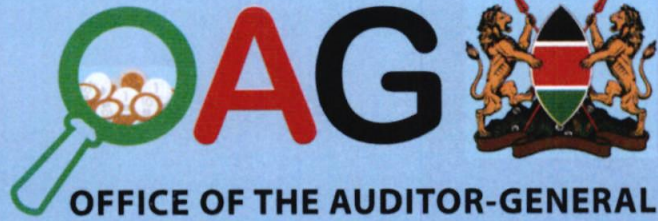


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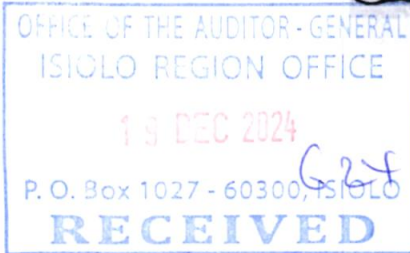
THE AUDITOR-GENERAL

ON

**LAIKIPIA COUNTY DEVELOPMENT
AUTHORITY**

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

PAPERS LAID	
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LAIKIPIA COUNTY DEVELOPMENT AUTHORITY

COUNTY GOVERNMENT OF LAIKIPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024.

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1. Acronyms and Definition of Key Terms

A. Acronyms

Acronyms	Definitions
AGPO	Access to Government Procurement Opportunities
CEO	Chief Executive Officer
CECM	County Executive Committee Member
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NGO	Non-Governmental Organization
CIDP	County Integrated Development Plan
CA	County Assembly
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PPPs	Public Private Partnerships
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
WB	World Bank
LCDA	Laikipia County Development Authority
BOM	Board of Management
IPSAS	International Public Sector Accounting Standards
Kshs	Kenya Shillings
ECL	Expected Credit Loss
MoU	Memorandum of Understanding
SRC	Salaries and Remuneration Commission
CDAs	Community Development Assistants
HEEP	Household Economic Empowerment Project

B. Definition of Key Terms

Fiduciary Management	Members of Management directly entrusted with the responsibility of financial resources of the organisation.
Comparative Year	Means the prior period.
Financial Institution	An institution that is duly registered and licensed by CBK pursuant to Section 5 of the Banking Act Cap 488 Laws of Kenya and has entered into a contractual engagement pursuant to these regulations.

2. Key Entity Information and Management

(a) Background information

Laikipia County Development Authority is established by and derives its authority and accountability from LCDA Act 2014. The authority is wholly owned by the County Government of Laikipia and is domiciled in Kenya.

The Authority's objective is to mobilize resources and create partnerships.

The Authority's principal activities are:

- Advise the County government on the appropriate policies, laws, plans and programs necessary for County development.
- Coordinate development programs and initiatives and provide liaison between County and national government on implementation of development programs and projects.
- Initiate and implement in collaboration with other County government departments targeted development programs and projects.
- Source locally or internationally resources required for promoting County development.
- Promote and facilitate establishment of public private partnerships targeting County development.
- Support other County departments in preparing and implementing development programs.
- Mobilize and support residents to initiate or participate in development initiatives, programs and projects.
- Monitor and evaluate development policies, laws, plans and programs and advise the County government on appropriate measures to be adopted.
- Perform such other functions as may from time to time, be assigned by the executive member.

(b) Principal Activities

The principal activity of the authority is to raise funds and create partnerships for the County Government of Laikipia

- **Vision:** *The greatest County with the best quality of life.*
- **Mission:** *To empower households in Laikipia County to a lead fulfilling life.*
- **Core Values:**
 - *Professionalism*
 - *Accountability*
 - *Integrity*
 - *Equity*
 - *Innovativeness*

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(c) Key Management

The LCDA's day-to-day management is

No.	Designation	Name
1.	Chief Executive Officer	James Mugambi
2.	LCDA Accountant - Operations	Lydia Mokeira
3.	LCDA Accountant - Financial Reporting	Caleb Mwangi

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer	James Mugambi
2.	Head of Partnerships & Project Implementation	Charles Ndirangu
3.	Head of Finance	Lydia Mokeira
4.	Head of Procurement	Victoria Muthee
5.	Head of Resource Mobilization	Joseph Gakunga

(e) Fiduciary Oversight Arrangements

Ref	Office	Position
1	Directorate Internal Audit	Directorate Internal Audit
2	County Assembly of Laikipia	Clerk to the County Assembly of Laikipia
3	Office of the Controller of Budget	Controller of Budget
4	Office of the Auditor-General	Auditor-General

(f) Entity Headquarters

P.O. Box 131-20321
 County Headquarters Building
 Government Road, Opposite DCC'S Office
 Rumuruti, Kenya

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(g) Entity Contacts

Telephone: (254) 716-030030

E-mail: info@laikipia.go.ke

Website: www.laikipia.go.ke

(h) Entity Bankers

Equity Bank

Nanyuki, Kenya.

(i) Independent Auditor

Auditor-General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

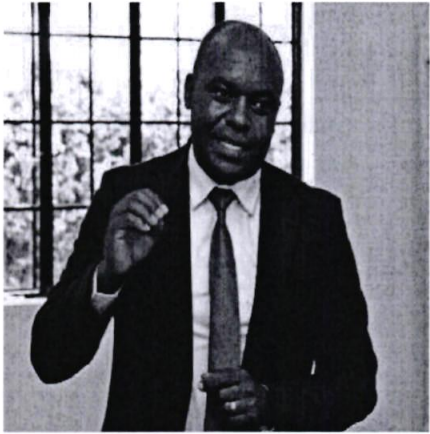

Nairobi, Kenya

(j) Principal Legal Advisers




1. The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

2. County Attorney
County Government of Laikipia
Kenyatta Avenue
P.O. Box 1271-10400
Nanyuki, Kenya

3. The Board of Management

Directors	Details of qualifications and experience
<p>1. Dr Allan Mugambi- Chairman LCDA</p> 	<p>Born in 1972. Dr Mugambi, holds a Doctorate of Philosophy and a Master of science degrees in Entrepreneurship. He is also a holder of a Bachelor degree in Computer Science, and is a certified International Labour Organization expert in business development and Public Administration.</p> <p>Dr Mugambi is currently;</p> <ol style="list-style-type: none"> 1. Board member of Midwest Food Bank (USA) 2. Founder and Secretary General of the Association of Practicing and Professional Entrepreneurs (APPEL) 3. Senior Lecturer at Jomo Kenyatta University of Agriculture and Technology 4. He is a visiting Don at Technical University of Munich. 5. Chairperson of Council of Ridgeways Baptist Church 6. A Lead Consultant and Advisor of the National Council of NGOs. <p>A researcher in Entrepreneurship trends and accomplished author and publisher</p>
<p>2. Daniel Ngumi – Chief officer Finance</p> 	<p>Born in 1984.</p> <p>Mr. Ngumi Daniel is currently the Chief Officer Finance and County Treasury. Holds Bachelor’s Degree in Economics and Public Administration and Master’s Degree in Accounting and Finance. He is also a CPA(K).</p> <p>Has previously worked with National Treasury for six years in various Departments as Chief Accountant; Has also worked with County Government of Laikipia as Head of County Treasury Accounting and in County Government of Kiambu as Director of Finance.</p>




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<p>3. Burji Mohamed - Chief Officer Economic Planning.</p> 	<p>Born in 1990. Mr. Burje holds a Bachelor of Arts degree and MBA-Finance. He is a member of the institute of certified public accountants of Kenya (ICPAK). He has over 9 years professional experience in auditing and taxation of various sectors in Kenya and has experience in dealing with technical issues, handling investigations and routine tax. He has also specialized in the policies and strategic planning formulation and system audit. He is currently the Chief officer Economic Planning.</p>
<p>4. James Mugambi Ngece - CEO and Secretary to the board</p> 	<p>Born in 1984. Holds a Master's degree in management and development from Erasmus University in The Netherlands, Bachelor's degree in community Development, and Certification in Human Resource Development among others. He has over 18 years working experience in project planning and management at management positions in different non-governmental organizations. Key expertise is proposal development, donor reports, strategic and donor relations, fund raising and partnerships He is currently the CEO of Laikipia Development Authority.</p>
<p>5. Paul Maina Wambugu</p> 	<p>Born in 1986. He holds a bachelors of arts in philosophical studies from catholic university, Bachelor of arts in theological studies in pontifical Urbaniana university and diploma philosophical and religious studies (Christ the king major seminary) He has served as priest in parishes in Sipili, Mukeu, Ndundori, Ngarua And Olkalou. He is currently serving as a priest at Nyahururu cathedral catholic parish.</p>

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<p>6. Thomas Silvester</p> 	<p>Born in 1967.</p> <p>Tom Silvester is an entrepreneur, rancher, and tourism operator with a degree in Agriculture from the University of Edinburgh. Since 1992, he has been working on a large-scale tourism, ranching and conservation project in Northern Kenya. He founded Loisaba's in 1998, and has been responsible for creating a successful, internationally recognised wildlife conservancy. As Loisaba's CEO, he oversees a labour force of over 400. Through his position as vice chairman of the Laikipia Conservancies Association, Tom supports landscape level conservation, and engages with government on policy development. He also sits on the Executive Committee of the Agricultural Employees Association, and is a Governor of the Laikipia North Technical and Vocational College.</p>
<p>7. Joan Njoki - Member</p> 	<p>Born in 1983. Joan Njoki is a communications professional with over 15 years of practice in communication.</p> <p>She is currently Senior Communications Coordinator at Laikipia Conservancies Association where she oversees the day-to-day communication of the Membership Association. Her specialty is in stakeholder engagement and management, where she has driven Member collaboration as well as Strategic stakeholders' engagement in conservation space. She is also engaged in enhancing meaningful communications between the County Government of Laikipia and the Laikipia Conservancies Association through the Working Group.</p>
<p>8. Daniel Kabiru Wanjiku – Member</p> 	<p>Born in 1986.</p> <p>He has Masters in development studies (organization development) and Bachelors of Arts in leadership and management from St Paul university. Diploma in project management – Kenya institute of management.</p> <p>He is the relationship manager at St Martin catholic social apostolate Nyahururu.</p>

4. Key Management Team

Management	Details of qualifications and experience
<p>1. James Mugambi Ngece – CEO</p> 	<p>Born in 1984.</p> <p>Holds a Master’s degree in management and development from Erasmus University in The Netherlands, Bachelor degree in community Development, and Certification in Human Resource Development among others. He has over 18 years working experience in project planning and management at management positions in different non-governmental organizations.</p> <p>Key expertise is proposal development, donor reports, strategic and donor relations, fund raising and partnerships</p>
<p>2. Lydiah Mokeira - Fund Accountant Operations</p> 	<p>Born in 1994.</p> <p>She Holds Bachelor’s Degree in Commerce (Banking and Finance) and is a Certified Public Accountant (CPA-K) with a history of accurately supporting accounting activities in a diverse range within the Treasury Management and Risk Management. Currently she is also the Accountant for Laikipia County Development Authority (LCDA).</p>
<p>3. Caleb Mwangi – Accountant Fund Reporting</p> 	<p>Born in 1980.</p> <p>He Holds Bachelor’s Degree in Commerce (Finance) and Post Graduate Diploma in Project management. He is also a Certified Public Accountant of Kenya (CPA-K). He is currently the Accountant in charge of Funds financial reporting. He has Internal Auditing experience of over 12 years since 2008 to 2020.</p>

5. Chairman's Statement

As the Chairperson of the Laikipia County Development Authority Board, it is both an honour and a privilege to present this annual report. This document encapsulates our unwavering commitment to transparency, accountability, and the effective stewardship of our resources. The past year has been a transformative period for us, characterized by significant developments, strategic initiatives, and noteworthy achievements that I am eager to share with you. Our strategic role as fund board is to support the Governor manifesto in line with the County Development Integrated Development Plan 2023-2027.

I am proud to report that the Board's performance this year has been exemplary. We stewarded the establishment and maintenance of strategic partnerships with donors, investors, and development partners, in the resource mobilization efforts, public-private partnerships, and multi-sectoral initiatives undertaken to promote community development within Laikipia County especially in implementing the water harvesting project. Furthermore, we managed to facilitate collaboration between county departments and external stakeholders to achieve mutual goals. To boot, we spearheaded fundraising efforts to ensure that Laikipia County has the necessary financial resources to implement its development agenda and engaged with local and international donors to secure grants, loans, and other financial instruments.

Under Policy Implementation and Compliance, we ensured adherence to county, national, and international policies and guidelines related to resource mobilization and partnerships. We also promoted capacity-building initiatives within the entity and among county staff to enhance skills in proposal writing, partnership management, and donor engagement.

Achievements:

- Successful mobilization of funds for critical county projects, including infrastructure, health, and education initiatives.
- Formation of key partnerships with national government agencies, international development organizations, and private sector players.

Challenges:

- Navigating complex donor requirements and reporting standards.
- Balancing the diverse interests of multiple stakeholders while ensuring county priorities remain at the forefront.

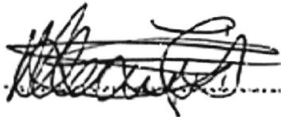
Despite the challenges, we remained committed to optimizing our resource allocation and ensuring that every shilling spent contributes meaningfully to our strategic goals.

As we look toward the future, I am filled with optimism about the Authority's trajectory. Our strategic plan for the upcoming year focuses on fostering deeper partnerships and linkages that will amplify our impact by engaging more actively with development partners and donor agencies. We are committed to exploring new avenues for growth and collaboration with stakeholders across sectors.

