

REPUBLIC OF KENYA



148

REPORT

OF

THE AUDITOR-GENERAL

PAPERS LAID	
ON	DATE 6/2/20
TABLED BY	Sen. Dr. Leleju
COMMITTEE	
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EWASO NG'IRO SOUTH RIVER BASIN  
DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED  
30 JUNE, 2025

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Ewaso Ng'iro South River Basin  
Development Authority

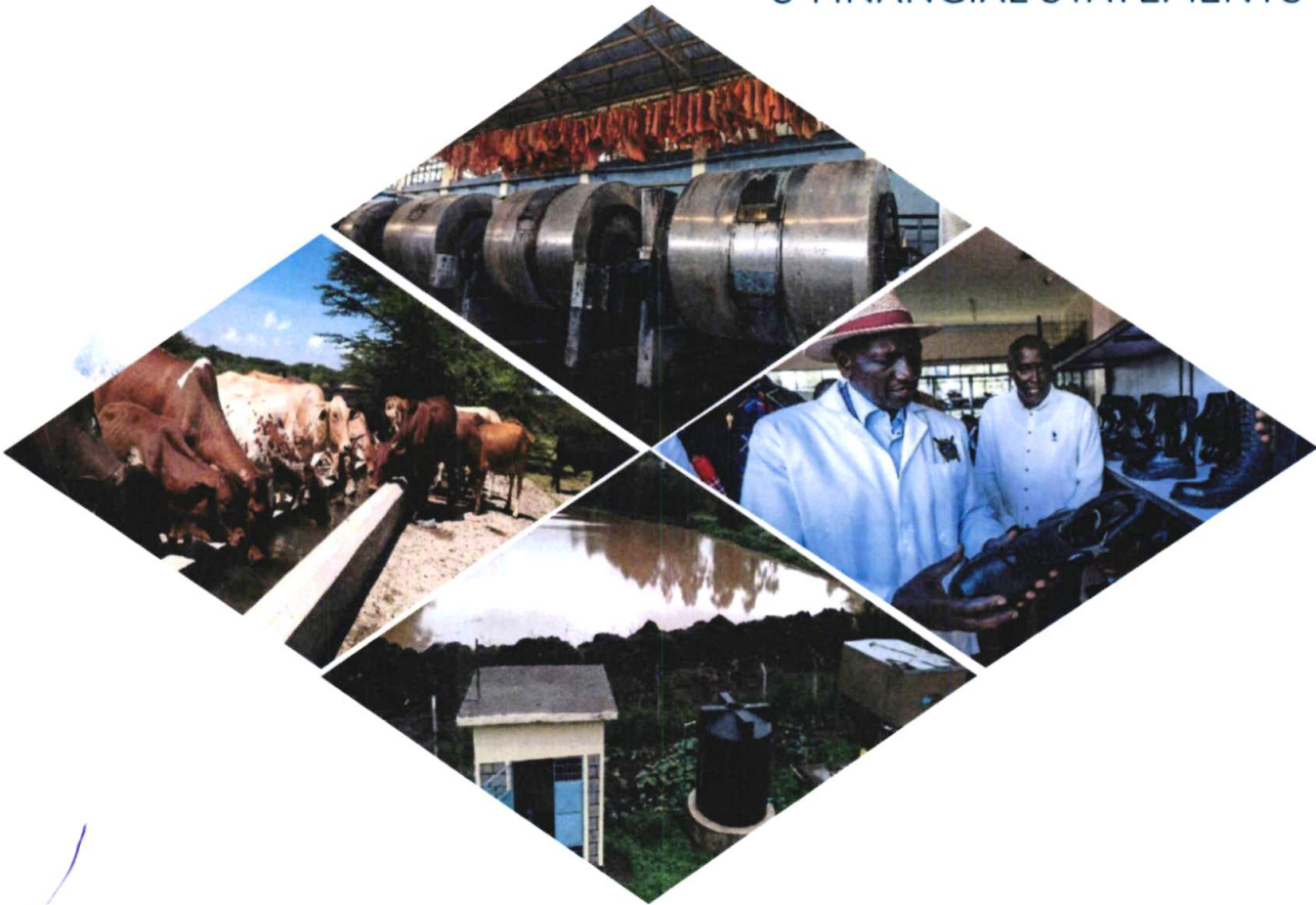


REPUBLIC OF KENYA



FY 2024/2025

# ANNUAL REPORT & FINANCIAL STATEMENTS



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

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**Ewaso Ng'iro South River Basin Development Authority**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2025**

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## ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

### A. Acronyms and Abbreviations

Ag.	Acting
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MCIPS	Member of the Chartered Institute of Procurement and Supply
MD	Managing Director
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies

### B. Glossary of Terms

**Fiduciary Management** – Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year** – Means the prior period.



## **PART ONE: CORPORATE REPORT**

### **KEY ENTITY INFORMATION AND MANAGEMENT**

#### **(a) Background information**

Ewaso Ng'iro South River Basin Development Authority was established in 1989 by an Act of Parliament CAP 447 of the Laws of Kenya. The Authority's Headquarter is off Narok - Bomet Road, about two (2) Kilometres from Narok Town. Authority operations are spread out across 4 (four) Counties, namely Narok, Kajiado and parts of Nakuru and Nyandarua. To ensure effectiveness and efficiency of operations, the Authority has established sub-basin offices in the respective Counties namely; the Mara Sub-basin in Kilgoris, Narok County, the Njoro Sub-basin in Nakuru County, Malewa Sub-basin in Nyandarua County, Olkejuado Sub-basin, Noolturesh Sub-basin in Kajiado County and Nairobi Liaison office.

#### **(b) Principal Activities**

##### **Mandate**

The Authority's broad mandate is to plan and coordinate the implementation of development projects in the Ewaso Ng'iro River Basin and catchment areas. In order to realize this mandate, the Authority's fundamental goal is to promote, implement and coordinate integrated, sustainable and equitable socio-economic development within the Ewaso Ng'iro River Basin, as well as related catchments and basins under its jurisdiction, namely, the Mau Water Catchment, Njoro River Basin, Malewa River Basin, Olkejuado River Basin, Mara Basin and Noolturesh River Basin.

##### **Functions of the Authority**

The functions of the Authority under the Act are outlined below: -

1. To plan for the development of the Area and initiate project activities identified from such planning in the Area through the Government generally;
2. To develop an up-to-date long-range development plan for the Area;
3. To initiate such studies, and carry out such surveys, of the Area as may be considered necessary by the Government or the Authority, and assess alternative demands within the Area on the natural resources thereof, and to initiate, operate or implement such projects as may be necessary to exploit those natural resources including agriculture (both irrigated and rain fed) forestry, or wildlife and tourism industries, electric power generation, mining, and fishing, and to recommend economic priorities.
4. To co-ordinate the various studies of schemes within the Area such that human, water, animal, land and other resources are utilized to the best advantage and to monitor the design and execution of planned projects within the Area;
5. To affect a programme of both monitoring and evaluating the performance of projects within the Area so as to improve such performance and establish a responsibility thereof, and to improve future planning;

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6. To co-ordinate the present abstraction and use of natural resources, especially water, within the Area and to set up an effective monitoring of abstraction and usage;
7. To cause and effect the construction of any works deemed necessary for the protection and utilization of the water and soils of the Area;
8. To ensure that landowners in the Area undertake all the measures specified by the Authority to protect the water and soils of the Area;
9. To identify, collect, collate and correlate all such data related to the use of the water and other resources and also economic and related activities within the Area as may be necessary for the efficient forward planning of the Area;
10. To maintain a liaison between the Government, the private sector and other interested agencies in the matter of the development of the Area with a view to limiting the duplication of effort and to ensuring the best use of the available technical resources;
11. To examine the hydrological and ecological effects of the development programmes and evaluate how they affect the economic activities of the persons dependent on river environment; and
12. To consider all aspects of the development of the Area and its effects on the river's inflow and outflow.

**Vision**

To be a leading agency in promotion of basin based integrated, sustainable and equitable social-economic development in the region.

**Mission**

To initiate, plan and implement integrated, equitable socio-economic development programs through sustainable utilization of basin-based resources and promotion of investments for improved livelihoods in the ENSDA region.

**Core Objectives**

The Authority's Strategic Objectives are: -

1. To promote management of natural resources and environmental conservation.
2. To formulate Integrated Regional Development Plans, prepare and update resource maps in consultation with stakeholders.
3. To improve livelihoods of the communities in the region by enhancing resource-based investments.
4. To promote community participation in development while ensuring equitable benefit sharing from the economic exploitation of resources within the region
5. To enhance the coordination, monitoring and evaluation of projects in the region



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**(c) Key Management**

The Authority's day-to-day management is under the following key organs:

No.	Designation	Name
1	Board of Directors	<p><b>Chairman</b> Mr. Samuel Sakita Kutata</p> <p><b>Members</b></p> <ol style="list-style-type: none"> <li>1. Hon. Pacha Amos Ntaika</li> <li>2. Hon. Eunice Singoei</li> <li>3. Mr. Mathew Gathua</li> <li>4. Ms. Carol Nkirote Thurania</li> <li>5. Dr. Gideon Oseur Nkeyasha</li> <li>6. Mr. Elijah Kesei Metian</li> <li>7. Mrs. Veronica Silantoi Mwangi</li> <li>8. Mr. William Kenteyia</li> <li>9. Mr. Silas Otieno Ojienda Victors</li> <li>10. Ms. Judith Kirorei</li> <li>11. Ms. Agnes Sempeyo Nairowua</li> <li>12. Ms. Mirriam Chebungei (Alternate Director, PS. The State Department for The Arid &amp; Semi-Arid Lands &amp; Regional Development)</li> <li>13. Mr. Livingstone Bumbe (Alternate Director, CS. The National Treasury &amp; Economic Planning)</li> <li>14. Mr. Stephen Mbatia - Rep. Inspector General (Corporations)</li> <li>15. Mr. Ngala Oloitip, MCIPS – Managing Director/ Chief Executive Officer</li> </ol>
2	Chief Executive Officer/ MD	Mr. Ngala Oloitip, MCIPS
3	Director, Finance and Accounting Services	CPA Jonathan L. Nampaso
4	Director, Human Resource & Administration	Mr. Richard Tankille



**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEO/ Managing Director	Mr. Ngala Oloitipitip, MCIPS
2.	Director Finance and Accounting Services	CPA Jonathan L. Nampaso
3.	Director Human Resource & Administration	Mr. Richard Tankille
4.	Deputy Director, Internal Audit & Risk Assurance	CPA Joel S. Mwato
5.	Deputy Director, Supply Chain Management	Mr. Ambrose Lelesit
6.	Deputy Director, Corporate Communication	CS Judy W. Gonye

**(e) Fiduciary Oversight Arrangements**

The Board has fiduciary oversight responsibility over the Authority's operations. The board has put in place adequate systems and processes of accountability, risk management and controls. The key Board Committees with fiduciary oversight responsibility are the Audit and Risk Management Committee and the Finance and Establishment Committee. The Committees make recommendations to the Board.

The Audit and Risk Management Committee of ENSDA plays a critical role in ensuring fiduciary oversight by conducting thorough reviews of financial statements, evaluating the effectiveness of internal controls, and assessing risk management strategies. It is responsible for ensuring that the Authority complies with legal and regulatory frameworks, while also promoting transparency and accountability within its operations. By monitoring financial performance and identifying potential risks, the committee helps to safeguard the organization's assets and ensure sound governance practices. This oversight supports the Authority's long-term financial health and enhances its capacity to achieve its developmental objectives. The Audit and Risk management committee further liaises with internal and external auditors to review the scope and findings of audits and ensures that the issues identified are addressed promptly.

The Finance and Establishment Committee of the Authority also plays a critical role in ensuring fiduciary oversight. Its key responsibilities include overseeing financial management, resource allocation, and the organization's budgetary framework to ensure effective and efficient use of funds. The committee ensures that the Authority's financial activities align with its objectives, promoting transparency, accountability, and financial sustainability. One of the main tasks of the



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Finance and Establishment Committee is to review and recommend for Board's approval financial statements, budgets, expenditure plans and the Authority's Procurement Plan to ensure proper allocation of resources. By monitoring cash flow, expenses, and funding, the committee helps maintain financial discipline within the organization. In addition to financial oversight, the committee supervises human resource management and organizational establishment. This includes ensuring that the authority's staffing, compensation, and organizational structure align with strategic objectives and legal requirements. The Finance and Establishment Committee also works closely with internal and external auditors to review audit reports, ensuring that recommendations are implemented and that the organization complies with financial regulations and internal policies. By fulfilling these responsibilities, the committee ensures sound financial practices and governance, contributing to the overall success and sustainability of the Authority.

**(f) CORPORATE HEADQUARTERS**

P.O. Box 213-20500  
Off Narok – Bomet Road  
Opposite Maasai Mara University  
Narok  
KENYA

**Our Contacts**

Telephone: (254) 020 – 8082493  
E-mail: [md.ensda@gmail.com](mailto:md.ensda@gmail.com), [md.ensda@go.ke](mailto:md.ensda@go.ke)  
Website: [www.ensda.go.ke](http://www.ensda.go.ke)

**(g) ENSDA Bankers**

- i. National Bank of Kenya,**  
Narok Branch,  
P.O. Box 348,  
NAROK.
- ii. Co - operative Bank of Kenya,**  
Narok Branch,  
P.O. Box 632,  
NAROK.
- iii. Kenya Commercial Bank**  
Narok Branch,  
P.O. Box 406,  
NAROK.



**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

Kanchori & Co Advocates  
Betty plaza, Opposite Kitengela mall  
3rd Floor, room 311  
P.O. Box 81-00242,  
Kitengela, Kenya.



## THE BOARD OF DIRECTORS



**Mr. Samuel Sakita  
Kutata, Chairman**

### **Mr. Samuel Sakita Kutata, Chairman**

Mr. Samuel Sakita Kutata was born on 26<sup>th</sup> August 1982. He was appointed by H. E. The President of Kenya as ENSDA's Board Chairman for a three (3) years term W.E. F 5<sup>th</sup> April 2023, vide Kenya Gazette Notice No. 4391 dated 3<sup>rd</sup> April 2023. Mr. S. Sakita Kutata holds a Bachelor of Education Degree of St. Paul University and a Diploma in Early Childhood Development and Educational Training of Alliance ECDE Teachers College. He also trained in Primary Teachers Education Course at Garissa Teachers College.

Mr. S. Sakita Kutata served as the Head Teacher (TSC) of two (2) schools namely: Orbili Primary School (January 2020 – January 2022); Lemasusu Primary School (January 2014- December 2019) and as a Deputy Head Teacher of Impiron Primary School (January 2012-January 2014). He served as a teacher at Kalesirwa Primary School where he was not only a class teacher but also a Head of Department and Games teacher. The mentioned schools are all in Kajiado County.

Mr. S. Sakita Kutata while serving as the Head Teacher Orbili Primary school was awarded year 2020 Certificate of recognition for top KCPE performance in Kajiado County. Mr. S. Sakita Kutata was also recognized as an active member, Garissa TTC Wildlife club on 15<sup>th</sup> July 2007. He has served in different capacities as follows: Presiding Officer, Kajiado South (2013 General Elections); Voter Educator for the 2012 voter registration; Presiding Officer, the by-election Entarara ward (May, 17<sup>th</sup> 2011); Supervisor Kenya National Examination Council, Shilishili examination Centre (7<sup>th</sup> November to 10<sup>th</sup> November 2011) and Voter Registration Head Clerk for IIEC (2010).

Mr. S. Sakita Kutata holds a Certificate of Participation in Youth Entrepreneur Training, Loitokitok Youth District Office (22<sup>nd</sup> & 26<sup>th</sup> March 2010). He served as an Assistant Mission and Outreach Coordinator Garissa Training Teachers College (2006-2007) and also participated in training for the 2009 Population and Housing Centre and worked as a supervisor for 23 days. He also served as an Environmental Scout member Isinet Primary School.



**Hon. Pacha Amos  
Ntaika,  
Independent Member**

**Hon. Pacha Amos Ntaika, Chairman of the Audit and Risk Management Committee**

Hon. Pacha Amos Ntaika was born on 1<sup>st</sup> January 1982. He was appointed to the Authority's Board for a three – year term W.E.F. 1<sup>st</sup> September 2023, vide Kenya Gazette Notice No. 11602 dated 31<sup>st</sup> August 2023 and became a member of the Finance and Establishment Committee following Board's resolution on 25<sup>th</sup> October 2023. He assumed the role of Chairman of the Audit and Risk Management Committee on 24<sup>th</sup> July 2024 following rotation of committees' membership.

Hon. Pacha Amos Ntaika holds a Bachelors of Education Arts Degree (Mathematics/ Business) of Egerton University. He also holds a Diploma in Human Resource of Starnet College. He is a Certified Public Accountant of Kenya (CPAK, Membership no. 31427). He is a holder of diverse certificates namely: Certificate in Computer and Computer Packages of Achievers College of Professionals; Certificate in Quick Books Solutions; Certificate in Gender Related Issues of Egerton University; Certificate of Training and Counselling of St. Luke Educational Consultant. As a member of Peace Unit Program at Egerton University, Hon. Pacha Amos Ntaika was engaged in Training on Conflict resolution, forms of violence, pillars active non-violence, violence cycle, conflict management and alternatives to violence.

He was also a member of the Health Club at Egerton University and he participated in training on HIV/AIDS concern, successful interpersonal relationships, drugs and substance abuse, family life education, stress, dialectics and sex, information education and communication, sexuality and reproductive health, gender concerns, conflict resolution, divorce and separation, adolescence high risk behavior and behavior change communication.

Hon. Pacha Amos Ntaika is presently an employee of Rural Electrification and Renewable Energy Corporation (REREC) – Kenya having been appointed W.E.F 2<sup>nd</sup> September 2024. He served as the Member of County Assembly, Keekonyokie Ward, Narok County (2017 – 2022). He had earlier served in diverse positions as follows: Accounts Manager at the National Government CDF Fund (2013 – 2017); Project Accountant at Compassion International Kenya (2011 – 2013); Project Accountant at Compassion International Kenya (2011-2013); Finance Officer at Narok Pillar of Hope (Elizabeth Glaser Pediatric Aids Foundation) - 2009-2010; Referendum Monitor at Kenya National Commission on Human Rights (2010); Election Monitor and Data Analyst on 2008 PEV at Kenya National Commission on Human Rights (2010); Statement taker at Truth Justice and Reconciliation Commission (2010); Consultant on Weapons Transmara-Kuria/Tanzania Boarder at Kenya Human Right Commission (2010); Researcher Vigilante Groups in Kisii and Witchdoctors Lynching

at Kenya Human Right Commission (2010); Election Monitor at Kenya Human Right Commission (2010) and Security Technical Advisor at Maltauro Construction (2009).



**Hon. Eunice Singoei,**  
**Independent Member**

**Hon. Eunice Singoei, Chairperson of the Finance and Establishment Committee**

Hon. Eunice Singoei was born on 1<sup>st</sup> June 1978. She was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023 as per the Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. She assumed the position of the Chairperson of the Finance and Establishment Committee on 24<sup>th</sup> July 2024 following rotation of committees' membership. Hon. Eunice Singoei was previously a member of the Development and Environmental Conservation Committee.

Hon. Eunice Singoei holds a Certificate in Corporate Governance; Ethics and Responsibilities; Conflict Management and Resolution; Communication and Public Relation skills from Lessos Technical. She was a Member of County Assembly, Nandi County in 2013 – 2017 and a Board member of Sirwa Secondary School from 2022 to date.



**Mr. Mathew Gathua,**  
**Independent Member**

**Mr. Mathew Gathua, Chairman of the Development and Environmental Conservation Committee**

Mr. Mathew Gathua was born on 18<sup>th</sup> May 1969. He was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023, vide Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. He assumed the position of the Chairman of the Development and Environmental Conservation Committee on 24<sup>th</sup> July 2024 following rotation of committees' membership. Mr. Mathew Gathua was previously a member of the Audit and Risk Management Committee.

