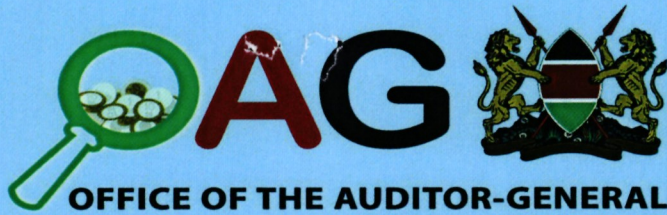


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**REPORT**

**OF**

THE NATIONAL ASSEMBLY  
PAPERS L.A.T.D

DATE: 10 FEB 2022

**THE AUDITOR-GENERAL**

**ON**

**SMALL-SCALE IRRIGATION AND VALUE  
ADDITION PROJECT – (ADF LOAN  
NO.2000130014530 AND GRANT  
NO.557015000751)**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

**STATE DEPARTMENT FOR CROP  
DEVELOPMENT AND AGRICULTURAL  
RESEARCH**



TABLED BY: LDM	
CLERK AT THE TABLE: B. Inzofu	



**Project Name: SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT**

**Implementing Entity: STATE DEPARTMENT FOR CROP DEVELOPMENT AND  
AGRICULTURAL RESEARCH**

**PROJECT GRANT/CREDIT NUMBER: 5570155000751/2000130014530**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2021**

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

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**TABLE CONTENTS**

<b>1. PROJECT INFORMATION AND OVERALL PERFORMANCE</b> .....	ii
2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES ...	xvii
<b>3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT</b> .....	xxiii
4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES .....	xxv
5. REPORT OF THE INDEPENDENT AUDITOR ON THE SIVAP PROJECT .....	xxvi
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021. ....	1
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021.....	2
8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021 .....	3
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS .....	5
10. SIGNIFICANT ACCOUNTING POLICIES .....	8
11. NOTES TO THE FINANCIAL STATEMENTS .....	16
12. OTHER IMPORTANT DISCLOSURES .....	31
13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS .....	36
14. ANNEXES.....	38

## PROJECT INFORMATION AND OVERALL PERFORMANCE

### 1.1 Name and registered office

**Name:** The project's official name is **SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**,

**Objective:** The key objective of the project is **To contribute to poverty reduction by ensuring increased agricultural productivity and incomes; and food security among beneficiaries in eleven counties by June 2022**

**Address:** The project headquarters offices are Located in **HILL PLAZA BUILDING, 9<sup>th</sup> Floor, Opposite Milimani Law Courts, Ngong Road, P.O. Box 30028-00100, NAIROBI, Kenya.**

**The address of its registered office is: P.O. Box 30028-00100, NAIROBI, Kenya.**

The project also has offices/branches as follows:

- County Headquarters, Machakos County
- County Headquarters, Makueni County
- County Headquarters, Kitui County
- County Headquarters, Kajiando County
- County Headquarters, Muranga County
- County Headquarters, Nyeri County
- County Headquarters, Bomet County
- County Headquarters, Meru County
- County Headquarters, Tharaka Nithi County
- County Headquarters, Nyandarua County
- County Headquarters, Tana River County

**Contacts:** The following are the project contacts

Telephone: (254) 722 827 425/ 0722 886 584

E-mail [npcsivap@gmail.com](mailto:npcsivap@gmail.com)

Website: [www.kilimo.go.ke](http://www.kilimo.go.ke)

### 1.2 Project Information

Project Start Date:	The project start date is <b>1<sup>st</sup> July 2016</b>
Project End Date:	The project end date is <b>30<sup>th</sup> June 2022</b>
Project Manager:	The project manager is <b>Eng. Kennedy Wanderah Makudih</b>
Project Sponsor:	The project sponsor is the <b>Government of Kenya (GoK), The African Development Bank (AfDB) and Global Agriculture &amp; Food Security Programme (GAFSP)</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**1.3 Project Overview**

Line Ministry/State Department of the project	<b>The Project is being implemented and Supervised by the State Department for Crops Development in the Ministry of Agriculture, Livestock, Fisheries and Cooperatives.</b>
Project number	ADB Loan 2000130014530 & GAFSP GRANT 5570155000751
Strategic goals of the project	The strategic goals of the project are as follows: <ul style="list-style-type: none"> <li>▪ Enhancing Irrigation Infrastructure and Water Resources Development;</li> <li>▪ Improved Access to Markets and Strengthening Value Chain;</li> <li>▪ Institutional Strengthening and Capacity Development;</li> </ul>
Achievement strategic goals of	The project management aims to achieve the goals through the following means: <ul style="list-style-type: none"> <li>(i) <b>Investment and provision of water infrastructure (Dams, Water pans, Boreholes, Shallow wells, Earth dams).</b></li> <li>(ii) <b>Investment in Irrigation Schemes and Micro Irrigation schemes</b></li> <li>(iii) <b>Improved Crop Production in the Irrigation schemes and the other water structures provided</b></li> <li>(iv) <b>Improved Crop Marketing and Management</b></li> <li>(v) <b>Improve livestock production marketing</b></li> </ul>
Other important background information of the project	<b>The Project aims at improving communities' resilience to drought and hence improve their livelihoods in a sustainable way.</b>
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: <ul style="list-style-type: none"> <li>(i) Enhancing Irrigation Infrastructure and Water Resources Development;</li> <li>(ii) Improved Access to Markets and Strengthening Value Chain;</li> <li>(iii) Institutional Strengthening and Capacity Development;</li> </ul>
Project duration	The project started on 1st July 2016 and is expected to run until 30 June 2022

#### 1.4 Bankers

The following are the bankers for the current year:

- (i) **Central Bank of Kenya (C.B.K) A/C No. 1000457716-Loan**
- (ii) **Central Bank of Kenya (C.B.K) A/C No. 1000457724-Grant**
- (i) **Central Bank of Kenya (C.B.K) A/C No. 1000457708-GOK**

#### 1.5 Auditors

The project is audited by the **Office of the Auditor General (OAG)**.

#### 1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

<b>Names</b>	<b>Title designation</b>	<b>Key qualification</b>	<b>Responsibilities</b>	<b>Contacts</b>
Eng. Kennedy Makudiuh	Senior Principal Superintendent Engineer	Msc. Agricultural Engineering	Project Co-ordinator	0722 827 425
Eng. George K. Kahuro	Senior Principal Superintendent Engineer	Msc. Agricultural Engineering	Deputy Project Co-ordinator/Component Manager	0722 886 584
Gerald K.Kurema	Principal Accountant	C.P.A (K) B.Com	Project Accountant	0716 891 735
Hillary Ngeno	Principal Agricultural Officer	Bsc. Agribusiness	M&E/Agribusiness Specialist	0725 805 810
Jackson Magembe	Supply Chain Management Officer I	Bachelor of Commerce-Procurement and Supply Chain Management	Project Procurement Specialist	0724 455 525
Elizabeth Mwanzia	Procurement Assistant	Diploma in Supply Chain Management	Project Procurement Assistant	0724 013 674
Jonah Kebeney	Superintendent Engineer	Bsc. Agricultural Engineering	Project Engineer	0720 837 775
Josephat	Agriculture	Bsc. Agricultural	Project Engineer	0720 349 322

***SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)***  
***Reports and Financial Statements***  
***For the financial year ended June 30, 2021***

Omari	Engineer	Engineering		
William Ndeka	Principal Agricultural Officer	Bsc. Horticulture	Horticulture Specialist	0722 212 235
Elizabeth Yegon	Principal Agricultural Officer	Msc. Gender & Agriculture	Gender Specialist	0720 133 479
Janet Oyuke	Principal Agricultural Officer	Msc. Environmental Science	Environment Specialist	0726 657 238
Samuel Okati	Principal Livestock Principal Officer	Msc. Agri. Resource Mgt	Livestock Specialist	0722 932 666
Adan Dahiye Maalim	Principal Agricultural Officer	Bsc. Agriculture	Environment Specialist	0725 383 735
Benard Wanjohi	Principal Agricultural Officer	Msc. Agriculture Information & Communication Management	ICT Specialist	0721 229 731

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)****Reports and Financial Statements****For the financial year ended June 30, 2021****1.7 Funding summary**

The Project is for a duration of six (6) years from 2016 to 2022 with an approved budget of US\$ 70.684 million equivalents of Kshs **6,833,641.32** as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30th June 2020)		Undrawn balance to date (30th June 2020)	
	<i>Donor currency(USD)</i>	<i>KShs</i>	<i>Donor currency(USD)</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
<b>(i) Grant</b>						
Global Agriculture and Food Security Programme	24,000,000.00	2,616,000,000.00	4,851,049.58	451,244,631.93	19,148,950.42	2,164,755,368.07
<b>(ii) Loan</b>						
African Development Bank	39,546,000	4,310,514,000.00	17,878,659.44	1,663,072,901.11	21,667,340.56	2,647,441,098.89
<b>(iii) Counter part funds</b>						
Government of Kenya	7,138,000	778,042,000.00	488,057.29	45,535,745.00	6,649,942.71	732,506,255.00
<b>Total</b>	<b>70,684,000.00</b>	<b>7,704,556,000.00</b>	<b>23,217,766.31</b>	<b>2,159,853,278.04</b>	<b>47,466,233.69</b>	<b>5,544,702,721.96</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (dd mm 20xx)		Undrawn balance to date	
	Donor currency	KShs	Donor currency KShs	KShs	Donor currency KShs	KShs
(iv) Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Global Agriculture and Food Security Programme	24,000,000	2,616,000,000	4,851,049.58	451,244,631.93	19,148,950.42	2,164,755,368.07
	-	-	-	-	-	-
(v) Loan						
African Bank	39,546,000	4,310,514,000	17,878,659.44	1,663,072,901.11	21,667,340.56	2,647,441,098.89
	-	-	-	-	-	-
(vi) Counterpart funds						
Government of Kenya	7,138,000	778,042,000	488,057.29	45,535,745.00	6,649,942.71	732,506,255.00
<b>Total</b>	<b>70,684,000.00</b>	<b>7,704,556,000.00</b>	<b>23,217,766.31</b>	<b>2,159,853,278.04</b>	<b>47,466,233.69</b>	<b>5,544,702,721.96</b>

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 <sup>th</sup> June 2021)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2021)	Unutilised balance to date (30 <sup>th</sup> June 2021)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
<b>(i) Grant</b>					
Global Agriculture and Food Security Programme	4,851,049.58	451,244,631.93	450,556,162.13	7,401.31	688,469.80
	-	-	-	-	-
<b>(i) Loan</b>					
African Development Bank	17,878,659.44	1,663,072,901.11	1,662,996,159.76	825	76,741.35
	-	-	-	-	-
<b>(ii) Counterpart funds</b>					
Government of Kenya	488,057.29	45,535,745.00	45,535,745	-	-
<b>Total</b>	<b>23,217,766.31</b>	<b>2,159,853,278.04</b>	<b>2,159,088,066.89</b>	<b>8,226.31</b>	<b>765,211.15</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)**

**1.8 Summary of Overall Project Performance:**

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

<b>Budget Item/Category</b>	<b>Printed Estimates</b>	<b>Revised Printed Estimates</b>	<b>Actual Expenditure Current Financial Year</b>	<b>% Absorption</b>
	<b>(Kshs)</b>	<b>(Kshs)</b>	<b>(Kshs)</b>	
GOK	999,997	604,894	495,100	82%
GRAND REVENUE	94,052,118	94,052,118	71,644,876	76%
GRANT A.I.A	532,661,980	663,961,980	80,244,068	12%
LOAN REVENUE	94,052,118	94,052,118	79,615,047	85%
LOAN A.I.A	697,603,901	566,603,901	435,142,863	77%
<b>TOTAL</b>	<b>1,419,370,114</b>	<b>1,419,275,011</b>	<b>667,141,954</b>	

