Done
2	Repair of Motor Vehicle	The Pre repair report by Ministry of Infrastructure underestimated the cost of repair by ignoring tax that was added to repair cost by the dealer	Resolved	Done
3	Construction of resettlement Houses & fencing of night storage reservoirs	The management applied restricted tendering using prequalified list of Contractors at the office of County Commissioner	Resolved	Done
1630	Irregular Payment of Meal Allowances	Query raised was on the rates used to pay the meal allowance. The approved rates had since been attached to show rates used	Resolved	Done
1631	Project vehicles not handed over by the Consultant	Vehicles have not been handed over. Discussions with the Consultant is still ongoing on the way forward because one vehicle was sold by auctioneers and another got involved in an accident and is written off	Not resolved	End of financial year
1632	Outstanding Imprests	Delay in updating the imprest register caused this observation however the same was updated and is reflected in the project financial statement of year ending June 2021	Resolved	Done
1633	Ethnic Composition of staff	Engagement was influenced by the project location and need to for ease of communication	Not resolved	End of financial year

***Kinira Oluch Smallholder Farm Improvement Project  
Annual Report and Financial Statements for the financial year ended June 30, 2022***

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: a date when you expect the issue to be resolved)
1634	Lack of Audit Committee	The GOK and ADF in the appraisal report envisaged that to be audited annually by an independent consultant, however this budget line was not provided resulting in the project being audited by only by auditors from OAG. As a measure, the project will endeavour to strengthen internal controls to ensure compliance.	Not resolved	End of financial year
1635	Lack of Staff Establishment	The staff establishment is dependent on the level of project activity cycle and as such is not static however one is being developed	Not resolved	End of second quarter

  
 .....  
**Dr. Belio R. Kipsang CBS**  
 Principal Secretary

  
 .....  
**Mr. Wilson Omulo**  
 Project Manager





**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**14. Annexes**

**Annex 1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>Receipts</b>						
Transfer from Government entities	62,763,830.05		62,763,830.05	62,763,830.05	-	100%
Miscellaneous receipts			-	-	-	0%
Balance b/f	2,517,479.00	-	2,517,479.00	2,517,479.00	-	100%
<b>Total Receipts</b>	<b>65,281,309.05</b>	<b>-</b>	<b>65,281,309.05</b>	<b>65,281,309.05</b>	<b>-</b>	<b>100%</b>
<b>Payments</b>						
Compensation of employees	37,348,318.10		37,348,318.10	37,348,318.10	-	100%
Purchase of goods and services	27,372,990.95		27,372,990.95	27,372,679.05	311.90	99.90%
Acquisition of non-financial assets	560,000.00		560,000.00	560,000.00	-	100%
<b>Total Payments</b>	<b>65,281,309.05</b>	<b>-</b>	<b>65,281,309.05</b>	<b>65,280,997.15</b>	<b>311.90</b>	<b>99.99%</b>

**NB;**{There were no significant variances between the budgeted & Actual figures}

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Annex 2: Reconciliation of inter-entity transfers**

<b>Project Name:</b>			
<b>Break down of transfers from the State Department of Regional &amp; Northern Corridor Development</b>			
<b>a. Government Counterpart funding</b>	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
		0	
		0	
		0	
	<b>Total</b>	<b>0</b>	
<b>B. Direct payments</b>	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
	VARIOUS	62,763,831.00	2021/22
	<b>Total</b>	<b>62,763,831.00</b>	
<b>C. Others</b>	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
		0	
		0	
	<b>Total</b>	<b>0</b>	
	<b>Total (A+B+C)</b>	<b>62,763,831.00</b>	

The above amounts have been communicated to and reconciled with the State Department

Project Manager  
 KOSFIP  
 Sign 

Head of Accounting Unit  
 State Department of Regional & Northern Corridor Development  
 Sign 