Mr. Mathew Gathua holds a Diploma in Food Production from Utalii College. He has served in different capacities in the Hotel Industry as follows: Assistant cook, Golden Beach Hotel (1990-1993); Pastry cook, Intercontinental Hotel (1993- 1996); Pastry chef, Mnarani Club Kilifi (1997 – 1999); Pastry Chef, Panafric Hotel Nairobi (2000 – 2001); Managing Director, Valentine Cake House (2002 to date).

Mr. Mathew Gathua has held various other positions as follows: Managing Director, Zambezi Cabin Resort; Managing Director, Valentine School of Cake; Director, Naomi Kairu Foundation; Trustee, KICE Foundation; Senior Mentor, Kenyatta Foundation; Mentor, Edument Trust. He has also served as a chairman of various community projects.





**Mr. Elijah Kesei Metian,**  
**Independent Member**

**Mr. Elijah Kesei Metian, Member of the Development and Environmental Conservation Committee**

Mr. Elijah Kesei Metian was born on 20<sup>th</sup> Dec. 1973. He was appointed to the Authority's Board for a three – year term W.E.F. 4<sup>th</sup> April 2023, as indicated in the Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April, 2023. He served as the Chairman of the Finance and Establishment Committee until rotation of committees' membership on 24<sup>th</sup> July 2024. Additional, Mr. Elijah Kesei Metian served as a member of the Audit and Risk Management Committee until 29<sup>th</sup> January when the Board resolved to transfer him to the Development and Environmental Conservation Committee. This decision was made to balance the membership of Board Committees following demise of a member who had served in the Development and Environmental Conservation Committee until 26<sup>th</sup> November 2024.

Mr. Elijah Kesei Metian holds a Diploma in Peace and Conflict Resolution from Nazerene University. He is presently pursuing a Bachelor's Degree in Peace and Conflict resolution with the same University. He also holds a Diploma in Ceramics from Rift Valley Institute of Science and Technology.

Mr. Elijah Kesei Metian served as the Councilor of Magadi Ward for three (3) terms, that is, in 1998 – 2002 and 2007 -2013 and 2013 -2017. He also served as the Kanu Branch Chairman of Kajiado North during the period 2004 -2007.



**Mr. William Kenteyia,**  
**Independent Member**

**Mr. William Kenteyia, Member of the Finance and Establishment Committee**

Mr. William Kenteyia was born on 23<sup>rd</sup> May 1977. He was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023 as per the Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. He is presently a member of the Finance and Establishment Committee with effect from 24<sup>th</sup> July 2024 when rotation of the committees' membership was conducted. He previously served as the Chairman of the Development and Environmental Conservation Committee.

Mr. William Kenteyia holds a Master of Business Administration Degree (Marketing and Human Resource Management) of Periyar University and Bachelor of Commerce Degree (Accounting) of Periyar University. Mr. W. Kenteyia has also pursued various short courses namely: Training on Job Analysis (Price Water House Coopers); Induction Training for County Government Chief Officers (Kenya School of Government); 1<sup>st</sup> International Cooperatives summit: Excellence in corporate Leadership Today-Facing New Realities-White Sand Beach Resort-Mombasa; Induction Training on County Budget, Preparation Module (Kenya School of Government); Team Building Course (Outward Bound Trust of Kenya);

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Cashier's/Passing Clerks Course-National Bank of Kenya Ltd, Training Centre, Nairobi; Induction Course (National Bank of Kenya Ltd, Training Centre Nairobi).

Mr. William Kenteyi worked with the Narok County Government as the Chief Officer, Administration from January 2014 – January 2017. He was in charge of Labor Relations and Disaster Management during the period. In January 2010 to July 2014, Mr. W. Kenteyi was an employee of the National Bank of Kenya Ltd where he served as the Back Office Executive & Cashier as well as Accounts Administration & Clearing Clerk. Mr. W. Kenteyi was working with the Prime Bank Ltd in March 2009 – September 2009.



**Ms. Carol Nkirote Thuranira, Independent Member**

**Ms. Carol Nkirote Thuranira, Member of the Development and Environmental Conservation Committee**

Ms. Carol Nkirote Thuranira was born on 16<sup>th</sup> June 1980. She was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023, vide Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. She is presently a member of the Development and Environmental Conservation following rotation of committees' membership on 24<sup>th</sup> July 2024. She was previously the Chairperson of the Audit and Risk Management Committee.

Ms. Carol Nkirote Thuranira holds a Diploma in Hotel Management of Kimathi Institute of Technology and she is presently pursuing a Bachelor's Degree in Policy and Administration of Jomo Kenyatta University of Agriculture and Technology (September 2022 to date).

Ms. Carol Nkirote Thuranira served as the Guests Relations Officer of Silver Springs from 2005 to 2013. She is the Founder/ Director of Naneuleshan Apparel (2013 to date) as well as Founder/ Director of Naneuleshan Apparel Men's Clothing.





**Gideon Oseur  
Nkeyasha, Independent  
Member**

**Dr. Gideon Oseur Nkeyasha, Member of the Finance and Establishment Committee**

Dr. Gideon Oseur Nkeyasha was born on 1<sup>st</sup> June 1969. He was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023 as per the Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. Dr. Gideon Oseur Nkeyasha was a member of the Development and Environmental Conservation Committee until 24<sup>th</sup> July 2024 when rotation of committees' membership was conducted. He is presently a member of the Finance and Establishment Committee.

Dr. Gideon Oseur Nkeyasha holds Masters Degree in Medical Microbiology of the University of Nairobi (U.O.N) and Bachelor of Veterinary Degree in Medicine - (U.O.N). He has trained in different courses as follows; Biosafety and Biosecurity Risk Management TOT Training Form Defence Threats Reduction Agency (2023); Basic Biosafety and Biosecurity Training, Food and Agricultural Organization of the UN (2023); State Corporations Governance Training, State Corporations' Advisory Council (2023); Frontline Health Workers Training, USAID (2022); Lumpy Skin Disease; Surveillance, diagnosis and Control for Africa, EU-FMD of the European Union (2022).

The employment history of Dr. Gideon Oseur Nkeyasha is as follows: County Director Veterinary Services, Narok County (2017 to date); Senior Deputy Secretary, Narok County Public Service Board (2014 – 2017); Asst. Lecturer, Technical University of Kenya, School of Health Sciences (2009 – 2012); Lecturer, The Kenya Polytechnic University College (1999-2009); Asst Lecturer, The Kenya Polytechnic (1996-1999); Course Coordinator, The Kenya Polytechnic Department of Health (2005-2012); Course Tutor, The Kenya Polytechnic (1997-2005); Program Officer, Samburu Awareness and Action Program (1995-1996).

Dr. Gideon Oseur Nkeyasha, has diverse administrative experience having served in different positions. He was the Senior Deputy Secretary, Narok County Public Service Board (2014 – 2017); Chairman, Board of Directors, Neighbours Initiative Alliance (2007-2012); Chairman, Board of governors, Nkoile Boys Sec. School (2010-2012); Member, Board of governors, Olkejuado High school (2007-2010); Member, Board of governors, Meto Mixed Sec. School center of Excellence (2010-2012); Member, District Education Board, Kajiado Central District (2010-2012); Dr. Gideon Oseur Nkeyasha is Registered by the Kenya Veterinary Board - member No. 001730.



**Mr. Silas Otieno  
Ojienda Victors,  
Independent Member**

**Mr. Silas Otieno Ojienda Victors, Member of the Audit and Risk Management Committee**

Mr. Silas Otieno Ojienda Victors was born on 26<sup>th</sup> June 1967. He was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023, vide Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. He was serving as a member of the Finance and Establishment Committee until 24<sup>th</sup> July 2024 when rotation of committees' membership was conducted. He is presently a member of the Audit and Risk Management Committee.

Mr. S. Otieno O. Victors holds BSc (Hons), Botany & Zoology, of the University of Nairobi. Professional qualifications of Mr. S. Otieno O. Victors include: Strategies for successful Agro - Forestry / Forestry Extension in ASALs of Kenya facilitated by Forestry Department;

Participatory rural appraisal in Agro forestry – SIDA: Sponsored training course (Nov 1992); Household technologies for safe water, facilitated by UNICEF/ CARE Kenya (2004); Seed Technology facilitated by KEFRI; proposal writing and presentation: report writing facilitated by KIA.

Mr. S. Otieno O. Victors has worked with different organizations where he held different positions. He served as the Chief Operating Officer of Practical Innovation Ltd from Aug. 2013 – April 2023); Assistant Manager, production of roses in Van Den Berg (K) Ltd (December 2010 – July 2013); Chief Operating Officer, Gibby Enterprises Ltd (2009 – 2010); Chief Operating Officer, Safoma Ltd - Civil Engineering and Construction Company (2005 – 2008); Chief Operating Officer, Tesia Clean Care Ltd (2000 – 2004); Chief Operating Officer, Kenya Forest Seed Enterprises; Project Assistant, Environment Quality Monitoring Projects (1997); microbiologist, Mac's Pharmaceuticals (May - Dec 1990). Mr. S. Otieno O. Victors also has wide experience in consultancy.



**Mrs. Veronica Silantoi Mwangi, Independent Member**

**Mrs. Veronica Silantoi Mwangi, Member of the Audit and Risk Management Committee**

Mrs. Veronica Silantoi Mwangi was born on 26<sup>th</sup> November 1964. She was appointed to the Authority's Board for a term of three (3) years W.E.F. 4<sup>th</sup> April 2023 as per the Kenya Gazette Notice No. 4397 dated 3<sup>rd</sup> April 2023. She was a member of the Finance and Establishment Committee until 24<sup>th</sup> July 2024 when rotation of committees' membership was conducted. She is presently a member of the Audit and Risk Management Committee.

Mrs. V. Silantoi Mwangi holds a Diploma in Education Management of Kenya Education Management Institute (KEMI) and a Certificate in Education Management of the Kenya Education Staff Institute (KESI). She has been teaching from 1989 to 30<sup>th</sup> August 2023 when she retired. The Sintakara Secondary school is her brain child and she served as the Principal from 2020 – July 2023. She has participated in administration curriculum supervision and appraisal of performance management.

Achievements of Mrs. V. Silantoi Mwangi include: fight against Female Genital Mutilation; Rehabilitation of the boy child; planning for a Health Center in Sintakara to save mothers from pre and anti - natal morality; promoting tree planting and investing in fruit farming.



**Ms. Judith Kirorei, Independent Member**

**Ms. Judith Kirorei, Member of the Finance and Establishment Committee**

Ms. Judith Kirorei was born on 26<sup>th</sup> March 1967. She was appointed to the Authority's Board for a term of three (3) years W.E.F. 1<sup>st</sup> September 2023 as per the Kenya Gazette Notice No. 11602 dated 31<sup>st</sup> August 2023. Ms. Judith Kirorei became a member of the Development and Environmental Conservation Committee following Board's resolution on 25<sup>th</sup> October 2023. She is presently a member of the Finance and Establishment Committee following rotation of committees' membership with effect from 24<sup>th</sup> July 2024.

Ms. Judith Kirorei holds Swiss Degree in Hotel Management and Tourism. She is also a holder of Higher Diploma in Hotel Management of "Cesar Ritz" Switzerland and a Certificate in Hospitality of Utali College, Nairobi. She has wide international experience having worked with Global Alliance for Vaccines Initiative (GAVI), Geneva Switzerland from November, 2012 to July 2018 where she was a Programme Assistant – (Country programmes – County Support). Ms. Judith Kirorei also worked in Geneva as a Programme Officer (Temporary Contract) – Office of the General

Manager in the Global Fund to fight Aids, Tuberculosis and Malaria (July 2012 – October 2012).

Ms. Judith Kirorei was the Scientific Team Administrator – Tuberculosis of the Foundation for Innovative New Diagnosis (FIND), Geneva from November 2009 to March 2012. She also served as the Office Manager of Serisign SA Geneva, Switzerland from January 2006 – 2009. She was also the Administrative Officer of Rustal Trading Ltd in June 2004 to December 2005.



**Ms. Agnes Sempeyo Nairowua, Independent Member**

**Ms. Agnes Sempeyo Nairowua, Member of the Development and Environmental Conservation Committee**

Ms. Agnes Sempeyo Nairowua was born on 15<sup>th</sup> June 1966. She was appointed to the Authority’s Board for a term of three (3) years W.E.F. 1<sup>st</sup> September 2023 as per the Kenya Gazette Notice No. 11602 dated 31<sup>st</sup> August 2023. She became a member of the Audit and Risk Management Committee following Board’s resolution on 25<sup>th</sup> October 2023. She is presently a member of the Development and Environmental Conservation committee following rotation of committees’ membership on 24<sup>th</sup> July 2024.

Ms. Agnes Sempeyo Nairowua holds a Diploma in Business Management of Kenya Institute of management and also a Diploma in Human Resource management (Kenya Institute of Open learning). She is presently pursuing Bachelor of Arts Degree in Development Studies of Management University of East Africa.

Ms. Agnes Sempeyo Nairowua has served in different positions as follows: an Administrator at Narok County Government (2021 to date); Administrator for Maasai Mara Community Support Fund (MMSCF) Management Board (July 2014 – 2020); Administrator County Council of Narok (August 2004 – June 2014); Secretary County Council of Narok (October 2000 – August 2004); Project Secretary for Ilkerin Loita Integral Development Project (14 years); Electoral Commission Presiding Officer, Narok South (2002); Untrained Teacher for 2 Years at Olmesutie Primary School.





**Mr. Livingstone Bumbe, Alt. Director, CS. The National Treasury and Economic Planning**

**Mr. Livingstone Bumbe, Alt. Director, CS. The National Treasury and Economic Planning; Member of the Finance and Establishment Committee as well as the Audit and Risk Management Committee**

Mr. Livingstone Bumbe, was born on 5<sup>th</sup> December, 1966. He was appointed to the current Board with effect from 5<sup>th</sup> September 2023. He had earlier served in the Board as the Alt. Director, CS. The National Treasury from 14<sup>th</sup> October 2015 to 13<sup>th</sup> October 2018. Mr. Livingstone Bumbe is a member of both the Finance and Establishment Committee and the Audit and Risk Management Committee.

Mr. Livingstone Bumbe has served as the Deputy Director at the Public Debt Management office, the National Treasury and Economic Planning since 1994 to date. He is a holder of Masters Degree in Public Sector Management (Africa University, Mutare, Zimbabwe) and a Bachelor of Arts Degree from the University of Nairobi. He has attended diverse short courses/ workshops including: Administrative Officers Induction Course (Kenya Institute of Administration); Preshipment Inspection Scheme Cotecna Inspection (Hounslow, United Kingdom); Train The Trainer Workshop on Warehousing (Nairobi, Kenya); Techniques on Money Management Workshop (Kenya School of Monetary Studies); Regional Workshop for African Borrowers on African Development Bank (Adb) and International Bank for Reconstruction and Development (Ibrd) Loan Products And Conversion of Existing Loans (Harare, Zimbabwe); Customs Investigations Bivac International (Nairobi, Kenya); Management Development Bivac International (Nairobi, Kenya); International Programme on the use of Commonwealth Secretariate - Debt Recording and Management System (Cs-Drms) Version 7.2 and Debt Sustainability Module Plus (Pune India); External Debt Statistics Workshop by International Monetary Fund (Pretoria, South Africa); Commonwealth Secretariate Debt Recording and Management System (Cs-Drms) Version 2000+ Workshop Reserve Bank of India (Pune India) and Joint Undp/Uncdad/Acbf Debt Management Workshop on Dmfas 5.2 (United Nations Nairobi, Kenya).

The other short courses/ workshops that Mr. Livingstone Bumbe has attended are namely; Advance Public Administration, Kenya Institute of Administration; Financial Markets Development (Kenya School of Monetary Studies); Workshop on Horizontal Repo – Central Bank of Kenya; Workshop on Concessional Resource Allocation Framework, Lilongwe, Malawi –African Development Bank; Issuance of Government Securities & the Commonwealth Secretariat Security Auction System (Cs-Sas) Commonwealth Secretariat, Pretoria, South Africa; Debt Reorganization Issues & Solutions Crown Agents, United Kingdom; 18th Oecd Global Forum on Public Debt Management, Oecd Headquarters Paris, France; Best Practice in Debt Management: Crown Agents, United Kingdom; Senior Debt Management Seminar on the Development of Domestic Markets Entebbe, Uganda; Joint

IMF/MEFMI Course on Macroeconomic Management and Natural Resource Management, Nairobi; Regional Workshop on Contingent Liabilities, Victoria Fall, Zimbabwe; Raining on Debt Sustainability and Risk Management, Crown Agents United Kingdom; Training on PPP Procurement & Contract Management, Crown Agents United Kingdom; MEFMI Regional Workshop on Yield Curve Development, Maseru, Lesotho; MEFMI Regional Workshop on Legal & Regulatory Issue in Domestic Financial Markets Development, Harare, Zimbabwe; Treasury Management course, Washington, DC, USA Crown agents; MEFMI in-county workshop on Debt Management Performance assessment for Kenya, Mombasa, Kenya; ACARDI workshop on work team cohesion , Competence and cohesion, Arusha Tanzania.



**Ms. Mirriam Chebungei, Alternate Director, PS. The State Department for the Arid & Semi – Arid Lands (ASALs) & Regional Development**

**Ms. Mirriam Chebungei, Member of the Audit and Risk Management Committee**

Ms. Mirriam Chebungei, was born on 5<sup>th</sup> April 1986. She was appointed to the Authority’s Board on 4<sup>th</sup> March 2025, succeeding the former Alternate Director, PS. The State Department for the Arid & Semi–Arid Lands (ASALs). She was a member of the Audit and Risk Management Committee by the end of the Financial Year (FY 2024/ 2025).

Ms. Mirriam Chebungei previously served as a Board member of Kerio Valley Development Authority, where she was a member of the Environment and Development Committee as well as the Human Resource Committee. She holds a Masters Degree in Integrated Water Resource Management of University of Dar es Salaam and Post graduate Diploma (P.G.D) in Irrigation WaterUse Management of the University of Florence. Ms. Mirriam Chebungei is also a holder of Bachelor of Environmental Studies Degree, Community Development, of Kenyatta University.

Ms. Mirriam Chebungei has undertaken the following professional training: Climate Governance, Diplomacy and Negotiations Leadership Program (African Group of Negotiators Expert Support); Certificate in Trainer of Trainers (Kenya School of Government); Certificate in Senior Management Course (Kenya School of Government); Certificate in Climate Change Adaptation in FoodSecurity and Natural Resource Management (Wageningen University); Certificate in Agri-Green Management; Agri- Environmental Considerations under Climatic Changes (University of Jerusalem); Early Warning on Climate Change (Humanitarian Peace SupportSchool-Nairobi).

Ms. Mirriam Chebungei has diverse array of professional experience and notable achievements, including: Coordinating field study on identification of sites for



managed aquifer recharge for climate change sustainability in Nairobi suite aquifer to guide policy framework on storm water management in Nairobi city; participating in development of Country Position for UNFCCC SBs and COPs conferences; participating in the development of water sector climate change status report and climate change roadmap with GNIPlus consultant; coordinating development of National Climate Change Action Priorities for the Water Sector; initiating development of concept note on managed aquifer recharge for ASALs in Kenya for Green Climate Fund for resource mobilization; participating in the development of Green Growth Index indicators for Kenya; participating in Granular Gender vulnerability and climate change hotspot mapping in Kenya.

Ms. Mirriam Chebungei is a member of the Institute of Environment of Kenya and holds the designation of Associate Environmental Impact Assessment/Audit Expert (Reg. No 11206). In May 2022, Ms. Mirriam Chebungei successfully published a research paper titled "Assessment of Biophysical Land Degradation in Kerio River Basin, Kenya" in the International Journal of Innovative Science and Research Technology.