**ii) Physical progress based on outputs, outcomes and impacts since project commencement,**

**OUTPUT REPORTING**

<b>Output Indicators (as specified in the RLF, add/delete rows as needed)</b>	<b>Most recent value</b>	<b>Annual Target (expected value at project completion)</b>	<b>End Target (expected cumulative value at completion)</b>	<b>Progress towards annual target (% realized)</b>	<b>Progress towards end target (% realized)</b>	<b>Assessment (on whether output indicator is on track to reach annual and end targets. If not on track, please justify)</b>
<b>Component 1 : Enhanced Water Infrastructure Development</b>						
<b>Subcomponent 1: Irrigation infrastructure developed and rehabilitated</b>						
1. Area with new irrigation and drainage services Developed (ha)	882Ha	882	1644	100%(Achieved- Makanyanga, Ruungu, Kirumi & Kabason- total=882)	53.65%	Ruungu and makanyanga 100% achieved- 406 Ha, Kabason- 250 ha, 75% completed , Kirumi -226 Ha is also 75% completed, Total achieved=882Ha
2. Area with	400 ha	300	957	133%(400 ha)	41.79%	Achived to date=

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

Improved/rehabilitated irrigation and drainage services (ha)						Oleshuru = 130 Ha, Ndiriti= 112.5 Ha, Utangwa=45 Ha, Kye Mwee=0 and Gikindu=113 ha Total=400.5
3. Rain fed area brought (catchments - Micro irrigation) under Irrigation (Ha)	160	120	300	133.3%	53.3%	The existing Hectares under micro irrigation has increased from 120Ha to 160 Ha due to farmer sensitizations and trainings. In addition the no of micro -irrigations were revised upwards from 60 to 90 after structure harmonisation workshop. For the 300 Hactares to be developed, sites have been identified and the designs & tendering for the structures finalized.
4. Beneficiaries Benefitted ( farmers HH Directly & Indirectly). 58% women	144,969	253,000	330,942	57.3%	43.8%	The total number of beneficiaries targeted at the end of the project is 1,143,710 person equivalent of 228,742 HHs (1HH has an varage of 5 Persons). Hence from the Logframe , the project has reached 724,968 persons equivalent to 144,969 HHs.
5.Scheme management entities formed & strengthened (Nos of IWUAs)	12	15	15	80%	80%	This includes 12 IWUAs Committees from the targeted 12 in PAR. All committes are mobilised and strenghtened but 2 are registered by Attorney Generals Office. NB. No of IWUAS revised to 15, following the new water regulations requiring IWUA to have a common water source to qualify for

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

						registration, then for Oleshuru/oleshenko irrigations scheme 4 IWUAS will be registered arising from the 4 blocks that have independent springs as their water source
<b>Subcomponent 2: Water Harvesting and storage infrastructure</b>						
1.Catchment /Structures management entities formed & Strenthened (Nos CDCs)	4	4	4	100%	100%	CDC- Catchment Development Committees which are umbrella bodies , with membership drawn from respective structure Sub Committes for 50 WP/ED, 80 BH/SW , 4 Water Sheds and 60 Micro Irrigations. (194 Sub committees
2.Design capacity (M3) of Water harvesting structures ( Water Pans (WP), Subsurface Dams (SSD) & Earth Dams (ED) Develope	165,000	200,000	250,0000	82.5%	66%	This indicator was revised during MTR to target capacity(m3) of water harvesting structures as opposed to no of structures. End of project target is 50 No with capacity of 5,000 M <sup>3</sup> = 250, 000 M <sup>3</sup> . The sites for 35 this structures have been indentified. 21 structures were advertised and evaluation just finalized and No Objection to be sought to award.
3. No. of Erosion control infrastructure	253	280	300	90.357%	84.33%	The Structures are mainly teraces(Km) done in 4 Irrigation schemes (Makanyanga, Ruungu,Kaboson and Kirumi kiamunjari) in preparation for production
4.No of operational (BH& SW)	19	25	60	76%	31.667%	This indicator was reviewed to capture no. of operational Bore Holes(BH)/ Shallow wells (SW).

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

						Hydro-geological surveys, for 19No. Boreholes has been concluded and advertisement for drilling and equipping done and evaluation ongoing and expected to be concluded by 1 <sup>st</sup> week of July 2020.. Hydrological surveys for more boreholes ongoing but greatly affected by covid-19 outbreak.
5 . Ha. of Watershed catchment area protected ( Denuded lands)	4,980	2000	15000	249%	33.2%	Rehabilitation has started in Kitui (Mumaki) and Mackakos catchment after the mobilization and sensitisation of the Catchment development Committee. Sites in all Water sheds/ Catchment have been indentified. Designs & Tender documents preparation ongoing .
6.Area (ha) under soil and water conservation technologies and practices	4,750	2000	15000	145% (Achieved 2,900 out of the targeted 2000 Ha)	31.667% (Achieved so far 4,750 Ha)	Area (ha) under soil and water conservation technologies and practices in the catchment area totaling 15,000Ha
7. Catchment /Structures management entities formed & Strengthened (Nos CDCs)	150	160	300	93.75%	50%	CDC- Catchment Development Committees which are umbrella bodies , with membership drawn from respective structure Sub Committes for 50 WP/ED, 80 BH/SW , 4 Water Sheds and 60 Micro Irrigations. (194 Sub committees
<b>Component 2: Improved access to markets and strengthening value chains</b>						
1. Km of rural access roads infrastructure Developed	273.2	250	300	109.2%	91.06%	The roads done are in Ruungu (40 Km) under construction contract, Kirumi (30 Km ) by County Government,

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

						Makanyanga (40 Km) by County Government and Rubiru (30 Km), Kaboson 35 by County government. Other rural access roads in Schemes & Catchments have been identified. Construction works for additional additional 48.2 KM on going while 5KM road in Kirumi was terminated.
2. No. of post harvest handling facilities (Grading sheds and storage facilities) Constructed	5	6	16	83.33%	31.25%	Construction works for 5 marketing/grading sheds currently ongoing at 45% completion average. Revised from 11 to 16 to include all 16 sites ..
3. No. of Agro - market Centres Constructed	5	6	11	83.33%	45.45%	The market Centres will be done together with produce handling facility, this structure will be designed to accommodate both produce handling and Agroprocessing/ value addition.
4. No. of Marketable Commodities	5	6	16	83.33%	31.25%	Crop Value chains for 9 irrigation schemes have been prioritised and production planning done in 2 Schemes (Ruungu & Makanyanga ) . The production, market linkage ongoing in all 16 sites(12 Schemes & 4 Catchments).
5. No. of livestock Market access infrastructure constructed and rehabilitated	5	6	11	83.33%	45.45%	Livestock Value chains for 9 irrigation schemes have been prioritised and production planning done in 2 Schemes (Ruungu & Makanyanga ) . The production, market

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

						linkage ongoing in all 16 sites(12 Schemes & 4 Catchments). Construction works of 4 livestock saleyards advertised and evaluation concluded, awarded and contracts handed over to contractors to commence construction works.
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**OUTCOME REPORTING**

Outcome Indicators (as specified in the RLF add/delete rows as needed)	Baseline Value	Most recent value	End Target (expected value at project completion)	Progress towards end target (% realized)	Assessment (on whether outcome indicator is on track to reach annual and end targets. . If not on track, please justify)
<b>Outcome 1: Increased agricultural productivity</b>					
<b>Increased Crop production</b>					
Green Maize	2.5	9.8	15	65.33%	Not on track, target to be fast tracked through more trainings and farmers support
Bananas	4	5.4	10	54%	Not on track, target to be fast tracked through more trainings and farmers support
French beans	0.27	5.0	11	45.45%	Not on track, target to be fast tracked through more trainings and farmers support
Water melon	5	14.3	25	57.20%	Not on track, target to be fast tracked

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

					through more trainings and farmers support
Tomatoes	2.5	9.6	25	38.40%	Not on track, target to be fast tracked through more trainings and farmers support
<b>Increased Quantities of livestock product</b>					
Indegenous chicken meat	7,297.0	5,670	10,683.5	53.07%	Not on track, target to be fast tracked through more trainings and farmers support
Milk	133,553	108,950	195,535	55.72%	Not on track, target to be fast tracked through more trainings and farmers support

**iii) Comment on value-for-money achievements,**

**For all the projects undertaken and completed by the project so far, there has been value for money for the money used and the standard of living of the beneficiaries have been improved.**

iv) **Absorption rate for each year since the commencement of the project**

<b>Financing Source</b>	<b>Total Approved (USD)</b>	<b>Absorption as at 30<sup>th</sup> June 2017</b>	<b>Absorption as at 30<sup>th</sup> June 2018</b>	<b>Absorption as at 30<sup>th</sup> June 2019</b>	<b>Absorption as at 30<sup>th</sup> June 2020</b>	<b>Absorption as at 30<sup>th</sup> June 2021</b>
<b>Loan</b>	39,546,000	1.41%	12.35%	21.6%	26%	39.35%
<b>Grant</b>	24,000,000	0.11%	1.82%	7.02%	8%	14.6%
<b>GoK</b>	7,138,000	3.88%	6.23%	11.20%	19.7%	19.71%
<b>Total</b>	70,684,000	1.8%	8.16%	15.75%	19.25%	33%

v) **List the implementation challenges and recommended way forward.**

<b>Implementation Challenge</b>	<b>Way Forward</b>
Feasibility studies, survey and designs of structures take long to conclude.	Use of internal government specialist personnel rather than go for consultancies.
Dishonest, slow and problematic contractors.	Carrying out due diligence before award of contracts. Blacklisting of problematic contractors.
Slow disbursement progress of project funds.	Project managers called to draw action plans to improve disbursements for the projects they manage.

**1.9 Summary of Project Compliance:**

- i) Include significant cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants,

**Thus far there have been no cases of Non-Compliance to applicable laws and regulations during project implementation.**

- ii) Include consequences suffered on account of non-compliance or likely to be suffered.

**Not Applicable.**

- iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.

**Always sticking to the laid down applicable laws and regulations like the PFM Act and procurement laws and regulations.**

***SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)***  
***Reports and Financial Statements***  
***For the financial year ended June 30, 2021***

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## **2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

### **Introduction**

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

### **Project Goal/Purpose**

The project will contribute to activities that are required to be implemented within the period of the Medium-Term Plan (MTP-II 2013-17 and MTP-III 2018-21) that is intended not only to modernize agriculture in Kenya but also offer improved household welfare and increased income levels.