**Kimira Oluch Smallholder Farm Improvement Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2022**

**Annex 3 - Analysis of Pending Bills**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020-2021	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
Construction of civil works						
Smohydro Corporation & Machiri J V	4,277,237,943.00	9th September 2009	3,583,505,606.00	693,732,337.00	693,732,337.00	Inadequate funds due to budget cuts by The National Treasury
<b>Sub-Total</b>	<b>4,277,237,943.00</b>		<b>3,583,505,606.00</b>	<b>693,732,337.00</b>	<b>693,732,337.00</b>	
Supply of services						
Oieno Odongo Consulting Engineers & Partners	76,122,500.00	6th December 2011	69,198,310.00	6,924,190.00	6,924,190.00	Inadequate funds due to budget cuts by The National Treasury
<b>Sub-Total</b>	<b>76,122,500.00</b>		<b>69,198,310.00</b>	<b>6,924,190.00</b>	<b>6,924,190.00</b>	
<b>Grand Total</b>	<b>4,353,360,443.00</b>	<b>-</b>	<b>3,652,703,916.00</b>	<b>700,656,527.00</b>	<b>700,656,527.00</b>	

**Kimira Oluch Smallholder Farm Improvement Project  
Reports and Financial Statements  
For the financial year ended June 30, 2022**

**Annex 4 – Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2021/2022	Donations in form of assets (KShs) 2021/22	*Purchases/ Additions in the Year (KShs) 2021/22	** Disposals in the Year (KShs) 2021/22	Transfers in/(out) Kshs 2021/22	Closing Cost (KShs) 20xx
	(a)	(b)	(c)	(d)	(d)	(e) = (a) + (b) + (c) - (d) + (-) (d)
Transport equipment	21,985,952.00	-	-	-	-	21,985,952.00
Office equipment, furniture and fittings	7,283,066.00	-	-	-	-	7,283,066.00
ICT Equipment,	20,683,503.00	-	560,000.00	-	-	21,243,503.00
Other Machinery and Equipment	6,812,913.00	-	-	-	-	6,812,913.00
<b>Total</b>	<b>56,765,434.00</b>	<b>-</b>	<b>560,000.00</b>	<b>-</b>	<b>-</b>	<b>57,325,434.00</b>

**Annex 5: Other Support Documents**

- i. Bank Reconciliations statement as at 30<sup>th</sup> June 2022
- ii. Bank statement as at 30<sup>th</sup> June 2022
- iii. Cash survey form

# KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

## CO-OPERATIVE BANK OF KENYA - G.o.K ACCOUNT

### RECONCILIATION OF BANK AND BOOK BALANCES:

AS AT 30TH JUNE 2022 - STATION: HOMABAY-A/C NO- 01141047028702

	<u>AMOUNT (KSHS)</u>	<u>AMOUNT (KSHS)</u>
Balance as per Bank Statement		(6,945.56)
ADDITION:		
(a) Payments in Bank Statement NOT recorded in Cash Book: (Bank Lodgments)	7,200.00	
(b) Receipt in Cash Book NOT recorded in Bank Statement (Uncredited Amount)	-	7,200.00
		-----
		254.44
DEDUCTION:		
(c) Payments in Cash Book NOT recorded in Bank Statement: (Unpresented Cheque)	-	
(d) Receipts in Bank Statement NOT recorded in Cash Book: (Direct Credits)	-	0.00
		-----
Balance as per Cash Book		254.44
		-----

I certify that I have verified the bank Balances in the Cash Book with Statement and that the above

Reconciliation is correct.

Prepared By Richard Misati Designation Project Accountant Date 30/6/22

Checked By Wilson Ombu Designation Project Manager Date 30.6.22

PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK(Bank Loadgement)

DATE	PAYEE	AMOUNT
24.09.2021	Monthly sub Aug 21	1,200.00
04.11.2021	Monthly Online Access OCT 3582	1,200.00
04.11.2021	Monthly Online Access SEP 2255	1,200.00
07.12.2021	Nov online monthly sub charges	1,200.00
07.12.2021	Dec online monthly sub charges	1,200.00
04.02.2022	Jan Online Monthly sub charges	1,200.00

-----  
7,200.00  
-----

RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT

CHEQUE NO.	DATE	PAYEE	AMOUNT
TOTAL			-

RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK

CHEQUE NO.	DATE	PAYEE	AMOUNT
TOTAL			-

PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)