**Mr. Stephen Mbatia Kamau,**  
**Representative,**  
**Inspector - General**  
**(Corporations)**

**Mr. Stephen Mbatia Kamau, Inspector General (Corporations) Representative in the Development and Environmental Conservation Committee**

Mr. Stephen Mbatia Kamau was born on 30<sup>th</sup> June 1965. He was appointed the representative of the Inspector General (Corporations) in the Authority's Board on 7<sup>th</sup> May, 2021. He served in the Audit and Risk Management Committee till expiry of term of the previous Independent Board members on 6<sup>th</sup> February 2022. Upon appointment of the current Board in April 2023 he continued representing the Inspector General (Corporations) in the Audit and Risk Management Committee till 24<sup>th</sup> July 2024 when rotation of committees' membership was conducted. He is presently a member of the Development and Environmental Conservation Committee.

Mr. Stephen Mbatia Kamau was representing the Inspector - General (Corporations) in the Retirement Benefits Authority Board and the Policy Holders Compensation Fund prior to his appointment to ENSDA's Board.

Mr. Stephen Mbatia Kamau holds a Masters' Degree in Business Administration, Finance and Banking from Moi University and a Bachelor of Commerce Degree, Accounting Option. He also holds CPA K, CPS K and Certified Investment and Financial Analyst (CIFA) Final Certificate has attended Senior Management Course (SMC), Performance Audit Course with the Swedish Audit Office, Frauds and Investigation Course at the Kenya School of Government and Induction Course on Corporate Governance in State Corporations. He is member of the Institute of



Certified Public Accountants of Kenya and Institute of Certified Public Secretaries of Kenya.

Prior to joining the Inspectorate of State Corporations in December 2009, Mr. Stephen Mbatia Kamau worked with the Nyayo Tea Zones Development Corporations and later the Teachers Service Commission. He has experience in Finance, Administration and Accounting Fields.



**Mr. Ngala Oloiptip,  
 MCIPS (CEO/ MD)**

**Mr. Ngala Oloiptip, MCIPS: Chief Executive Officer/ Managing Director**

Mr. Ngala Oloiptip was born on 22<sup>nd</sup> November 1976. He was appointed the Managing Director (MD) of ENSDA for a three-year term W.E.F. 1<sup>st</sup> July 2020 and effectively joined the Board as per the Authority’s Act Cap 447 of the Laws of Kenya, Section 4 subsection (1) (m). He is serving for a 2<sup>nd</sup> term following reappointment W.E.F 1<sup>st</sup> July 2023. Prior to his appointment as the Managing Director of ENSDA, Mr. Ngala Oloiptip served as the Head of Supply Chain Management at the East African Portland Company, a position he had held since August 2016. He had served as the Procurement Manager in the same Company from 2013 to July 2016. Mr. Ngala was previously a Procurement Manager at Kenya Meat Commission, a position he held for about two (2) years. Overall, Mr. Ngala Oloiptip has over two decades’ experience in supplies, procurement, operations and general supply chain management and logistics both in the private and public sector having served in different positions.

Mr. Ngala Oloiptip holds a Masters of Science Degree in Procurement and Logistics of Jomo Kenyatta University of Agriculture and Technology and a Bachelor of Arts Degree in Economics of the University of Nairobi. He is a member of the Chartered Institute of Procurement and Supply as well as a member of Kenya Institute of Supplies Management. Moreover, he is a Licensed Procurement Practitioner by the Kenya Institute of Supplies Management (KISM). Mr. Ngala Oloiptip has completed several professional courses, among them being: Corporate Governance for Public Service Boards of Kenya School of Government; Senior Management Leadership program of Strathmore University; Procurement Process Optimization in Public Sector Organizations and Counties; Channel Transformation: Management, Selection and Empowerment; Strategic Sourcing and Supply Market Analysis.



## MANAGEMENT TEAM



**Mr. Ngala Oloiptip, MCIPS  
(CEO/ Managing Director)**

**Mr. Ngala Oloiptip, MCIPS: (Chief Executive Officer/ Managing Director)**

Mr. Ngala Oloiptip was born on 22<sup>nd</sup> November 1976. He was appointed the MD of ENSDA for a three-year term W.E.F 1<sup>st</sup> July 2020 and effectively joined the Board as per the Authority's Act Cap 447 of the Laws of Kenya, Section 4 subsection (1) (m). He is serving for a 2<sup>nd</sup> term following reappointment W.E.F 1<sup>st</sup> July 2023.

The Managing Director/Chief Executive Officer is answerable to the Board and is responsible for the execution of the policy of the Authority and for the control and management of its day- to-day business. In addition, he is both the authorized and accounting officer of the Authority.

Prior to his appointment as the Managing Director of ENSDA, Mr. Ngala Oloiptip served as the Head of Supply Chain Management at the East African Portland Company, a position he had held since August 2016. He had served as the Procurement Manager in the same Company from 2013 to July 2016. Mr. Ngala was previously a Procurement Manager at Kenya Meat Commission, a position he held for about two (2) years. Overall, Mr. Ngala Oloiptip has over two decades' experience in supplies, procurement, operations and general supply chain management and logistics both in the private and public sector having served in different positions.

Mr. Ngala Oloiptip holds a Masters of Science Degree in Procurement and Logistics of Jomo Kenyatta University of Agriculture and Technology and a Bachelor of Arts Degree in Economics of the University of Nairobi. He is a member of the Chartered Institute of Procurement and Supply as well as a member of Kenya Institute of Supplies Management. Moreover, he is a Licensed Procurement Practitioner by the Kenya Institute of Supplies Management (KISM). Mr. Ngala Oloiptip has completed several professional courses including: Corporate Governance for Public Service Boards of Kenya School of Government; Senior Management Leadership program of Strathmore University; Procurement Process Optimization in Public Sector Organizations and Counties; Channel Transformation: Management, Selection and Empowerment; Strategic Sourcing and Supply Market Analysis.



**RICHARD M. TANKILLE – DIRECTOR HUMAN RESOURCE & ADMINISTRATION**

Mr Richard Tankille joined the Authority in the year 2011 from Action Aid Kenya. He also worked with World Vision Kenya and brings along experience in project planning and Management. He is a HR professional with a master (M-PHIL in Human Resource Development) and B-ED arts degree. He is a certified educator in holistic management, also trained in Senior Management Course- Kenya School of Government (KSG), Monitoring and Evaluation certification program- Kenya Institute Management (KIM), and SAGE 50 Quantum Accounting software Kenya Mathematics Institute, public Procurement by Kenya Institute of Supplies Management (KISM), and Governance Accountability course.

He is responsible for developing and executing human resource and administration strategy in support of the overall Authority plan and strategic direction, specifically in the areas of recruitment, succession planning, talent management, change management, work environment, health and safety, organizational and performance management, training and development, and compensation. He provides strategic leadership by articulating Human Resource needs and plans to the executive management team, shareholders and the Board of Directors.





**CPA JONATHAN LEYIAN NAMPASO – DIRECTOR  
FINANCE AND ACCOUNTING SERVICES**

Mr Jonathan Leyian Nampaso joined the Authority in August 2018 as Chief Manager Finance having worked with Maasai Mara Wildlife Conservancies Association (MMWCA) as a Chief Finance Officer (CFO), World Vision of Kenya as a Senior Grants Accountant, and Pillar of Hope as a programme Accountant. He holds an MBA in Finance 2017, Bachelors of Commerce Degree- (Accounting Option), 2011, CPA (K) 2005. He is a member of ICPAK. He has also attended other short courses and trainings such as Sun Systems & Vision/Q&A Certification Program, course designed to assess the proficiency in the utilization of Sun Systems and Vision/Q&A, the Global Finance Capacity Training on Cash and Expenses, the Microsoft Office 2010 course at Institute of Advanced Technology, the European Union/European Commission government Grant Management Certification Program Training, the United States Government Grant Management Certification training on Global Fund Management responsibility Accounting and Variance Analysis Training, and the Government of Germany Grants Regulations Training.

In the Finance and Accounting Services Directorate, he provides Financial Management and control of services to the Authority specifically spear heading financial forward planning in line with the overall ENSDA's strategic operations and the Public Financial Management Act 2012, promote transparency, effective management and accountability with regard to the Authority's resources, monitor, evaluate and review the Authority's risk management strategies and governance structures, ensure that procurements of goods, works and services of the Authority are within the approved budget and in conformity with of the Public Procurement and Asset Disposal Act 2015.

## **CHAIRMAN'S STATEMENT**



The Board is committed to ensure that the Authority delivers and achieves its mandate through best global practices and in compliance with relevant constitutional and statutory requirements of the Government. It is also committed to discharging its governance and oversight functions that enable the management to improve on efficiency and effectiveness of its operations.

During the Financial Year 2024/2025, the Authority continued to implement projects and programmes aimed at enhancing community livelihoods and promoting environmental conservation. The projects/ programmes implemented were the Ewaso Ng'iro Tannery and Leather factory, Bamboo Commercialization, Value Addition and Climate Change Adaptation; Oloyiangalani/Oloshoi-Obor Integrated Food Security and Water Supply project; Oloitokitok Agro – processing factory; Integrated Tea Development project and Drought Mitigation programme. Among these projects, the Ewaso Ng'iro Tannery and Leather factory remained a flagship project for the Authority. Its expansion and upgrading programme, which commenced in the previous financial year, was substantially completed by 30<sup>th</sup> June 2025. The expansion programme involved installation of modern equipment and though the upgrade temporarily affected production, a significant increase in output is anticipated in subsequent years.

The Tannery and Leather factory is positioned as a strategic income generating initiative, with high potential for revenue generation from leather and leather products. The Authority aims to fully leverage this potential to boost financial sustainability. The expanded facility is also expected to spur business growth and create employment opportunities.

In May 2025, His Excellency the President of the Republic of Kenya officially commissioned the Tannery and Leather factory. He commended the Authority on this achievement and pledged continued Government support, noting the project's transformative potential within the leather value chain.

In respect to the Authority's Strategic Plan for FY 2023-2027 and in adherence to the National Treasury's guidelines for preparing of the 5<sup>th</sup> Generation Strategic Plans, the Board undertook comprehensive stakeholders' engagement through multiple platforms, including radio shows, roadshows and business forums. These engagements generated considerable interest in the Authority's programmes, particularly in the areas of manufacturing and value addition, climate actions initiatives and water provision. The strategic plan now awaits its official launch following the deferment of the planned launch initially scheduled for FY 2024/25.

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The Authority's performance during the FY 2024/ 2025 was significantly hampered by delays in Exchequer releases and in some instances, the complete lack of development funding, compounded by the ongoing Parastatal reforms. Consequently, several planned activities were deferred to the FY 2025/ 2026. Additionally, lack of Exchequer disbursements in the financial year 2023/2024 resulted in pending bills for completed projects, which were carried forward and treated as a first charge in FY 2024/ 2025. This constrained the availability of funds for implementing projects scheduled for FY 2024/ 2025 projects.

Signed: .....  ..... Date. 29/08/2025 .....

**MR. SAMUEL SAKITA KUTATA, CHAIRMAN BOARD OF DIRECTORS**



## **REPORT OF THE MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER**



During the Financial Year 2024/2025, the Ewaso Ng'iro South Development Authority (ENSDA) maintained a strong commitment to professionalism, transparency and accountability in the execution of its mandate. The Authority remained steadfast in providing critical services to communities and stakeholders across its jurisdiction - comprising Narok, Kajiado and parts of Nakuru and Nyandarua Counties.

All projects/ programmes implemented during the year under review are aligned with the Sector Performance Standards, Bottom-up Economic Transformation Agenda (BETA), Kenya Vision 2030, and Global Sustainable Development Goals (SDGs).

The projects and programmes undertaken during the Financial Year ended 30<sup>th</sup> June 2025 were namely:

- Ewaso Ng'iro Tannery and Leather factory;
- Bamboo Commercialization, Value Addition and Climate Change Adaptation;
- Oloyiangelani/Olosho-Oibor Integrated Food Security and water Supply project;
- Oloitokitok Agro – processing factory;
- Integrated Tea Development project;
- Drought Mitigation programme.

The Ewaso Ng'iro Tannery and Leather Factory is a flagship investment project and remains a cornerstone of the Authority's income generation strategy. As at the end of the FY 2024/ 2025, the factory's expansion and upgrade program, that was initiated in FY 2023/ 2024 was substantially completed. This phase involved installation of modern machinery aimed at doubling the production of finished leather from 2.4 million square feet to 4.8 million square feet annually. Although the expansion works temporarily disrupted operations in FY 2024/ 2025, a significant boost in output is expected in the coming years. Additionally, the factory's capacity to produce foot ware is projected to increase to approximately 4000 pairs annually following acquisition and installation of shoe making equipment.

The facility is strategically positioned to generate substantial revenue and stimulate local economic growth through job creation and enhanced business opportunities. In May 2025, His Excellency the President of the Republic of Kenya officially commissioned the Tannery and Leather factory. He lauded the Authority's achievements and reaffirmed the Government's commitment to supporting the project, citing transformative potential within the leather value chain.

In FY 2024/ 2025, the Integrated Tea development project in Transmara, Narok County posted commendable performance, despite depressed rainfall that affected production. As at 30<sup>th</sup> June 2025, a total of 333,574 Kg of green tea was produced against an annual target of 350,000 Kg, generating Kshs. 14,168,863 compared to Kshs. 9,209,578 in FY 2023/ 2024. The Authority recognizes the high potential of the Integrated Tea project and plans to expand the hectares under tea to increase revenue generation and employment opportunities.

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The area under the Authority's jurisdiction is largely Arid and Semi-arid (ASAL) especially in Narok and Kajiado counties. In order to mitigate on the adverse impacts of the drought on livelihoods, the Authority finalized construction of four (4) water pans, while three (3) pans had their earthworks completed and auxiliary works were ongoing as at 30<sup>th</sup> June 2025. In addition, drilling and equipping of two (2) boreholes were completed and auxiliary works were ongoing by the end of the year under review.

Throughout the FY 2024/ 2025, the Authority adhered to the constitutional and statutory obligations including Procurement regulations. Notably, 30% of all procurement was reserved for the youth and women; 2% was allocated to Persons with Disabilities (PWDs). Statutory deductions (PAYE, VAT, Domestic tax, NSSF, SHIF, housing levy) were timely submitted up to April, 2025. However, due to financial constraints, deductions for May & June as well as June salaries remained unpaid as at the end of the financial year.

In compliance with the Presidential directive to grow 15 billion trees by 2032, the Authority successfully raised 827,529 tree/fruit seedlings against an annual target of 1 million. This was largely achieved through strategic partnerships with community groups supported by the Authority to produce seedlings. The Authority has established 28 tree nurseries across the river basin and continues to support community-based groups with seeds and materials for seedling production, thereby accelerating progress towards the national re-afforestation goal.

The Authority faced significant financial challenges in FY 2024/ 2025. Specifically, no development funding was received except for drought mitigation. The recurrent budget allocation was reduced by 70%. Exchequer disbursements were delayed, further impacting operations. Staff net salaries for May 2025 were paid using internally generated revenue from the Tannery and Leather factory. As at 30<sup>th</sup> June 2025, the Authority lacked funds to pay June salaries.

The financial constraints have placed the Authority at risk of accumulating substantial pending bills. As at the end of the FY 2024/ 2025, outstanding trade and staff related payables stood at Kshs. **263,768,404** against available bank balances of only Kshs. **2,764,824** an amount grossly inadequate to meet Authority's existing financial obligations.

Signed:  .....

Date: 29/06/2025 .....

**NGALA OLOITIPTIP, MCIPS**

**CHIEF EXECUTIVE OFFICER/ MANAGING DIRECTOR**



**STATEMENT OF EWASO NG'IRO SOUTH DEVELOPMENT AUTHORITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025.**

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

ENSDA has 6 strategic programmes and objectives within the current Strategic Plan for the FY 2023 - 2027. The programmes and projects are:

1. Ewaso Ng'iro Tannery and leather Factory
2. Integrated Bamboo Commercialization and value addition.
3. Oloyiangelani/ Oloisho Oibor Food Security and Water Supply Programme.
4. Oloitokitok Tomato Agro-Processing factory.
5. Integrated Tea development project.
6. Drought mitigation, water harvesting and storage programmes.

ENSDA developed its annual work plan based on the above 6 projects/programmes. Assessment of the Board's performance against the annual work plan was done on quarterly basis. The Authority's performance for the FY 2024/2025 is indicated in the table below:

<b>Programme Area</b>	<b>Objective</b>	<b>Key Performance indicators</b>	<b>Activities/ Project</b>	<b>Achievements</b>
<b>Ewaso Ng'iro Tannery and Leather Factory</b>	To improve livelihoods and enhance socio - economic development in the region through livestock by -product value addition, industrialization and employment creation.	Production of 750,000 square feet of finished leather (sq. ft)	Processing of finished leather	186,930.72 sq. ft of finished leather Produced.
		100% completion of the Tannery and leather factory Expansion Program	Expansion and upgrade of the factory to increase processing capacity	100% completed and currently under defects liability period.
		100% completion of the Augmentation of the water supply and ETP	Installation of water supply system and effluent treatment plant	Activity not achieved due to lack of funds

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Programme Area	Objective	Key Performance indicators	Activities/ Project	Achievements
		Production of 4,500 pairs of shoes	Production of shoes at the leather factory	442 pairs of shoes produced. Non achievement was affected by the expansion activities.
		Establishment of one collection centre	Construction and operationalization of one hides and skins collection centre	Activity not achieved due to lack of funds
		Sensitization of 150 staff members on occupational safety and health standards	Occupational safety sensitization	150 staff members sensitized and workplace
		Registration of the factory workplace with DOSH.	Registration with DOSH	Certificate of Registration with DOSH in place
<b>Integrated Bamboo Commercialization and value addition</b>	To enhance environmental conservation and sustainability through bamboo commercialization and value addition.	2No of trainings for MSMEs conducted	Undertake MSMEs training on bamboo value chain development	1 No. of training undertaken Non achievement was due to inadequate resources
		1No. of MOU for the establishment of Bamboo cottage industry signed	Establish partnerships and collaboration framework with MSME	1No. of MOU signed
<b>Oloyiagalani/Olosho Oibor Food Security and Water Supply Programme</b>	To improve food security, increase access to clean water and enhance climate change resilience hence improve livelihoods and alleviate human	50-acre demo farm operationalized.	Piloting of the first horticultural crop production cycle	35 acres of the demo farm put under production. Non achievement was due to inadequate resources

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<b>Programme Area</b>	<b>Objective</b>	<b>Key Performance indicators</b>	<b>Activities/ Project</b>	<b>Achievements</b>
	suffering from the impacts of drought.	5 No. of farmers' groups trained	Undertake 20 No. of trainings (4No. trainings per group) on horticultural crop production	20 No. of trainings conducted
		2,000 No. of fruit tree seedlings availed to farmers	Distribute seedlings to farmers	2,400 No. seedlings distributed.
<b>Tomato Agro Processing factory</b>	To improve livelihoods and enhance socio-economic development in the region through value addition, industrialization and employment creation	100% completion of factory Phase IV works	Finalize the outstanding works comprising of finishes, plumbing and electrical works	Activities not achieved due to budgetary constrains
		50 % completion of factory auxiliaries	Construction of access roads, water supply, waste treatment and power supply	
<b>Integrated Tea development project</b>	To promote tea farming for improved livelihoods through job creation and mitigate against transboundary conflicts	350,000 kgs of green tea leaves produced	Cultivation and harvesting of green tea on the 300-acre plantation	333,574 kgs -Target largely achieved. Production affected by tribal clashes and depressed rains.
		20,000 No of tea seedlings propagated	Raise and plant tea seedlings in the plantation and for community distribution	Activities not achieved due to limited resources
		40,000 No. of tree seedlings Propagated	Raise tree seedlings to promote agroforestry around the tea zone	Activity not started due to lack of funds



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<b>Programme Area</b>	<b>Objective</b>	<b>Key Performance indicators</b>	<b>Activities/ Project</b>	<b>Achievements</b>
		50 No. of farmers/ workers trained	Training of farmers and workers on tea production and management	60 No of workers/farmers trained
<b>Drought Mitigation Programme</b>	To enhance drought resilience, improve water and food security and increase access to clean water and improve the livelihoods of the communities in the region.	100% completion of construction of water pans	Constructing and operationalize water pans in identified ASAL hotspots( Ilmaroroi , Enkusero enkiteng, Kaetoni, Olepolos, Olopikidongoi, Ronkena, Erarait, Ewaso Ngiro)	Overall level of achievements was 81% as outlined below: i. Ilmaroroi 100% ii. Enkusero Enkiteng 100% iii. Rokena -100% iv. Ewaso Ngiro 100% v. Olopikidongoi 90% vi. Olepolos 80% vii. Erarait 80% iii. Kaetoni 0%. Implementation affected by delayed disbursements of funds.
		2No. of boreholes established	Drilling and equipping of boreholes (Olopirik, and Oldoinyo Ngoswani)	<ul style="list-style-type: none"> <li>• Completed drilling and equipping of 2No boreholes.</li> <li>• Auxiliary works ongoing at 90 %.</li> <li>• Implementation behind schedule due delayed disbursements of funds.</li> </ul>



**CORPORATE GOVERNANCE STATEMENT**

**1. Statement of Corporate Governance**

The Board plays a critical role of ensuring achievement of the Authority's strategic objectives. In execution of its mandate, the Board is guided by the Constitution of Kenya (2010), the enabling Act Cap 447, relevant Legislations and Governance instruments, including Mwongozo, The Code of Governance for State Corporations.