The broad objective of SIVAP is to contribute to poverty reduction by enhancing agricultural productivity and income, and food security among beneficiaries of these 11 counties. The direct and indirect beneficiaries include 104,000 farming households, (54,000 are direct beneficiaries while over 50,000 are indirect beneficiaries) making a total of 520,000 persons – of which 58% are women and youths in eleven counties of the country. The indicators to measure success of the project will include Rural Poverty Index (% age of Population living below USD1.25, Percentage of stunting in under-5 children (%), Global hunger index, Average crop yields (mt/ha) and Average livestock production. Information on these indicators will be obtained from; Kenya Bureau of Statistics, Household survey, MoALF's Crop forecasting surveys, M & E Studies, Project Impact study, Health survey reports, Rural Poverty Index for Kenya reports and farmer interviews

### **Project Objectives**

The specific project objectives are:

- Enhancing Irrigation Infrastructure and Water Resources Development;

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)****Reports and Financial Statements****For the financial year ended June 30, 2021**

Outcome: Enhanced Irrigation Infrastructure (12 schemes) and Water Resources Development (60 micro-irrigation schemes) by 2022

- Improved Access to Markets and Strengthening Value Chain;

Outcome: improved livestock infrastructure and market access by constructing/ upgrading of 11 crop and livestock marketing facilities by 2022

- Institutional Strengthening and Capacity Development;

Outcome: Give capacity to 412 TOTs in 7 thematic areas to support formation and strengthening of farmer institutions by 2019

- Project Coordination and Management;

Outcome: Well developed and functional coordination structures (PSC, PCU, and 11 CCUs) by 2022

<b>KENYA-SMALLSCALE AND VALUE ADDITION PROJECT (SIVAP)-PROGRESS AS AT 30TH JUNE 2021</b>				
Indicator	Start of Programme		Achievement	% Progress to target
	Baseline	End of Prog. Target		
2.1. Increased Agricultural Productivity				
2.1.1 Increased Average crop yields (mt/ha)				
Green Maize	2.50	15	8	53.3
Bananas	0	10	4.2	42.0
French Beans	0.27	11	4.5	40.9
Water Melon	5	25	12	48.0
Tomatoes	2.5	25	7.5	30.0
2.1.2 Increased Quantities of livestock products(Mt/yr)				
Indigenous chicken meat	7,297.0	10,683.5	4,550.0	42.6
Milk	133,553	195,535	88,506	45.3
Goat meat(chevon)	3,355	4,913	2,203	44.8
Honey	1,290	1,889	804	42.6

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

Beef	800	878	393	44.7
2.1.3 Post Harvest Loss reduction in crops produced (%)	40	20	30	25.0
2.1.4 Number of farmers who have adopted the technology being promoted	6,000	119,652	20,000	16.7
2.1.5 Number of additional hectares which have adopted the technology being promoted	200	2556	1360	53.2
2.2 Enhanced Value Addition of crops and livestock products				
2.2.1. Increased incomes from value added products(%)	5	50	20	40.0
3.1 Irrigation Schemes constructed and rehabilitated				
3.1.1 Percentage completion of additional area with improved/rehabilitated irrigation and drainage services	0.078	100	45	45.0
3.1.2 Area with improved/rehabilitated/new irrigation and drainage services (ha)	200	2556	1640	62.6
3.2 Soil and Water conservation				
3.2.1 Percentage completion of new rain fed area brought (catchments -Micro irrigation) under Irrigation (Ha)	0	100	33	33.0
3.2.2 Area of new rain fed area brought (catchments -Micro irrigation) under Irrigation (Ha)	0	300	100	33.0
3.2.3 Design capacity (M3) of Water harvesting structures ( Water Pans (WP), Subsurface Dams (SSD) & Earth Dams (ED) Developed	70,000	250,000	125,000	50.0
3.2.4 Area (ha) under soil and water conservation technologies and practices	0	15,000	1550	10.3
3.2.5 No of operational (BH& SW)	0	60	19	31.7
3.3 Crop and Livestock intensification and diversification				
3.3.1 Number of demonstrations set up	0	1026	2083	203.0
3.3.2 Number of farmers participating in the demonstrations	0	18510	6000	32.4
Males	0	7774.2		
Females	0	10735.8		
3.3.3 Number of farmers who have replicated the technology being promoted	6,000	119,652	20,000	16.7

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

4.1 Access to market				
4.1.1 Km of rural access roads infrastructure Developed	50	300	160	53.3
4.1.2 Number of public-private agro-processing and quality control facilities installed	0	16	6	37.5
4.1.3 Volume of farm produce under improved post-harvest management				
4.1.3.1 Volume of crop farm produce under improved post-harvest management(tonnes)	6189	38476	15000	39.0
4.1.3.2 Volume of Livestock farm produce under improved post-harvest management(tonnes)	120556	209595	80,000	38.2
4.1.4 Number of rural markets/market centers constructed	0	22	11	50.0
4.1.5 Number of market linkages and collective marketing platforms	0	96	9	9.4
5.0 Institutional strengthening and Capacity Development				
5.1.1 Number of targeted clients who are members of an association including producer association, cooperative, water user association etc	0	32392	3000	9.3
Males	0	13604.64		
Females	0	18787.36		
5.1.2 Number off staff trained	0	414	482	116.4
5.1.3 Number of client days of training on better post-harvest storage, transportation, and/or management practices provided	0	80	50	62.5
5.1.4 Number of beneficiaries supported by project	6,000	598,260	200,000	33.4
Males	3,300	251,269	84,000	
Females	2,700	346,991	116,000	
5.1.5 Number of client days of extension services provided to farmers	0	8400	6432	76.6
5.1.6 Number of people receiving improved nutrition services (bio-fortified foods, home gardens and utilization)	0	2,400	1350	56.3
Males		1008	567	
Females		1392	783	
6.1.1 Operational coordination units activities	0	29	0	100.0

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

6.1.2 Number of environmental assesment and audit ( ESMP,ESMF,EA )	0	407	67	10.8
6.1.4 A functional M&E system	0	1	0.7	50.0
6.1.5 Number and cost of analytical reports published	0	12	2	16.7

**Progress on attainment of Strategic development objectives**

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

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
SIVAP	Enhancing Irrigation Infrastructure and Water Resources Development;	Enhanced Irrigation Infrastructure (12 schemes) and Water Resources Development (60 micro-irrigation schemes) by 2022	Area with improved/rehabilitated/new irrigation and drainage services (ha)	45% of end project target of 2556ha under improved irrigation and drainage services
	Improved Access to Markets and Strengthening Value Chain	improved livestock infrastructure and market access by constructing/ upgrading of 11 crop and livestock marketing facilities by 2022	No of market access facilities constructed	4 livestock markets advertised and handed over to contractors for construction works
	Institutional Strengthening and Capacity	Give capacity to 412 TOTs in 7 thematic	No of TOTS Trained	414 trained surpassing the end of project

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

	Development	areas to support formation and strengthening of farmer institutions by 2019		target hence 100% achievement
	Project Coordination and Management	Well developed and functional coordination structures (PSC, PCU, and 11 CCUs) by 2018	No of PSC, PCU, and CCUs by 2018	PSC, PCU, and 11 CCUs were in place by 2018 hence 100% achievement

### **3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

SIVAP exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on putting the customer/ Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements.

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

From the inception of the project community participation was given prominence, where communities participated in joint site identification. This was done with the communities for success in the project, ownership and sustainability

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

The project has continuously conducted ESMP monitoring for all its projects during the site management meetings till completion of the projects

#### **3. Market place practices-**

The organisation should outline its efforts to:

##### **a) Responsible competition practice.**

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

**The project ensures that there is responsible competition by ensuring level playing field for all seeking services like contracts within the project. All have equal chances and the criteria for contract evaluation is applied evenly to all.**

##### **b) Responsible Supply chain and supplier relations-**

explain how the organisation maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices.

**The project treats its suppliers well by paying them within the contracts periods and in the agreed contracts amounts.**

##### **c) Responsible marketing and advertisement-**

outline efforts to maintain ethical marketing practices. **The project maintains ethical practises throughout its project cycle.**

**4. Community Engagements-**

From the inception of the project community participation was given prominence, where communities participated in joint site identification. This was done with the communities for success in the project, ownership and sustainability

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES**

The **Principal Secretary** for the **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

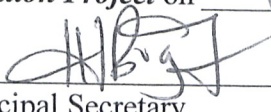
The **Principal Secretary** for the **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

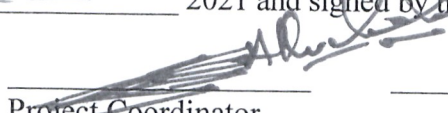
The **Principal Secretary** for the **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The **Principal Secretary** for **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

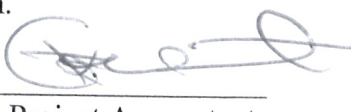
The **Principal Secretary** for the **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

**Approval of the Project financial statements**

The Project financial statements were approved by the **Principal Secretary** for the **Ministry of Agriculture, Livestock, Fisheries and Irrigation** and the **Project Coordinator** for **Small Scale Irrigation and Value Addition Project** on 10-12 2021 and signed by them.

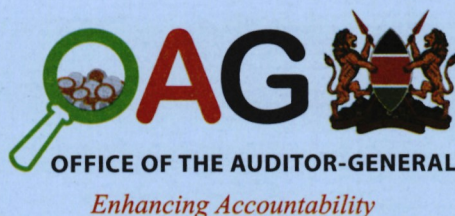
  
Principal Secretary

  
Project Coordinator  
Name **Eng. Kennedy Makudiuh**

  
Project Accountant:  
Name: **Gerald Kurema**  
ICPAK Member No.8980

# REPUBLIC OF KENYA

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON SMALL-SCALE IRRIGATION AND VALUE ADDITION PROJECT – (ADF LOAN NO. 2000130014530 AND GRANT NO.557015000751) FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH**

### PREAMBLE

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

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

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

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

*Report of the Auditor-General on Small-scale Irrigation and Value Addition Project (ADF Loan No.2000130014530 and Grant No.5570155000751)) for the year ended 30 June, 2021- State Department for Crop Development and Agricultural Research*

the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Small-scale Irrigation and Value Addition Project set out on pages 1 to 37, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Small-scale Irrigation and Value Addition Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and Public Finance Management Act, 2012 and comply with Section 5.03 of the Loan Agreement No.2000130014530 and Protocol of Agreement Grant No.5570155000751 signed on 4 February, 2016 between the Republic of Kenya and the African Development Bank.

### Basis for Qualified Opinion

#### 1. Unsupported Over-payment in Respect of Contract for Construction of Makanyaga Irrigation Scheme

The statement of receipts and payments reflects an expenditure of Kshs.515,386,932 under payments made by third parties in respect of acquisition of non-financial assets and as disclosed in Note 8 to the financial statements. The expenditure was incurred on construction of civil works. Included in this figure is an amount of Kshs.20,917,383 paid to a contractor for the construction of Makanyaga Irrigation in Tharaka Niithi County during the year ended 30 June, 2021.

Records made available for audit indicated that a firm was contracted at a tender sum of Kshs.164,694,456 for the construction of the Irrigation Scheme. However, examination of related expenditure records which included payment vouchers, payment certificates and supporting documents revealed that the contractor was paid a total of Kshs.189,207,651.50 instead of the contract sum of Kshs.164,694,456, hence an unexplained overpayment of Kshs.24,513,195.50.

In the circumstances, the accuracy and validity of the excess payment of Kshs.24,513,195.50, which includes an amount of Kshs.20,917,383 paid to the contractor during the year under review could not be confirmed.

## **2. Unsupported Expenditure on Seeds and Seedlings**

The expenditure of Kshs.167,182,953 in respect to use of goods and services and as disclosed in Note 6 to the financial statements, includes a payment of Kshs.12,752,500 for the supply and delivery of agricultural materials - assorted seeds and seedlings. These seeds and seedlings were procured from two suppliers for Kshs.10,652,500 and Kshs.2,100,000, respectively.

Approved requisition indicating the number of assorted seeds and seedlings required and the intended beneficiaries were not however made available for audit review. In addition, it was not possible to ascertain whether the seeds and seedlings were delivered to the project and distributed to the user stations since neither document for receipt nor for issuance were made available for audit review. Moreover, a payment to one supplier was made without a corresponding invoice.

Consequently, the propriety, accuracy and completeness of the expenditure of Kshs.12,752,500 for assorted seeds and seedlings for the year ended 30 June, 2021 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,231,170,775 and Kshs.685,819,263, respectively, resulting in an under funding of Kshs.545,251,512 or 44% of the budget.

Further, the statement of comparative budget and actual amounts reflects final expenditure budget and actual on comparable basis of Kshs.1,426,032,035 and Kshs.686,415,095, respectively resulting in an under-expenditure of Kshs.739,616,940 or 52% of the budget.

The underfunding and the slow budget utilization may affect implementation of the budgeted activities.

## **2. Slow Rate of Funds Absorption**

The donor commitment reflected in other information accompanying the financial statements was USD 24,000,000 and USD 39,546,000 for grant and loan, respectively. As at 30 June, 2021, approximately 12 months to the closure, the project had only absorbed USD.4,851,049.58 and USD 17,878,659.44 for loan and grant, accounting for 20% and 45% of the donor commitment, respectively.

The slow rate of absorption of funds implies that some activities in the project will not be implemented which will negatively impact on achievement of the goals of the project.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

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

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

### **Conclusion**

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

*Report of the Auditor-General on Small-scale Irrigation and Value Addition Project (ADF Loan No. 2000130014530 and Grant No. 5570155000751)) for the Year Ended 30 June, 2021- State Department for Crop Development and Agricultural Research*

my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **Lack of a Separate Imprests Register for the Project**

A review of records on imprests management revealed that the Project used the same imprests register which was being maintained for two other projects namely; Rural Livelihoods Adaptation to Climate Change Project and Drought Resilience and Sustainable Livelihoods Programme. Further, the register was not being updated regularly upon issuance of imprests to officers and the warrant numbers were not serially sequential.