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We will prioritize capacity building for resource mobilization and financial management within the entity.

In addition to our operational achievements, there is ongoing initiatives in resource mobilization for water tanks gearing towards the HEEP. We recognize the critical importance of giving back to the communities we serve. Our commitment to social responsibility and sustainable practices will continue to guide our efforts as we strive to make a positive impact. The board remains optimistic that the LCDA is a noble idea that sets out a clear path towards achieving financial sustainability through diversified funding streams which contributes towards service delivery and long-term economic development outcomes for the county government of Laikipia.



.....
Dr. Allan Mugambi

Chairperson of the Board

6. Report of the Chief Executive Officer

Laikipia County Development Authority is established by and derives its authority and accountability from LCDA Act 2014. During the year 2023/24, LCDA's principal activity has been to enhance financial resources for county development through partnerships with national, international public and private organizations. Our commitment to fostering sustainable development and enhancing the quality of life for our communities has driven our efforts in mobilizing resources and establishing partnerships that have led to significant progress across various sectors. Throughout the year, LCDA has successfully organized its activities under several crucial components aimed at mobilizing resources for county and community development projects.

6.1 Key Activities Undertaken

a) Resource Mobilization for Community Development Projects

The authority actively sought to diversify county revenue streams beyond traditional sources which has made remarkable strides in securing resources to support various initiatives across Laikipia.

➤ New Borehole for Githima Secondary School in Sossian Ward

LCDA as an entity engaged with Bethel Network which is an NGO, by mobilizing funds for the water project under the Department of Water, Environment and Natural resources which involved drilling and fully equipping a solar-powered borehole at Githima Secondary School in Sossian Ward. The drilling of this borehole was collaborative development project where County Government of Laikipia drilled the borehole while Bethel Network and Davis & Shirliff equipped the facility. The water project will immensely benefit Githima secondary school who for long, have struggled to have enough and reliable water supply. Further, the project will provide safe and clean water to over 500 households in the immediate neighbourhood and other local schools. The LCDA board Chair Dr. Allan Mugambi expressed gratitude to Bethel Networks for their contributions to Laikipia's development agenda affirming the authority's commitment to partner with more institutions whose core interventions is uplifting lives of Laikipia residents. During the water project commissioning, Bethel Networks CEO, Ms. Mary Ndungu, entailed that as an NGO they shall continue to support and implementing sustainable solutions to water scarcity and food security.

➤ County Program of Distributing Water Tanks

The LCDA enabled strategic collaborations with international partners, NGOs and development agencies in the 50,000 water tank program in Laikipia. The journey to 50,000 tanks for households in Laikipia has officially started with the first batch of 131 tanks of 3000 litres each being distributed to respective women's groups during the fourth quarter. At the County headquarters, Rumuruti town, 50 tanks were handed over to beneficiaries. Kirima sub-county, 81 tanks of the same capacity were handed over to groups which had met the criteria set in consultation with their respective County Development Assistants (CDA). The tanks were acquired through partnership between County Government of Laikipia, K De Igratium International (KDII), Bethel Network and Hindu Council of

Kenya. The programs design is on a fair-sharing formula where a beneficiary is to contribute Ksh. 8,000 for a 3000-litre, while the balance is met by County Government of Laikipia together with development partners. The 50,000 tanks program for Laikipia household is a complementary program to other county water projects initiatives that include borehole drilling and equipping, dams' construction and distilling, and maintenance of existing water infrastructure to ensure that every household has enough water for domestic use.

Besides, the LCDA participated in collaborations for resource mobilization and partnerships with Habitat for Humanity which resulted into five women groups from Kandutura, Sossian ward, being the beneficiaries of 25 water tanks. The collaboration between the County Government of Laikipia through the Department of Water Environment, Natural Resources, and Climate Change, and Habitat for Humanity organization also donated 25 water tanks to five women groups in Naibor, Segera Ward, bringing the total number of tanks distributed under the partnership to 50. HE. Governor Joshua Irungu's administration is making strides towards its goal of distributing 50,000 water tanks by 2027.

b) Partnerships development in Youth Empowerment Initiatives

➤ Enhancing Digital Literacy Skills

Laikipia County Government has entered into a Memorandum of Understanding (MoU) with Connected Compute in effort of enhancing digital literacy in Laikipia County. HE. Governor Joshua Irungu EGH signed the MoU on behalf of his administration while Mr. Milan Radia, Chief Executive Officer of Connected Compute, signed on behalf of his organisation. The partnership is designed to improve digital accessibility and literacy in Laikipia County by leveraging on the expertise of Connected Compute - in deploying next-generation digital infrastructure.

Further, in the MoU design, Connected Compute and Laikipia shall implement rural digital infrastructure solutions, particularly the deployment of e-Hubs in Laikipia County. The e-Hubs facilities will also provide essential services including e-Government applications for efficient public service delivery, ICT training programs to enhance digital literacy and skills, and digital education resources to support learning and development. This transformative partnership will alleviate youth from poverty by imparting skills and creating employment. The partnership was facilitated by Laikipia County Development Authority, LCDA.

c) Partnerships development Promoting Community Health

The County Government of Laikipia in partnership with The Leo Project celebrated the grand opening ceremony of The Caitlin O'Hara Community Health Clinic in Segera Ward. The project was a culmination of collaborative efforts by LCDA, the department of Health and The Leo Project Kenya. This marked a significant milestone in the government's journey to provide equitable and accessible healthcare services to the members of Laikipia County. The founder Leo Project Caitlin OHara Health clinic Jess Danforth urged everyone to reflect on the profound impact this clinic will have on countless lives. The project is rooted in the belief that every individual, regardless of their background, deserves

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to have their health needs met with dignity and respect. The County Government's goal is to foster a safe space where the people of Laikipia can access comprehensive healthcare services without barriers. By providing medical care, education, and support, the government aims to empower individuals to make informed decisions about their health; nurturing a community of wellness and self-sufficiency.

d) Collaboration with international partners -China's IPL Business Ltd

HE. Governor Joshua Irungu played host to prospective mining investors, IPL Business Ltd, led by their team leader Mr. Qi Feng Wu. The County team and IPL Business Ltd discussed in depth Laikipia's potential mining opportunities and economic benefits that accrues from successful mining enterprise. Some of the mining resources in Laikipia that the company showed interest in include red and yellow quartz, bauxite, bentonite, kaolinite, sepiolite, vermiculite, garnets, and marble.

According to a mining survey conducted by County Government of Laikipia in 2020, Laikipia has at least 15 types of minerals. Among the substantive minerals for exploration the survey found out were iron ore, limestone, granite, and a host of clay minerals. Mining Act 2016, section 183, the law outlines how mining royalties are to be distributed in the event of successful mining and trading; 70 percent of the royalties goes to National Government, 20 percent to County Government, and 10 percent to local communities. The IPL Business Ltd visit therefore came at an opportune time when County Government of Laikipia is scouting for strategic development partners to compliment resources from Exchequer, from Own Source Revenue (OSR) and grants. To demonstrate commitment to their intentions, IPL investors visited various mining sites within the county and conducted physical inspections and collect quality control samples for further testing and quality checks.

6.2 Key Achievements

a) Promoting Sustainable Agriculture, Environmental Resilience and a Prosperous Future

Agriculture stands at the heart of Laikipia County's economy, playing a vital role in the well-being of its people. To further boost agricultural productivity, as part of the Governor's manifesto plan of ensuring food security, and enhancing the livelihoods of farmers, LCDA in collaboration with Pelum Kenya, raised Kshs 5 million to develop the Laikipia County Agroecology Strategy. This will provide essential guidelines for enhancing food production while conserving local climate and biodiversity in the department of Agriculture & Crops. Laikipia County is on the cusp of an agricultural transformation following a ground-breaking workshop by Pelum Kenya, delving into the world of Agro-ecology and Biodiversity. Pelum Kenya emphasized the need to re-evaluate high-input, resource-intensive farming systems.

The department of Agriculture currently has around eight key priority policies such as the food and safety policy, Laikipia extension service policy rangeland policy and the Agriculture and Livestock strategic plan where agro ecology strategies and plans can be incorporated. There is a proposal for a Multi-Stakeholder Platform dedicated to Agro-ecology, and fostering collaboration for a sustainable future. This innovative initiative will unite agro-ecology stakeholders and facilitate seamless collaboration with Laikipia County. It will be under the guidance of the County

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Agriculture Sector Steering Committee (CASSCOM). Besides, the existing policies will get an eco-friendly upgrade. Agro-ecology and biodiversity principles will be seamlessly integrated into key county agricultural policies.

b) Promoting investments in the County

Towards meeting this objective LCDA achieved the following during the reporting period.

- ✓ **Chinese Chambers of Commerce, Kenya** - Chinese investors have expressed interest in investing in exporting raw meat to China, invest in value addition to meat and leather industry and mining of various minerals in Laikipia County.
- ✓ **Czech Republic Embassy** - LCDA established a cordial relationship with the Czech Republic Embassy Laikipia, its product and investment opportunities were marketed.
- ✓ **Slovakia Embassy** - LCDA established a working relationship with the embassy of the Republic of Slovakia where one Slovak investor expressed interest in establishing an organic fertilizer company in Rumuruti.
- ✓ **French embassy** – The authority in liaison with other county department met with representatives of the French embassy where investment opportunities in Laikipia were discussed. A follow up meeting was organized in the next financial year

6.3 Challenges and Opportunities

LCDA faced these challenges during the reporting period;

1. **Limited Funding:** The current budget constraints have significantly hindered our ability to fully implement all planned programs, particularly in critical areas in our development programs. This limitation has necessitated prioritization of certain initiatives over others.
2. **Stakeholder Engagement:** Engaging all stakeholders consistently has proven challenging. This has impacted program participation rates and overall effectiveness, highlighting the need for more robust engagement strategies.
3. **Regulatory Hurdles:** Compliance with various regulations has sometimes delayed project timelines and execution. Navigating these regulatory frameworks can be complex and time-consuming.
4. **Means of transport:** the Authority lacks a means of transport hence waste of time and resources while undertaking activities away from the office.
5. **Staffing:** The Authority is understaffed and as a result existing staff are overstretched while others take extra roles.

However, challenges remain, the entity has these opportunities:

- **Public-Private Partnerships:** There exists substantial potential for collaboration with private sector entities. By leveraging additional funding and expertise, we can enhance our development projects and service delivery.

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- **Community Involvement:** Increasing community involvement in program planning and execution can significantly enhance ownership and sustainability of initiatives. Engaging local stakeholders fosters a sense of responsibility and commitment to project success.
- **Technological Advancements:** Embracing technology in program delivery can improve efficiency and broaden access to services. This is particularly relevant in enhancing financial literacy and improving access to financial services.

The entity has made significant strides in mobilizing resources and fostering partnerships that support county's development agenda. Moving forward, continued investment in capacity building and the exploration of new partnership models will be critical to maintaining the momentum and ensuring sustainable development for the county government of Laikipia.



.....
James Mugambi
Accounting Officer

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

Introduction

Section 164 (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 County Government entity shall prepare in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives. The key development objectives of the board as per the Strategic Plan are to:

- Mobilize resource for the county and community projects
- Offer technical support to county departments
- Promote investments in Laikipia County
- Establish and coordinate partnerships and collaborations.
- Implement water harvesting project

Progress on attainment of Strategic development objectives 2023/24

Programme	Objective	Outcome	Indicators	Performance
Fundraising	To improve food and nutritional security for ECDE learners	Reduced case of malnutrition in Laikipia County	Number of children enrolled in the project	Established partnership with Africa Nel Coure to pilot a feeding program in 22 schools in Rumuruti, Salama and Ol Moran Wards.
	To improve learning environment for ECDE learners	Children learn in conducive and stimulating environment	Number of classrooms that LCDA has mobilized resources for their construction	Mobilized resources (12 million) to build 13 ECDE classes out of a target of 5. 2 classes completed and 9 others are ongoing
	To empower adolescents to negotiate their stage of development	Reduced menstrual stigma and unhealthy relationships	Number of adolescents supported under the programme	4,000 (2,000 boys and 2,000 girls) 5,000 were trained on menstrual health and healthy relationships and given menstrual care packs. Donation in kind (care packs and trainers) of approximately 4 million was mobilized.

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	To increase the capacity of youths in Laikipia to secure employment	Empowered youth for employment	Number of youths supported to gain skills for employment	Mobilized Ksh.18 million spread in 3 years, in partnership with St Martin CSA Nyahururu.
Strategic Partnerships	To establish and coordinate partnerships and collaborations development	Well-coordinated and accountable development in the County and Cordial working relationship between the county government and its development partners	Number of partnerships established	31 partnerships with funding and implementing partners were established. Creation of synergies.
Investment promotion	To promote investments in Laikipia County	Investment opportunities translated into enterprises	Number of new investments established through LCDA initiatives	The authority is yet to convert its engagement into an investment, for instance the China IPL Business Limited Company explored the mining opportunities and conducted the feasibility test on the minerals and the successful mining enterprise is expected to start as from next year.
Resource mobilization	To mobilize resources for county and community projects	County government and community project attract funding	Value of resources mobilized	The entity mobilized resources in kind to implement priority projects. Donations in kind worth 82.9 million was mobilized against a target of 50 million
Improved access to water under the Household Economic Empowerment Project	To improve households' access to water for domestic use and micro irrigation	Enhanced household's access water for domestic use and micro-irrigation	Number of households that benefitted across Laikipia	Overachieved by 341 (261 donated by partners and 80 purchased by LCDA) out of a target of 80 households. The value of donation in kind was 5.67 million Drilling and solarization of Githima borehole will also improve access to water to approximately 500 households. The project costed the donor 2.8 million

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Improved women participation in determining their households' access to water	To ensure inclusion of women views and opinion in implementing access to water project	Inclusion of women in development projects that directly impact on their lives	Number of women leaders participating in public participation forums	Overachieved a total of 1,861 women leaders participated against a target of 1,500.
Environmental stewardship	To rehabilitate Karima ka Metha Ecosystem	Contribute towards climate change mitigation	Number of trees planted	Over achieved, 2,000 indigenous tree seedlings out of a target of 1,500 were planted. LCDA mobilized tree seedlings and labor worth Ksh.165,000

8. Corporate Governance Statement

8.1 Introduction

Laikipia County Development Authority is established by and derives its authority and accountability from LCDA Act 2014. The authority is wholly owned by the County Government of Laikipia and is domiciled in Kenya.