CHEQUE NO.	DATE	PAYEE	AMOUNT
TOTAL			-

Personal Current Account Statement



Statement Date 17-Oct-22  
 Statement Period 01-Jul-21 to 17-Oct-22  
 Page Page 4 of 4

KIMIRA OLUCH S.H.I.FARM PROJ  
 P. O. BOX 293 HOMA BAY

Branch HOMABAY BRANCH  
 Branch Code 00011022  
 Contact Details  
 Tel

KEN  
 KEN  
 40300

Account No	01141047028702
Account Description	G.O.K ACCOUNTT
Currency	KES

TRANS DATE	DETAILS	CHANNEL ID	VALUE DATE	DEBIT	CREDIT	BOOK BALANCE
04-Nov-21	Monthly Online Access SEP 2255	SVR	04-Nov-21	1,200.00		3,345.56 DR
07-Dec-21	Nov Online Monthly Subscription Charges	SVR	07-Dec-21	1,200.00		4,545.56 DR
31-Dec-21	Dec Online Monthly Subscription Charges	SVR	31-Dec-21	1,200.00		5,745.56 DR
04-Feb-22	Jan Online Monthly Charges 1206	SVR	04-Feb-22	1,200.00		6,945.56 DR
02-Aug-22	RGLSD FROM 01141047028700	BPWR	02-Aug-22		2,097.00	4,848.56 DR
02-Aug-22		BPWR	02-Aug-22	699.74		5,548.30 DR
13-Aug-22	Closure Amount	BFTC	13-Aug-22		2,560.00	2,988.30 DR
16-Aug-22	Closure Amount	BFTC	16-Aug-22		619.20	2,369.10 DR
16-Aug-22	Closure Amount	BFTC	16-Aug-22		1,021.59	1,347.51 DR
17-Aug-22	EXCESS SALARY KIMIRA OLUCH	BPWR	17-Aug-22		927.00	420.51 DR
17-Aug-22		BPWR	17-Aug-22	29.34		449.85 DR
27-Aug-22	Closure Amount	BFTC	27-Aug-22		975.00	525.15 CR
31-Aug-22	INTEREST APPLIED-DR	SVR	31-Aug-22	629.99		104.84 DR
02-Sep-22	Closure Amount	BFTC	02-Sep-22		512.50	407.66 CR
30-Sep-22	INTEREST APPLIED-DR	SVR	30-Sep-22	0.08		407.58 CR
14-Oct-22	Sep Online Monthly Charges 0470287	SVR	14-Oct-22	1,200.00		792.42 DR
	TOTAL VALUE			18,943,106.25	18,808,712.29	
CLEAR BALANCE AS ON 17-Oct-22						792.42 DR
BOOK BALANCE AS ON 17-Oct-22						792.42 DR
						"End of Statement"

OVERDRAFT FACILITY DETAILS :

Overdraft Limit KES 0.00  
 Overdraft Review Date 01-Jan-20

Kindly examine this statement immediately. Any discrepancies must be reported to the Bank as soon as possible. Please note that the balance reflected could change if there are transactions that still need to be processed.

**KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT  
(KOSFIP)**

**CASH SURVEY FORM**

GoK Cash Book A/C No. 01141047028702 as at 30<sup>th</sup> June 2022

Particulars	KSHs	KSHs
Cash book balance		57.00

Represented by:-

- |                 |       |
|-----------------|-------|
| 1. Cash in hand | 57.00 |
|-----------------|-------|

CASH DENOMINATIONS

Denomination	Times	Amount (Kshs.)
<u>Notes</u>		
1000	0	0
500	0	0
200	0	0
100	0	0
50	1	50.00
<u>Coins</u>		
20	0	0
10	0	0
5	1	5.00
1	2	2.00
<b>TOTAL</b>		<b>57.00</b>

Name of Officer

Designation

Signature

1. Richard M. Misati

Ag. Project Accountant.

  
-----

2. Wilson Omulo

Project Manager.

  
-----



334484-0301