It was, therefore, not possible to determine individual and aggregate imprests outstanding for each staff and specific projects respectively, at any particular time.

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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

As required by the African Development Bank, except for the matters described in the Basis for Qualified Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I report based on the audit that:

- i. The Project funds have been used in accordance with the conditions of Loan Agreement and Protocol of Grant Agreement with due attention to economy, efficiency and effectiveness for the purposes for which they were provided;
- ii. Counterpart funds have been provided and used in accordance with the conditions of the Loan Agreement and Protocol of Grant Agreement;
- iii. Goods and services financed have been procured in accordance with the Loan Agreement and Protocol of Grant Agreement, and the Bank's rules and procedures;
- iv. Necessary supporting documents, records and accounts have been kept in respect of all Project activities;

- v. Adequate internal control to monitor expenditure and other financial transactions and ensure safe custody of assets exist; and
- vi. Ledgers and fixed assets register for the Project's assets are maintained as required.

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

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

In preparing the financial statements, Management is responsible for assessing the ability of Small-scale Irrigation and Value Addition Project to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management is either aware of intention to terminate the Project or to cease operations.

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

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

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

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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**20 December, 2021**

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

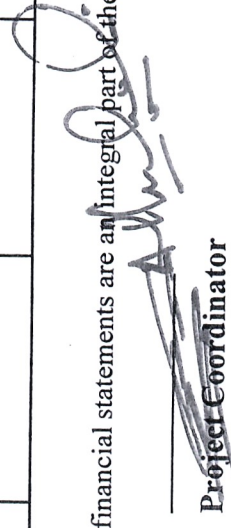
**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.**

	Note	2020/2021		2019/2020		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity KShs	Payments made by third parties KShs	Receipts and payment controlled by the entity KShs	Payments made by third parties KShs	
<b>RECEIPTS</b>						
Transfer from Government entities	1	495,100	-	12,418,789	-	45,535,745
Proceeds from domestic and foreign grants	2	89,048,000	-	55,815,609	-	288,535,104
Loan from external development partners	3	80,889,231	515,386,932	69,562,886	316,418,882	1,825,637,344
Miscellaneous receipts	4	-	-	-	-	-
<b>TOTAL RECEIPTS</b>		<b>170,432,331</b>	<b>515,386,932</b>	<b>137,797,284</b>	<b>316,418,882</b>	<b>2,159,708,193</b>
<b>PAYMENTS</b>						
Compensation of employees	5	-	-	6,525,000	-	15,980,500
Purchase of goods and services	6	167,182,953	-	135,297,674	-	412,193,610
Social security benefits	7	-	-	-	-	-
Acquisition of non-financial assets	8	3,080,000	515,386,932	-	316,418,882	1,576,194,167
Transfers to other government entities	9	-	-	-	-	-
Other grants and transfers and payments	10	-	-	-	-	-
<b>TOTAL PAYMENTS</b>		<b>170,262,953</b>	<b>515,386,932</b>	<b>141,822,674</b>	<b>316,418,882</b>	<b>2,004,368,277</b>
<b>SURPLUS/(DEFICIT)</b>		<b>169,378</b>	<b>-</b>	<b>(4,025,390)</b>	<b>-</b>	<b>155,339,916</b>

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

  
**Principal Secretary**

Name: Prof. Hamadi I. Boga (PhD)

  
**Project Coordinator**

Name: Eng. Kennedy Makudiuh



**Project Accountant**

Name: Gerald Kurema

ICPAK Member. Number: 8980

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021**

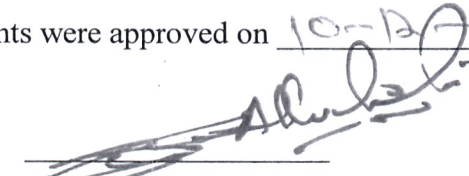
	Note	2020-2021	2019-2020
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11.A	765,211	595,834
Cash Balances	11.B	-	-
<b>Cash Equivalents (short-term deposits)</b>	<b>11.C</b>	-	-
<b>Total Cash and Cash Equivalents</b>		<b>765,211</b>	<b>595,834</b>
Accounts receivables – Imprest and Advances	12	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>765,211</b>	<b>595,834</b>
<b>TOTAL FINANCIAL LIABILITIES</b>			
Payables- Deposits and Retentions	13	-	-
<b>NET ASSETS</b>		<b>765,211</b>	<b>595,834</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	14	595,833	4,621,224
Prior year adjustments	15	-	-
Surplus/(Deficit) for the year		169,378	(4,025,390)
<b>NET FINANCIAL POSITION</b>		<b>765,211</b>	<b>595,834</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10-12-2021 and signed by:



**Principal Secretary**

Name: Prof. Hamadi I. Boga (PhD)



**Project Coordinator**

Name: Eng. Kennedy Makudih



**Project Accountant**

Name Gerald Kurema

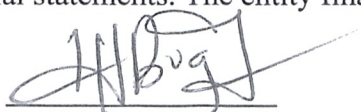
ICPAK Member. Number: 8980

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021**

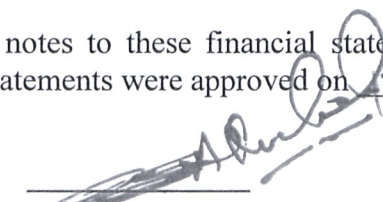
		2020-2021	2019-20
	Note	KShs	KSns
<b>Receipts from operating activities</b>			
Transfer from Government entities	1	495,100.00	12,418,7
Proceeds from domestic and foreign grants	2	89,048,000.00	125,378,495
Miscellaneous receipts	4	-	
<b>Payments from operating activities</b>			
Compensation of employees	5	-	6,525,000
Purchase of goods and services	6	167,182,953	135,297,6
Social security benefits	7	-	-
Transfers to other government entities	9	-	
Other grants and transfers	10	-	
<b>Adjustments during the year</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	4,566,6
Increase/(Decrease) in Accounts Payable: (deposits and retention)	16	-	
Prior Year Adjustments	17	-	-
<b>Net cash flow from operating activities</b>		<b>(77,639,852.70)</b>	<b>541,2</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Non-financial Assets	8	518,466,932	316,418,8
<b>Net cash flows from Investing Activities</b>		<b>(518,466,932)</b>	<b>(316,418,882)</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Foreign Borrowings	3	596,276,163	316,418,882
<b>Net cash flow from financing activities</b>		<b>596,276,163</b>	<b>316,418,8</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	11	<b>595,833</b>	<b>54,5</b>
<b>Cash and cash equivalent at END of the year</b>	11	<b>765,211</b>	<b>595,834</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06/2021 and signed by:



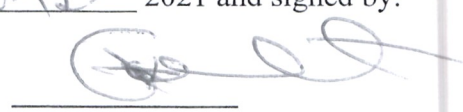
Principal Secretary

Name: Prof. Hamadi I. Boga (PhD)



Project Coordinator

Name: Eng. Kennedy Makudih



Project Accountant

Name Gerald Kurema

ICPAK Member. Number: 8980

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

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**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts /Payments	Original Budget(a)	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization Difference
	(a)	(b)	c = a+b	(d)	e = (c- d)	(f)
	Kes	Kes	Kes	Kes	Kes	Kes
<b>Receipts</b>						
Transfer from Government Entities	999,997	(395,103)	604,894	495,100	109,794	18%
Proceeds from foreign grants	627,014,098	36,947,882	663,961,980	169,292,068	494,669,912	75%
Proceeds from foreign Loans	798,017,940	231,414,039	566,603,901	516,032,095	50,571,806	9%
Miscellaneous Receipts	-				-	
<b>Total Receipts</b>	<b>1,426,032,035</b>	<b>267,966,818</b>	<b>1,231,170,775</b>	<b>685,819,263</b>	<b>545,351,512</b>	<b>44%</b>
<b>Payments</b>						
Acquisition of Non financial assets	1,240,220,878		1,240,220,878	515,386,932	724,833,946	58%
Hire of Training Facilities and Equipment	9,379,500	-	9,379,500	3,832,350	5,547,150	59%
Agricultural Materials, Supplies and Small Equipment	2,100,000	-	2,100,000	-	2,100,000	100%
General Office Supplies (papers, pencils, forms, small office	3,479,404	-	3,479,404	3,320,000	159,404	5%

**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

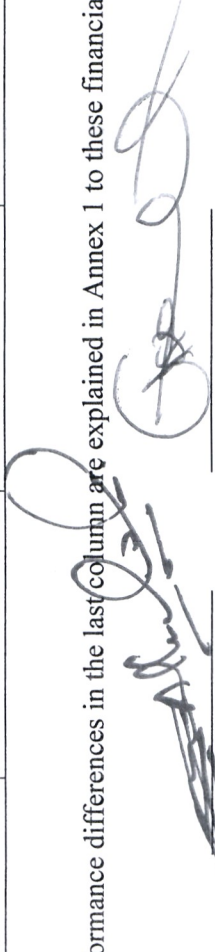
equipment etc)										
Supplies and Accessories for Computers and Printers	3,271,763	-	3,271,763	2,629,000	642,763	20%				
Refined Fuels and Lubricants for Transport	8,387,000	-	8,387,000	8,387,000	-	0%				
Contracted Technical Services	18,746,999	-	18,746,999	18,746,999	-	0%				
Maintenance Expenses - Motor Vehicles	10,536,000	-	10,536,000	9,533,653	1,002,347	10%				
Research, Feasibility Studies	94,781,952	(395,103)	94,386,849	94,386,849	-	0%				
Courier & Postal Services	12,000	-	12,000	-	12,000	100%				
Advertising, Awareness and Publicity Campaigns	1,010,730	-	1,010,730	938,233	72,497	7%				
Production and Printing of Training Materials	2,500,000	-	2,500,000	669,530	1,830,470	73%				
Supplies for Production	10,654,809	-	10,654,809	10,654,809	-	0%				
General Office Supplies (papers, pencils, forms, small office equipment etc)	8,960,000	-	8,960,000	5,938,740	3,021,260	34%				

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

Contracted Technical Services	11,991,000	-	11,991,000	11,991,000	-	0%
	1,426,032,035		1,426,032,035	686,415,095	739,616,940	52%

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

  
 \_\_\_\_\_  
 Principal Secretary

  
 \_\_\_\_\_  
 Project Coordinator

  
 \_\_\_\_\_  
 Project Accountant

Name: Prof. Hamadi I. Boga(PhD) Name: Eng. Kennedy Makudiuh Name Gerald Kurema  
 ICPAK Member. Number:8980

## **10. SIGNIFICANT ACCOUNTING POLICIES**

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

### **10.1 Basis of Preparation**

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

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

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

### **10.3 Reporting entity**

The financial statements are for the Project - under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

#### **10.3.1 Reporting currency**

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

**10.4 Significant Accounting Policies**

**a) Recognition of receipts**

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

**i) Transfers from the Exchequer**

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

**ii) External Assistance**

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

**iii) Other receipts**

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

**b) Donations and grants**

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

**Significant Accounting Policies (Continued)**

**c) Proceeds from borrowing**

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

**d) Undrawn external assistance**

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

**e) Recognition of payments**

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

**i) Compensation of employees**

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

**ii) Use of goods and services**

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

**Significant Accounting Policies (Continued)**

**iii) Interest on borrowing**

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

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

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

**v) Acquisition of fixed assets**

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

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

**f) In-kind donations**

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

**Significant Accounting Policies (Continued)**

**g) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**Restriction on cash**

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

**h) Accounts receivable**

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

**Significant Accounting Policies (Continued)**

**i)Contingent Liabilities**

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
  - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
  - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

**j) Contingent Assets**

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

**Significant Accounting Policies (Continued)**

**k) Pending bills**

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

**l) Budget**

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

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

**m) Third party payments**

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties column in the statement of receipts and payments.

***SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)***  
***Reports and Financial Statements***  
***For the financial year ended June 30, 2021***

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During the year Kshs 515,386,932 being loan disbursements were received in form of direct payments from third parties.

**Significant Accounting Policies (Continued)**

**n) Exchange rate differences**

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

**o) Comparative figures**

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

**p) Subsequent events**

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021

**q) Errors**

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	Cumulative
	KShs	KShs	to-date(from inception)
<i>Counterpart funding through MALF&amp;I</i>			
Counterpart funds Quarter 1 to 4	495,100.00	12,418,789.00	45,535,745.00
Total	495,100.00	<u>12,418,789.00</u>	<u>45,535,745.00</u>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS**

During the 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						2020/21	2019/20
			KShs	KShs	KShs	KShs	KShs
<b>Grants Received from Multilateral Donors (International Organizations)</b>							
AFDB	2020/21		89,048,000	-	-	89,048,000	55,815,609
<b>Total</b>						<b>89,048,000</b>	<b>55,815,609</b>

\* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS**

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in	Loans received as direct	Total amount in KShs	
			cash	payment*	2020/21	2019/20
			KShs	KShs		
<b>Loans Received from Multilateral Donors (International Organisations)</b>						
African development Bank	2020/21	-	80,889,231	515,386,932	596,276,163	69,562,885.00
<b>Total</b>					<b>596,276,163</b>	<b>69,562,885.00</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. MISCELLANEOUS RECEIPTS**

	2020/21			20/19/2020	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	KShs	KShs	KShs	KShs	KShs
Property income	-	-	-	-	-
Sales of goods and services	-	-	-	-	-
Administrative fees and charges	-	-	-	-	-
Fines, penalties and forfeitures	-	-	-	-	-
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere	-	-	-	-	-
<b>Total</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>	<b>≡</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)****Reports and Financial Statements****For the financial year ended June 30, 2021****NOTES TO THE FINANCIAL STATEMENTS (Continued)****5. COMPENSATION OF EMPLOYEES**

	2020/2021			2019/2020	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
-					
Basic salaries of permanent employees	-	-	-	-	-
Basic wages of temporary employees	-	-	-	-	-
Personal allowances paid as part of salary	-	-	-	6,525,000	15,980,500
Personal allowances paid as reimbursements	-	-	-	-	-
Personal allowances provided in kind	-	-	-	-	-
Pension and other social security contributions	-	-	-	-	-
Compulsory national social security schemes	-	-	-	-	-
Compulsory national health insurance schemes	-	-	-	-	-
Social benefit schemes outside government	-	-	-	-	-
Other personnel payments	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b><u>6,525,000</u></b>	<b><u>15,980,500</u></b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**6. PURCHASE OF GOODS AND SERVICES**

	2020/21			2019/20		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	-	-	-	-	-	1,003,008
Communication, supplies and services	-	-	-	3,947,574	-	7,751,679
Domestic travel and subsistence	95,078,890.25	-	95,078,890.25	-	-	367,241,590
General Expenses	5,938,740	-	5,938,740	1,006,666	-	6,945,406
Printing, advertising and – information supplies & services	-	-	-	1,335,813	-	4,293,393
subscription to newspapers. Magazines & periodics	240,000	-	240,000	-	-	240,000
Training payments	26,001,850	-	26,001,850	29,772,380	-	86,920,598
Advertising, awareness and publicity	669,530	-	669,530	-	-	-
Hospitality supplies and services	-	-	-	-	-	2,815,966
Specialized materials and services-agric	-	-	-	12,355,189	-	12,355,189
Agricultural materials	12,752,500	-	12,752,500	-	-	34,926,875
Other operating payments	-	-	-	-	-	2,734,261
Fuel Oil & Lubricants	14,680,000	-	14,680,000	4,000,000	-	18,680,000
Routine maintenance – vehicles and other transport equipment	5,113,900	-	5,113,900	316,500	-	7,531,495
Routine maintenance- – other assets	-	-	-	-	-	69,087
Telephone, telefax	941,320	-	941,320	-	-	4,265,343
computer accessories	2,629,000	-	2,629,000	-	-	6,990,312
Production and training materials	3,140,309	-	3,140,309	-	-	3,140,309
<b>Total</b>	<b>167,182,953</b>	<b>-</b>	<b>167,182,953</b>	<b>52,734,122</b>	<b>-</b>	<b>567,904,511</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**7. SOCIAL SECURITY BENEFITS**

	2020/21			2019/20	Cumulative to- date KShs
	Payments made by the Entity in Cash KShs	Payments made by third parties KShs	Total Payments KShs	Total Payments KShs	
Government pension and retirement benefits	-	-	-	-	-
Social security benefits in cash and in kind	-	-	-	-	-
Employer social benefits in cash and in kind	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8. ACQUISITION OF NON-FINANCIAL ASSETS**

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	515,386,932	515,386,932	316,418,882	1,573,114,167
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	-
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	3,080,000	-	3,080,000	1,104,600	4,284,100.00
Purchase of specialised plant, equipment and machinery	-	-	-	-	-
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	81,458,592	153,823,977
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
<b>Total</b>	<b>3,080,000</b>	<b>515,386,932</b>	<b>518,466,932</b>	<b>398,982,074</b>	<b>1,731,222,244</b>

[Provide explanation as necessary]

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**9. TRANSFERS TO OTHER GOVERNMENT ENTITIES**

During the 12 months to 30 June 20xx, we transferred funds to reporting government entities as shown below:

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
<b>Transfers to National Government entities</b>					
Ministry ABC	-	-	-	-	-
Project XYZ	-	-	-	-	-
	=	=	=	=	=
<b>Transfers to County Governments</b>	-	-	-	-	-
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	-
	=	=	=	=	=
<b>TOTAL</b>	=	=	=	=	=

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**10. OTHER GRANTS AND TRANSFERS AND PAYMENTS**

	2020/21			2019/20	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Grants for scholarships	-	-	-	-	-
Transfers to lower levels of government e.g schools	-	-	-	-	-
Miscellaneous payments	-	-	-	-	-
<b>Total</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11. CASH AND CASH EQUIVALENTS**

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 11A)	765,211.15	595,832.85
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
<b>Total</b>	<b><u>765,211.15</u></b>	<b><u>595,832.85</u></b>

The project has one(1) number of project account by the National Treasury as listed below:

**11. A Bank Accounts**

**Project Bank Accounts**

	2020/21	2019/20
	KShs	KShs
<b><u>Local Currency Accounts</u></b>		
Central Bank of Kenya [A/c No 1000457724]	688,469.80	367,811.85
Central Bank of Kenya [A/c No1000457716]	76,741.35	228,021.80
<b>Total local currency balances</b>	<b><u>765,211.15</u></b>	<b><u>595,833.65</u></b>
<b>Total bank account balances</b>	<b><u>765,211.15</u></b>	<b><u>595,833.65</u></b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 20xx are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KShs</b>	<b>KShs</b>
<b>(i) A/c Name SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT-GRANT [A/c No. 1000297239 HELD THE CENTRAK BANK OF KENYA]</b>		
Opening balance	-	-
Total amount deposited in the account	101,002,800.85	-
Total amount withdrawn (as per Statement of Receipts & Payments)	89,048,000.00	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>11,954,800.86</u></b>	<b>=</b>
<b>(ii) A/c Name SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT-LOAN [A/c No. 1000289918 HELD THE CENTRAK BANK OF KENYA]</b>		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	80,889,231.00	-
Total amount withdrawn (as per Statement of Receipts & Payments)	80,889,231.00	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b>=</b>	<b>=</b>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix xx* support these closing balances. N/B: An Exchange rate of Kshs 111.31 for 1USD has been used for conversion for the Grant and Ksh 109.44 for for 1USD for the Loan.

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**11 B Cash In Hand**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KShs</b>	<b>KShs</b>
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other locations ( <i>specify</i> )	-	-
<b>Total cash balances</b>	<b>=</b>	<b>=</b>

[Provide a cash count certificate for each location above]

**11 C Cash equivalents (short-term deposits)**

	<b>2020/21</b>	<b>2019/20</b>
	<b>KShs</b>	<b>KShs</b>
Kenya Commercial Bank [A/C No.....]	-	-
Co-Operative Bank of Kenya [A/C No.....]	-	-
Others ( <i>Specify</i> )	-	-
<b>Total</b>	<b>=</b>	<b>=</b>

[Provide short appropriate explanations as necessary]

**12. ACCOUNTS RECEIVABLES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests	-	-
Salary advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**12B: BREAKDOWN OF IMPRESTS AND ADVANCES**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2021</i>	<i>Balance 2020</i>
<i>Officer 1</i>	-	-	-	-	-
<i>Xx institution</i>	-	-	-	-	-
<i>Officer 2</i>	-	-	-	-	-
<i>Officer 3</i>	-	-	-	-	-
<i>Officer 4</i>	-	-	-	-	-
<i>Officer 5</i>	-	-	-	-	-
<i>Programme 1</i>	-	-	-	-	-
<b>Total</b>	=	=	=	=	=

**13. ACCOUNTS PAYABLES**

<b>Description</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Retention	-	-
Deposits	-	-
<b>Total</b>	-	-

**14. FUND BALANCE BROUGHT FORWARD**

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Bank accounts	765,211	595,833
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
<b>Total</b>	<b><u>765,211</u></b>	<b><u>595,833</u></b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)****Reports and Financial Statements****For the financial year ended June 30, 2021****NOTES TO THE FINANCIAL STATEMENTS (Continued)****15. PRIOR YEAR ADJUSTMENT**

	<b>Balance b/f FY 2019/2020 as per Financial statements</b>	<b>Adjustments</b>	<b>Adjusted Balance b/f FY 2019/2020</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
Total	-	-	-

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

**16. CHANGES IN RECEIVABLE**

<b>Description of the error</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Opening Receivables as at 1 <sup>st</sup> July 20xx	-	-
Closing account receivables as at 30 <sup>th</sup> June 20xx	-	-
Change in Receivables	-	-

**17. CHANGES IN ACCOUNTS PAYABLE**

<b>Description of the error</b>	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposit and Retentions as at 1 <sup>st</sup> July 20xx	-	-
Closing accounts payables as at 30 <sup>th</sup> June 20xx	-	-
Change in payables	-	-

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**12. OTHER IMPORTANT DISCLOSURES**

**1. PENDING ACCOUNTS PAYABLE (See Annex 3A)**

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	(-)	-
Construction of civil works	-	-	(-)	-
Supply of 10 Double Cab Pick-ups	-	45,862,070	(-)	45,862,070
Supply of services	-	-	(-)	-
<b>Total</b>	-	45,862,070	(-)	45,862,070

**2. PENDING STAFF PAYABLES (See Annex 3B)**

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	(-)	-
Middle management	-	-	(-)	-
Unionisable employees	-	-	(-)	-
Others	-	-	(-)	-
<b>Total</b>	-	-	(-)	-

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**OTHER IMPORTANT DISCLOSURES (Continued)**

**3. OTHER PENDING PAYABLES (See Annex 3C)**

	Balance b/fFY 2020/2021	Additions for the period	Paid during the year	Balance c/fFY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	(-)	-
Amounts due to County Government entities	-	-	(-)	-
Amounts due to third parties	-	-	(-)	-
<b>Total</b>	-	-	(-)	-

**4. EXTERNAL ASSISTANCE**

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as grants	-	-
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
<b>Total</b>	-	-

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**OTHER IMPORTANT DISCLOSURES (Continued)**

*a). External assistance relating loans and grants*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
External assistance received as loans	-	-
External assistance received as grants	-	-
<b>Total</b>	-	-

*b) Undrawn external assistance*

	<b>Purpose for which the undrawn external assistance may be used</b>	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>		<b>Kshs</b>	<b>Kshs</b>
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants		-	-
<b>Total</b>		-	-

*c) classes of providers of external assistance*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	-	-

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**OTHER IMPORTANT DISCLOSURES (Continued)**

**d. non-monetary external assistance**

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Goods	-	-
Services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B : Disclose the basis on which the value of goods and services were determined ( This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.*