According to Section 5 of the LCDA Act 2014, the functions of the Authority are:

- Advise the County government on the appropriate policies, laws, plans and programs necessary for County development.
- Coordinate development programs and initiatives and provide liaison between County and national government on implementation of development programs and projects.
- Initiate and implement in collaboration with other County government departments targeted development programs and projects.
- Source locally or internationally resources required for promoting County development.
- Promote and facilitate establishment of public private partnerships targeting County development.
- Support other County departments in preparing and implementing development programs.
- Mobilize and support residents to initiate or participate in development initiatives, programs and projects.
- Monitor and evaluate development policies, laws, plans and programs and advise the County government on appropriate measures to be adopted.
- Perform such other functions as may from time to time, be assigned by the executive member.

8.2 Process of appointment and removal of trustees

This is clearly stipulated in Section 7(1) and 9(2) respectively of the Laikipia County Development Act, 2014.

Specifically, under Section 7(1),

- a) Non-executive chairperson appointed by the governor with the approval of the County assembly
- b) Chief Officer for the time being responsible for County planning and development
- c) Chief Officer for the time being responsible for finance or chief officer responsible for County administration where the chief officer responsible for finance is also responsible for County planning and development.
- d) Five persons appointed by the executive member through a competitive recruitment process, provided that there shall be representation from person with disability and youth.
- e) One person who is an expert in matters related to development, planning and management appointed by the Executive Member.
- f) The chief executive officer who shall be an ex officio member and secretary to the board.

Under Section 9(2), A Member of the board may:

- a) At any time resign from the office by notice in writing to the executive member
- b) Be removed from office by the executive member if the member:
 - i) Has been absent from three consecutive meetings of the board, without the permission of the chairperson.
 - ii) Is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings
 - iii) Is convicted of an offence involving dishonesty or fraud
 - iv) Is adjudged bankrupt or enters into a composition scheme of arrangement with its creditors
 - v) unfit to discharge his duties as a member of the Authority or fails to comply with the provisions of this act relating to disclosure

8.3 Roles and Functions of the Board

There is established the Laikipia Development Authority, the LCDA Act 2014, section 8 states the functions of the board shall be to:

- a) Ensure proper and efficient exercise of the powers and performance of the functions of the Authority.
- b) Advise the management of the authority generally on the exercise of the powers and the performance of the functions of the authority.
- c) Approve the estimates of the revenue and expenditure of the authority.
- d) Perform such other functions as are provided for under this act or any other written law.

8.4 Succession Plan

The board members are appointed for a period of 3 years and renewable once. Two of the board members are automatic accounting officers in charge of finance and county planning and development respectively who are in office for at least five years under the government in place and are deemed to induct and train those that are appointed. The issue of succession plan is usually considered while appointing or reappointing the board members. The board members appointed are supposed to be leaders with experience and exposure on development matters. The Chief Executive Officer is obligated to conduct thorough induction for the newly appointed board members and experience sharing forum.

8.5 Board Charter

The Authority service charter has been incorporated in the departmental service charter. The board members upon being appointed are expected to sign the Code of Conduct and Ethics. It defines board commitment to the highest standards of behaviour so as to contribute to the achievement of the

authority mandate. By exemplifying the ethical behaviours and Board values described in the Code, the board will continue to uphold Article 10 of the Constitution of Kenya on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

8.6 Board Remunerations and Allowances

The board remunerations and allowances are restricted by Salary and Remuneration Commission circulars that stipulate the allowances to committee members appointed by the County Government. However, due to mobility and convenience of the operations, the board usually makes resolutions for mobility and facilitation. The remuneration of the members of the Board shall be as determined by the County Treasury.

8.7 Governance, Ethics and Conduct

The LCDA Board members and staff shall adhere to the highest standards of integrity and transparency in their dealings. All partnerships and resource mobilisation activities must be following Public Procurement and Asset Disposal Act, 2015 and other relevant regulations.

All the appointed board members are obligated to sign a Code of conduct and ethics. The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help carry out role with integrity and in compliance with the law. By exemplifying the ethical behaviours and Board values described in the Code, the board will continue to uphold Article 10 of the Constitution of Kenya on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.

The entity is governed by a board and administered by the Chief Executive Officer. The Chief Executive Officer reports functionally to the Board and administratively to the Chief Officer of the department of Finance and Economic Planning

8.8 Conflict of Interest.

Board members and employees maintain public confidence in the objectivity of their service by preventing and avoiding situations that could give the appearance of a conflict of interest or result in a potential or actual conflict of interest. Board members and staff of LCDA must disclose any potential conflicts of interest related to the partnerships and resource mobilisation activities. A member of the board shall be considered to have a conflict of interest for the purposes of this Act if he acquires any pecuniary or other interest that could conflict with the proper performance of his duties as a member or employee of the board.

9. Management Discussion and Analysis

The strategic focus of LCDA changed once the new County government took office, and as a result its key mandate under the previous government changed from nurturing investment and wealth creation projects, to resource mobilization and partnership building in an effort to fundraise for government projects. Therefore, the key development objectives of the Laikipia County Development Authority's strategic plan 2022 - 2027:

- To mobilize resources on behalf of the County government
- To create partnerships and facilitate collaborations between various stakeholders and development partners.

Resource Mobilisation and Technical Support

This pillar is divided into three objectives:

- Project design, planning and concept paper/proposal development
- Donor mobilization and relations
- Offer technical support to County departments on policies and strategic planning

9.1 Project design, planning and concept paper/proposal development

The department captures pressing needs from the people of Laikipia, align them to the CIDP and design projects that are relevant to the people and the CIDP. It also receives request from other County departments to support them in concept note/proposal development of fund raising. Thereafter the projects are defined and described in concept papers and if need be translated into proposals for the purposes of fundraising. Currently the pillar has developed 61 proposals and concept papers for the purposes of fundraising for LCDA and departments' needs. It also offers departments support on technical issues mainly related to development.

9.2 Resource Mobilisation

➤ ECDE School Feeding Programme

Most of EDCE learners in Laikipia went for days without food, a factor that affected their stability and concentration in school hence the immediate need for relief food to. Hunger was identified as main cause of increased school absenteeism and it affected a significant number of learners in the county. The County Government has been seeking development partners to raise funds, for emergency drought relief, to areas within the county that have been greatly affected by drought. In these efforts, The County Department of Education in partnership with LCDA designed an ECDE school feeding project that would run until the situation improves. The Directorate of ECDE worked with LCDA to identify potential donors. LCDA used its capacity in project design and resource mobilization to design a cost-effective school feeding project for the purposes of fundraising. LCDA also used its networks to reach out to potential donor and sponsors and fundraise for the project.

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Fundraising from nongovernmental actors was given the first priority after which LCDA and Department of education explored opportunity for funding from National and County government. LCDA designed the project and developed a concept paper. The authority reached out to 23 partners and shared the concept paper out of which two partners gave a positive response. These included

- **Africa Nel Coure:** A faith-based organization domiciled in Rumuruti Catholic Parish. The organization committed to feed 24 schools; that is both primary and ECDE centres within the selected schools for one year and allocated a budget of Ksh.40 million. The 23 schools were all within the catchment area of Rumuruti Catholic Parish which is its target area, that covers part of Rumuruti and Salama Wards. The extra one school was Sipili Special school that is in Ol-Moran Ward.
- **Soy Afric Ltd:** A private company involved in production of processed food products. The company committed to donate one tone of fortified porridge flour as part of its Cooperate Social Responsibility.

Upon lapse of the period set for fundraising, LCDA noted that the resources mobilized from nongovernmental actors were insufficient and hence the need to explore seeking funding from the county and national governments. LCDA drafted a request paper asking the Laikipia County Executive Committee to fund the project through the emergency fund. The County executive committee positively considered the request and approved funding of Ksh.7,397,375 to purchase 35,962.5 kilograms of fortified porridge flour and distribution of the flour to ECDE. The department of Education and LCDA conducted the procurement process and successfully purchased a total of 35,962.5 kilograms of fortified porridge flour at a subsidized cost of Ksh.6,113,625. The Department of education entered into agreement with National Cereals and Produce Board and stored the flour in their Nanyuki stores. The department of education trained ECDE teachers on how to prepare the porridge and organized how all targeted ECDE centres would cook the porridge flour. The Department of Education distributed flour to the target schools. Soy Afric Ltd assured the county team of his commitment to collaborate with the government and also bring on board the various development and donor partners the company works with to ensure the program is carried out effectively and on a larger scale.

The products introduced were:

- **Afya Mix:** a precooked blend of Maize, sorghum, soya beans, and sugar and fortified with vitamins and minerals premix.
- **Tender Mercies:** a carefully formulated mix of rice, fractured cow peas, full-fat soya, lentils, and salt enriched with vitamins and minerals.

The two products are low-cost, nutrient-dense meals specifically formulated to address the typical nutrition-deficient diet, particularly during famine, when food is scarce and are thus ideal for schools.

➤ **Menstrual Health and Hygiene Summit**

The Laikipia County Development Authority implemented the adolescent empowerment programme in collaboration with the department of Health which covered among other issues menstrual hygiene project. LCDA in partnership with Drawing Dreams Initiative Organisation (DDI) provided holistic education on sexual reproductive health for underserved adolescent girls and boys, youth and communities in Laikipia North at Naibor. This project which targets 2,000 boys and 2,000 girls aims at ensuring that all girls in their early adolescence will have access to sanitary towel. Secondly, both boys and girls will be given correct information on their sexuality, healthy relationship and menstrual hygiene with an aim of empowering them to make informed choices and appreciate their gender differences. The main aim of this project is to ensure that both boys and girls under the project negotiate adolescence in a healthy way. So far LCDA has been able to raise 4 million worth of menstrual health kits and dignity packs. LCDA in collaboration with other stakeholders and donor partners was able to launch the County's first ever Menstrual Health summit aimed at lobbying for policy advocacy and establishment of the menstrual health policy 2020 as well as create a networking opportunity to foster partnerships with various stakeholders involved in menstrual health management and youth empowerment.

➤ **Youth empowerment and employability program**

This programme is a partnership between LCDA, the department of Education and St. Martin Catholic Social Apostolate. The project worth 18 million, is aimed at empowering the youth through vocational training and skill development. The pilot phase of this programme will be launched in Nyahururu and Rumuruti vocational centres and will entail: Refresher training for instructors in an industrial setting, purchase of training modern training equipment , training of instructors and key project stakeholders in international labour laws, certified training on entrepreneurship and business, competency based training, introduction of apprenticeship training for vocational trainees to sharpen their skills, sponsorship of 100 needy students and capital investment for best performing graduates to start their business. The programme seeks to enhance youth enrolment in vocational training centres as well as improve their skills in the job market while inculcating a positive attitude towards TVETs and VTCs. The project is set to commence in October 2023.

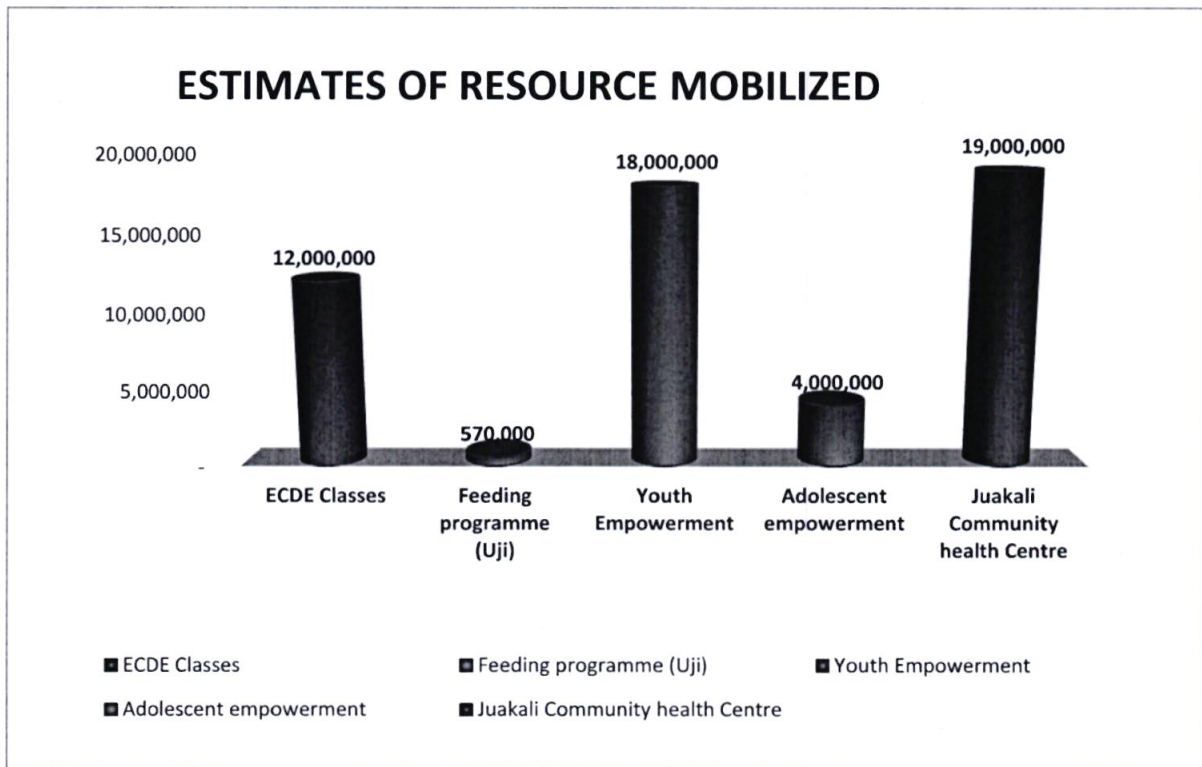
➤ **Health**

LCDA in collaboration with the department of health and The LEO Project have built a community health centre in Segera ward worth 19 million. Named The Caitlin O'Hara Community Health Clinic, the establishment will provide accessible and equitable health services to the community in Segera.