**Board of Directors**

**Board Meetings**

The Board as well as Committee meetings held during the Fiscal Year 2024/2025 and their attendance were as tabulated below:

<b>Date Meeting Held</b>	<b>Finance &amp; Establishment Committee</b>	<b>Development &amp; Environmental Conservation Committee</b>	<b>Audit and Risk Management Committee</b>	<b>Board meetings</b>
10 <sup>th</sup> July 2024	Six (6) Committee members attended	Six (6) Committee members attended	_____	_____
11 <sup>th</sup> July 2024	_____	_____	Six (6) Committee members attended	_____
24 <sup>th</sup> July 2024	_____	_____	_____	Seventeen (17) Board members attended
18 <sup>th</sup> September 2024	Six (6) Committee members attended	_____	Six (6) Committee members attended	_____
8 <sup>th</sup> October 2024	Six (6) Committee members attended	Six (6) Committee members attended	_____	_____
23 <sup>rd</sup> October 2024	_____	_____	_____	Seventeen (17) Board members attended



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8 <sup>th</sup> January 2025	_____	_____	Six (6) Committee members attended	_____
9 <sup>th</sup> January 2025	Six (6) Committee members attended	Five (5) Committee members attended	_____	_____
29 <sup>th</sup> January 2025	_____	_____	_____	Sixteen (16) Board members attended
14 <sup>th</sup> April 2025	_____	_____	Five (5) Committee members attended	_____
15 <sup>th</sup> April 2025	Six (6) Committee members attended	Six (6) Committee members attended	_____	_____
24 <sup>th</sup> April 2025	_____	_____	_____	Fifteen (15) Board members attended

**NB.** In addition to the above tabulated meetings, an Ad Hoc Board Committee meeting was held on 5<sup>th</sup> March 2025.



### **Appointment of the Board**

The Board at the beginning of the Fiscal Year 2024/2025 comprised the Chairman, appointed by H.E. the President, twelve (12) non – official members appointed by the Cabinet secretary of the Parent Ministry, two (2) Alternate Directors, the Managing Director and the representative of the Inspector - General (Corporations). However, one of the non – official member passed on in November, 2024. The Board membership was diverse in terms of gender, competencies, skills and experience to facilitate effective leadership of the Authority during the period under review.

### **Board removal process**

In accordance to the Authority Act Cap 447, membership of a non – official member of the Board may be terminated by the Cabinet Secretary of the parent Ministry on the following grounds;

- (i) Has been found guilty of improper conduct considered to be inconsistent with membership of the Authority; or
- (ii) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Authority; or
- (iii) Is unable or unfit, for any reason, to discharge the duties of his office, and that it is in the interest of the Authority to do so, may terminate the appointment of that member.

It is worth noting none of the Board members was terminated from the Board during the FY 2024/2025 on account of the grounds stipulated above.

### **Roles and functions of the Board**

The roles and functions of the Board are as stipulated in the enabling Act Cap 447 and Mwongozo, The Code of Governance for State Corporations. The Board should:

1. Exercise its role collectively and not individually
2. Determine the organization's mission, vision, purpose and core values
3. Set and oversee the overall strategy and approve significant policies of the organization
4. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders
5. Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs
6. Approve the Organizational Structure
7. Approve the Annual Budget of the organization
8. Monitor the organization's performance and ensure sustainability
9. Enhance the corporate image of the organization.
10. Ensure availability of adequate resources for the achievement of the organization's objectives
11. Hire the CEO, on such terms and conditions of the service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff
12. Ensure effective communication with stakeholders.

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**Board Remuneration**

Authority's Board remuneration and benefits were as follows;

Type of payment	Chairman (Kshs.)	Member (Kshs.)
Honoraria (per month)	80,000	-
Sitting allowance (per sitting)	20,000	20,000
Airtime – Mobile phone (per month)	7,000	-
Transport allowance/ Mileage	Reimbursement is based on actual mileage at the prevailing AA rates capped at 1800 CC	Reimbursement is based on actual mileage at the prevailing AA rates capped at 1800 CC
Lunch Allowance (in lieu)	2,000	2,000
Accommodation allowance	18,200	18,200

**Ethics and Conduct**

The Code of Conduct and Ethics for State Corporations (SCs) as contained in Mwongozo, The Code of Governance for State Corporations defines the standards of behaviour required to be observed by Board members. The main focus is on ethical conduct and integrity at the work place. In line with relevant corruption prevention guidelines, the ENSDA's Board is committed to implement various prevention activities and submit Quarterly reports accordingly. The Board is also committed to comply with provisions of Mwongozo, The Code of Governance for State Corporation, as well as other relevant laws and regulations.

**Succession planning**

The Board monitors and evaluates performance of the Authority's management team with a view to enhancing succession planning. The outcome of the performance evaluation could be a reason for the Board to replace the Managing Director and other members of management team. The Board annually agrees on the performance targets with the Managing Director against which he is evaluated. The MD on the other hand negotiates and annually signs agreed performance targets with the senior management team against which they are evaluated after the end of the year. The term of the Board is three (3) years renewable once which ultimately ensures fresh infusion of skills and experience.

**Board Charter, Induction and Training**

The Charter, defining the Board governance model as well as addressing a number of organizational and operational issues, was adopted on 11<sup>th</sup> April 2018. Upon appointment of the Board in April 2023, sensitization unto the Board Charter was part of the induction program and compliance with its diverse aspects is anticipated always. Coverage of the Board Charter includes: the size and composition of the Board, the appointment of directors, Chairman and the Executive Director, the tenure of office of the Chairman and the directors, the roles and responsibilities of the Board, Chairman, Managing Director and Secretary to the Board, the remuneration of directors, induction of directors and succession



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planning, conduct of Board and Committee meetings, Board committees and evaluation of the performance of the directors. The Board participated in an Induction workshop for members that was facilitated by the Institute of Certified Secretaries (ICS) in partnership with the State Corporations Advisory Committee (SCAC) in April, 2023. It is worth noting that Board training could not be undertaken during the Financial Year 2024/ 2025 due to financial constraints.

**Board members' performance**

In compliance with Mwongozo, the Code of Governance for State Corporations, the Authority has always complied with the requirement that Board Performance Self Evaluation exercise, with the facilitation of officers from the State Corporation Advisory Committee (SCAC), is conducted within the first three (3) months of every Financial Year. The Board Performance Self Evaluation exercise for the Financial Year ended 30<sup>th</sup> June 2025 was conducted on 29<sup>th</sup> July 2025 and presentation of the results by SCAC will be in a properly convened Board meeting not later than three (3) months after the evaluation. Upon adoption of the evaluation results by the Board, copies will be issued to the following: the management; each evaluated member; Principal Secretary of the parent Ministry and to the State Corporation Advisory Committee. Thereafter, a Board Performance Improvement Plan (PIP) will be developed within three (3) months from the date of adoption of results.

**Conflict of interest**

In all the Board meetings during the FY 2024/2025, "Declaration of Conflict of Interest (s) if any" was always an agenda item and a register was availed for the purpose. No conflict of interest was declared during the Financial Year ended 30<sup>th</sup> June 2025.

**Governance Audit**

The Authority is subject to an annual governance audit in consultation with State Corporations Advisory Committee (SCAC) in line with Mwongozo, the Code of Governance for State Corporations.



## **MANAGEMENT DISCUSSION AND ANALYSIS-OPERATIONAL AND FINANCIAL PERFORMANCE.**

Ewaso Ng'iro South River Basin Development Authority is fully committed to improving livelihoods of communities in its area of jurisdiction. This has been made possible through implementation of integrated, sustainable, socio-economic development programmes and projects.

### **OPERATIONAL PERFORMANCE**

During the period under review FY 2024/2025, 6 key priority projects were implemented.

#### **i. Ewaso Ng'iro Tannery & Leather Factory**

Ewaso Tannery and Leather Factory represent a significant milestone for the Authority, strategically positioned in the largest livestock dispersal area, hosting over 10 abattoirs. The facility aims to process approximately 4.8 million square feet of hides and skins, aligning with the overarching goals of BETA, uplifting livelihoods, bolstering GDP growth, and generating employment opportunities. This initiative seeks to enhance the livelihoods of livestock farmers in the region and beyond.

The project's inception in the FY 2014/2015 marked the commencement of a multifaceted implementation strategy. This includes a 4,000 m<sup>2</sup> tannery and leather factory building, advanced leather tanning and processing machinery, a 350m<sup>3</sup> per day effluent treatment plant, a water supply system, access roads, a perimeter fence, an administration block, a leather goods workshop, small and medium-sized enterprise (SME) cottages, and an electricity supply infrastructure featuring a 600kVA main connection and a 400kVA backup generator. Phase I of the project, encompassing the completion of key infrastructure and operational elements, has been successfully accomplished. The current focus is on Phase II, involving factory operations, capacity building, the operationalization of the cottages, and support for leather MSMEs.

During the FY 2024/2025, the Tannery and Leather Factory produced a total of 186,930.72 square feet of finished leather and 442 pairs of shoes. The production was, however, significantly affected by the ongoing expansion and upgrade programme, which limited continuous operations during the construction period. Despite the challenges, the output marked a key milestone in reviving value addition within the leather sector.

The Tannery Expansion and Upgrade Programme was successfully implemented, culminating in the official commissioning of the facility by H.E. the President on 6<sup>th</sup> May, 2025. The project operations have resumed with major components including installation of modern leather processing machines and civil works fully completed. The upgraded facility is expected to enhance processing capacity, improve efficiency, and meet higher standards of production.

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In support of occupational health and safety, a total of 150 staff were sensitized on key DOSH requirements, and the factory was duly registered with the Directorate of Occupational Safety and Health. These measures have strengthened compliance and fostered a safer working environment.

Nonetheless, annual performance targets were not fully met due to several constraints, including delayed release of development funds, high operational costs, and pending completion of essential infrastructure—particularly water augmentation and the effluent treatment plant.



Official Commissioning of the Facility by H.E. the President – 6th May 2025

**ii. Agro processing (Tomato processing factory)**

The inception of the project in the FY 2019/2020 in Oloitokitok, Kajiado South, marked a pivotal step towards realizing the national strategic objectives and BETA by addressing the vulnerabilities of small-scale farmers to climate change and post-harvest losses. Oloitokitok, a key tomato-producing region in the country, contributes significantly to the national fresh tomato supply, averaging about 70,000 tons annually and serving as a major supplier to both Nairobi and Mombasa cities.

Tomatoes, being a perishable commodity with a limited shelf life under normal temperatures, pose challenges to producers and marketers resulting in post-harvest losses ranging from 30% to 75%. Additionally, the fluctuation in fresh tomato prices, driven by supply and demand dynamics, often leads to selling at throwaway prices in local markets.

The envisioned factory, with a processing capacity of 20,000 tonnes of fresh tomatoes per year, emerges as a transformative force in the region. Beyond processing capabilities, the project is poised to generate 5000 employment opportunities both directly and indirectly and economically empower local farmers by mitigating post-harvest losses, anticipated to reduce significantly.

Phases I, II and III of the project, involving the construction of sub-structures, superstructure walls, and the steel roof structure, have been successfully completed.

During FY 2024/2025, no progress was made on the planned completion of Phase IV works (finishes, plumbing, electrical) and factory auxiliaries. Lack of funding has halted the implementation of phase IV.



**iii. Food Security - Oloyiangalani dam and Olosho Oibor food security and Water project.**

The project, strategically located in Kajiado West Constituency within the ASAL county of Kajiado, not only addresses the immediate water needs of community members who traverse long distances during dry seasons but also stands as a testament to the broader national vision. Aligned to BETA, the initiative is designed to improve food security and enhance access to clean water for domestic, livestock, and irrigation purposes.

Initiated in the FY 2019/2020, the project encompasses the development of; Oloyiangalani dam with a substantial storage capacity of 100,000m<sup>3</sup>, the Kimuka-Olosho oibor water supply system featuring a 24km water pipeline, 19 water kiosks, and 2 No.100m<sup>3</sup> elevated steel tanks, and establishment of a 50-acre model irrigation farm. Notably, the construction of the dam and water supply system has been successfully completed, marking significant progress towards achieving the project's objectives.

The project creates opportunities for economic empowerment, job creation, and the development of local businesses, contributing to overall economic development in the region. Additionally, the focus on enhancing agricultural practices and water access presents opportunities for sustainable development and knowledge transfer, particularly through the establishment of the demonstration farm.

During FY 2024/2025, pilot horticultural production on the 50-acre demonstration farm commenced, with the first cycle successfully implemented on 35 acres, producing 75 tons of horticultural products. The initiative aimed to promote climate-resilient agriculture and sustainable livelihoods in the catchment area.

Five farmers' groups were trained on onion cultivation and other suitable crops, enhancing their capacity in commercial horticulture. Additionally, 2,400 fruit tree seedlings were distributed to farmers to support agroforestry and household nutrition.

However, overall production was hindered by conflict and security challenges, which limited full utilization of the demonstration farm. These issues affected the scale and consistency of implementation.



**Oloyiangalani - Olosho Oibor Dam and Water Supply Project**

**iv. Integrated Bamboo commercialization and Environmental conservation.**

Bamboo, valued for its extensive root system, has been promoted for its effectiveness in controlling soil erosion and enhancing long-term ecological sustainability. The primary objective of the project is to



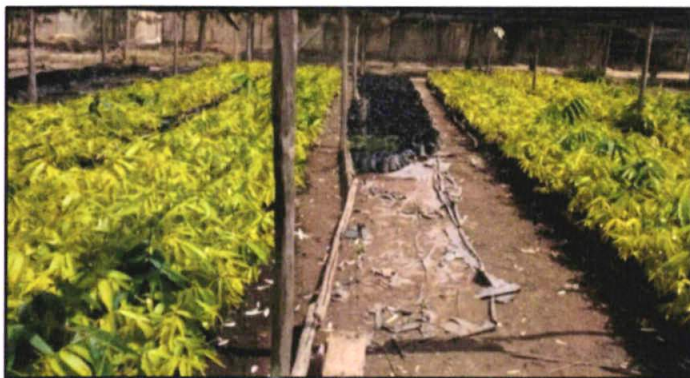
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increase vegetation and forest cover and promote environmental conservation in the Mau catchment, Aberdare catchment, Ngong Hills catchment and Loita catchment through seedlings propagation, plantation establishment, and value addition. The Authority has continued to restore degraded catchments through reforestation and soil conservation efforts. The Authority established initiatives such as the Green School Program, woodlot development and riparian conservation and restoration.

During FY 2024/2025, the Authority conducted one training for MSMEs on the bamboo value chain. In addition, a Memorandum of Understanding was signed for the establishment of a bamboo cottage industry and related value chain components, laying the foundation for increased commercialization and local value addition.

The Authority also contributed to the Presidential directive to grow 15 billion trees by 2032 through fruits and tree seedlings production. A total of 827,529 tree and fruit seedlings were produced and 633,128 tree and fruit seedlings were planted across the region. This target was largely achieved through strategic partnerships with community groups, which were supported and empowered by the Authority to establish and manage local nurseries.

These efforts have not only supported reforestation but have also built community ownership in conservation, enhanced local livelihoods, and strengthened climate change resilience across the region.



**Bamboo propagation at the HQ green house**



**Issuing tree seedlings under the Green School Programme**

**v. Integrated Tea Development Project**

Initiated in 2005, the ongoing tea development project in Transmara continues to significantly impact pastoral communities by diversifying livelihoods and fostering peaceful coexistence. Located along the border of the Narok and Kisii Counties.

By the end of FY 2024/2025, the Authority produced a total of 333,574 kilograms of green tea leaf harvested, reflecting strong progress in line with the project's annual targets. Sixty workers and farmers were trained to enhance productivity and best practices.

The project has emerged as a catalyst for socio-economic development, creating sustainable 4800 annual casual jobs that support local livelihoods.

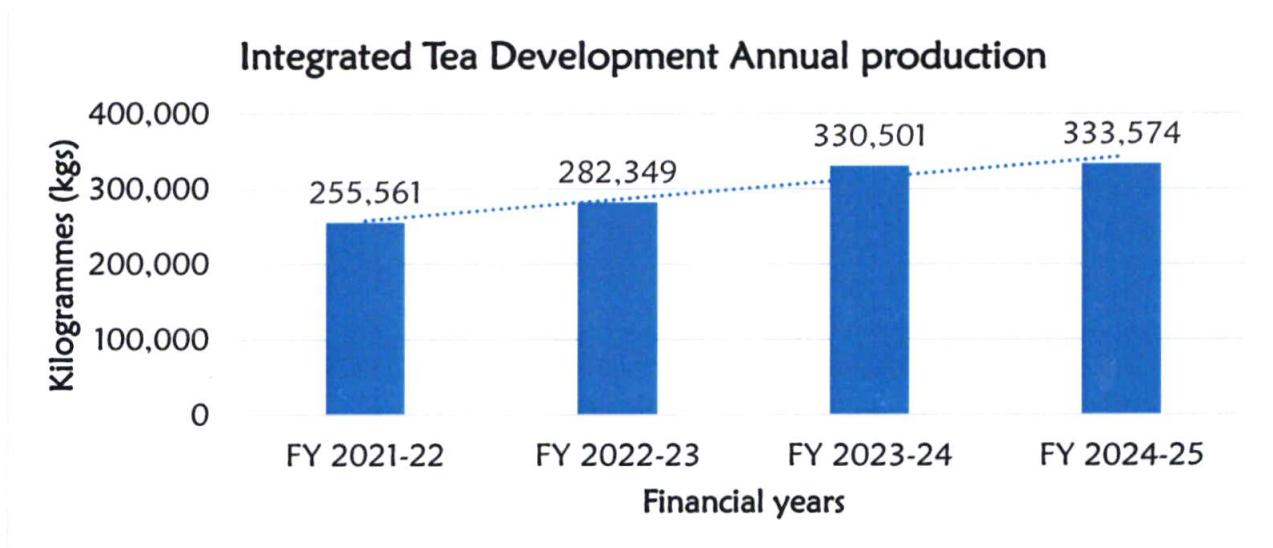
Strategically positioned, the project has helped reduce historical tensions between the Maasai and Abagusii by promoting shared economic interests and inter-community collaboration.