**e Purpose and use of external assistance**

<b>Payments Made by Third Parties</b>	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

*N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.*

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

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**OTHER IMPORTANT DISCLOSURES (Continued)**

*f. External Assistance paid by Third Parties on behalf of the Entity by Source*

*This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity*

	<b>FY 2020/2021</b>	<b>FY 2019/2020</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

**Reports and Financial Statements**

**For the financial year ended June 30, 2021**

**13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS**

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

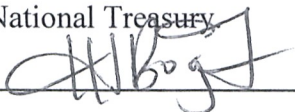
<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
SIVAP2020(1)	Budget Control and Performance	Resolved	Gerald Kurema Principal Accountant	
SIVAP2020(2)	Failure to Disclose Special Accounts Movement Schedule	Resolved	Gerald Kurema Principal Accountant	
SIVAP2020(3)	Vote Control Procedure – Lack of Authority to Incur Expenditure	Resolved	Gerald Kurema Principal Accountant	
SIVAP2020(4)	Incomplete Imprests Register	Resolved	Gerald Kurema Principal Accountant	
SIVAP2020(5)	None Maintenance of Retention Monies Register	Resolved	Gerald Kurema Principal Accountant	

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

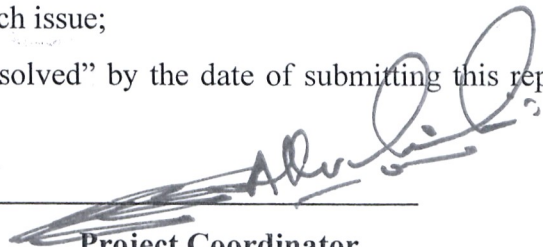
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
SIVAP2020(6)	Lack of Internal Audit Review	Resolved	Gerald Kurema Principal Accountant	
SIVAP2020(7)	Inactive Audit Committee	Resolved	Gerald Kurema Principal Accountant	

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to

National Treasury  
  
 \_\_\_\_\_  
**Principal Secretary**

10/12/21  
 \_\_\_\_\_  
**Date**

  
 \_\_\_\_\_  
**Project Coordinator**

10/12/2021  
 \_\_\_\_\_  
**Date**

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**14. ANNEXES**

**ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS**

Receipts /Payments	Original Budget(a)	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization Difference	Variance Explanation
	(a)	(b)	c = a+b	(d)	e = (c- d)	(f)	
	Kes	Kes	Kes	Kes	Kes	Kes	
<b>Receipts</b>							
Transfer from Government Entities	999,997	(395,103)	604,894	495,100	109,794	18%	Lack of exchequer Funding
Proceeds from foreign grants	627,014,098	36,947,882	663,961,980	169,292,068	494,669,912	75%	Delay in procuring of goods
Proceeds from foreign Loans	798,017,940	231,414,039	566,603,901	516,032,095	50,571,806	9%	
Miscellaneous Receipts	-				-		
<b>Total Receipts</b>	<b>1,426,032,035</b>	<b>267,966,818</b>	<b>1,231,170,775</b>	<b>685,819,263</b>	<b>545,351,512</b>	<b>44%</b>	
<b>Payments</b>							
Acquisition of Non financial assets	1,240,220,878		1,240,220,878	515,386,932	724,833,946	58%	Delay in procuring of goods
Hire of Training Facilities and Equipment	9,379,500	-	9,379,500	3,832,350	5,547,150	59%	Restriction of movement due to COVID 19

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

	2,100,000	-	2,100,000	2,100,000	2,100,000	100%	Delay in procuring of goods
Agricultural Materials, Supplies and Small Equipment	2,100,000	-	2,100,000		2,100,000	100%	
General Office Supplies (papers, pencils, forms, small office equipment etc)	3,479,404	-	3,479,404	3,320,000	159,404	5%	
Supplies and Accessories for Computers and Printers	3,271,763	-	3,271,763	2,629,000	642,763	20%	Delay in procuring of goods
Refined Fuels and Lubricants for Transport	8,387,000	-	8,387,000	8,387,000	-	0%	
Contracted Technical Services	18,746,999	-	18,746,999	18,746,999	-	0%	
Maintenance Expenses - Motor Vehicles	10,536,000	-	10,536,000	9,533,653	1,002,347	10%	
Research, Feasibility Studies	94,781,952	(395,103)	94,386,849	94,386,849	-	0%	
Courier & Postal Services	12,000	-	12,000		12,000	100%	No postage of services
Advertising, Awareness and Publicity Campaigns	1,010,730	-	1,010,730	938,233	72,497	7%	
Production and Printing of Training Materials	2,500,000	-	2,500,000	669,530	1,830,470	73%	Restriction of movement due to COVID 19
Supplies for Production	10,654,809	-	10,654,809	10,654,809	-	0%	
General Office Supplies (papers, pencils, forms, small office equipment etc)	8,960,000	-	8,960,000	5,938,740	3,021,260	34%	Delay in procuring of goods
Contracted Technical Services	11,991,000	-	11,991,000	11,991,000	-	0%	
	<b>1,426,032,035</b>		<b>1,426,032,035</b>	<b>686,415,095</b>	<b>739,616,940</b>	<b>52%</b>	

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

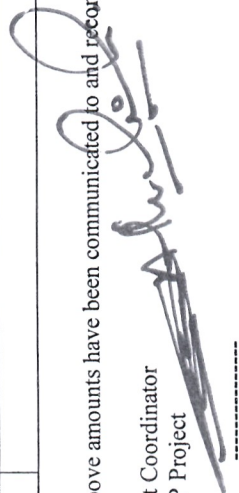
*Reports and Financial Statements  
For the financial year ended June 30, 2021*

**ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS**

PROJECT NAME:			
Break down of Transfers from the State Department of -			
a.	Government Counterpart Funding	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			-
		<b>Total</b>	-
b.	Direct Payments	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			-
		<b>Total</b>	-
c.	Others	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			-
		<b>Total</b>	-
		<b>TOTAL(a+b+c)</b>	-

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator  
SIVAP Project



Sign -----

Head of Accounting Unit  
- State Department for Crop Development and Agricultural Research

Sign-----

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**ANNEX 3A - ANALYSIS OF PENDING BILLS**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
3.						
4.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
7.						
8.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**

*Reports and Financial Statements*

*For the financial year ended June 30, 2021*

**ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
<b>Permanent Employees - Management</b>							
1.							
2.							
<b>Sub-Total</b>							
<b>Permanent Employees - Others</b>							
3.							
4.							
<b>Sub-Total</b>							
<b>Temporary employees</b>							
5.							
6.							
<b>Sub-Total</b>							
<b>Others (specify)</b>							
7.							
8.							
<b>Sub-Total</b>							
<b>Grand Total</b>							

**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT (SIVAP)**  
**Reports and Financial Statements**  
**For the financial year ended June 30, 2021**

**ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES**

Name	Brief Description	Original Amount	Date Contracted	Payable Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

**Small Scale Irrigation Value Addition Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021**

**ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER**

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/2021	** Disposals in the Year (KShs) 2020/2021	Transfers in/(out) Kshs 2020/2021	Closing Cost (KShs) 2021
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c- (d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings						
ICT Equipment,						
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets						
Work in Progress						
<b>Total</b>						

Notes

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

*Small Scale Irrigation Value Addition Project  
Reports and Financial Statements  
For the financial year ended June 30, 2021*

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**ANNEX 5 – CONTINGENT LIABILITIES REGISTER**

	<b>Nature of contingent liability</b>	<b>Payable to</b>	<b>Estimated Amount Kshs</b>	<b>Expected date of payment</b>	<b>Remarks</b>
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

**APPENDICES**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)



SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30TH JUNE 2021  
 PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 5570155000751

Bank Account No.1000297239 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by ADB		2,509,010.34
	Less		
2	Total amount justified to ADB		1,460,984.93
3	<b>Outstanding amount advanced to Designated Account</b>		<b>1,048,025.41</b>
	<b>Represented by:</b>		
4	Ending Designated Account Balance at 30.06.2021		107,400.96
5	Amount claimed but not credited at 30.06.2021		-
6	Amount withdrawn and not claimed as at 30.06.2021		940,624.45
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	<b>Total advance to Designated Account year ended 30.06.2021</b>		<b>1,048,025.41</b>

Discrepancy between total appearing on lines 3 and 9

-

**Notes:**

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

**The amount appearing on line 6 is due to unrepresented SOEs as at 30.6.2021**

*Signature*  
 AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 30.07.2021



## SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2021 ✓
Account No.	1000297239
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	SMALL SCALE IRR & VALUE ADD. PRJ
Credit Agreement	
Currency	USD

**Part A - Account Activity**

Beginning balance of 1st July, 2020 ✓ as per C.B.K. Ledger Account	0.00
-----------------------------------------------------------------------	------

**Add:**

Total Amount deposited by World Bank	907,400.96
--------------------------------------	------------

Total Interest earnings if deposited in account	
-------------------------------------------------	--

Total amount refunded to cover ineligible expenditure	
-------------------------------------------------------	--

**Deduct:**

Total amount withdrawn	800,000.00
------------------------	------------

Total service charges if not included above in amount withdrawn	
-----------------------------------------------------------------	--

Ending balance on 30th June, 2021 ✓	107,400.96
-------------------------------------	------------

**AUTHORISED REPRESENTATIVE  
CENTRAL BANK OF KENYA**

**SIGNATURE:**

**DATE**

22-07-2021

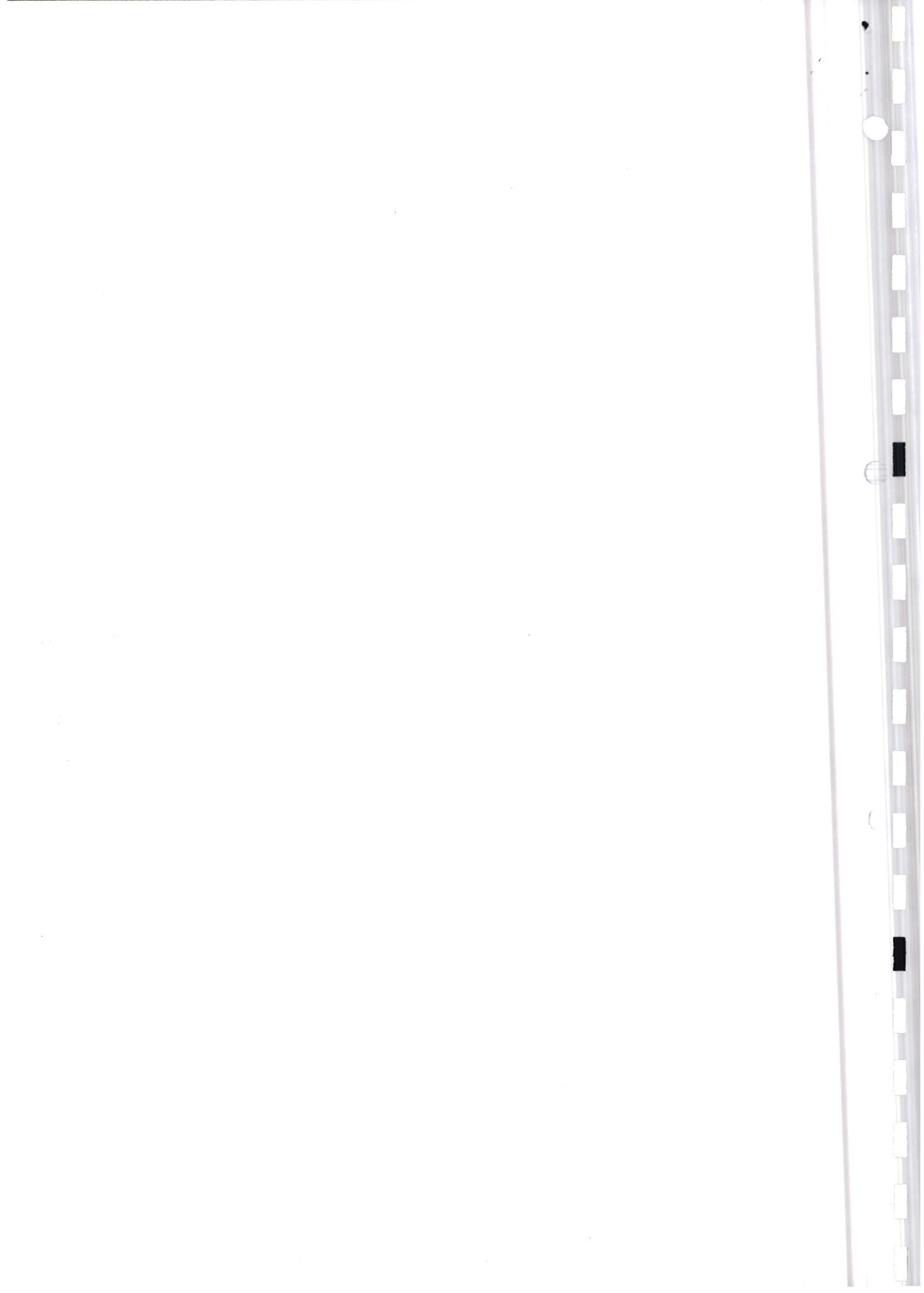
**AUTHORISED REPRESENTATIVE  
EXTERNAL RESOURCES  
DEPARTMENT-TREASURY**

**SIGNATURE:**

**DATE**

30-07-2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.