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The following table shows the resources mobilized during the FY 2022/2023:

Department of Education	Amount (Kshs.)
ECDE Classes	12 million
Feeding programme (Uji)	570,000
Youth Empowerment	18 million spread in 3 years
Department of Health	Amount (Kshs.)
Adolescent empowerment	4 million
Juakali Community health Centre	19 million



➤ **Women Empowerment on matters Economic Development**

During the financial year, the Authority focused on enhancing its operational efficiency and delivering value to our stakeholders. In the course of this financial year, during the second quarter, H.E Governor Joshua Irungu EGH continued with his grassroots women empowerment conversation with over 250 grassroots women leaders from Mukogodo East and Mukogodo West who were engaged on matters development and economic empowerment. Key in these discussions is one of Governor’s main manifesto development pillar, water provision. In appreciation of this reality, Laikipia County’s water masterplan has in it plan to roll out 300 water projects across the county to ensure no person treks for more than a kilometre in search of water, by 2027. The projects are in motion already. The other front

is we provide 50, 000 water tanks of 3,000 litres each to households but it will be on a fair cost-sharing formula. Beneficiaries will only foot 25 percent of the total cost while government and development partner absorb 75 percent. This project targets women in groups within Laikipia. For transparency and accountability, consensus was that respective ward County Development Assistants (CDAs) will be the only link between the County Government and the women groups to ensure there is one source of factual and reliable information in every ward.

➤ **Northern Rangelands Trust Carbon Project**

The Laikipia County Development Authority's, collaborative effort, has successfully secured donor funding worth Kshs 12,758,538 towards carbon project in Laikipia. The NRT's member conservancies that were involved in the project include, Lekurruki Community Conservancy, IINgwesi Community Conservancy and Naibunga Conservation Project (Upper, Central and Lower) of Mukogodo East and West Wards. This project is designed to address key socio-economic challenges in Laikipia County by implementing sustainable interventions. The carbon project as agreed by the participating conservancies/communities and the County Government of Laikipia is to align with broader goals of sustainable developments, environmental conservation and climate change mitigation support through water projects.

With financial backing of from Northern Rangelands Trust, the project aims to improve the living standards of the local community, empower vulnerable populations, and promote economic growth. The carbon project entails Ethi borehole multipurpose water project, Tiamamut dam multipurpose water project, supply and delivery of rain water harvesting tanks, Nandunguro multipurpose water project in Mukogodo East and West. The project will be executed with a community-centered approach, ensuring that all initiatives align with the needs and aspirations of the residents. Through this effort, Laikipia County seeks to become a model for sustainable development in the region, leveraging external resources to enhance local capacity and improve overall well-being.

9.3 The Entity's Key Project

- **The House Hold Economic Empowerment Project (HEEP) - Water Tanks Project**

The Laikipia County Development Authority under the County Government of Laikipia is implementing water harvesting and storage project. The project is part of the wider Household Economic Empowerment Project that broadly aims at enhancing vulnerable and marginalized households in Laikipia County resilience to the climate change. The water tank project is designed to enable households to harvest and store rain water for domestic use and promote kitchen gardening. This initiative addresses the pressing need for clean and safe water for domestic use and aims to bolster food and nutritional security within among the targeted households. As climate change increasingly threatens water resources and food production, this project plays a critical role in enhancing local resilience. Targeting vulnerable demographics, specifically women living with disabilities or aged 70 years and above, who are also materially poor, the project seeks to empower

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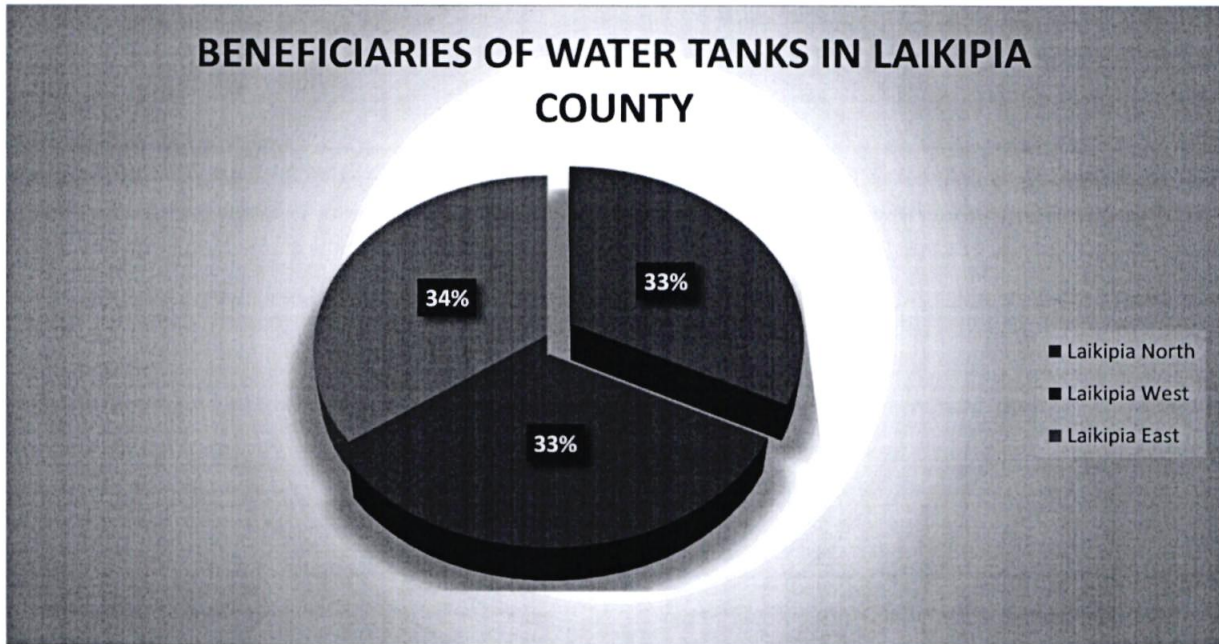
those who are often marginalized. By providing support to these groups, the initiative not only improves access to essential resources but also fosters greater community stability and sustainability.

The entity’s initiative to provide free water tanks for domestic use and kitchen gardening kicked off during this financial year. The program aims to enhance access to clean water, improve public health, and support sustainable living practices in the region, particularly in areas affected by water scarcity. Laikipia County faces significant challenges regarding water accessibility, especially in rural communities. Seasonal droughts and unreliable rainfall patterns have exacerbated water shortages, impacting both agricultural practices and household water supply.

In response, LCDA has initiated the program to distribute 80 free water tanks to vulnerable households to improve water storage and efficient management during its first phase in HEEP. The entity conducted surveys to identify households most in need of water tanks, focusing on low-income and marginalized communities. The entity had been allocated 2.990 million under development which was utilized in procuring high-quality water tanks suitable for domestic use, considering capacity and durability. We purchased 80 water tanks of 3000litres capacity. These tanks are yet to be distributed to the identified beneficiaries across three sub counties in Laikipia, but they are currently stored at Rumuruti headquarters office. The distribution plan, including transportation logistics to the community distribution points has been budgeted for and will happen in the following financial year, once we receive our transfers from the county executive. The entity’s project implementation team effectively verified the eligibility of the beneficiaries and reaffirmed the commitment to targeting the most vulnerable populations. The entity assessed the beneficiaries ‘eligibility to ensure that the water project remains focused on empowering women, enhancing their access to vital resources, and promoting community resilience against climate change. The continued collaboration with Community Development Assistants and regular monitoring will be essential as the project progresses, ensuring that it effectively meets the needs of the community and adapts to any emerging challenges

The beneficiaries identified were majorly the Aged and People with Disabilities. (PWDs)in Marmanet, Thingithu and Mukogodo East. The table below shows how the 80 beneficiaries are distributed in three different sub counties across the county during the first phase of water harvesting under the HEEP project.

SUB COUNTY	NUMBER OF BENEFICIARIES
Laikipia North	26
Laikipia West	26
Laikipia East	28
Total	80



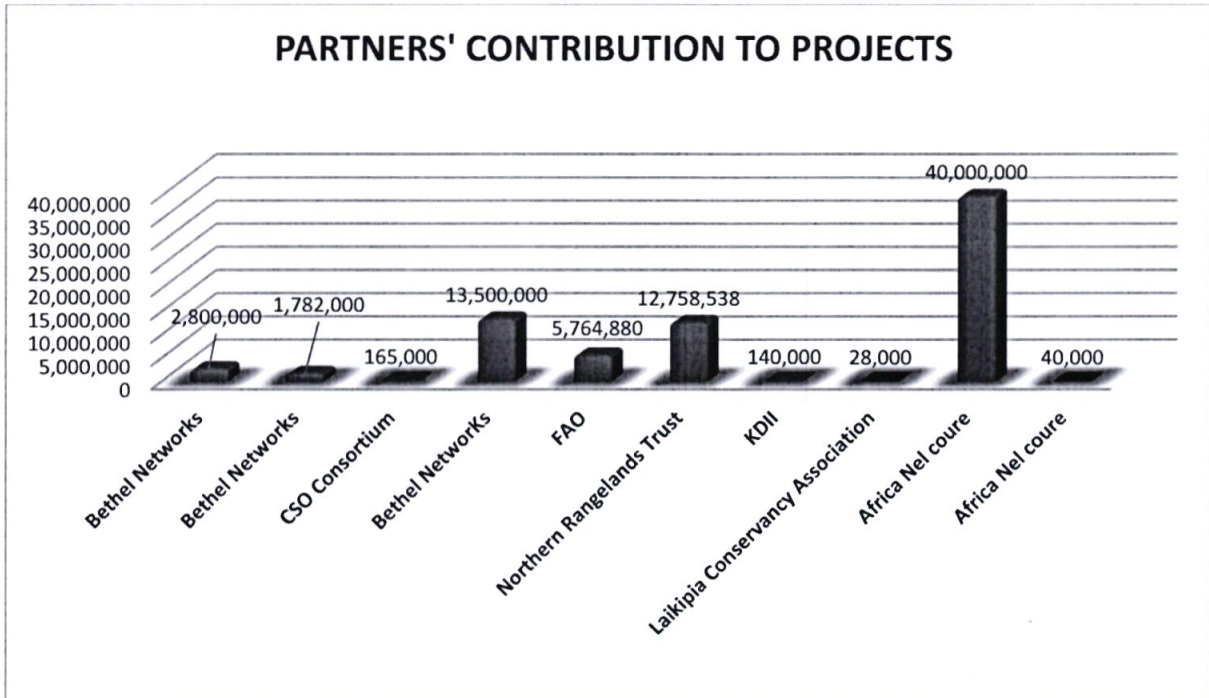
It is evident that our HEEP project targeted to benefit the three sub counties fairly to promote equal household economic empowerment across the county. In Laikipia County, the initiative to distribute water tanks equally across three designated wards aims to ensure that all communities have access to essential water storage solutions. This strategy is designed to address water scarcity and improve public health in a fair and balanced manner. The equal distribution of water tanks across three wards in Laikipia County is a strategic approach to addressing water scarcity. By promoting equity, fostering community cohesion, and improving public health, this initiative can have a lasting positive impact on the region. Continued monitoring and engagement with local communities will be essential to ensure the program's success and adaptability.

9.4 Analysis of Projects and Amounts Mobilized From Different Partners in the FY 2023/2024

S/N	PROJECT	PARTNER	AMOUNT(KSH)
1	Githima and Kiwanja projects 2 Boreholes	Bethel Networks	2,800,000
2	81 Water tanks projects	Bethel Networks	1,782,000
3	Sipili Hill Rehabilitation	CSO Consortium	165,000
4	Carbon project	Northern Rangelands Trust	12,758,538
5	Naibor Menstrual Health Summit	Bethel Networks	13,500,000
6	Water harvesting project	FAO	5,764,880
8	Water tanks	KDII	140,000
9	Women Empowerments forum	Laikipia Conservancy Association	28,000
10	Christmas Tree lighting charity	Africa Nel Coure	40,000

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11	ECDE School Feeding Project	Africa Nel Coure	40,000,000
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LCDA managed established and maintained partnerships with these organizations and coordinated with various county departments' projects to align resource mobilization strategies with county development plans. This reflects Bethel Networks had more contribution in three different projects, . LCDA identified Bethel as the most supportive partners and water harvesting projects as the most preferred. Besides, Africa Nel Cuore and Northern Rangelands Trust also donated huge amounts towards the county's carbon project. The graph serves as a powerful tool for visualizing the mobilization of resources from different partners towards various projects. It facilitates quick comparisons and insights, aiding stakeholders in decision-making and strategic planning. By analysing this data, LCDA can optimize their partnerships and enhance the effectiveness of their initiatives.