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Opportunities for scaling include expanding market access for green tea, developing value-added products, and rolling out community empowerment initiatives. The challenges facing the programme include financial constraints, infrastructure limitations, and lack of value addition processing. This project continues to stand out as a model for sustainable development, community resilience, and conflict resolution.



**Tea plucking at Shankoe Tea Farm.**



**vi. Drought Mitigation Programme**

The Authority has continued to implement its drought mitigation program, initiated in 2016, aimed at addressing water scarcity in Arid and Semi-Arid Lands (ASALs) through drilling and rehabilitating boreholes, constructing small dams and water pans. This initiative remains central to climate change adaptation, improved water access, and sustainable development in vulnerable regions.

During FY 2024/2025, notable progress was made under the program. The Authority implemented seven water pans namely; Ilmaroroi, Enkusero Enkiteng, Olepolos, Olopikidongoi, Ronkena, Erarait,



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and Ewaso Ng'iro. Substantial completion was recorded for Enkusero Enkiteng, Ronkena, Ewaso Ng'iro, and Ilmaroroi, while works at Erarait, Olepolos, and Olopikidongoi are ongoing.

Additionally, the Authority completed the drilling and equipping of two boreholes (Olopirik and Oldoinyo Ngoswani), while the auxiliary works are ongoing. However, the projects implementation are behind schedule due to funding constraints, impacting progress.

The Authority's efforts have continued to build community resilience by expanding access to clean water for domestic use and livestock, especially during prolonged dry spells. These interventions directly support national priorities on water security, economic transformation, and climate change resilience.

The drought mitigation program remains a strong pillar of bottom-up community transformation and underscores the Authority's role in securing water access, reducing climate vulnerability, and fostering inclusive regional development.



## **MAJOR RISKS FACING THE AUTHORITY**

Risk management is a serious concern for many organizations since the operational environment is often uncertain. In the year, we conducted and addressed several risks to ensure that the Authority achieves its objectives. The Authority faced the following risks in the course of operations;

### **i) Legal Risk**

The Authority is legislated by Cap 447 of 1989 of the Laws of Kenya. With the new constitutional dispensation, some functions were devolved to the County Governments. In absence of a revised legislation aligned with the Constitution of Kenya, potential conflicts may arise between the Authority and other Government agencies in case of inconsistency of the Act with the current Constitution. To address this, the Authority is engaging the Ministry to fast-track the review of the Act.

### **ii) Environmental Risks**

In the current financial year, the Authority implemented diverse projects ranging from water harvesting and storage programs, catchment conservation, bamboo commercialization and value addition project and agro-processing. The projects are dependent on climatic and environmental factors for example the rainfall patterns. The Authority's area of jurisdiction being semi-arid, climatic change and adverse weather conditions has continued to adversely affect the region and the intended impact of projects to beneficiaries may be hampered. The Authority has implemented a robust environmental management strategy and the Bamboo commercialization and climate change, adaptation and mitigation programme to mitigate the same.

### **iii) Sustainability risks**

Most of the projects implemented by the Authority are usually handed over to communities who then operate, maintain and even upscale the project where possible. However, due to lack of capacity of the communities to operate such projects sustainably, the projects are normally faced with sustainability risks. Also, some projects particularly water and environmental conservation projects are faced with threats of human wildlife conflict as most parts of the region have wildlife. The beneficiary communities are usually trained on operation and maintenance to mitigate the risks and also management committees strengthened. In wildlife areas the Authority collaborated with relevant agencies to minimize such incidences.

The Authority should implement diverse income generating projects to enhance levels of internally generated funds to achieve sustainability. However, due to inadequacy of resources allocated by the exchequer the Authority may take longer time to achieve financial sustainability hence potential liquidity risks in the event of delay in release of budgetary allocation. To mitigate on such risk, the Authority is giving priority to projects that will enhance revenue generation such as the Tannery and Leather factory, Bamboo commercialization, increase tea acreage and Oloitokitok Agro processing project. In addition, aggressive resource mobilization through PPP and other development partners has been prioritized.

**iv) Technological Risks**

With technological advancements, there are higher risks of information shared on web-based platforms. In the year there were uncertainties as to the security of the Authority's information shared on various platform, posing the risk of compromising confidentiality of information shared through platforms like websites, online payment systems, Stuck on old/obsolete technology, data banks and social media.

The Authority is focused towards strengthening all its automated processes through the use of internal and external firewalls, encryption of data and establishing secure channels of data processing and sharing. Further the Authority has rolled out the use of official emails and a daily data and information back up system both internally and in cloud.

**v) Liquidity Risks**

In the FY 2024/2025, the Authority was unable to continue implementation of capital projects namely, Oloitokitok agro processing factory, Oloyiangalani-Olosho Oibor food security and water supply project and Bamboo commercialization due to non-allocation of funds. In addition, the Tannery and leather factory budget was reduced. During the year under review the non-allocation and budget cuts led to pending bills of the following projects; Oloitokitok Agro processing and Bamboo Commercialization and Value addition. The Authority is currently liaising with Parent Ministry and the National Treasury with a view of addressing the situation through a forward cash flow plan.

**COMPLIANCE WITH STATUTORY REQUIREMENTS**

As the end of FY 2024-2025 the Authority endeavored to comply with the Constitutional provision and other statutory obligations. The Authority endeavored to comply with Procurement requirements that 30% of all procurement is reserved for the youth and women and that 2% of that goes to People with Disabilities. The Authority observed the legal requirement in respect to submission of statutory deductions (PAYE, Pension, NSSF, NHIF, and HELB) and other relevant taxes. During the period under review, no unclaimed financial asset was reported.

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING.**

The Authority exists to improve livelihoods through development and implementation of basin-based integrated projects and programmes. Towards this, the Authority's focus is on efficiently delivering relevant services and goods to citizens and promoting operational excellence.

Below is an outline of the organisation's policies, strategic programmes and activities that promote sustainability.

**a) Sustainability Strategy and Profile**

The sustainability strategy of the Authority focusses on the economy, environment, society and good governance practices in the implementation of its programmes. All these strategies have been well developed for implementation on a short, medium and long-term basis. To realize the sustainability objectives, the Authority implements the following programmes.

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1. Integrated Basin Based Planning through regional development plans
2. Utilization of basin-based resources and investments for the Authority's financial sustainability
3. Protection and conservation of the environment for sustainable development
4. Promotion of partnerships and collaborations in the implementation of development projects and programmes
5. Community empowerment
6. Institutional development

**b) Environmental performance**

The Authority has an Environmental Policy in Place since the year 2013, and has been guiding all conservation activities. Key areas include removal of carbon (IV) oxide (Carbon sequestration) through reforestation and afforestation programs, water resources management, waste management and enhancement of biological diversity.

**c) Successes on conservation**

Ewaso Ng'iro South River Basin Development Authority has been involved in raising awareness, sensitization and implementation of programmes and projects aimed at conserving and protecting the major water catchments within its area of jurisdiction; namely the Aberdares and the Mau ecosystems, critical water bodies and wetlands within the Authority's area of jurisdiction. Some of the programmes initiated over the past ten years include the Community-based Conservation of the Maasai Mau Forest (COMIFORM), Catchment Conservation, the Green Schools Programme, Urban Rivers Restoration Program, Conservation of Enapuyapuy Wetland and the Bamboo Plantation establishment in and around the Maasai Mau Forest. During this period, the Authority has raised and planted over 5 million seedlings and provided support for schools and organized community groups to plant trees across the region. At the global level, these efforts play a key role in climate regulation. Forests are major reservoirs and sinks of carbon dioxide; the main greenhouse gas behind global warming and climate change.

**d) Shortcomings**

In the endeavor to conserve environment, various challenges have been encountered as follows:

- ✓ Adoption of bamboo farming by famers is still low; there is a need to undertake more sensitization to recruit more out- grower farmers
- ✓ Effects of Prolonged drought on the bamboo plantations and conservation in general
- ✓ During the rainy season it's extremely difficult to access the plantation due to poor roads thus transportation of seedlings is affected during rainy season.
- ✓ Attacks by rodents of new bamboo shoots affect growth.

**e) Efforts to manage biodiversity.**

The Authority has played a great role in the conservation of biological diversity. Major conservation efforts have been concentrated in the Mau Ecosystem. Mau Forest complex is a significant habitat to various live forms of both flora and fauna. The forest is also the source of major rivers that traverse the Ewaso Ng'iro South Development Authority's area of jurisdiction. The rivers that originate from the Mau Ecosystem include the Njoro River, Mara River, Molo River, Ewaso Ng'iro River and their



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tributaries which include the Enkare Narok River, Siyiapei River, Amala, Naishi River, Makalia River and Nyangores rivers. These rivers have a huge ecological significance as some of them are transboundary and drain to other countries in Africa. Ewaso Ng'iro River plays an important role in the ecology of Lake Natron in Tanzania, the main regular breeding site for the near-threatened lesser flamingoes. In addition, the Mara River basin is one of the ten drainage basins that feed into Lake Victoria, and is therefore functionally and ecologically related to the socio-economic activities in Lake Victoria and along the river Nile. Most of these rivers are critical to major conservation areas such as the Maasai Mara National Reserve, Serengeti National Park and the Kam Narok game reserve among others.

In collaboration with other stakeholders; such as the Water Resource User's Associations, Community Forest Associations, Kenya Forest Service, Kenya Wildlife Service, NEMA, WRA, KNCCI, CBO's and County Governments of the counties that we operate in, the Authority has conserved the source and the riparian lands of major rivers such as the Njoro River and Enkare Narok River through securing and planting of appropriate tree species.

**f) Waste management policy**

The Authority has employed the 3Rs principle of Reduce, Reuse and Recycle throughout its operations. For example, most operations have been digitalized and use of printing paper has greatly been reduced. Some wastes, such as the organic ones (horticultural) are reused as manure to the Authority bamboo plantations and forests. At the Tannery and Leather factory, waste water is processed and recycled back to the tanning processes.

In efforts to reduce environmental impact of the organization's projects and programmes, all Authority's new projects are subjected to Environmental Impact Assessment. Monitoring and evaluation of progress at all phases of development is also carried out through environmental management tools such as the Environmental Audits. These ensure that Environmental Management Plan is adhered to and thus minimize negative impacts to the environment. Additionally, the Authority appoints committees such as the ISO committee, Monitoring and Evaluation committee as well as the Environmental Sustainability and Safety committee which ensure that all Authority's project/programmes conform to the National and International Standards.

**g) Employee welfare**

The Authority has a comprehensive Human Resource Policy that provides guidelines for the prevention and protection of officers against accidents, occupational hazards, procedures and modalities for the administration and compensation for work related injuries and accidents. In addition, the policy has clear guidelines on guidance and counseling as well as measures for management of HIV/AIDS, disability mainstreaming at the workplace and the rehabilitation of officers who may be facing challenges of drugs and substance abuse.

**h) Market place practices**

**i. Responsible competition practice**

The Authority conducts all procurement processes in line with The Public Procurement & Asset Disposal Act 2015, Regulations of 2020 and the Public Finance Management Act.

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Ewaso Ng'iro South River Basin Development Authority is ISO 9001:2015 Certified



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All statutory reports are submitted to relevant regulatory Authorities as per the requirements.

**ii. Responsible Supply chain and supplier relations**

Suppliers are engaged through a free, fair and competitive process and are selected based on capacity. The obligations of both the Authority and the suppliers are clearly stated in the contract agreement which is enforceable by law. Payments are made based on work done as per the contract agreements.

**iii. Responsible marketing and advertisement**

The Authority is committed to the following:

- ✓ Transparency in marketing and advertisement of its products
- ✓ Protection of consumer data and privacy
- ✓ Sustainability and Human Rights
- ✓ Responding to meaningful consumer concerns
- ✓ Maximizing benefits and minimizing risks

**iv. Product stewardship**

In its endeavor to uphold products stewardship, the Authority ensures the following:

- ✓ Access of consumers to adequate information to enable them to make informed choices according to individual wishes and needs;
- ✓ Consumer education;
- ✓ Availability of effective consumer redress and a public complaint reporting and handling mechanism;
- ✓ Freedom to form consumer and other relevant groups or organizations and the opportunity of such organizations to present their views in decision-making processes affecting them
- ✓ Uploaded the Authority's Service Delivery Charter in the website

**v. Corporate Social Responsibility / Community Engagements**

The Authority is committed to responding to the social needs of the local communities within its jurisdiction. These include initiatives such donation of water storage tanks, tree and fruit seedlings and providing grounds for social events.

During financial year 2024/2025 that ended in 30<sup>th</sup> June, 2025 the Authority undertook Corporate Social Responsibility activities in environmental conservation, water and sanitation, Education and Sports.

The specific activities and beneficiaries undertaken under CSR include the following:

- Facilitated sporting activities and social events by providing the Authority's ground at HQs
- Facilitated educational tours on best practices on horticulture farming



## **REPORT OF THE DIRECTORS**

The Directors submit their report together with the financial statements for the year ended June 30, 2025, which show the state of ENSDA's affairs.

### **i) Principal activities**

The principal activities of the Authority continue to be; the Ewaso Ng'iro Tannery and Leather Factory project, Integrated Bamboo commercialization and Environmental conservation programme, Oloyiangalani dam and Olosho-Oibor food security and Water project, Agro processing (Oloitokitok Tomato processing factory), Integrated Tea Development project and Drought Mitigation programme.

### **ii) Results**

The results of the Authority for the year ended June 30, 2025, are set out on page 1 to 6

### **iii) Directors**

The members of the Board of Directors who served during the year are shown on page xi to page xxii

### **iv) Surplus remission**

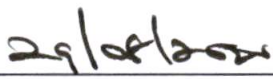
Ewaso Ng'iro South Development Authority has reported a Deficit of Ksh **(229,090,988)** during the end of FY 2024-2025 and hence no remittance to the Consolidated Fund

### **v) Auditors**

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

By Order of the Board

  
\_\_\_\_\_  
SIGNATURE

  
\_\_\_\_\_  
DATE

**NAME: NGALA OLOITIPTIP MCIPS**  
**MANAGING DIRECTOR**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act 2012, section 14 of the State Corporations Act, and the Act of parliament that formed ENSDAs CAP 447 of the Laws of Kenya require the Directors to prepare financial statements in respect of ENSDA which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Directors are also required to ensure that ENSDA keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes:

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

The Directors accept responsibility for ENSDAs 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 (the State Corporations Act) and the Authority's Act of Parliament CAP 447 of the Laws of Kenya. The Directors are of the opinion that ENSDAs' financial statements give a true and fair view of the state of the Authority's transactions during the financial year ended June 30, 2025, and of the Authority's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Authority which have been relied upon in the preparation of the ENSDAs' financial statements as well as the adequacy of the systems of internal financial control.

On the matter of going concern, there are pending bills that are emanating from FY 2023/2024 and the Authority is treating them as first charge and no other projects will be implemented until all the pending bills are settled. Additionally, during the commissioning of Tannery and Leather Factory, H.E the President directed that the factory be allocated Kshs 400 Million which will ensure the liquidity of the Authority hence impacting positively on the Authority going concern.



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Further, the Authority in partnership with the Ministry of Trade & Kenya Leather Development Council (KLDC) has done the proposal for the shoe line to the Italian corporation and the proposal has since been approved by The National treasury. ENSDA stands to benefit with **Kshs Two Billion** which will enable the Authority to commercialize its Leather Tannery by increasing its capacity to process an extra ten tonnes of hides per day and operationalize its foot wear factory to produce a minimum of one thousand pairs of shoes per day. These measures will ensure the Authority continue as a going concern

Given the above strategies nothing has come to the attention of the Directors to indicate that the Authority will not continue as a going concern for at least the next twelve months from the date of this statement.

**APPROVAL OF THE FINANCIAL STATEMENTS**

The Authority's financial statements were approved by the Board 29<sup>th</sup> July 2025 and signed on its behalf by:

  
\_\_\_\_\_  
SIGNATURE

**NAME: MR. SAMUEL SAKITA KUTATA  
CHAIRPERSON OF THE BOARD**

  
\_\_\_\_\_  
SIGNATURE

**NAME: MR. NGALA OLOITIPTIP  
ACCOUNTING OFFICER**



# REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke  
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HEADQUARTERS  
Anniversary Towers  
Monrovia Street  
P.O Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON EWASO NG'IRO SOUTH RIVER BASIN DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

### 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 that the Government achieves value for money and that such funds are applied for the intended purpose; and
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report 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 Ewaso Ng'iro South River Basin Development Authority set out on pages 1 to 36, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section

35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ewaso Ng'iro South River Basin Development Authority as at 30 June, 2025 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 Ewaso Ng'iro South River Basin Development Authority Act, 1989 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ewaso Ng'iro South River Basin 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.

### **Material Uncertainty Related to Sustainability of Services**

The statement of financial position reflects current assets and current liabilities balances of Kshs.93,063,834 and Kshs.263,768,404 respectively resulting in negative working capital of Kshs.170,704,570. In addition, the statement of financial performance reflects a loss of Kshs.229,090,988 for the year under review while in the previous year the Authority made a restated loss of Kshs.351,399,313. The Authority is, therefore, technically insolvent and its ability to continue to sustain its services is dependent upon support from the Government and its creditors.

In the circumstances, the Authority's ability to meet its short-term obligations could not be confirmed.

My opinion is not modified in respect of this matter.

### **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 audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on the Effectiveness of Internal Controls, Risk Management and Governance as reflected in **Appendix 1** to the financial statements. Most of the issues have not been resolved. Even for those reflected as resolved, Management has not explained how they were addressed or resolved.

## **Other Information**

The Directors are responsible for the Other Information set out on page iv to lii which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Managing Director / Chief Executive Officer, Statement of Ewaso Ng'iro South Development Authority's Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors' Responsibilities. 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. Non-Compliance with Law on Staff Ethnic Composition**

Review of the Human Resources records revealed that the Authority had one hundred and forty-four (144) employees out of which ninety-four (94) staff or 65% were from one ethnic community. Further, the Authority's Tannery had one-hundred and four (104) employees out of which eighty-two (82) staff or 79% of the employees were from one ethnic community. This is contrary to Section 7 (1) and (2) of the National Cohesion and Integration Act, 2008 which stipulate that all public establishments shall seek to represent the diversity of the people of Kenya in employment of staff and that no public Institution shall have more than one third of its staff establishment from the same ethnic community.

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

#### **2. Non-Compliance with Law on Recruitment of Staff Living with Disabilities**

Review of the Human Resources records revealed that the Authority had one hundred and forty-four (144) employees out of which three (3) or 2% of the employees were

people living with disabilities. This is contrary to Section B.23 (1) of the Human Resource Policies and Procedures Manual for the Public Service, May, 2016 which states that persons with disability shall be accorded equal employment opportunities provided they have the necessary qualifications and are suitable for such employment. Further, sub-section 2 states that the Government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

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

### **3. Stalled Oloitokitok Tomato Agro-Processing Project**

The construction of Oloitokitok tomato agro-processing project commenced on 1 July, 2018 at an estimated cost of Kshs.1,000,000,000 and the completion date scheduled for 30 June, 2028. The project is meant to address the vulnerabilities of small-scale tomato farmers in Kajiado South region due to climate change and post-harvest losses. As at 30 June, 2025 an amount of Kshs.313,911,597 had been spent on the project. The financial statements reflect that the project is at 35% completion.

Physical verification of the project in the month of July, 2025 revealed that the project is currently stalled with no progress on construction or operations. The contractor was not on the site, and there are no indications of ongoing work. Management explained that the delay in completion of the project was attributed to inadequate funding by the National Government.