Results 1 - 2 of 2

Run Date: 15/07/2021 Run Time: 14:44:10  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60000-0200  
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000297239

ACCOUNT TITLE : SMALL SCALE IRR & VALUE ADD. PRJ  
 30/06/2021

STATEMENT PERIOD: From 01/07/2020 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
-----	------	--------------	---------	-------	----------------

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	25/11/2020	FT20330B43BP	FUNDING	0 00	907,400 96	907400 96
2	09/12/2020	FT203444ZPT0	PA125482	-800,000 00	0 00	107400 96

CLOSING BALANCE : 107400.96

END OF ACCOUNT STATEMENT

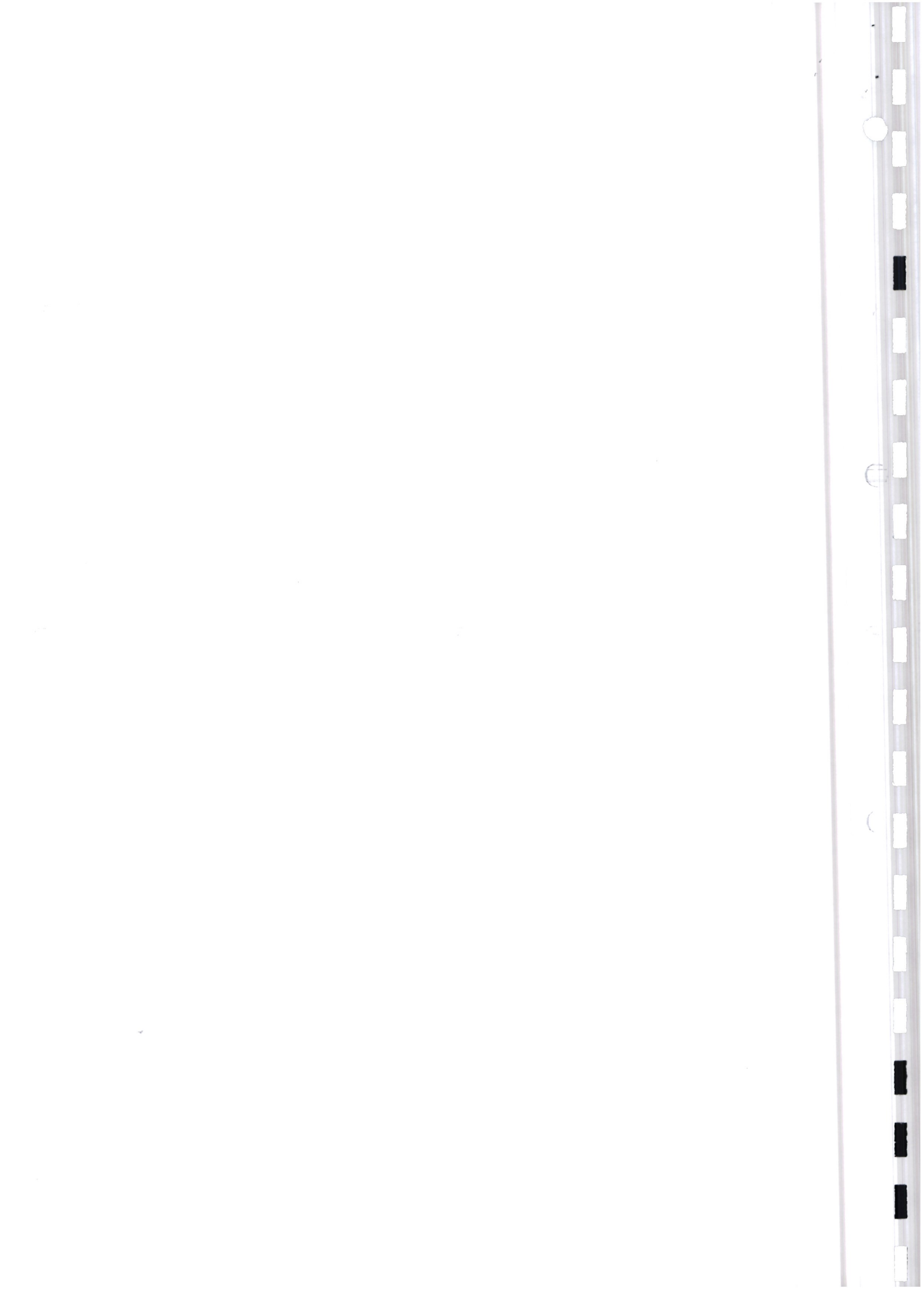
Favourites TAM E STMT OF ACCT EPRM More Options  
Clear Selection Find

Account equals 1000297239

Statement From equals 20200701

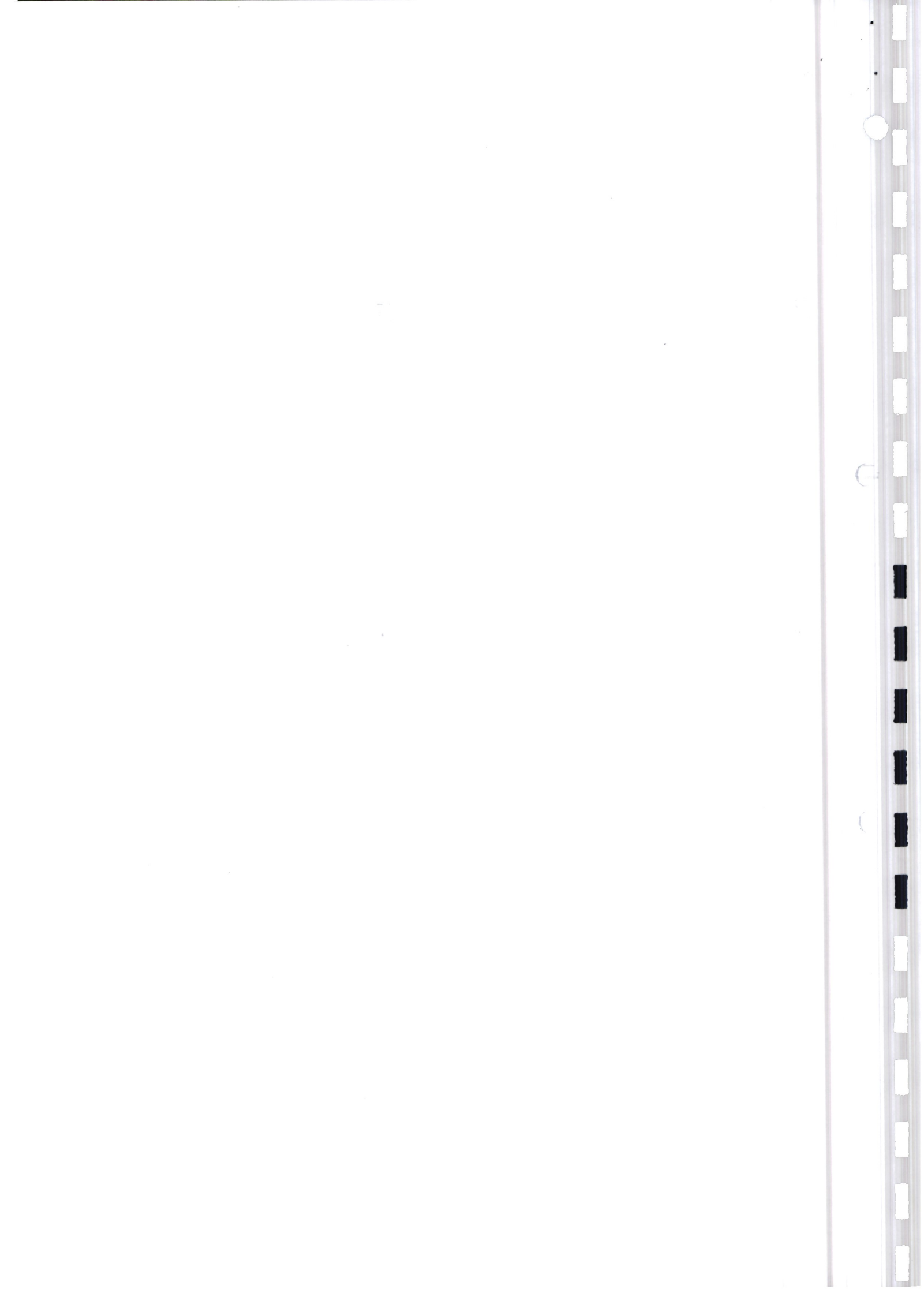
Statement To equals 20210630

TAM E STMT OF ACCT EPRM



LDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed USD	Amount Justified USD	Balance to Justify USD	Justified F = D / C	Disburs. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)		(G)	(H)
5570155000751											
1 All activities	RF N00001	USD	769,866.00	769,866.00	0.00	769,866.00	769,866.00	0.00	100.00	27.07.2016	04.06.2019
1/KE/2016/19000		USD	291,262.00	291,262.00	0.00	291,262.00	291,262.00	0.00	100.00	21.06.2018	26.06.2020
1/KE/2018/44442	RF N00002	USD	540,481.38	399,856.93	140,624.45	540,481.38	399,856.93	140,624.45	73.98	18.06.2019	26.06.2020
1/KE/2019/60079	RF N00016	USD	907,400.96	0.00	907,400.96	907,400.96	0.00	907,400.96	0.00	24.11.2020	00.00.0000
1/KE/2020/80994	RF N00135A	USD									
Total 5570155000751 All activities											
						2,509,010.34	1,460,984.93	1,048,025.41	58.23		
						2,509,010.34	1,460,984.93	1,048,025.41	58.23		

2509010.34 1460984.93 1048025.41



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND IRRIGATION  
 SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT  
 ADB GRANT NO. 5570155000751  
 BANK RECONCILIATION AS AT 30TH JUNE 2021

	Kshs	Kshs	Kshs
<b>Balance as per Bank Statement</b>			42,493,875.55
Less- 1. Payments in the cash book not appearing on bank statement	42,097,512.00		
2. Receipts in Bank statement not posted in Cash Book		-	-
Add- 3. Payments in Bank Statement not recorded in the Cash Book	292,106.50		292,106.25
4. Receipts in Cash Book not yet banked	-		
<b>Bank Balance as per Cash Book</b>			688,469.80