9.5 Compliance with Statutory Requirements

The Authority remains committed to adhering to all statutory requirements as outlined by the Public Finance Management Act, 2012. Regular audits are conducted to ensure compliance, and we have successfully met all reporting deadlines for the fiscal year. There are no outstanding compliance issues or penalties reported.

9.6 Major Risks Facing the Authority.

LCDA faces various risks that could impede its effectiveness. By implementing the recommended mitigation strategies, the unit can strengthen its capacity to mobilize resources and establish fruitful partnerships for sustainable development in Laikipia county. While we have made significant progress, several risks could impact our operations:

- **Funding Shortfalls:** Inconsistent donor funding and government budget cuts could limit available resources. The entity can mitigate it by actively seeking alternative funding from local businesses, NGOs, and international donors.
- **Capacity Constraints:** Limited human resources and expertise in mobilization efforts may hinder performance. This can be reduced by investing in training programs for staff to enhance skills in resource mobilization and project management.
- **Policy Changes:** New regulations or policies could impact existing partnerships and funding sources. Regular monitoring of policy changes by LCDA to adapt strategies accordingly can help mitigate this risk.
- **Public Perception:** Negative publicity from failed projects or mismanagement could damage the unit's credibility. LCDA should highlight successful projects to enhance the unit's reputation and attract more partnerships.
- **Stakeholder Trust:** Loss of trust from community members or partners could deter future collaborations. By fostering open communication with stakeholders to build trust and credibility, the entity will minimize this risk.

9.7 Key Achievements

a) Securing Donor Funding for Projects

The LCDA has successfully mobilized significant funding from international donors, bilateral organizations, and development partners to support key projects across sectors. Notable achievements include:

- **Carbon Project:** In partnership with global environmental organizations, the unit secured funding for a large-scale carbon credit project aimed at climate change mitigation and forest conservation.
- **Healthcare Sector:** Funding was obtained from international health agencies to improve access to healthcare services, including the construction of new health facilities and procurement of medical equipment.
- **Education and Infrastructure:** Collaboration with educational foundations led to financial support for the construction and rehabilitation of schools, as well as infrastructure improvements, such as roads and water systems.

b) Public-Private Partnerships (PPP)

The unit has fostered strong relationships with private sector players, resulting in various PPP projects:

- **Agri-Business Initiatives:** Partnerships with agri-business investors have helped modernize farming practices in Laikipia, increasing agricultural productivity and improving livelihoods.
- **Tourism Development:** Through joint ventures with private investors, the LCDA facilitated tourism development projects, including eco-tourism ventures and wildlife conservation programs.

c) Capacity Building and Training

The LCDA has been instrumental in organizing training programs aimed at building the capacity of local government officials and community groups to manage donor-funded projects. These initiatives include:

- **Sustainability Workshops:** To ensure long-term impact, training on sustainability practices, especially in areas like environmental conservation and agriculture, was conducted for local communities and stakeholders.

d) Promotion of Sustainable Development Goals (SDGs)

The LCDA has aligned its efforts with the United Nations Sustainable Development Goals (SDGs) by focusing on areas such as:

- **Climate Action (SDG 13):** The aforementioned carbon project plays a key role in mitigating the effects of climate change.
- **Quality Education (SDG 4):** Partnering with educational institutions has significantly improved access to quality education in Laikipia County.
- **Clean Water and Sanitation (SDG 6):** The unit's efforts in mobilizing resources for water infrastructure have contributed to better access to clean water in various communities.

e) Leveraging Technology for Resource Mobilization

The unit adopted digital tools to enhance communication with donors and stakeholders, using platforms for virtual fundraising and collaboration. This has allowed for greater transparency and accessibility, even in a post-pandemic era, when face-to-face interactions were limited.

9.8 Future Strategic Goals and Developments in LCDA

1. Diversification of Funding Sources-The LCDA plans to diversify its funding sources to reduce over-reliance on international donors. This will be achieved by:

- **Expanding Public Private Partnerships (PPP):** Encouraging more collaboration with private investors in sectors such as agriculture, renewable energy, and tourism.
- **Domestic Resource Mobilization:** Introducing local fundraising campaigns and engaging county residents and businesses in development projects. This will include exploring innovative financing mechanisms like local bonds or levies.

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- Engagement with Philanthropic Organizations: Expanding partnerships with philanthropic foundations, particularly those focused on education, healthcare, and environmental conservation

2. Strengthening Local Capacity for Sustainability-A key development will be building the capacity of local government and community organizations to manage and sustain projects without continuous external support. Initiatives include:

- Training and Capacity Building Programs: Continued investment in training entity officials, community leaders, and local organizations on grant management, project implementation, and sustainability.
- Community-Led Development: Empowering local communities to take ownership of projects, from planning to implementation, ensuring that projects are more sustainable and reflective of community needs.

3. Digital Transformation and Innovation in Resource Mobilization-The entity intends to leverage technology to enhance resource mobilization and project management by:

- Adopting Digital Platforms for Fundraising: Utilizing online platforms and crowdfunding tools to tap into wider audiences and increase donations.
- Digital Partnership Management: Implementing a comprehensive digital system for managing partnerships, tracking funding, and reporting on the progress of projects. This will improve transparency, accountability, and communication with donors.
- Data-Driven Decision-Making: Integrating data analytics and monitoring tools to assess the impact of funded projects and ensure efficient use of resources.

4. Climate Action and Sustainable Development-Laikipia County's commitment to environmental sustainability will guide future projects that align with global climate goals. Key developments in this area include:

- Expansion of Carbon Credit Projects: Building on the success of existing carbon projects by scaling up efforts in reforestation, conservation, and renewable energy initiatives. This will position Laikipia as a leader in climate action and attract additional green funding.
- Renewable Energy Initiatives: Partnering with international green energy companies to introduce solar, wind, and other renewable energy projects that benefit the community while reducing carbon emissions.
- Sustainable Agriculture and Water Management: Launching projects focused on sustainable agricultural practices and improving access to water resources, both of which are vital for climate resilience and food security.

5. Strengthening Global Partnerships-The LCDA will continue to enhance its relationships with international development agencies, foreign governments, and global institutions by:

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- Participation in Global Forums: Actively participating in international development and climate change forums to showcase Laikipia's progress and attract more partners and donors.
- Tapping into New Markets: Exploring partnerships with emerging economies and international business communities to fund innovative projects and boost Laikipia's socio-economic growth.

6. Focus on Youth Empowerment and Gender Equality-In alignment with the Sustainable Development Goals (SDGs), future developments will place an emphasis on inclusive development, particularly targeting youth and women. The unit plans to:

- Youth Entrepreneurship Programs: Develop youth entrepreneurship initiatives by securing funding for business incubators and skills development, creating jobs and promoting innovation in the local economy.
- Women Empowerment Programs: Mobilize resources to fund women-led development projects, especially in areas like agriculture, education, and health.

7. Long-Term Strategic Planning and Institutional Strengthening-To sustain growth and impact, the LCDA will focus on:

- Institutionalizing Resource Mobilization: Developing a long-term strategy that integrates resource mobilization into the county's core administrative structure, ensuring it is a permanent feature of county development planning.
- Policy and Legislative Advocacy: Advocating for county-level policy frameworks that support resource mobilization and partnerships, ensuring an enabling environment for collaboration with external stakeholders.
- Monitoring and Evaluation Framework: Strengthening the unit's monitoring and evaluation (M&E) framework to ensure projects are implemented effectively and outcomes are achieved, thus increasing donor confidence and securing future funding.

Conclusion

LCDA has demonstrated significant progress in securing funding and resources through effective partnerships with various stakeholders, including government agencies, NGOs, and private sector entities. This collaborative approach has enhanced the county's capacity to address key development challenges, improve service delivery, and implement sustainable projects. The future of the LCDA is promising, with clear strategic goals aimed at enhancing the county's development trajectory. By focusing on diversified funding, digital innovation, sustainable projects, and building capacity at the local level, the unit will continue to drive positive change and position Laikipia County as a model for resource mobilization and partnerships in Kenya and beyond.

10. Environmental and Sustainability Reporting

10.1. Sustainability Strategy and Profile

Our commitment to sustainability is integral to our operations and reflects our dedication to creating a positive impact on society and the environment. Our sustainability strategy is guided by international best practices and aligns with the United Nations Sustainable Development Goals (SDGs). The political will in the leadership of the county government of Laikipia where leaders prioritize sustainability has enabled resource mobilization for such projects more successful.

Political stability has also played a role in attracting international partners and long-term investments. LCDA is planning to leverage public private partnership models to attract private sector investment in sustainable projects, such as renewable energy infrastructure and water conservation programs.

In recent years, we have observed broad trends in political and macroeconomic factors that influence our sustainability priorities, including climate change, resource scarcity, and social inequality. As a response, we have implemented initiatives aimed at reducing our carbon footprint and enhancing community resilience.

10.2. Environmental Performance

LCDA adopting global standards like ISO14001(Environmental Management) will help the entity demonstrate its commitment to sustainability. This will make the entity more attractive to international donors and partners. LCDA will prioritize projects that contribute to environmental sustainability, particularly aligning with SDG 13(Climate Action), SDG 7(Affordable and Clean Energy), and SDG 6(Clean Water and Sanitation). This will enhance the entity's focus on projects that have a measurable environmental impact.

The entity has adopted resource efficiency and circular economy initiatives by monitoring how efficiently the resources are used in projects. Initiatives that promote recycling, reduce waste or involve water conservation are key performance indicators for environmental impact. The key areas of environmental impact include;

▪ Renewable Energy Initiatives

The Authority successfully adopted renewable energy initiatives by attracting partnerships and resources for solar project which directly contributed to the county's renewable energy goals. LCDA as an entity engaged with Bethel Network which is an NGO, by mobilizing funds for the water project under the Department of Water, Environment and Natural resources which involved drilling and fully equipping a solar-powered borehole at Githima Secondary School in Sossian Ward.

▪ Conservation and Biodiversity Projects

The Authority successfully supported resource mobilization for land restoration and forest conservation which greatly enhanced the environmental impact. This contributed to carbon sequestration, ecosystem restoration and natural habitat protection LCDA has also prioritized forest

conservation by mobilizing Ksh.115,000 from development partners to plant over 2,000 indigenous trees at Karima ka Metha as part of a broader environmental rehabilitation plan.

▪ **Waste Management and Pollution Reduction**

LCDA is mobilizing resources for waste management especially through partnerships in recycling or sustainable waste to energy plants which will help to improve the county's waste management systems while reducing pollution.

▪ **Engagement with Environmentally Responsible Partners**

The entity ensures that its partners (NGOs, or international donors) adhere to strong environmental standards and are committed to sustainable practices. This is done by setting criteria in partnership agreements such as adherence to ISO 14001 standards for environmental management.

10.3 Employee Welfare

The County Public Service Board is charged with the responsibility of developing and implementing human resource policies and framework for the LCDA in line with the relevant laws.

There is a Policy on Recruitment, Selection, Appointment, Promotions and Transfer of officers in the county public service which outlines the rules, guidelines and procedures governing the aforementioned activities in the County Public Service.

The purpose of this policy is to ensure that the County attracts the widest pool of applicants to provide the greatest opportunity to pick the most suitable candidates who meet the requirements of the job. The policy enhances promotion of equality in employment and the Laikipia County Public Service Board endeavours to have a gender balanced County Public Service by ensuring that not more than 2/3 of positions in its establishment are filled by either gender. The policies are reviewed after every three years, the current version having been reviewed in 2019.

The County Public Service Board in executing its mandate of recruitment on behalf of the County Executive ensures that the Laikipia Public Service reflects the ethnic and regional diversity of Laikipia County and the Country at large. It also ensures that People living with Disabilities are not marginalised in recruitment opportunities by according them equal chances.

The County Service Public Board has adopted the Career Guidelines (for County Governments) in the management of employee career progression developed in 2021 by The Council of Governors in conjunction with Ministry of State for Public Service- Department of Management Consultancy Service. The Board has also prepared a Report on Review of Organizational Structure and Staffing of the County Government of Laikipia, July, 2021 which contains the County compliment.

10.4 Human Resource management

The Authority has established cordial working relationship with Labour Unions. It has continued to encourage the staff to develop themselves through issuance of course approvals and has continually supported staff to prepare and attend KICOSCA games.

The County has Training Needs Assessment (TNA) undertaken in 2015 that needs to be reviewed, it has also adopted the Public Service Commission training policies as below: -

- Guidelines on Managing Training in the Public Service, 2017
- Guidelines on the Bond for Training in the Public Service, July, 2018

The County Executive manages its succession Planning through promoting/upgrading staff, reviewing of organization structure and staff establishment, re-designations, continuous recruitment of critical cadres and filling of positions that fall vacant due to staff exits.

The LCDA health safety and welfare is safeguarded by The Occupational Safety and Health Act, 2007 (OSHA) that covers the health and safety standards that should be practiced in the workplace as well as to make sure the County Executive provides its staff a workplace free from recognized hazards to safety and health.