In the circumstances, the value for money on the expenditure of Kshs.313,911,597 incurred on the project 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 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Long Outstanding Trade and Other Payables Balance**

The statement of financial position reflects trade and other payables from non-exchange transactions balance of Kshs.263,768,404 as disclosed in Note 24 to the

financial statements. The amount includes a balance of Kshs.74,166,374 which has been outstanding for more than one (1) year with some payables dating back to the year 2022. Management has not provided any explanation for the delay in settlement of the long outstanding payables.

In the circumstances, the Authority may incur additional and avoidable costs of penalties and interest on the long outstanding trade and other payables balance.

## **2. Under Constitution of the Board of Directors**

As previously reported, during the year under review the Authority had a Board of Directors with a membership of fourteen (14) Board Members (excluding the Managing Director) instead of the statutory twenty-three (23) Members. The Board of Directors was therefore, not fully constituted as required by Section 4 of the Authority's Act, Cap 447 of the laws of Kenya.

In the circumstances, the Authority may not benefit from effective oversight of a fully constituted Board.

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

### **Responsibilities of Management and the Board of Directors**

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the concern 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 of 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**

**28 November, 2025**

## Appendix 1: Unresolved Prior Year Matters

No.	Financial Year	Audit Issue
1.	2023/2024	Inconsistent Records of Tomato Processing Factory
2.	2023/2024	Inconsistency in Naming of Financial Statements
3.	2023/2024	Non-Compliance with Law on Staff Ethnic Composition
4.	2023/2024	Non-Compliance with Law on Recruitment of Staff Living with Disabilities
5.	2023/2024	Irregular Appointment Beyond the Mandatory Retirement Age of Sixty (60) Years
6.	2023/2024	Inefficient Revenue Generating System
7.	2023/2024	Expired Chemicals
8.	2023/2024	Long Outstanding Trade and Other Payables
9.	2023/2024	Composition of the Board of Directors

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**PART TWO: FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

Revenue from non-exchange transactions		2024-2025	2023-2024
		KShs	KShs
Transfers from GOK– Ministry of East Africa Community, Asals & Regional Development	6(a)	454,562,288	572,220,000
<b>Total revenue from non-exchange transactions</b>		<b>454,562,288</b>	<b>572,220,000</b>
<b>Adjusted for; Deferred Incomes (Capital Items)</b>	6 (c)	<b>(53,494,052)</b>	<b>(275,463,517)</b>
<b>Net adjusted Incomes.</b>		<b>401,068,236</b>	<b>296,756,483</b>
Revenue from exchange transactions (AIA)	7 (a)	31,766,321	69,035,201
<b>Total Incomes.</b>		<b>432,834,557</b>	<b>365,791,684</b>
<b>Expenses:</b>			
Administration Expenses	8(a)	62,363,977	78,686,981
Cost on Use of Goods/Services	8(b)	43,901,573	60,109,820
Employee costs	9	273,555,356	259,887,980
Remuneration of Directors	10	22,579,595	26,086,071
Depreciation and amortization expense	11	50,864,005	53,699,270
Repairs and maintenance	12	3,319,972	3,767,052
Contracted services	13	12,366,000	12,139,200
Development expenses	14 (a)	44,280,605	125,083,272
Drought Mitigations Programs	15	148,694,462	64,928,201
Finance by Surplus.	14 (b)		32,803,150
<b>Total expenses</b>		<b>661,925,545</b>	<b>717,190,997</b>
<b>Surplus/(Deficit) before Tax</b>		<b>(229,090,988)</b>	<b>(351,399,313)</b>
<b>Taxation</b>			
<b>Surplus /(Deficit) for the period</b>		<b>(229,090,988)</b>	<b>(351,399,313)</b>

**NB:** Net income from prior period has been restated from **Ksh. 641,255,201** to **Ksh. 365,791,684** due to reclassification of expenditure on capital items amounting to **Ksh. 275,463,517**.

The notes set out on pages 7 to 44 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:



MANAGING DIRECTOR  
NAME: NGALA OLOITIPTIP

DATE: 29.08.2025



HEAD OF FINANCE  
NAME: JONATHAN LEYIAN  
ICPAK MEMBER NO: 22633

DATE: 29.08.2025



CHAIRMAN OF THE BOARD  
NAME: SAMUEL S. KUTATA

DATE: 29.08.2025




**Ewaso Ng'iro South River Basin Development Authority**  
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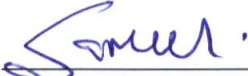
**STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025**

	Note	2024-2025	2023-2024
		KShs.	KShs.
<b>Assets</b>			
<b>Current assets</b>			
Cash and Cash Equivalents	16	2,764,824	132,423,139
Receivables from exchange transactions	18	9,919,451	11,673,063
Receivables from Non-exchange transactions	18	-	
Prepayments	19	15,344,696	14,023,962
Inventories	20	65,034,863	69,143,843
<b>Total Current Assets</b>		<b>93,063,834</b>	<b>227,264,007</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	21	1,762,863,197	1,744,146,499
Biological Assets	22	36,454,000	36,454,000
Intangible Asset	23	11,106,531	12,693,178
<b>Total non - current assets</b>		<b>1,810,423,728</b>	<b>1,793,293,677</b>
<b>Total assets</b>		<b>1,903,487,562</b>	<b>2,020,557,684</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from non-exchange transactions	24	263,768,404	199,450,455
<b>Non-current liabilities</b>			
Total liabilities		263,768,404	199,450,455
<b>Net assets</b>		<b>1,639,719,158</b>	<b>1,821,107,229</b>
<b>Capital Reserves</b>			
Accumulated Development Fund	26	941,203,390	938,246,353
Surplus		(312,153,436)	(83,062,448)
Revaluation Reserves	28	589,617,503	589,617,503
Deferred Income	25	421,051,701	376,305,821
<b>Total Capital Reserves</b>		<b>1,639,719,158</b>	<b>1,821,107,229</b>

The Financial Statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:

  
 MANAGING DIRECTOR  
 NAME: NGALA OLOITIPTIP  
 DATE: 29.08.2025

  
 HEAD OF FINANCE  
 NAME: JONATHAN LEYIAN  
 ICPAK MEMBER NO: 22633  
 DATE: 29.08.2025

  
 CHAIRMAN OF THE BOARD  
 NAME: SAMUEL S. KUTATA  
 DATE: 29.08.2025



STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

	Accumulated Development Fund	Revaluation Reserve	Surplus/ Deficit	Deferred Income	Total
Balance as at 1 July 2023	967,656,695	589,617,503	268,336,865	164,074,102	1,989,685,165
Surplus/(Deficit) for the period			(351,399,313)		(351,399,313)
Less: Depreciation	(53,699,270)				(53,699,270)
Deferred Income				222,831,719	222,831,719
Transferred to PPE	13,688,928				13,688,928
Transferred to Accumulated fund	10,600,000			(10,600,000)	-
<b>Balance as at 30 June 2024</b>	<b>938,246,353</b>	<b>589,617,503</b>	<b>(83,062,448)</b>	<b>376,305,821</b>	<b>1,821,107,229</b>
Balance as at 1 July 2024	938,246,353	589,617,503	(83,062,448)	376,305,821	1,821,107,229
Surplus/(Deficit) for the period			(229,090,988)		(229,090,988)
Less: Depreciation	(50,864,005)				(50,864,005)
Deferred Income				49,745,880	49,745,880
Transferred to PPE	48,821,042				48,821,042
Transferred to Accumulated fund	5,000,000			(5,000,000)	-
<b>Balance as at 30th June 2025</b>	<b>941,203,390</b>	<b>589,617,503</b>	<b>(312,153,436)</b>	<b>421,051,701</b>	<b>1,639,719,158</b>

**Ewaso Ng'iro South River Basin Development Authority**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

Cash flows from operating activities	Notes	2024-2025	2023-2024
Cash receipts from GOK Grants -Development, Peace Dam and Drought Mitigation Grant	6(a)	145,000,000	225,330,000
Cash receipts from GOK REC		309,562,288	346,890,000
Cash receipts from (A I A)	7(b)	22,435,319	57,920,089
Receipts from Receivables	18	6,735,397	7,502,016
<b>Total receipts</b>		<b>483,733,004</b>	<b>637,642,105</b>
Cash paid to suppliers		(177,476,402)	(470,460,155)
Cash paid to Board Members	28 (b)	(22,462,145)	(26,086,071)
Administrative Expenses	28 (b)	(62,363,977)	(78,686,981)
Cash paid to employees		(238,769,258)	(259,887,980)
Repairs and Maintenance		(3,319,972)	(3,712,849)
Contracted security Services		(10,472,400)	(11,959,200)
Use of Goods/services		(43,901,573)	(60,109,820)
<b>Net cash flow from operating Activities</b>		<b>(75,032,723)</b>	<b>(273,260,951)</b>
Cash used in investing activities			
Disposal of Assets	8 (c)		1,600,000
Acquisition of Assets	28b	(119,000)	(7,558,928)
Work in progress	28b	(54,506,592)	(192,340,065)
<b>Net cash used in investing Activities</b>		<b>(54,625,592)</b>	<b>(198,298,993)</b>
Net increase/(Decrease) in Cash and Cash Equivalents		(129,658,315)	(471,559,944)
Cash and Cash Equivalents at beginning of period		132,423,139	603,983,083
<b>Cash and Cash Equivalents at the end of the period</b>		<b>2,764,824</b>	<b>132,423,139</b>

Note no 28 (b) will give a detail analysis of both Operating & Investing Activities.



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025

	Original Budget	Adjustment	Final Budget	Actual	Variance	% Utilization	Remarks
	KShs.	KShs.	KShs.	KShs.	KShs.		
<b>REVENUE</b>							
Recurrent Grant	263,262,288	46,300,000	309,562,288	309,562,288	-	100%	
Development Grant	268,750,000	(123,750,000)	145,000,000	145,000,000	-	100%	
Appropriation In Aid	73,500,000	(20,000,000)	53,500,000	31,766,321	21,733,679	59%	Tannery & Leather factory has just operated for half year hence affect the sales
<b>Total income</b>	<b>605,512,288</b>	<b>(97,450,000)</b>	<b>508,062,288</b>	<b>486,328,609</b>	<b>21,733,679</b>		
<b>EXPENSES</b>							
<b>Recurrent &amp; Administration</b>							
Compensation of employees	278,867,609	(5,556,575)	273,311,034	273,555,356	(244,322)	100%	
Administration costs	44,840,490	14,683,740	59,524,230	62,482,977	(2,958,747)	105%	
Repairs and Maintenance	2,000,000	1,871,131	3,871,131	3,319,972	551,159	86%	
Remuneration of Directors	21,044,000	1,592,595	22,636,595	22,579,595	57,000	100%	
Contracted services	8,492,400	3,874,200	12,366,600	12,366,000	600	100%	
Cost on Used of Goods	67,676,900	(28,034,063)	39,642,837	43,901,573	(4,258,736)	111%	The commissioning of Tannery by H.E the President of the Republic of Kenya has lead to purchase of more Tannery assorted Items hence budget overrun
Depreciation				50,864,005			
<b>Sub-total</b>	<b>422,921,399</b>	<b>(11,568,972)</b>	<b>411,352,427</b>	<b>469,069,479</b>	<b>(6,853,047)</b>		



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<b>Development Expenses</b>						
Ewaso Ng'iro Leather Factory	125,000,000	(125,000,000)	-	97,655,657	(97,655,657)	
Drought Mitigations	143,750,000	1,250,000	145,000,000	148,694,462	(3,694,462)	103%
<b>Sub-total</b>	<b>268,750,000</b>	<b>(123,750,000)</b>	<b>145,000,000</b>	<b>246,350,119</b>	<b>(101,350,119)</b>	
<b>Total Expenditure</b>	<b>691,671,399</b>	<b>(135,318,972)</b>	<b>556,352,427</b>	<b>715,419,597</b>		
<b>Deficit for the period</b>	<b>(86,159,111)</b>	<b>37,868,972</b>	<b>(48,290,139)</b>	<b>(229,090,988)</b>		

The different between the deficit in the statement of performance and the statement of comparison of Budget vs Actual is the cost of Capital item of Ksh. (53,494,052)



**NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

Ewaso Ng'iro South River Basin Development Authority was formed in 1989 by an Act of Parliament CAP 447 of the Laws of Kenya. At Cabinet level, Ewaso Ng'iro South River Basin Development Authority is represented by the Cabinet Secretary for Ministry of East Africa community, Asal and Regional Development. The Cabinet Secretary is responsible for the general policy and strategic direction of the Authority. The principal activity of Ewaso Ng'iro South River Basin Development Authority is to plan, coordinate and implement development projects within its area of jurisdiction.

**2. Statement of compliance and basis of preparation**

The Authority's financial statements have been prepared on accrual basis in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method.

The Authority ability to continue as a going concern is not under any threat as clearly explained in the statement of directors' responsibilities.

**3. Adoption of New and Revised Standards**

Standard	Impact
IPSAS 45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>

**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.

#### **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 over the useful life of the assets that has been acquired using such funds.

#### **ii. Revenue from exchange transactions**

##### **Rendering of services**

The entity recognizes revenue from rendering of services when revenue can be measured reliably, it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the stage of completion of the transaction at the reporting date can be measured reliably.

##### **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.

#### **b) Budget information**

The Authority's budget is prepared on accrual basis which is the same basis applied in the recognition of the actual income and expenditure disclosed in the financial statements. The final revised budget for FY 2024-2025 was approved by the Board on July 2025.

The Authority'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. 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 page 7 of these financial statements.

**c) Taxes**

**Current income tax**

Current income tax liabilities for the current period are measured at the amount expected to be paid or remitted to the taxation authorities. The tax rates and tax laws used to compute the tax liability are consistent with those enacted, at the reporting date in the area where the entity operates.

**Deferred tax**

Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

**Sales tax**

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

- 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
- 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 25-year period.

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.

**e) Property, Plant and Equipment**

All property, plant and equipment are stated at revalued amounts whereas assets acquired after revaluation are stated as cost (including expenditure that is directly attributable to the acquisition of the items) on acquisition. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

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Where an asset is acquired through construction or structured procurement process, the costs relating to the processes are accumulated and debited to the Work in Progress account. Work in Process comprises of all direct costs incurred in constructing an asset or acquisition of machinery including buying, transporting, installing, and testing the machinery or equipment. Once an asset is placed in service, all costs associated with it as recorded in the work in progress account are moved to the respective fixed asset account e.g. building or machinery.

Once the assets are placed in service and moved to their final fixed asset account, depreciation commences.

Revaluations shall be made periodically, after every 5 years, to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Motor vehicle	25%
Furniture, fitting and Equipment	12.5%
Buildings Permanent Non-Residential	2%
Buildings Semi Permanent Non-Residential	12.5%
Buildings Permanent Residential	2%
Computers and related Accessories	30%
Loose Tools	33.33%

**f) Leases**

The Authority has operating leases under leasehold land. Operating lease payments are recognized as an operating expense in the statement of financial performance on a straight-line basis over the lease term.

**g) Intangible assets**

Intangible assets are initially recognized at cost. Intangible assets acquired in a non-exchange transaction are recognized at their fair value at the date of the acquisition. 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 the statement of financial performance in the period in which the expenditure is incurred.

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



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With the vast changing technology, the Authority's enterprise Resource Planning (ERP) Program is being amortized over 8 years' time.

**h) Research and development costs**

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

- 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

Initial recognition of 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 the statement of financial performance.

**i) Financial instruments**

**Financial assets**

The Authority does not handle any Financial Assets.

**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.

**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 of financial assets**

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

During the FY2024/2025 the Authority did not have any financial instruments.

### **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 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 by the Authority when it 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.

**l) Social Benefits**

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

**m) Contingent liabilities**

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

The Council of Governors had sued the Regional Development Authority's challenging their mandate. It was resolved that the RDA's mandate does not conflict with the County's government roles. If it was ruled to the favor of Council of Governors, then it would have rendered the RDA's redundant.

**n) Contingent assets**

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

**o) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements. The Authority maintains revaluation reserves that results from revaluation of property, plant and equipment, land and biological assets. Gains on revaluations are transferred to the revaluation reserves while loss on revaluation is expensed in the statement of financial performance.

Where a revalued asset is subsequently valued down due to impairment, the loss is first written off against any balance available in the revaluation surplus and if the loss exceeds the revaluation surplus balance of the same asset the difference is charged to income statement as impairment.

**p) Changes in accounting policies and estimates**

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

**q) Employee benefits**

**Retirement benefit plans**

The Authority provides non-discriminatory retirement benefits for its employees. The Authority has a defined contribution scheme under which both the employees and the Authority contributes fixed amounts at the ratio of 1:2. Under this arrangement, the Authority 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.

**r) 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

**s) 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.

**t) Related parties**

The Authority recognizes a person or an entity with the ability to exert control individually or jointly, or exercise significant influence on the operations of the entity as a related party. The Board of directors, key management comprising of the Chief Executive Office and Chief Managers are regarded as related parties.

**u) Service concession arrangements**

The Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party

contributes an asset to the arrangement, the Authority 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 Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**v) 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.

**w) Comparative figures**

The Authority provides audited comparative figures for the previous financial year to conform to the required changes in presentation. Where necessary comparative figures for the previous financial year are amended or reconfigured to conform to the required changes in presentation.

**x) Subsequent events**

The Authority recognizes events both favorable and unfavorable after the reporting date as subsequent events. During the FY 2024-2025, the Authority had no a prior year adjustment.

**5. Significant Judgments and Sources of Estimation Uncertainty**

In preparation of the financial statements, the Authority's 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. The Authority bases its assumptions and estimates on parameters available when the financial statements are prepared. 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.

The Authority makes judgement, estimates and assumptions in the following areas;

- i. Provision for litigations
- ii. Provision for bad debts Inventory obsolescence

**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 period, 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 values**

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

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

### **Provisions**

The Authority makes provisions based on the information available and management's best estimate of the expenditures required to settle the obligation at the reporting date. The Authority makes provisions for areas including bad debts and litigations and inventory obsolescence. Additional disclosure of these estimates of provisions is included in Note 5.

### **Biological Assets**

The Biological Assets (Tea Bushes) are valued at fair value over economic life duration of lease of the land under tea bushes in line with IPSAS 27.

### **Work in Progress –IPSAS 11**

This relates to construction of long-term assets. Construction Work in Progress is recorded at the accumulated costs incurred until the asset is put into service. Costs are recognized in proportion to the stage of completion of contract activity and included in the financial statement.

### **Receivables from exchange and non-exchange transactions**

#### **i. Receivables from exchange transaction**

Revenue arising from exchange transactions and events (rendering of services, sale of goods, and use of entity assets yielding interest) not yet received as at the close of the financial year is recognized as receivables from exchange transaction. This is measured at the fair value of the consideration to be received.

#### **ii. Receivables from non-exchange transactions**

The Authority receives grants from the government based on approved annual budgets and printed estimates. At the close of the financial year, where commitments were made towards services or goods and the equivalent funding has not been received, the outstanding grant is recognized as a receivable from non-exchange transaction. The government grant is recognized as a receivable when there is

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reasonable assurance that the grant will be received, and that the entity will comply with the conditions attached to the grant.

**iii. Prepayments**

Where the contribution already paid exceed the contribution due for service at the reporting date, the excess amount is recognized as an asset to the extent of the prepayment. The future payment will be reduced by the prepayment amount.

**6. a) Revenue from non-exchange transactions/ Transfers from other governments**

The Authority receives grants from the Parent Ministry of East Africa Community Asals and Regional Development for Recurrent activities and implementation of capital projects.

Recurrent grants are used to finance personnel emoluments and general administrative expenses whereas Development grants are used to finance capital projects as per the Authority Mandate. In FY 2024/2025, cumulatively, the Authority received **Ksh. 454,562,288** compared to **Ksh. 572,220,000** for FY 2023/2024. The **21%** funds decline was occasioned by a decrease in the Recurrent and development grant.