10.5 Market place practices

The Authority is guided by the Public Procurement and Disposal of Assets Act 2015 on procurement matters to ensure compliance with laws and regulations which leads to fair competition, good business practices, honouring contracts and ethical project supervisions.

The LCDA maintains good business practices with the suppliers by having a detailed and fair supplier agreement, maintaining regular communication, keeping in touch with market trends, updating the vendor profile, giving timely feedback, choosing suppliers that align with the organizational values and according prequalified suppliers an equal opportunity to do business with the County Executive. The Authority has put in place efforts to safeguard the rights and interests of its citizens in regards to provision of goods, works and services by procuring goods, works and services at the right time, right quality, right quantity and within the budget allocation of the financial year and ensuring that the delivery of the same is done to the right place, it also ensures that ethical practices are upheld through the adherence of PPDA 2015 and PPDR 2020.

Advancements have been made in the county Executive's Supply chain management policies, practices and structure through a draft manual pending adoption and approval by the cabinet, training of the staff on compliance and IFMIS system and progressive adoption of the E-procurement on the IFMIS platform. There is a planned continuous training of staff on procurement trends in compliance with industry demands and professional requirements.

10.6 Community Engagements

The entity has been engaging citizens to identify their demands and needs, holding social community activities e.g. Sports, leaders and elders' engagements

The LCDA has fully embraced public participation in key decision making e.g. budget making and Finance Act that are all subject to public participation where public views are taken into consideration and included in the final document. Civic education to the public on entity's programs especially on resource mobilization and creation of partnerships has also been embraced by the Authority.

**Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024.**

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Entity's affairs.

i) Principal activities

The principal activities of the Entity are to raise funds and create partnerships for the County Government of Laikipia.

ii) Results

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

iii) Directors


The members of the Board of Directors who served during the year are shown on page *vii-ix*. During the year ended June 2024 two directors were appointed with effect from 10th April 2024.

S/N	NAME	POSITION
1.	Thomas Silvester	Board member
2.	Joan Njoki	Board member

iv) Auditors

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

By Order of the Board



.....
James Mugambi

Secretary to the Board

12. Statement of Directors Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Laikipia County Development Authority Act 2014 require the Directors to prepare financial statements in respect of that Entity, which give a true and fair view of the state of affairs of the Entity at the end of the financial year and the operating results of the Entity for that year. The Directors are also required to ensure that the Entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the Entity. The Directors are also responsible for safeguarding the assets of the Entity.

The Directors are responsible for the preparation and presentation of the Laikipia County Development Authority's financial statements, which give a true and fair view of the state of affairs of the Entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Entity; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Laikipia County Development Authority Act 2014. The Directors are of the opinion that the Entity's financial statements give a true and fair view of the state of Entity's transactions during the financial year ended June 30, 2024, and of the Entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Entity, which have been relied upon in the preparation of the Entity's financial statements as well as the adequacy of the systems of internal financial control.

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

**Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024.**

Approval of the financial statements

The Entity's financial statements were approved by the Board on 25th Aug 2024 and signed on its behalf by:



**Dr. Allan Mugambi
Chairperson of the Board**



**James Mugambi
Accounting Officer**

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



Enhancing Accountability

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NAIROBI

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

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Laikipia County Development Authority set out on pages 1 to 63, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

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

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Laikipia County Development Authority as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Laikipia County Development Authority Act, 2014

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the report of the previous year, issues were raised under the Report on the Financial Statements, under Other Matter, and under Report on Lawfulness and Effectiveness in use of Public Resources. However, although the Management had indicated that some issues had been resolved, they remained unresolved as the Senate and County Assembly were yet to deliberate on the Report for financial year 2023/2024.

Other Information

The Management is responsible for the other information set out on page iv to xli which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Report of the Directors. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Trade and Other Payables not Paid as First Charge

The statement of financial position and as disclosed in Note 37 to the financial statements reflects trade and other payables balance of Kshs.2,298,934 which have been outstanding for over two years. The trade and other payables were not paid as a first charge in year under review contrary to Section 41(2) of the Public Finance Management (County Governments) Regulations, 2015 which states that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

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

2. Investment of Funds in an Unviable Project

As previously reported, the statement of financial position and as disclosed in Note 32 to the financial statements reflects Kshs.10,000,000 in respect to investment in property which represented the Authority's investment in a technology enterprises company. Available information revealed that Management of the Authority entered into an agreement of cooperation with the Company to manufacture tuk-tuks. According to the agreement, the Authority was to invest an initial capital of Kshs.5,000,000 based on the existing orders of tuk-tuks and an additional amount of Kshs.5,000,000 for a 30% shareholding in the Company.

Further, according to the agreement with the Company, the Authority was required to pay an additional monthly lease rentals of Kshs.50,000 for the warehouse in which the tuk-tuks would be assembled. As at 30 June, 2024, accrued lease rentals amounted to Kshs.1,300,000. However, review of financial records confirmed that the projected production of initial 50 tuk-tuks was not realized and only seven (7) units had been completed and tested and therefore the viability of the project could not be confirmed.

In addition, it was also noted the Company had not obtained required licenses and approvals from National Transport Safety Authority (NTSA), Kenya Revenue Authority (KRA) and Kenya Bureau of Standards (KEBS) to enable mass production of the tuk-tuks. Therefore, the implementation of the project was irregular.

In the circumstances, the value for money on the investment of Kshs.10,000,000 on the manufacture of tuk-tuks could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Long Outstanding Receivables

The statement of financial position and reflects receivables from non-exchange transactions balance of Kshs.12,112,900 as disclosed in Note 30 to the financial statements in respect to transfers from the County Executive which had remained outstanding for more than three years. However, the Authority has not demonstrated any actions taken to recover the long-outstanding amount.

In the circumstances, the recoverability of the receivables from non-exchange transactions balance of Kshs.12,112,900 is doubtful.

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

Responsibilities of Management and 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 (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

20 December, 2024


Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024
14. Statement of Financial Performance for the year ended 30 June 2024

	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government entities	6	10,990,000	24,368,621
Public contributions and donations	9	68,000	-
		11,058,000	24,368,621
Revenue from exchange transactions			
Total revenue		11,058,000	24,368,621
Expenses			
Use of goods and services	16	11,087,356	24,201,562
Depreciation and amortization expense	19	233,018	159,101
Total expenses		11,320,374	24,360,663
Surplus/ (deficit) before tax		(262,374)	7,958
Taxation	27	-	-
Surplus/(deficit) for the period/year		(262,374)	7,958
Remission to County Treasury	47	-	-
Net Surplus for the year		(262,374)	7,958


The notes set out on pages 6 to 56 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 10 were signed on behalf of the Board of Directors by



Allan Mugambi
Chairman of the Board
25/08/2024



James Mugambi
Accounting Officer
25/08/2024



Caleb Mwangi
Head of Finance
ICPAK M/No:10187
25/08/2024

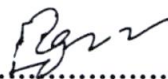
Laikipia County Development Authority
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Annual Report and Financial Statements for the year ended June 30, 2024
15. Statement of Financial Position as at 30 June 2024

	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	28	14,643	8,999
Receivables from Non-Exchange Transactions	30	12,112,900	12,612,900
Prepayments	33	-	350,000
Total Current Assets		12,127,543	12,971,899
Non-Current Assets			
Property, Plant and Equipment	34	1,358,708	776,725
Intangible Assets	35	2,983,000	2,983,000
Investment Property	32	10,000,000	10,000,000
Total Non- Current Assets		14,341,708	13,759,725
Total Assets (A)		26,469,251	26,731,624
Liabilities			
Current Liabilities			
Trade and Other Payables	37	2,298,934	2,298,934
Total Current Liabilities		2,298,934	2,298,934
Non-Current Liabilities			
Total Non- Current Liabilities		-	-
Total Liabilities (B)		2,298,934	2,298,934
Net Assets (A-B)		24,170,317	24,432,690
Represented By:			
Accumulated Surplus		24,170,314	24,432,688
Net Assets		24,170,314	24,432,688

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Allan Mugambi
Chairman of the Board
25/08/2024



James Mugambi
Accounting Officer
25/08/2024



Caleb Mwangi
Head of Finance
ICPAK M/No:10187
25/08/2024

Laikipia County Development Authority
 Laikipia County Government
 Annual Report and Financial Statements for the year ended June 30, 2024
 16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Accumulated Surplus	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, July 2022	-	-	-	24,424,730	-	-	24,424,730
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	7,958	-	-	7,958
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, 2023	-	-	-	24,432,688	-	-	24,432,688
	-	-	-	-	-	-	-
As at July 1, 2023	-	-	-	24,432,688	-	-	24,432,688
Issue of new share capital	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus/ (deficit) for the year	-	-	-	(262,374)	-	-	(262,374)
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
As at June 30, 2024	-	-	-	24,170,314	-	-	24,170,314

Laikipia County Development Authority
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Annual Report and Financial Statements for the year ended June 30, 2024
17. Statement of Cash Flows for the year ended 30 June 2024

	Note	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government entities		11,490,000	24,368,621
Public contributions and donations		68,000	-
Total receipts		11,558,000	24,368,621
Payments			
Use of goods and services		11,087,356	24,201,562
Total payments		11,087,356	24,201,562
Net cash flows from/(used in) operating activities	49	470,644	167,059
Cash flows from investing activities			
Purchase of PPE		(465,000)	(398,498)
Net cash flows from/(used in) investing activities		(465,000)	(398,498)
Cash flows from financing activities			
Net cash flows from financing Activities		-	-
Net increase/(decrease) - cash & Cash equivalents		5,644	(231,439)
Cash & cash equivalents at the year Start	28	8,999	240,438
Cash and cash equivalents at the year End	28	14,643	8,999

Laikipia County Development Authority
 Laikipia County Government
 Annual Report and Financial Statements for the year ended June 30, 2024

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from the County Government entities	10,990,000	-	10,990,000	10,990,000	-	100%
Transfers to Reduce Receivables	500,000	-	500,000	500,000		
Public contributions and donations	75,000	-	75,000	68,000	7,000	91%
Opening bank balance	8,999	-	8,999	8,999	-	100%
Total Income	11,573,999	-	11,573,999	11,566,999	7,000	
Expenses						
Use of goods and services	11,093,999	-	11,093,999	11,087,356	6,642	100%
Purchase of Computer Equipment	480,000	-	480,000	465,000	15,000	97%
Total Expenditure	11,573,999	-	11,573,999	11,552,357	21,642	
Surplus/Deficit for the period	-	-	-	14,642	(14,642)	
Capital Expenditure	2,990,000	-	2,990,000	2,990,000	-	100%

Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024

19. Notes to the Financial Statements

1. General Information

Laikipia County Development Authority is established by and derives its authority from LCDA Act, 2014. The Authority is under the County Government of Laikipia and is domiciled in Kenya. The Authority principal activity are:

- Advise the County government on the appropriate policies, laws, plans and programs necessary for County development.
- Coordinate development programs and initiatives and provide liaison between County and national government on implementation of development programs and projects.
- Initiate and implement in collaboration with other County government departments targeted development programs and projects.
- Source locally or internationally resources required for promoting County development.
- Promote and facilitate establishment of public private partnerships targeting County development.
- Support other County departments in preparing and implementing development programs.
- Mobilize and support residents to initiate or participate in development initiatives, programs and projects.
- Monitor and evaluate development policies, laws, plans and programs and advise the County government on appropriate measures to be adopted.
- Perform such other functions as may from time to time, be assigned by the executive member.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Entity. The financial statements have been prepared in accordance with the PFM Act, 2012 Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Laikipia County Development Authority
Laikipia County Government
Annual Report and Financial Statements for the year ended June 30, 2024**

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*
There were no new and amended standards issued in the financial year.
- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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Standard	Effective date and impact:
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity* adopted the following standards.

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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance upon fulfilling the conditions set.

Levies, Fines, and penalties

The Entity recognizes revenues from Levies, Fines, and penalties when the event occurs and the asset recognition criteria are met.

ii) Revenue from exchange transactions

Rendering of services

The Entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Entity.

Interest income

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

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Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the County Assembly on 30th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations on the 2023/24 budget following the governing body's approval. The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax

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relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

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Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

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e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

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g) Intangible assets

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

h) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

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

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i. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. No Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

ii. Financial liabilities

Classification

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

j) Inventories

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

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is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

k) Provisions

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

l) Contingent liabilities

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

m) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of

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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.

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

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

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r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

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

t) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) 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.

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v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from County Government entities

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
Unconditional Grants		
Operational Grant	10,990,000	24,368,621
Unconditional development grants	-	-
Other Grants	-	-
Total Unconditional Grants	-	-
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants	-	-
Total	10,990,000	24,368,621

(The transfers from county executive within the current financial period to cater for the entity's both recurrent and development exchequer obligations)

a) Transfers from County Departments

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (FY 2023-2024)	FY 2022-2023
	KShs	KShs	KShs	KShs	KShs
County Department	-	-	-	-	-
Department	-	-	-	-	-
Total	-	-	-	-	-

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7. Transfers in Kind

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Electricity	-	-
Rent	-	-
Furniture	-	-
Other	-	-
Total	-	-

8. Levies, Fines and Penalties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Levies	-	-
Fines	-	-
Penalties	-	-
Total	-	-

9. Public Contributions and Donations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Health Donations	-	-
Research Donations	-	-
Donations transferred to revenue on conditions being met.	68,000	-
Other Public Donations	-	-
Total Transfers and Sponsorships	68,000	-
Reconciliation of Public Contributions and Donations		
Balance unspent at beginning of the year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions to be met - remain liabilities	-	-

(This relates to donation by Africa Nel Coure towards the Christmas tree lighting ceremony and charity event and donation towards women empowerment forum by Laikipia Conservancy Association.)

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10. Licenses, Fees and Permits

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Licenses	-	-
Fees	-	-
Permits	-	-
Total	-	-

11. Rendering of Services

Description	FY 2023-2024	FY 2022-2023
	KShs	KShs
Agency income	-	-
Tuition Fees	-	-
Training Fees	-	-
Service Fees e.g. ploughing	-	-
Quality Assurance	-	-
Others	-	-
Total Revenue from the Rendering of services	-	-

12. Sale of Goods

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Sale of textiles	-	-
Sale of certified seeds	-	-
Sale of livestock	-	-
Sale of water	-	-
Sale of firewood	-	-
Other	-	-
Total revenue from the sale of goods	-	-

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13. Rental revenue from facilities and equipment

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Hire of equipment	-	-
Staff houses	-	-
Contingent Rental*	-	-
Others	-	-
Total Rentals	-	-

14. Finance Income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Interest income on bank deposits	-	-
Interest income from loans	-	-
Others	-	-
Total finance income	-	-

15. Other Income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Skills development levy	-	-
Income written back	-	-
Bad debts recovered	-	-
Miscellaneous incomes	-	-
Total Other income	-	-

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16. Use of Goods and Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Electricity	-	-
General Office Expenses	1,310,000	710,000
Loan Processing Costs	-	-
Domestic travel and subsistence	3,315,700	22,937,352
Administration Fees	1,310,700	-
Committee Allowances	-	-
Water Tanks -HEEP Project	2,990,000	-
Fuel And Oil Costs	-	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	-	-
Rental Costs	-	-
Hospitality supplies and services	220,036	550,000
Telephone And Communication Expenses	-	-
Bank Charges	920	4,210
Audit Fees	-	-
Training cost	1,940,000	-
Other	-	-
Total	11,087,356	24,201,562

17. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries for permanent employees	-	-
Wages to temporary employees	-	-
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	-	-
Housing benefits and allowances	-	-
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs *	-	-
Total employee costs	-	-

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18. Board Expenses

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Chairman/Directors' Honoraria	-	-
Sitting Allowances	-	-
Medical Insurance	-	-
Induction and training	-	-
Travel and accommodation	-	-
Other Allowances	-	-
Total	-	-

19. Depreciation and Amortization Expenses

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant and equipment	233,018	159,101
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	233,018	159,101

20. Repairs and Maintenance

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property and equipment	-	-
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	-	-
Furniture and Fittings	-	-
Computers and Accessories	-	-
Others	-	-
Total Repairs and Maintenance	-	-

Contracted Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Actuarial valuations	-	-
Investment valuations	-	-
Property valuations	-	-
Others	-	-
Total Contracted Services	-	-

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21. Grants and Subsidies

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Community Development	-	-
Education Initiatives and Programs	-	-
Social Development	-	-
Total Grants and Subsidies	-	-

22. Finance Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Total finance costs	-	-

23. Gain on Sale of Assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
Total gain on sale of assets	-	-

24. Gain/Loss on foreign exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Gain on foreign exchange transactions	-	-
Loss on foreign exchange transactions	-	-
Total Gain/Loss	-	-

25. Gain/loss on fair value investments

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

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26. Impairment Loss

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total Impairment Loss	-	-

27. Taxation

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current income tax charge	-	-
Tax charged on rental income	-	-
Tax charged on interest income	-	-
Deferred tax: [note 49	-	-
Original and reversal of temporary differences	-	-
Income tax expense reported in the statement of financial performance	-	-

28. Cash and Cash Equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Account	14,643	8,999
On - Call Deposits	-	-
Fixed Deposits Account	-	-
Others	-	-
Total Cash and cash equivalents	14,643	8,999

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Current Account			
Equity Bank	0270279074923	14,643	8,999
Total		14,643	8,999

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29. Receivables from exchange transactions

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Trade debtors	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	-	-
	-	-
Current portion receivables	-	-
Non-current Receivables	-	-
	-	-
Total receivables	-	-

a) Ageing analysis for Receivables from exchange transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
	FY2023-2024	% of the total	FY2022-2023	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

b) Reconciliation for impairment allowance on receivables from exchange transactions

Impairment allowance/ Provision	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

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30. Receivables from Non-Exchange Transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Transfers from County Executive	12,612,900		12,612,900	
Transfers from County Executive received	(500,000)			
Total	12,112,900		12,612,900	
Ageing Analysis- Receivables from non-exchange transactions	FY2023-2024	% of the total	FY 2022-2023	% of the total
Less than 1 year	-	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	-	%

Reconciliation For Impairment Allowance on Receivables from Non-Exchange Transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
At the beginning of the year	-		-	
Additional provisions during the year	-		-	
Recovered during the year	-		-	
Written off during the year	-		-	

31. Inventories

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Consumable stores	-		-	
Raw materials in stock	-		-	
Less: allowance for impairment	-		-	
Total inventories at the lower of cost and net realizable value	-		-	

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32. Investments in financial assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
a) Investment in Treasury bills		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
Investment in Treasury bonds		
Financial institution	-	-
CBK	-	-
Sub- total	-	-
b) Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c) Equity investments		
Equity/ shares in Entity in SAGAK	10,000,000	10,000,000
Sub- total	-	-
Grand total	10,000,000	10,000,000
Analysed as:		
Current	-	-
Non-current	10,000,000	10,000,000

(The investment in Sagak Tech enterprise Ltd was reclassified from investment in property to investment in financial asset because it is an equity investment not an investment property as it had been classified in the prior years. This is according to IPSAS 41.)

d) Movement of Equity Investments

Impairment allowance/ provision	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	10,000,000	10,000,000
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	10,000,000	10,000,000

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e) Shareholding in other entities

For investments in equity share listed under note 32 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		FY 2023-2024	FY 2022-2023
	%	%	%	Kshs	Kshs	Kshs
Sagak Tech Enterprises	30%	-	-	-	10,000,000	10,000,000
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

33. Prepayments

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Insurance	-	-
Subscriptions	-	-
Prepaid motor vehicle	350,000	350,000
Electricity	-	-
Water	-	-
Transfer to PPE	(350,000)	-
Total	-	350,000

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34. Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets	Capital Work in progress	Total
Depreciation Rate		%	%	%	3%	%		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1st July 2020	-	-	-	-	757,622	-	-	757,622
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	227,287	-	-	227,287
Transfers/Adjustments	-	-	-	-	-	-	-	-
As at 30th June 2021	-	-	-	-	530,335	-	-	530,335
			-					
As At 1st July 2021			-	-	530,335	-	-	530,335
Additions	-	-	-	-	405,490			405,490
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As at 30th June 2022	-	-	-	-	-	-	-	-
Depreciation And Impairment			-					
At 1st July 2022	-	-	-	-	935,825	-	-	935,825
Depreciation	-	-	-	-	159,101	-	-	159,101
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2023	-	-	-	-	776,725	-	-	776,725
			-					

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets	Capital Work in progress	Total
Depreciation Rate		%	%	%	3%	%		
At 1st July 2023			-		776,725			776,725
Additions	-	-	-	-	465,000	-	-	465,000
Depreciation	-	-	-	-	(233,018)	-	-	(233,018)
Impairment	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	350,000	-		-	-	350,000
As at 30th June 2024	-	-	350,000	-	1,008,708	-	-	1,358,708
Net Book Values			-	-				
As at 30th June 2023	-	-	-	-	776,725	-	-	776,725
As at 30th June 2024	-	-	350,000	-	1,008,708	-	-	1,358,708

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Valuation

Land and buildings/ Equipment (be specific) were valued by valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by professional valuers.

34 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant and machinery	-	-	-
Motor vehicles, including motorcycles	-	-	-
Computers and related equipment	-	-	-
Office equipment, furniture, and fittings	-	-	-
Total	-	-	-

Property plant and equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and machinery	-	-
Motor vehicles including motorcycles	-	-
Computers and related equipment	-	-
Office equipment, furniture and fittings	-	-
Total	-	-

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35. Intangible Assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Cost		
At beginning of the year	2,983,000	2,983,000
Additions	-	-
At end of the year	2,983,000	2,983,000
Additions–internal development	-	-
At end of the year	2,983,000	2,983,000
Amortization and impairment		
At beginning of the year	2,983,000	2,983,000
Amortization	-	-
At end of the year	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	2,983,000	2,983,000

36. Investment Property

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

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37. Trade and Other Payables

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade payables	2,298,934		2,298,934	
Employee payables	-		-	
Third-party payments	-		-	
Other payables	-		-	
Total trade and other payables	2,298,934		2,298,934	
Ageing analysis: (Trade and other payables)	FY 2023-2024	% of the Total	FY2022-2023	% of the Total
Under one year	-	%	6,992	0.3%
1-2 years	6,992	0.3%	2,291,942	99.7%
2-3 years	2,291,942	99.7%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	
	2,298,934		2,298,934	

38. Refundable Deposits from Customers

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Customer deposits	-		-	
Other deposits	-		-	
Total deposits	-		-	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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39. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward at the beginning of the year	-	-	-	-
Additional provisions during the year	-	-	-	-
Provision utilised during the year	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions at the end year	-	-	-	-
Analysed as:				
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

40. Finance Lease Obligation

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the start of the year	-	-
Discount interest on lease liability	-	-
Paid during the year	-	-
At end of the year	-	-

Maturity Analysis

Period	Amount (Kshs)
Year 1	-
Year 2	-
Year 3	-
Year 4	-
Year 5 and onwards	-
Less: Unearned Interest	-
Total	-

Analysed as:

Description	Amount (Kshs)
Current	-
Non- Current	-
Total	-

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41. Deferred Income

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
National Government	-	-
Development partners	-	-
Public Contributions and Donations	-	-
Total Deferred Income	-	-

The deferred income movement is as follows:

	National government	Development partners	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance brought forward	-	-	-	-
Additions	-	-	-	-
Transfers to capital fund	-	-	-	-
Transfers to income statement	-	-	-	-
Other transfers	-	-	-	-
Balance carried forward	-	-	-	-

42. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	FY 2023-2024	FY 2022-2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current benefit obligation	-	-	-	-	-
Non-current benefit obligation	-	-	-	-	-
Total employee benefits obligation	-	-	-	-	-

Retirement benefit Asset/ Liability

The Entity operates a defined benefit scheme for all full-time employees from July 1, 2023. The scheme is administered by the custodians of the scheme. The scheme is based on percentage of salary of an employee at the time of retirement. An actuarial valuation to fulfil the financial reporting disclosure requirements of IPSAS 39 was carried out as at 30th June 2024 by actuarial valuers on this basis the present value of the defined benefit obligation and the related current service cost and past service cost were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of valuation are as follows:

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Description	FY 2023-2024	FY 2022-2023
Discount Rates	-	-
Future Salary Increases	-	-
Future Pension Increases	-	-
Mortality (Pre- Retirement)	-	-
Mortality (Post- Retirement)	-	-
Withdrawals	-	-
Ill Health	-	-
Retirement	-	-

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
The return on defined plan assets	-	-
Actuarial gains/ losses arising from changes in demographic assumptions	-	-
Actuarial gains/ losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement of the net defined benefit liability (asset)	-	-

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b) Amounts recognised in the Statement of Financial Position

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Present value of defined benefit obligations(a)	-	-
Fair value of plan assets(b)	-	-
Funded status (=a-b)	-	-
Restrictions on asset recognised	-	-
Others	-	-
Net asset or liability arising from defined benefit obligation	-	-

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by Pension Fund. Employees contribute % while employers contribute % of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

43. Payments received in advance.

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Rent	-	-
Water	-	-
Parking fees	-	-
License fees	-	-
Others	-	-
Total	-	-

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44. Borrowings

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Domestic borrowings		
Balance at beginning of the year	-	-
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	-	-

The analysis of domestic borrowing is as follows:

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Domestic Borrowings	-	-
Loan from KCB	-	-
Loan from ABSA Bank	-	-
Loan from Consolidated Bank	-	-
Others	-	-
Total Balance at end of the year	-	-

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

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45. Service Concession Arrangements

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

46. Surplus Remission

In accordance with Section 206 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into County Revenue Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. *In line with this* The Surplus remission has been computed as follows:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Surplus for the period	-	-
Less: Allowable deductions by County Treasury	-	-
90% Computation (Included in Statement of Financial Performance)	-	-

Surplus Remission Payable

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Payable at the beginning of the year	-	-
Paid during the year	-	-
Payable at end of the year	-	-

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47. Taxation

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At beginning of the year	-	-
Income tax charge for the year (note 28)	-	-
Under/(over) provision in prior year/s (note 28)	-	-
Income tax paid during the year	-	-
At end of the year	-	-

48. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Accelerated capital allowances	-	-
Unrealised exchange gains/(losses)	-	-
Revaluation surplus	-	-
Tax losses carried forward	-	-
Provisions for liabilities and charges	-	-
Net deferred tax liability/(asset)	-	-
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	-	-
Credit to revaluation reserve	-	-
Under provision in prior year	-	-
Income statement charge/(credit)	-	-
Balance at end of the year	-	-

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49. Cash Generated from Operations

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Surplus for the year before tax	(262,374)	24,368,621
Adjusted for:		
Depreciation	233,018	-
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
Decrease in receivables	500,000	-
Increase in deferred income	-	-
Increase in payables	-	(24,201,562)
Increase in payments received in advance	-	-
Net cash flow from operating activities	470,644	(167,059)

50. Financial Risk Management

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

i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

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the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
As at 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due. Board of Directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's Directors, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
As at 30th June 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

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Financial Risk Management**

iii) Market risk

The entity has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

FY 2023-2024

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade and other Payables	-	-	-
Borrowings	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

Current FY 2023-2024

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
0As at 30th June 2024			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors	-	-	-
Total Financial Assets	-	-	-
Financial Liabilities			
Trade And Other Payables	-	-	-
Borrowing	-	-	-
Total Financial Liabilities	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

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

Description	Change in currency rate	Effect on Surplus/Deficit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
FY2023-2024			
Euro	10%	-	-
USD	10%	-	-
Sterling Pound	10%	-	-
FY2022-2023			
Euro	10%	-	-
USD	10%	-	-
Sterling Pound	10%	-	-

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on surplus or deficit of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase. A rate increase/decrease of five percent would result in a decrease/increase in surplus before tax.