Revenue from non-exchange transactions		2024-2025 Kshs	2023-2024 Kshs
Transfers From the government	Unconditional grants		
	Recurrent Grant	309,562,288	346,890,000
	Development Grant		167,830,000
	Drought Mitigation	145,000,000	57,500,000
<b>Total GOK grants</b>		<b>454,562,288</b>	<b>572,220,000</b>

**b) Transfers from Ministries, Departments and Agencies**

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2023-2024
	KShs	KShs	KShs	KShs	KShs
Ministry of East Africa Community, Asal & Regional Development.	454,562,288			454,562,288	572,220,000
<b>Total</b>	<b>454,562,288</b>			<b>454,562,288</b>	<b>572,220,000</b>



**6 (c). Deferred Incomes (Capital Items).**

During the FY 2024/2025, the Authority acquired capital items worth **Kshs 53,494,052** that comprise of Tannery building extension, shoes cutting machines and embossing plates as detailed in the table below;

Deferred income items – FY 2024/2025	
<b>Add: capital Items</b>	
Purchase of laptop	119,000
Tannery Building extension	35,999,026
Purchase of Shoes cutting machine	8,680,576
Embossing Plates	8,695,450
<b>Sub-total</b>	<b>53,494,052</b>

**7. (a) Revenue from exchange transactions**

The Authority generates revenue from sale of products such as green tea, horticultural products, tree seedlings, sale of finished leather and Milk chilling from income generating projects. In FY 2024/2025, the Authority generated Ksh **31,766,321** compared to Ksh **69,035,201** in FY 2023/2024, which is **54%** decrease. The decrease in Tea revenues is attributed to the change in market price that led to the price per kilo dropping from approximately Ksh 40 to Ksh 20. The decrease in Tannery and the leather factory sales was as a result the expansion programme that allowed operations for half.

	2024-2025	2023-2024
	Kshs	Kshs
Sale of Green Tea	14,415,862	19,121,759
Sale of Horticultural products	21,210	123,990
Sale of Tree Seedlings	609,671	2,831,350
Tannery Hides & skins	16,719,578	46,958,102
<b>Total other income</b>	<b>31,766,321</b>	<b>69,035,201</b>

The AIA revenue generated as at the end of the fiscal year of Ksh. **31,766,321** is inclusive of Ksh **9,331,002** receivables for the month of June 2025. The receivables amount explains the difference in the amount of A.in. A captured under the statement of financial performance and that that of Cashflows.

**7 (b) Revenue from exchange transactions (Actual cash received from exchange transaction)**

During the Fiscal year under review the revenue earned was Ksh **31,766,321** while the actual cash received is Ksh **22,435,319** as reflected in the statement of cashflow. The difference is the receivables reflected in the Statement of position under note 18., receivables from exchange transaction

	2024-2025	2023-2024
	Kshs	Kshs
Sale of Green Tea	7,988,089	8,595,097



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Sale of Horticultural products	21,210	123,990
Sale of Tree Seedlings	609,671	2,831,350
Tannery Hides & skins	13,816,349	46,369,653
<b>Total other income</b>	<b>22,435,319</b>	<b>57,920,090</b>

**8. (a) Administration Expenses**

The administration expenses are the Operation & Maintenance cost that are recurrent in nature. Due to budget cuts the Authority had to observe austerity measures in most expenses and this explains the significant reduction in the administrative expense.

	2024-2025	2023-2024
<b>Administration Expenses</b>	<b>Kshs</b>	<b>Kshs</b>
General office Supply	2,091,492	4,092,374
Insurance (Medical cover)	30,486,384	31,180,432
Insurance (General cover)	8,811,425	7,124,184
Competency Development	1,398,736	3,490,665
ISO		1,786,144
Leased premises	540,000	915,000
Hospitality Supplies and service	2,615,995	1,766,600
Postage Services	54,485	61,550
Water & Sewage treatment costs	133,383	119,048
Subscription to Newspaper		20,640
Electricity service (Admin)	1,946,725	1,501,090
ICT Development		3,686,842
Internet connection	1,257,262	1,520,378
Automation - ERP Phase II	2,056,400	2,017,214
Sanitary & cleaning materials	205,500	111,535
Fuel, oil & Lubricants	5,966,526	9,916,574
Legal Due/Fees, Arbitration		612,000
Bank charges	55,948	209,575
Regional Cordination	4,743,716	5,764,236
Audit & Risk Assurance		2,502,500
Monitoring & Evaluation		288,400
<b>Total Admin. Expenses</b>	<b>62,363,977</b>	<b>78,686,981</b>

The amount of Ksh **62,363,977** in the statement of performance is different with the amount of Ksh **62,482,977** in the budget vs actual due to the purchase of laptop considered as a capital item of **Ksh 119,000**



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**(b) Use of Goods/Services**

These are costs associated with raising the Authority income., they are tea & tannery finished leather. The Tannery only operated in few months during the year due to the ongoing expansion which explains the significant reduction on the Tannery chemical expenses. Other Tannery overheads are majorly expenses incurred during the Tannery commissioning by His excellency the President.

	2024-2025	2023-2024
Used of Good & Service	Ksh.	Ksh.
Tea Expenses	10,248,414	9,073,825
Tannery Chemical	7,933,647	47,140,995
ETP Chemicals	4,858,087	3,895,000
Raw Hide	6,491,205	
Other Tannery overhead	14,370,221	
<b>Total</b>	<b>43,901,573</b>	<b>60,109,820</b>

**(c) Loss on Disposal of Asset**

	2024-2025	2023-2024
	Ksh	Ksh
Revalued amount of the Motor van		1,600,000
Less amount disposed		(1,600,000)
Loss on Disposal		<b>0</b>

**9. Employee Costs**

These are costs paid to staff as basic salaries, wages, allowances, pension contributions paid to defined pension schemes and gratuity paid to staff on expiry of contracts. In FY 2024/2025, the Authority incurred employee costs amounting to Ksh. **273,555,356** compared to Ksh. **259,887,980** the previous year. The 5% shift on personnel emoluments is largely due to Gratuity and the NSSF. There was a slight drop in the basic pay due to some staff retiring.

Employee costs	2024-2025	2023-2024
	Kshs	Kshs
Basic Pay	170,442,997	173,079,002
House Allowance	28,899,800	28,660,200
Acting Allowance	546,815	557,808
Benefit (Airtime)	3,922,000	4,662,000
Commuter Allowance	18,176,000	18,098,000



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Leave Allowance	1,478,000	1,570,000
Other Allowance	3,489,708	3,798,000
Pension Contribution	22,134,744	19,784,809
NSSF Contribution	7,986,971	4,290,224
Gratuity	12,813,419	1,561,544
Transfer allowances	130,372	233,729
NITA	154,050	153,550
Affordable House levy	3,380,481	3,439,114
<b>Employee costs</b>	<b>273,555,356</b>	<b>259,887,980</b>

The amount of staff cost appearing in the statement of performance differ with the one in the statement of Cashflow by Ksh.34,786,098 which is the accrued amount for the month of May & June.

**10. Remuneration of Directors**

Board of Directors offer oversight on governance and are mandated to hold four meetings in a year, one in every quarter. During meetings, allowances payable to Board of Directors are Sitting Allowance at the rate of Ksh. 20,000, Night out allowance at Ksh. 18,200, Lunch allowance at Ksh. 2,000 and Mileage at the prescribed AA rates but capped at 1800cc. During FY 2024/2025, the Authority incurred Ksh. 22,579,595 compared to Ksh. 26,086,071 in the previous year.

Remuneration of Directors	2024-2025	2023-2024
	Kshs	Kshs
Chairman's Honoraria	1,044,000	1,044,000
Mileage's	2,725,895	2,174,682
Accommodation	9,411,400	9,186,684
Sitting Allowances	6,268,000	7,305,650
Lunch	424,000	1,327,500
Training Cost/Induction		3,347,385
General expenses	2,706,300	1,700,170
<b>Total director emoluments</b>	<b>22,579,595</b>	<b>26,086,071</b>

The amount of Board allowances appearing in the statement of performance differ with the one in the statement of Cashflow by Ksh 117,450 which is the accrued chairman honoraria for the month of May & June.

**11. Depreciation & Amortisation**

The Authority depreciates its Property, Plant and Equipment (PPE) using reducing balance method of depreciation applying different rates on different classes of PPE assets. This complies with IPSAS 45 and 16 on Property plant and Equipment and Investments.

	2024-2025	2023-2024
Depreciation Expense	Ksh.	Ksh.
Motor Vehicle	7,896,805	10,529,074
Furniture, Fitting & Equipment	884,706	1,011,092



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Buildings	2,677,921	2,896,699
Computers & Related Accessories	1,247,564	1,731,235
ERP Software	1,586,647	1,813,311
Tannery Assets	36,570,362	35,717,859
<b>Total depreciation</b>	<b>50,864,005</b>	<b>53,699,270</b>

## 12. Repairs and Maintenance

The Authority undertakes scheduled repairs on Property, Plant and Equipment (PPE). During FY 2024-25 the Authority incurred Ksh **3,319,972** under recurrent budget and other amount was finance through development grants under Tannery project.

	2024-2025	2023-2024
<b>Repairs and maintenance</b>		
	<b>Kshs.</b>	<b>Kshs.</b>
Vehicles	3,319,972	3,767,052.32
<b>Total repairs and maintenance</b>	<b>3,319,972</b>	<b>3,767,052.32</b>

## 13. Contracted Services

The Authority outsources Security in the entire Authority offices and cleaning services in the Head office to ensure efficiency.

Contracted services	2024-2025	2023-2024
	<b>Ksh</b>	<b>Ksh</b>
Security services	10,206,000	9,979,200
Office cleaning	2,160,000	2,160,000
<b>Total contracted services</b>	<b>12,366,000</b>	<b>12,139,200</b>

The amount of Contracted cost appearing in the statement of performance differ with the one in the statement of Cashflow by Ksh.**1,893,600** which is the accrued security and cleaning services for the month of May and June.

## 14. (a) Development costs

These costs relate to capital projects undertaken by the Authority with the goal of improving livelihoods for socio-economic development as comprehensively discussed under the Management Discussion and Analysis. In the FY 2024/2025, the entire development vote was not funded therefore attributing to nil expenditure in most of the capital projects being undertaken by the

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Authority such as Integrated Bamboo, Agro-Processing (Tomatoes) for value addition and Oloyiungalani.

The cost below of **Ksh. 44,280,605** relates Ewaso Ng'iro Tannery and Leather Factory which was commissioned by His excellency the President in May 2025 necessitating some expenditures that were initially not budgeted for.

	2024-2025	2023-2024
<b>Development Expenses</b>	<b>Kshs</b>	<b>Kshs</b>
Ewaso Ng'iro leather factory	44,280,605	75,321,144
Integrated Bamboo		24,359,504
Oloyiungalani		9,880,502
Tomato Agro processing		15,522,122
<b>Total Dev. Expenses</b>	<b>44,280,605</b>	<b>125,083,272</b>

**b) Financed by Surplus**

	2023-2024	2023-2024
	<b>Ksh</b>	<b>Ksh</b>
Admin cost on Containers		1,081,515
Tannery Equipment's		7,903,327
Raw- Hides		3,393,902
Safety Training		5,664,326
Capacity Building		5,536,000
Drought Mitigation		9,224,080
<b>Total</b>		<b>32,803,150</b>

**15. Drought Mitigation Programme**

During the period, the Authority was allocated drought mitigation funds of Kshs **145,000,000** to mitigate the effects of drought situation in the Authority area of jurisdiction.

	2024-2025	2023-2024
<b>Drought Mitigations Programmed</b>	<b>Kshs</b>	<b>Kshs</b>
Drought mitigation cost	148,694,462	64,928,201
<b>Total. Expenses</b>	<b>148,694,462</b>	<b>64,928,201</b>

**16. Cash and Cash equivalents**

The Authority's cash and cash equivalents are cash held at hand and banks. In FY 2024/2025, the closing balance was Ksh. **2,764,824** which relates to commitment towards payables and deferred income on ongoing capital projects.

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Cash and Cash Equivalents	2024-2025	2023-2024
	Kshs	Kshs
Kenya Commercial Bank	143,908	127,460
National Bank	1,186,812	90,722,973
Co-operative Bank	1,434,104	41,572,707
<b>Total Cash and Cash Equivalents</b>	<b>2,764,824</b>	<b>132,423,140</b>

Bank	Account no	Cash book balance
Development	Nbk-01003041548101	644,810
Recurrent	Nbk-01003041548100	540,245
Economic stimulus program	Nbk-01003041548104	122
Farm	Nbk-01003041548102	980
Nakuru sub basin	Nbk-01003041548105	655
<b>Sub-total</b>		<b>1,186,812</b>
Kilgoris savings sub basin	Coop-01141018229500	1,417,872
Kilgoris	Coop-01141018229501	5,058
Malewa	Coop-01141018229503	206
Kajiado	Coop-01141018229502	10,968
<b>Sub-total</b>		<b>1,434,104</b>
Loitoktok	Kcb-1132205514	40,217
KCB-Tannery	Kcb-1250768489	103,691
<b>Sub-total</b>		<b>143,908</b>
<b>Total</b>		<b>2,764,824</b>

### 17. Work In Progress

This relates to costs incurred on ongoing works for capital projects: Ewaso Ng'iro Tannery and Leather Factory (Acquisition of Tannery machine & Shoes cutting Machine), Oloitokitok Tomato Agro processing Factory (Factory construction), Tannery ERP and construction of Kajiado office. The total WIP as at close of FY 2024-2025 was **Kshs. 323,740,238** compared to previous years of **Kshs. 309,567,228**.

Work In Progress	2024-2025	2023-2024
	Kshs	Kshs
Loitoktok Factory Building	162,077,611	162,077,611
ERP software	3,687,600	3,687,600
Kajiado office	9,140,887	9,140,887
Shoe Cutting Machinery	-	5,000,000
Tannery Machinery	144,161,130	129,661,130

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Tannery Building Extension	4,673,010	
<b>Total Work in Progress</b>	<b>323,740,238</b>	<b>309,567,228</b>

**18. Receivables from exchange and non-exchange transactions**

The Authority realized receivables at closure of the FY from its operations related to, sale of products and other debtors arising from other financial transactions. At the closure of the FY 2024/2025 receivables from exchange transaction amounted to **Kshs. 9,919,451**. The receivable from sale of Tea leaves comprises of Ksh **544,770** for the month of June and Ksh **5,883,003** as expected tea Bonus.

Receivables from exchange transactions	2024-2025	2023-2024	Aging
<b>Receivables exchange transactions</b>	<b>Kshs</b>	<b>Kshs</b>	
sale of Tea leave (Nyamache Tea Factory)	544,770	614,482	
Expected tea Bonus (Nyamache Tea Factory)	5,883,003	9,912,180	
Tannery Hide & Skins	3,491,678	1,146,401	
<b>Sub-Total</b>	<b>9,919,451</b>	<b>11,673,063</b>	
<b>Receivables non- exchange transactions</b>			
Outstanding Imprest	-	-	
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	
<b>Total Amount</b>	<b>9,919,451</b>	<b>11,673,063</b>	

N/B Under receivables for FY 2023-2024 of Ksh **11,673,063** from the exchange transaction an amount of **Ksh 6,735,397** was received as at the end of 30<sup>th</sup> June 2025, the Balance of Ksh **4,349,218** was unrealized bonus for Tea while Ksh **588,449** which relates tannery receivables was still outstanding as at the end of the FY.

**19. Prepayments**

At the close of the FY 2024/2025, the Authority had prepayments of Ksh. **15,344,696** relating to ongoing contracted services on operating land leases rent, medical cover premiums, general insurance Cover on PPE.

	2024-2025	2023-2024
<b>Prepayments</b>	<b>Kshs</b>	<b>Kshs</b>
Prepayment-Leases	1,357,500	1,410,000
Prepayment- CIC/AAR Insurance	7,499,750	7,987,134
Prepayment - Britam Insurance	405,204	387,407
Prepayment - Pelican Insurance	3,473,083	3,473,017
Service, water and electricity debtors	558,000	558,000
Total Kenya- Fuel	-	208,404
Prepayment – Tyres	2,051,159	



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<b>Total Prepayments</b>	<b>15,344,696</b>	<b>14,023,962</b>
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**20. Inventories**

The inventories are valued at the lower of cost or the net realizable value. As at the close of the financial year, inventories amounted to Ksh **65,034,863** as compared to the FY 2023/24 closing balance of Ksh. **69,143,843**

<b>Inventories</b>	<b>2024-2025</b>	<b>2023-2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Tree seedlings (Bamboo)	-	1,476,000
Tea seedlings	800,000	3,000,000
Fruits seedling	1,257,000	3,311,500
Tree seedlings	7,798,300	15,059,900
Stores & inventory	94,714	2,440,554
Tannery hide & skins	576,950	3,238,550
Tannery Chemical	54,507,899	40,617,339
<b>Total inventories</b>	<b>65,034,863</b>	<b>69,143,843</b>



**21. PROPERTY, PLANT & EQUIPMENT – ASSET MOVEMENT SCHEDULE FOR YEAR ENDED 30<sup>TH</sup> JUNE 2025**

	LAND	M/V	FURNITURE FITTING & EQUIP.	BUILDINGS			COMPUTERS & RELATED ACCESSORIES	EWASO TANNERY PLANT	CAPITAL  WIP	TOTAL
				PERMANENT NRS	SEMI PERM. NRS	PERM. RESIDENTIAL				
				KSHS.	KSHS.	KSHS.				
Total assets as at 01/07/2023	396,000,000	41,770,000	8,533,100	67,616,000	12,928,000	1,200,000	5,202,000	951,894,066	127,306,163	1,612,449,329
Additions		6,130,000					1,218,928	6,340,000	192,340,065	206,028,993.0
Disposals		(1,600,000)								(1,600,000)
Transfers/Adjustments								10,600,000	(10,079,000)	521,000
<b>As at 30th June 2024</b>	396,000,000	46,300,000	8,533,100	67,616,000	12,928,000	1,200,000	6,420,928	968,834,066	309,567,228	1,817,399,322
Gain/Loss on Revaluation										
<b>As at 30th June 2024</b>	396,000,000	46,300,000	8,533,100	67,616,000	12,928,000	1,200,000	6,420,928	968,834,066	309,567,228	1,817,399,322
Additions							119,000	48,702,042	19,173,010	67,994,052
Disposal										-
Transfer/Adjustment								5,000,000	(5,000,000)	-
<b>As at 30th June 2025</b>	396,000,000	46,300,000	8,533,100	67,616,000	12,928,000	1,200,000	6,539,928	1,022,536,108	323,740,238	1,885,393,374
Depreciation (1 <sup>st</sup> July)		14,712,779	1,455,453	1,904,429	2,205,073	33,798	2,381,381	50,559,910		73,252,823
Impairment										-
Transfers/Adjustment										-
<b>As at 30th June 2025 (NBV)</b>	396,000,000	31,587,221	7,077,647	65,711,571	10,722,927	1,166,202	4,158,547	971,976,198	323,740,238	1,812,140,551
Depreciation for the year		7,896,804	884,704	1,314,232	1,340,364	23,324	1,247,564	36,570,362	-	49,277,354
Impairment	-	-	-	-	-	-	-	-	-	-



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Transfers/Adjustment	-	-	-	-	-	-	-	-	-	-
Net book values as at 30/06/2025	396,000,000	23,690,417	6,192,943	64,397,339	9,382,563	1,142,878	2,910,983	935,405,836	323,740,238	1,762,863,197
<b>Net Book Values</b>										
As at 30th June 2024	396,000,000	31,587,221	7,077,647	65,711,571	10,722,927	1,166,202	4,039,547	918,274,156	309,567,228	1,744,146,499
As at June 2025	396,000,000	23,690,417	6,192,943	64,397,339	9,382,563	1,142,878	2,910,983	935,405,836	323,740,238	1,762,863,197

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## 22. Biological Assets

The value of biological assets is reflected in statements as per the professional valuer's estimates that was done in the financial year 2022/2023.