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Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets				
Investment Property	-	-	-	-
Land and Buildings	-	-	-	-
Total	-	-	-	-
As at 30th June 2023				
Financial Assets				
Quoted Equity Investments	-	-	-	-
Non- Financial Assets	-	-	-	-
Investment Property	-	-	-	-
Land and Buildings	-	-	-	-
Total	-	-	-	-

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Revaluation Reserve	-	-
Accumulated surplus	-	-
Capital fund	-	-
Total Funds	-	-
Total Borrowings	-	-
Less: Cash and Bank Balances	-	-
Net Debt/(Excess cash and cash Equivalents)	-	-
Gearing	-	-

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51. Related Party Disclosures

a) Nature of related party relationships

Entities and other parties related to *LCDA* corporation include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

b) County Government of Laikipia

The county Government of Laikipia is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The County Government has provided full guarantees to all long-term lenders of the entity.

c) Other related parties include:

- i) The Parent Department.
- ii) County Governments
- iii) Other County Corporations
- iv) Key management.
- v) Board of Directors.

d) Transactions with related parties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
a) Sales to related parties		
Rent income from govt. agencies	-	-
Water sales to govt. agencies	-	-
Others	-	-
Total	-	-
B) purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others	-	-
Total	-	-
b) Grants /transfers from the government	-	-
Grants from county government	-	-
Grants from other levels of Government	-	-
Donations in kind	-	-

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Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
Total		
d) Key management compensation		
Directors' emoluments	-	-
Compensation to key management	-	-
Total	-	-

52. Segment Information

Nil

53. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Contingent Assets		
Insurance reimbursements	-	-
Assets arising from determination of court cases	-	-
Reimbursable indemnities and guarantees	-	-
Receivables from other government entities	-	-
Others	-	-
Total	-	-

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Contingent Liabilities

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Contingent Liabilities	-	-
Court case against the entity	-	-
Bank guarantees in favour of subsidiary	-	-
Contingent liabilities arising from contracts including PPPs	-	-
Others	-	-
Total	-	-

54. Capital Commitments

Capital Commitments	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Authorised for	-	-
Authorised and Contracted for	-	-
Total	-	-

55. Events after the Reporting Period

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

56. Ultimate And Holding Entity

The Entity is a County Corporation under the Department of Finance and Economic Planning. Its ultimate parent is the County Government of Laikipia.

57. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

**Laikipia County Development Authority
 Laikipia County Government
 Annual Report and Financial Statements for the year ended June 30, 2024
 20. Appendices**

Appendix 1: Implementation Status of Auditor General’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
OAG/UERO/ LKP.CDA/20 22/2023/(22)	<p>1.Unsupported Intangible Assets</p> <p>As reported in the previous year, the statement of financial position and Note 18 to the financial statements reflects Kshs.2,983,000 in respect to net book value of intangible assets. Information available indicated that a Consultancy Services Agreement was signed between the Authority and the Consultant for branding, marketing, and communication strategy. The contract outlined the basic phases of deliverables. However, although the consultant had been paid an amount of Kshs.2,983,000, the contract execution period had lapsed and the deliverables which included improving the Laikipia County Development Authority destination website, integration of the destination of Laikipia website with other counties websites, and installing tracking tools across the sites to be able to measure activities throughout the site had not been met or achieved as at 30 June, 2023.</p> <p>In addition, the tender was not posted on the Government tender advertisement portal (tenders.go.ke) or the County website contrary to Executive Order No.2 of 2018 on</p>	<p>The payment of the kshs. 2,983,000 (out of the contract price of kshs. 3,800,000) was made after the execution of 3 out of the 4 phases which in essence amounted to over 80% of deliverables agreed upon. This entailed:</p> <ol style="list-style-type: none"> 1. 30% upon submission of an inception report (See Annex 2(B) 2. 20% upon handing over the website and tracking tools (See Annex 2(C) 3. 30% upon submission of the Branding, Marketing and Communication Strategy. <p>The outstanding amount which amounted to kshs. 817,000 related to phase 4 of the deliverables (which is 20% of the contract price) entailed</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>procurement which states that all public procurement entities shall maintain and continuously update and publicize complete information of all the tenders awarded.</p> <p>In the circumstances, the accuracy, regularity and value for money for the expenditure of Kshs.2,983,000 on intangible assets could not be confirmed.</p>	<p>submission of a report on implementation guidance and handover report to show progress made over the 2 years period.</p> <p>Despite the fact that Oxspear did not submit its final deliverables (Phase 4 of 20%) that were to guide implementation process of the Branding, Marketing and Communication Strategy as earlier agreed, LCDA and the Directorates of Trade and Tourism leveraged on deliverables made to implement brand Laikipia project and achieved the following;</p> <ul style="list-style-type: none"> • Successful planning and execution of Nanyuki at 100 celebrations which involved marketing Nanyuki and Laikipia County as a preferred tourist destination. • Successful planning and implementation of Rumuruti Smart 		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
		Town Investment Forum in February, 2021. • Organizing the Laikipia County Trade and Investment Expo and Miss Tourism. The above successful events organized by utilizing ideas and objectives contained in the Laikipia County Branding, Marketing and Communication Strategy attest that LCDA and directorates of Trade and Tourism benefited and will continue benefiting from the deliverables received.		
	<p>2.Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.28,240,438 and Kshs.24,609,059, respectively, resulting to an under-funding of Kshs.3,631,379 or (13%) of the budget. Similarly, the Authority expended Kshs.24,600,000 against an approved expenditure budget of Kshs.28,240,438 resulting to an under-expenditure of Kshs.3,640,438 or (13%) of the budget.</p>	<p>The LCDA budget is arrived through pre -determined objectives. These objectives are based on programs contained and envisioned in the 2018-2022 CIDP which places emphasis on enterprise growth and innovation promotion. The revenue source of LCDA primarily comes from transfer of funds from Laikipia</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public. There is need for management to adopt a realistic budget strategy to avoid instances of under-realization of the budget for efficient and effective delivery of goods and services to the residents of Laikipia County.</p> <p>My opinion is however not modified in respect of the above matter</p>	<p>County Executive. Therefore any under realization is a result of inadequate transfer from Laikipia County Executive due to under realization of Laikipia County Executive revenue budget. Similarly the under-realization of revenue budget as well as late exchequer transfers resulted in under-utilization of expenditure.</p>		
	<p>Unresolved Prior Year Matters</p> <p>In the audit report of the previous year, several paragraphs were raised. However, Management had not resolved the issues as at 30 June 2023 as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.</p>	<p>This has been noted. The management has not yet addressed the issues under the prior year, because they require the board to address them and the authority is in the process of constituting the board.</p>	On-going	End of FY 2024/25
	<p>3.Non-Appointment of Board Members</p> <p>Available information revealed that Laikipia County Development Authority failed to appoint board members in the year under review as required under Section 7 of the Laikipia County Development Authority Act, 2014.</p>	<p>The board appointment is a process that takes time to constitute and so far we have appointed the chairperson and three more members have been</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	In the circumstances, Management was in breach of the law.	appointed out of 5 who are externally sourced. Additionally, other members who by law are chief officer responsible for County economic planning and development, chief Officer responsible for finance, The chief executive officer of the authority is an ex officio member and secretary to the board.		
	<p>4.Investment of Funds in an Unviable Project</p> <p>The statement of financial position and Note 19 to the financial statements reflects Kshs. 10,000,000 in respect to investment in property which represented the Authority’s investment in a technology enterprises company. Available information revealed that Management of the Authority entered into an agreement of cooperation with the Company to manufacture of tuk-tuks. According to the agreement, the Authority was to invest an initial capital of Kshs.5,000,000 based on the existing orders of tuk-tuks and an additional amount of Kshs.5,000,000 for a 30% shareholding in the Company.</p> <p>Further, according to the agreement with the Company, the Authority was required to pay to an additional monthly lease</p>	<p>After reviewing existing business plan and status report and conducting a site visit to Sagak Tech Enterprise, we found that Bj50 project was not a viable investment as projected. As a temporally mitigation measure, LCDA did not include financing of Bj50 project in 2023-2024 budget, to avert possible loses.</p> <p>A two-member team was appointed via a letter dated May 17, 2023 to review documents relating to LCDA investment in Sagak Tech</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>rentals of Kshs.50,000 for the warehouse in which the tuk-tuks would be assembled. As at 30 June, 2023, accrued lease rentals amounted to Kshs.700,000. However, review of financial records confirmed that that the projected production of initial 50 tuk-tuks was not realized and only seven (7) units had been completed and tested and therefore the viability of the project could not be confirmed.</p> <p>In addition, it was also noted the Company had not obtained required licenses and approvals from National Transport Safety Authority (NTSA), Kenya Revenue Authority (KRA) and Kenya Bureau of Standards (KEBS) to enable mass production of the tuk-tuks. Therefore, the implementation of the project was irregular.</p> <p>In the circumstances, the value for money on the investment of Kshs.10,000,000 on manufacture of tuk-tuks could not be confirmed</p>	<p>Enterprises. To conduct a site visit to verify information and where necessary seek more information from former LCDA staff who initiated and/or took part in implementation of the project. The team was also required to analyze data collected, make conclusions on the viability of the investment and make recommendation for further action. The team completed the task and handed over the report containing its findings, conclusions and recommendation to the CEO on November 24, 2023. The report was forwarded to the LCDA Board awaiting its determination and further advice from the Cabinet.</p>		
	<p>5.Unapproved Budget The statement of comparison of budget and actual amount reflects that the Authority had 5th revenue and an expenditure budget of Kshs.24,600,060 and Kshs.28,240,438,</p>	<p>This was noted however; the soft copy of approved budget had been shared</p>	Resolved	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	<p>respectively. However, there was no evidence to indicate that the Board had initiated the budget formulation process by preparing the budget estimates as required by Section 19(1) of the Laikipia County Development Authority Act, 2014 which states that at least three months before the commencement of each financial year, the Authority shall cause to be prepared estimates of the revenue and expenditure of the Authority for that year.</p> <p>Further, evidence that the annual estimates were approved by the Board and forwarded to the County Executive Committee Member (CECM) for final approval as required by Section 19(3) of the Act was not provided for audit review casting doubt as to whether the Board was involved in the budget formulation process.</p> <p>In the circumstances, Management was in breach of the law.</p>			

.....
James Mugambi
CEO - Laikipia County Development Authority
25/08/2024

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Appendix II: Projects implemented by Laikipia County Development Authority

Projects implemented by the LCDA and funded by development partners and/ or the County Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Water Harvesting	1	County Government	1 month	2,990,000	No	Yes
-	-	-	-	-	-	-

Status of Projects Completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Water Harvesting	2,990,000	2,990,000	100%	2,990,000	2,990,000	County Executive
-	-	-	-	-	-	-	-

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 Appendix IV: Transfers from Other Government Entities

Name of the Entity Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
	-	-	-	-	-	-	-	-	-
	-	Development	-	-	-	-	-	-	-
USAID	-	Donor Fund	-	-	-	-	-	-	-
	-	Direct Payment	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-

Laikipia County Development Authority
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Appendix V- Inter-Entity Confirmation Letter

To: Chief Officer Finance And County Treasury

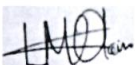
From: Laikipia County Development Authority

The Chief Officer Finance And County Treasury wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below.

Confirmation of amounts received by Laikipia County Development Authority as at 30th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by Chief Officer Finance and County Treasury (Kshs) as at 30 th June 2024				Amount Received by Laikipia County Development Authority (Kshs) as at 30 June 2024 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Department (C)	Total (D)=(A+B+C)		
FT23193K7GZ6	12-Jul-23	200,000	-		200,000	200,000	-
FT231931MDS1	12-Jul-23	300,000	-		300,000	300,000	-
FT23243QFYKV	31-Aug-23	3,000,000	-		3,000,000	3,000,000	-
FT233044MFG4	31-Oct-23	1,000,000	-		1,000,000	1,000,000	-
FT23342NM89Q	8-Dec-23	-	1,495,000		1,495,000	1,495,000	-
FT240479CYXG	16-Feb-24	1,500,000	-		1,500,000	1,500,000	-
FT24101QMRCX	10-Apr-24	1,500,000	-		1,500,000	1,500,000	-
FT24101R62FB	10-Apr-24	-	1,495,000		1,495,000	1,495,000	-
FT24130QZYYX	9-May-24	1,000,000	-		1,000,000	1,000,000	-
Total		8,500,000	2,990,000		11,490,000	11,490,000	-

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

Head of Finance department of beneficiary Entity:

Name: Lydiah Mokeira  25/08/2024

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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Appendix VII: Reporting on Disaster Management Expenditure

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