	2024-2025	2023-2024
<b>Biological assets</b>	Kshs	Kshs
Olkalau trees	12,200,000	12,200,000
Tea bushes (Shankoe/Kapune)	23,328,800	23,328,800
Shartuka Trees	0	0
Narok Head Quarter Assets-Trees bushes	925,200	925,200
<b>Total Biological Assets</b>	<b>36,454,000</b>	<b>36,454,000</b>

## 23. Intangible Assets

During FY 2018-2019 the authority did put in place an enterprise resource planning ERP (Dynamic Navision software) system Finance, Human resource and procurement functionality. The value of ERP will be amortized over its useful life. Amortization will begin once all the functionalities of the software is operationalized.

	2024-2025	2023-2024
	Kshs	Kshs
Accounting System	12,693,178	14,506,490
Depreciation & Amortization	(1,586,647)	(1,813,311)
<b>N.B.V as at 30.06.25</b>	<b>11,106,531</b>	<b>12,693,178</b>

**24. Trade and other payables from non-exchange transactions as at 30<sup>th</sup> June 2025**

Below payables relates to the ongoing project activities and services rendered to the Authority, the details of payable is in **Appendix VI**.

	2024-2025	2023-2024
	<b>Kshs</b>	<b>Kshs</b>
Recurrent Payables	47,853,463	7,754,753
Development Payables	99,325,203	106,947,431
Drought Mitigation Payables	116,589,738	84,748,270
<b>Total Payables</b>	<b><u>263,768,404</u></b>	<b><u>199,450,454</u></b>

**25. Deferred Income**

The Authority recognizes Government grants used to finance equity or acquisition of asset using the deferred income approach. The grants are recognized as a financing device and dealt with as such in the statement of financial position rather than be recognized in profit or loss to offset the items of expense that they finance. Since there is no repayment expected, such grants are recognized outside the statement of Financial Performance. In the financial year 2024/2025, the Authority deferred **Ksh 421,051,701** that was used to finance procurement of Tannery Equipment, Construction of Kajiado office, Installation of Tannery ERP software & construction of Agro-processing. The cost of the various assets acquired were as detailed on the table below,

	2024-2025	2023-2024
	<b>Kshs</b>	<b>Kshs</b>
Tea Expansion-	8,888,020	8,888,020
Tomatoes Factory	212,407,634	212,407,634
Kajiado office	10,098,050	10,098,050
EDMS plus ERP Tannery	10,250,987	10,250,987
Shoe Cutting Machine	0	5,000,000
Tannery Machinery	174,734,000	129,661,130
Tannery Building extension	4,673,010	
<b>Total deferred Income A/C</b>	<b><u>421,051,701</u></b>	<b><u>376,305,821</u></b>



The deferred Income movement is as follows:

	2024-2025 Kshs.	Total
<b>Balance brought forward</b>	<b>376,305,821</b>	<b>376,305,821</b>
<b>Addition.</b>	0	0
Transfers to Capital fund	(5,000,000)	(5,000,000)
Transfers to income statement	0	0
Additional Capital Items	49,745,880	49,745,880
<b>Balance carried forward</b>	<b><u>421,051,701</u></b>	<b><u>421,051,701</u></b>

## 26. Accumulated Development Fund

The Authority maintains an Accumulated Development Fund that accounts for government grants used in financing acquisition of Authority assets. This fund is adjusted for depreciation in the year and as at the close of financial year 2024/2025, the balance was Ksh. **941,203,390**.

### Summary Table: Accumulated Development Fund

	2024-2025
<b>Balance brought forward</b>	<b>938,246,353</b>
<b>Additions:</b>	0
Purchase of laptop	119,000
Tannery Building extension	31,326,016
Purchase of Shoes cutting machine	13,680,576
Embossing plate	8,695,450
<b>Less: Depreciation</b>	<b>(50,864,005)</b>
<b>Total</b>	<b>941,203,390</b>

## 27. Related Parties Transactions

The related parties are:

1. The National Government
2. The Ministry of East Africa community & Regional Development
3. Key management
4. The Directors

### Related party transactions

	2025 Kshs	2024 Kshs
Transfers from related parties'/Donor's	454,562,288	572,220,000
Transfers to related parties		0

### Key Management Remuneration

	2025 Kshs	2024 Kshs
Directors'	22,579,595	26,086,071
Key Management Compensation	18,353,144	21,728,624.8

### 28. (a) Reserves

In FY 2022-2023 the Authority revalued its Assets, the gain on revaluation is Ksh **301,014,313** the gain is a positive hence increases the reserved account. The total reserves as at the end of June 2024 was **Ksh.**

<b>Reserves Opening Balance as at 1/07/2024</b>	<b>589,617,503</b>
<b>Reserves as at 30<sup>th</sup> June 2025</b>	<b>589,617,503</b>

### 28 (b) Summary of Cashflow Statement- Analysis of Investing Activities

During the Financial year the increase in assets and work in progress was Ksh 68,321,042 out of which the table below shows what was paid that affects the cashflow statement.

	Amount (Ksh)
Acquisition of Assets (Laptop)	119,000
Tannery Building extension	31,326,016
Tannery Machinery	14,500,000
Shoes cutting Machine	8,680,576
<b>Sub-Totals</b>	<b>54,625,592</b>

### 30. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks. The company's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2025</b>				
Receivables from exchange transactions	9,919,451	9,919,451	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	2,764,824	2,764,824	0	0
<b>Total</b>	<b><u>12,684,275</u></b>	<b><u>12,684,275</u></b>	<b>0</b>	<b>0</b>
<b>At 30 June 2024</b>				
Receivables from exchange transactions	11,673,063	11,673,063	0	0
Receivables from non –exchange transactions	0	0	0	0
Bank balances	132,423,139	132,423,139	0	0
<b>Total</b>	<b><u>144,096,202</u></b>	<b><u>144,096,202</u></b>	<b>0</b>	<b>0</b>

The customers under the fully performing category are paying their debts as they continue trading with the Authority. The credit risk associated with these receivables is minimal.

The board of directors sets the Authority'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 Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through



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continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the company 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
<b>At 30 June 2025</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Trade payables	-	99,614,766.75	164,153,637	263,768,404
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>99,614,766.75</b>	<b>164,153,637</b>	<b>263,768,404</b>
<b>At 30 June 2024</b>				
Trade payables	595,613	43,514,288	155,340,554	199,450,455
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>595,613</b>	<b>43,514,288</b>	<b>155,340,554</b>	<b>199,450,455</b>

### 31. Events after the Reporting Period

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

### 32. Ultimate and Holding Entity

The Authority is a State Corporation under the Ministry of East Africa Community, ASAL and Regional Development. Its ultimate parent is the Government of Kenya.

### 33. Currency

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



34. APPENDICES

**APPENDIX I: 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: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
No.1	Inconsistent record of Tomatoes processing Factory	The project has stalled due to lack of Exchequer allocation	Not Resolved	
No.2	Lack of ethnic Diversity in staffing	This is a historical issue that management has put plans to correct the imbalances	Not Resolved	
No.3	Budgetary Controls & Performances	Explanation on over/under utilization submitted to OAG	Resolved	
No.4	Non-Compliance with law on Recruitment of staff living with disabilities	The Authority has a policy on equal opportunities and PWD are always encourage to apply any opportunities	Not Resolved	
No.5	Non-Implementation of E-procurement procedures	The Authority publishes all its tenders in Public Procurement Information Portal (PIIP) account.	Resolved	
No.6	Inefficient Revenue Generating System	The Authority has acquired new Machine which will increase productivity in the Factory	Resolved	
No.7	Expired Chemicals	The management has contacted the manufacturer on use of these chemical.	Resolved	
No.8	Long outstanding Trade & other payables	Management has reviewed the above payables and settled a significant amount whose retention period has lapsed.	Resolved	



No.9	Composition of the Board of Directors	The Authority is in compliance with its Cap 447 of 1989 on appointment of Board members.	<i>Resolved</i>	
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MANAGING DIRECTOR

DATE: 29/06/2025



**APPENDIX II: PROJECTS IMPLEMENTED BY DONORS**

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)
<b>FLARAK</b>		UNDP		0		

**STATUS OF PROJECTS COMPLETION**

Project	Total project Cost	Total expended to date	Com pletio n % to date	Budget	Actual	Sourc es of Funds
				<b>FY 2024/25</b>		
		<b>Ksh</b>		<b>Ksh.</b>	<b>Ksh.</b>	
1 Ewaso Ngiro Tannery and Leather Factory – Phase I	1,400,000,000	1,435,476,224	98%	0	97,655,657	GOK
2 Integrated Bamboo Commercialization project – Phase I	650,000,000	293,984,269	59%	0	0	GOK
3 Oloyiungalani Dam	500,000,000	366,886,015	86%	0	0	GOK
4 Drought Mitigation Programme		672,541,022	60%	145,000,000	148,694,462	
5 Integrated Tea Development – Tea expansion programme (phase II)		49,487,808	40%		0	GOK
6 Tomato Agro – processing factory	1,000,000,000	313,911,597	35%	0	0	GOK
Narabala Dam		37,300,732	100%		0	GOK
Kimintet Dam		92,992,454	100%		0	GOK
<b>Total</b>	<b>3,550,000,000</b>	<b>3,262,580,121</b>		<b>145,000,000</b>	<b>246,350,119</b>	

APPENDIX III: INTER-ENTITY TRANSFERS

<b>EWASO NGIRO SOUTH DEVELOPMENT AUTHORITY</b>			
<b>TRANSFERS FROM THE MINISTRY OF EAST AFRICA COMMUNITY</b>			
	<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FINANCIAL YEAR</b>
<b>Recurrent Grants</b>	08.08.2024	21,938,524	FY 2024/2025
	11.09.2024	21,938,524	FY 2024/2025
	10.16.2024	87,754,096	FY 2024/2025
	11.07.2024	43,877,048	FY 2024/2025
	12.11.2024	43,877,048	FY 2024/2025
	18.01.2025	43,877,048	FY 2024/2025
	04.11.2025	46,300,000	FY 2024/2025
	<b>Total</b>	<b>309,562,288</b>	
<b>Development Grants</b>	12.11.2024	143,750,000	FY 2024/2025
	05.18.2025	1,250,000	FY 2024/2025
		<b>145,000,000</b>	



**APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Name of the MDA/Donor	Date received	Where Recorded/recognized		Deferred Income	Total Transfers during the Year
		Nature: Recurrent/Development/Others	Total Amount KES		
Ministry of East Africa Community (EAC) and Regional Development	Refer to Appendix 2.	Recurrent	309,562,288		309,562,288
Ministry of East Africa Community (EAC) and Regional Development	Refer to Appendix 2.	Development	145,000,000		145,000,000
<b>Total</b>			<b>454,562,288</b>		<b>454,562,288</b>



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**Appendix V- Inter-Entity Confirmation Letter**

ENSDA  
P.O. Box 213-20500  
Off Narok -Sotik Rd  
Opposite Maasai Mara University  
Narok, KENYA

The Ministry of East Africa community, Asal and Regional Development wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by ENSDA as at 30 <sup>th</sup> June 2025						
Reference Number	Date Disbursed	Amounts Disbursed by Ministry of East Africa community, Asal and Regional Development (KShs) as at 30th June 2025				Remarks
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)	
EFT	27 <sup>th</sup> June 2024	309,562,288	145,000,000	0	454,562,288	All amounts received as send
<b>Total</b>		309,562,288	145,000,000	0	454,562,288	

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

Head of Accountants department of beneficiary Entity:

Name CPT Nampaso J. Kujia Sign [Signature] Date 29.08.2025

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**APPENDIX VI. Detail Analysis of Payable FY 2024/2025**

<b>NAMES OF PROJECTS</b>	<b>DESCRIPTION</b>	<b>Balance B/F</b>	<b>Add</b>	<b>Paid</b>	<b>Balance to date</b>	<b>Ageing</b>
<b>Recurrent</b>						
Dynamicnav System	Tannery ERP & EDMS	6,563,387		-	6,563,387	3 year
Neyeyios cleaning service	Provision of cleaning service for June 2024	180,000	180,000	(180,000)	180,000	1 Month
Cruizing Autoworld Ltd	Repair and maintenance of authority vehicles	54,203		(54,203)	-	1 weeks
Nosim Security Servies	payment for the security Guard		1,713,600		1,713,600	2 Months
AndrimaxAgencies	Construction of Kajjado office	957,163		-	957,163	2 year
Pelican Insurance	payment for Insurance Policy		3,341,929		3,341,929	3 months
Staff cost	Being staff Deductions for May 2025		12,843,099		12,843,099	2 months
Staff cost	Being staff salaries for June 2025		22,060,449		22,060,449	1 month
Gender and Disability Development Center	Payment for training fee		193,836		193,836	1 month
<b>Sub- Total</b>		<b>7,754,753</b>	<b>40,332,913</b>	<b>(234,203)</b>	<b>47,853,463</b>	
<b>Development</b>						
Greymore	Irrigation 20ha model farm	5,028,978		(5,028,978)	-	2 year
Sigani Associates	Consultancy service	4,787,940		(3,010,900)	1,777,040	8 months
Gevinia Investment	Establishment of 50 acre demonstration Farm at kimuka	179,800		-	179,800	2 year
Lornis supplies	payment for fencing of Kimuka	646,241			646,241	2 year
C & P Shoes Industries Ltd	Payment for Supply, Delivery, Installation & Commission of Tannery Plant & Machinery	45,072,870		(14,500,000)	30,572,870	2 years
Enduet Holding ltd	Construction of Kimuka Demo Farm	830,203			830,203	1.5 year
Nalasha Enterprise lt	Being suppy of Milk for	189,400		(189,400)	-	1 month
Shan & Liam Kenya ltd	Purchase of bamboo tools	400,610		(400,610)	-	1 week

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Staff claims	payment for staff claims	140,800		(140,800)	-	1 week
Kathoz Building and Construction ltd	Payment for the Construction of Tomatoes Factory Agro-processing Plant.	49,670,589			49,670,589	10 months
Famitech Solution Ltd	Supplied of T-shirt during Tannery commissioning		2,280,000		2,280,000	1 Month
Inkidongi Enterprise Ltd	Purchase of Embossing Plate		8,695,450		8,695,450	1 Month
Jossie Construction Limited	Payment for construction of Tannery Building extension		6,182,167	(1,509,157)	4,673,010	1 Month
<b>Sub Total</b>		<b>106,947,431</b>	<b>17,157,617</b>	<b>(24,779,845)</b>	<b>99,325,203</b>	
<b>Drought Mitigations</b>						
Genoma Enterprises	Kiminet Dam construction	840,420			840,420	2 years
Nangelesha	Auxilliary works for Daraja &Tikoish borehole	199,839			199,839	2 years
Mount Everest water drilling company	Orbili	4,468,812			4,468,812	2 years
Pumpstech Solutions Limited	Drilling and equiping of two number boreholes in kajiado east and kajiado south	2,930,144			2,930,144	2 year
Manacon Construction Company ltd	Drilling and equiping of two number boreholes in narok east and narok south	3,517,680			3,517,680	2 year
Maji Africa Limited	Drilling and equiping of two number boreholes in kajiado central and kajiado west	8,774,101		(8,774,101)	-	2 year
Lewa-Magil Consult limited	Equiping borehole and auxiliary works in kajiado central	441,452			441,452	2 year
Zechenu Enterprises Limited	Construction of olngarua/loita dam	2,672,874			2,672,874	2 year
Sanlix Limited	Construction of kimuka dam	650,800			650,800	2 year

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Gemona Enterprises Limited	Construction of paranai dam	2,978,696		(2,425,096)	553,600	2 year
Gemona Enterprises Limited	Construction of kuku dam	1,247,000			1,247,000	2 year
Zenith Office Expedition soln	Construction of kuyiana dam	9,971,882			9,971,882	2 year
Josie Construction Limited	Construction of nkineji dam	2,594,584		(2,594,584)	-	2 year
Jacmpka Company Ltd	Construction of Modern Kitchen Block, Enare Ng'iro Sec	159,633		(159,678)	-	1 year
Snavem Enterprises Limited	Construction of olepolos water pan	12,826,630		(7,921,060)	4,905,570	1 year
Budken Building Construction ltd	Construction of ilmaroroi water pan	16,493,112		(15,668,456)	824,656	1 year
Pingdich Technologies Limited	Construction of Ronkena Water Pan	13,283,717		(12,091,731)	1,191,986	1 year
Kanchori Mutali & Co Advocate	legal fee for signing contracts	696,895		(696,895)	-	1 year
Enduet Holding ltd	For construction of Electric perimeter fence at Olgulului Dam		5,930,451	(5,650,305)	280,146	10 months
Elerai Building & Company	Construction of Erarait water Pan		16,630,822	(11,731,499)	4,899,323	10 months
Josma Holding	Construction of Ewaso Ng'iro Water pan		1,596,331	(1,596,331)	-	10 months
TX Construction Ltd	Construction of Ngosuani water supply		16,665,650		16,665,650	10 months
TX Construction Ltd	Drilling & Equiping of Olopirik & Oldoinyo Longoswani		17,651,674		17,651,674	10 months
Gemona Enterprises Limited	Construction of Risa water pan		23,752,890		23,752,890	2 months
Enduet Holding ltd	Construction of Kitikilini water pan		18,923,341		18,923,341	2 months
<b>Sub Total</b>		<b>84,748,271</b>	<b>101,151,159</b>	<b>(69,309,736)</b>	<b>116,589,738</b>	
<b>GRAND TOTAL</b>		<b>199,450,455</b>	<b>158,641,689</b>	<b>(94,323,784)</b>	<b>263,768,404</b>	

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**SEGMENTED REPORT**

*Summary of the FY 2024-2025 Income Statement*

<b>Income Statement</b>	<b>Ksh 000</b>
Income	
Finished leather	16,564
Footwear	183
<b>Total Income</b>	<b>16,747</b>
Variable Costs of Production	
Raw Hides	2,928
Tannery chemicals	3,671
ETP Chemicals	1,818
Electricity	1,094
Fuels	2,643
<b>Total Variable Costs</b>	<b>12,154</b>
<b>Variable Contribution</b>	<b>4,593</b>
<b>Less: Fixed Costs</b>	<b>45,250</b>
<b>Loss from Operations</b>	<b>(40,657)</b>
Statement of Cash Flows	
Capital Expenditure	
Construction Tannery Extension Building	31,326
<b>Total Cash Used in Operations &amp; CAPEX</b>	<b>(71,983)</b>

*Cost and Revenue per Square Foot*

<b>Item</b>	<b>Ksh/SQFT</b>
<b>Income: Finished leather</b>	<b>115</b>
Variable Costs of Production	
Raw Hides	20
Tannery chemicals	25
ETP Chemicals	13
Electricity	8
Fuels	14
<b>Total Variable Costs</b>	<b>80</b>
<b>Variable Contribution</b>	<b>35</b>

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*Total Fixed Costs*

Description	Ksh '000'
Tannery Casuals	1,509
Other Tannery Overheads	12,954
Purchase of spare parts	4,614
Tannery Commissioning	9,134
ETP Repair	6,575
Removal of the sludge	4,756
Administrative costs	4,016
Traveling expenses	1,692
<b>Total Fixed Costs</b>	<b>45,250</b>

*Average Net Price per Square Foot*

Article	Total SQFT sold	Amount (Ksh)	Avg price (Ksh/SQFT)	%
Girdle Leather	54,850	5,698,133	104	38%
Black Uppers III	42,088	4,999,443	119	29%
Coloured Uppers TR	10,182	1,323,660	130	7%
White Uppers	5,816	756,080	130	4%
Black Uppers TR	5,404	695,735	129	4%
Other 23 articles	26,112	3,091,124	118	18%
<b>Total</b>	<b>144,451</b>	<b>16,564,174</b>	<b>115</b>	<b>100%</b>