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

.....  
 Signature

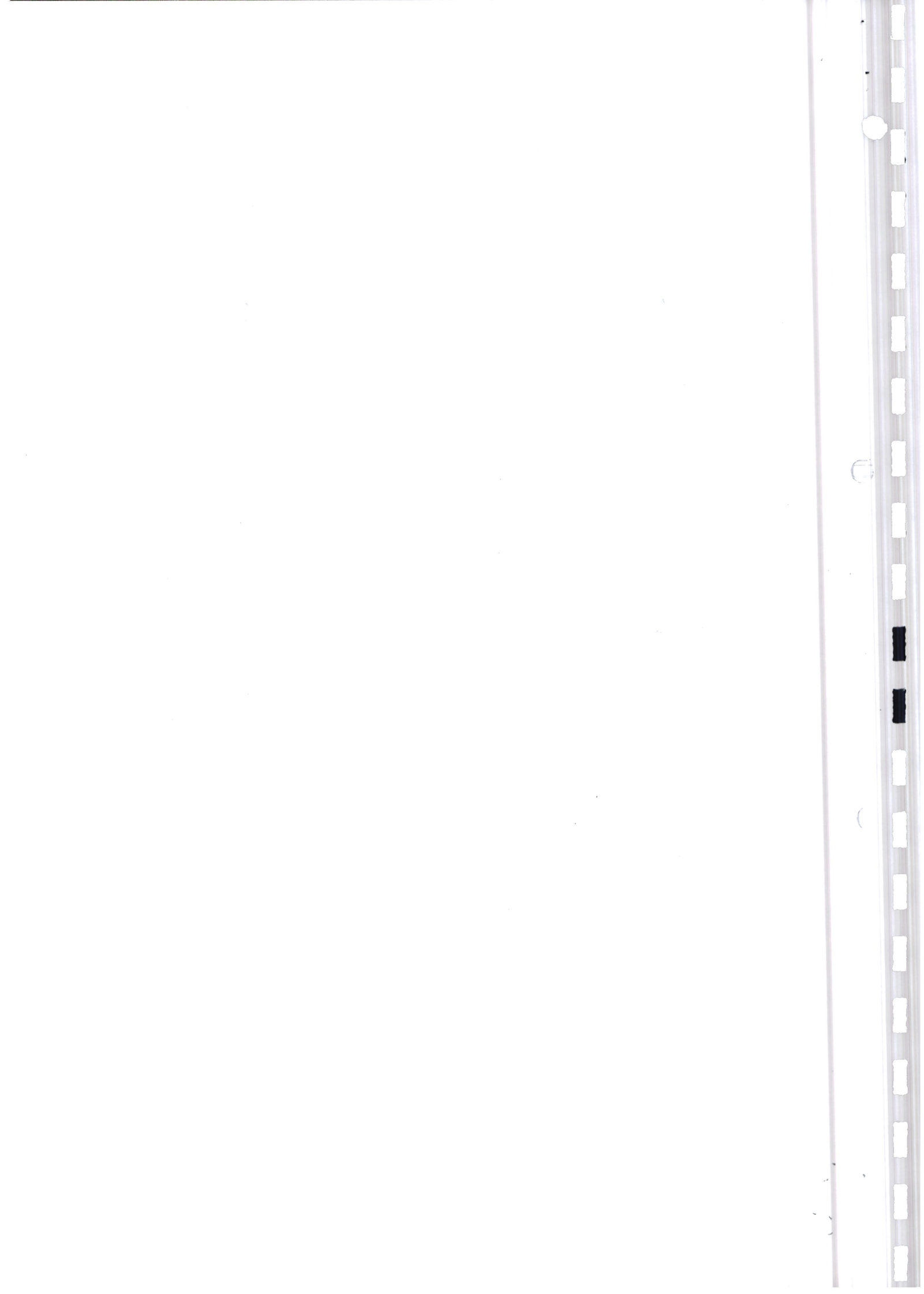
PREPARED BY  
 PRINCIPAL ACCOUNTANT  
 Designation

.....  
 30-06-2021  
 Date



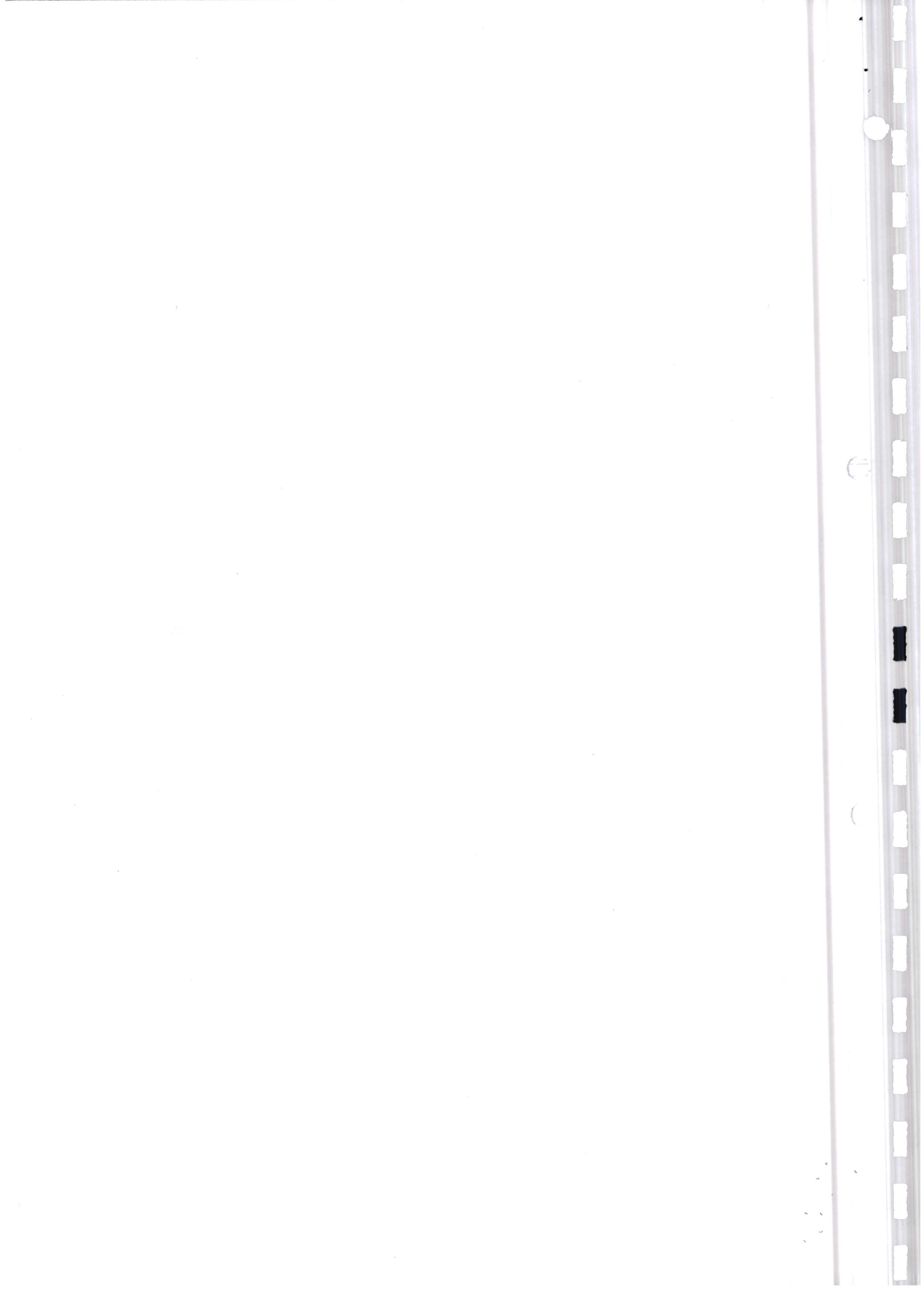
PAYMENT IN CB NOT BANK STATEMENT AT 30 TH JUNE 2021

DATE	PAYEE	AMOUNT (KSHS)	DATE OF PAYMENT
30/06/2021	DIDAMARK SOLUTIONS LIMITED	187,400.00	1/7/2021
30/06/2021	RODDY MERCHANTS LIMITED	1,085,660.00	1/7/2021
30/06/2021	JAMLAN MERCHANTS	1,200,000.00	1/7/2021
30/06/2021	RH DEVANI LIMITED	1,200,000.00	1/7/2021
30/06/2021	SYSTRONICS SERVICES LIMITED	1,290,000.00	1/7/2021
30/06/2021	PRONAN ENTERPRISE	1,350,000.00	1/7/2021
30/06/2021	EKAA AFRICA LIMITED	1,880,000.00	1/7/2021
30/06/2021	HENRY K KAIGA	2,998,700.00	1/7/2021
30/06/2021	RH DEVANI LIMITED	3,000,000.00	1/7/2021
30/06/2021	HILLARY K NGENO	3,312,300.00	1/7/2021
30/06/2021	INTERANGE COMPONENTS LIMITED	4,092,500.00	1/7/2021
30/06/2021	RH DEVANI LIMITED	7,000,000.00	1/7/2021
30/06/2021	KALRO DAIRY RESEARCH INSTITUTE	1,134,000.00	5/7/2021
30/06/2021	RAIGWAYS TYRES AND AUTOMART	182,400.00	7/7/2021
30/06/2021	JAMES OMONDI JUMA	439,040.00	7/7/2021
30/06/2021	GEORGE WACHIRA KAHURO	527,900.00	7/7/2021
30/06/2021	JOSEPH KAMULA MUHLA	661,500.00	7/7/2021
30/06/2021	JOSPHAT NYAMWAMU OMARI	718,900.00	7/7/2021
30/06/2021	LAWISH INVESTMENTS	1,279,000.00	7/7/2021
30/06/2021	HILLARY K NGENO	1,986,962.00	7/7/2021
30/06/2021	EZEKIEL KIPYEGON MARINDANY	2,557,900.00	7/7/2021
30/06/2021	JACKSON MOI MAGEMBE	3,104,200.00	7/7/2021
30/06/2021	JONAH KIPKURGAT KEBENEY	108,750.00	8/7/2021
30/06/2021	HILLARY K NGENO	318,100.00	8/7/2021
30/06/2021	GERALD K KUREMA	482,300.00	8/7/2021
		<b>42,097,512.00</b>	



**PAYMENT IN BANK STATEMENT NOT IN THE CB AT 30TH JUNE 2021**

<b>DATE</b>	<b>PAYEE</b>	<b>AMOUNT (KSHS)</b>
4th June, 2021	STATE DEPARTMENT FOR BROADCASTING	292,106.50
	<b>TOTAL</b>	<b>292,106.50</b>



43	28/06/2021	28/06/2021	FT211794JBKT	Outward RTGS Payment MT 102	3,487,000.00	0.00	42,493,875.55
				0070000042			
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
				WILLIAM OMUNANDI NDEKA			
				/REC/0070000042			
				IMP4077131			
44	01/07/2021	01/07/2021	FT211824Y1JW	Outward RTGS Payment MT 102	187,400.00	0.00	42,306,475.55
				0070000048			
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
				Didamark Solutions Limited			
				/REC/0070000048			
				PVS00253			
45	01/07/2021	01/07/2021	FT211821JV7D	Outward RTGS Payment MT 102	1,085,660.00	0.00	41,220,815.55
				0070000050			
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
				Roddy Merchants Limited			
				/REC/0070000050			

				0070000039					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:9999999					
				WATER RESOURCES MANAGEMENT					
				AUTHORIT					
				0070000039					
				PVS00197					
41	23/06/2021	23/06/2021	FT211744ZKB9	Outward RTGS Payment MT 103		3,104,500.00	0.00	48,886,275.55	
				0070000040					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:9999999					
				JUDITH MURICHO					
				0070000040					
				IMP407130					
42	28/06/2021	28/06/2021	FT211799MZY0	Outward RTGS Payment MT 102		2,905,400.00	0.00	45,980,875.55	
				0070000041					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:CBK					
				JACKSON MOI MAGEMBE					
				/REC/0070000041					
				IMP407133					

46	01/07/2021	01/07/2021	FT21182MF7FN	PVS00249	Outward RTGS Payment MT 102	1,200,000.00	0.00	40,020,815.55
				0070000052	STATE DEPT FOR CROP DEV AGR RESERC:CBK			
					JAMLAN MERCHANTS			
				/REC/0070000052				
				PVS00259				
47	01/07/2021	01/07/2021	FT21182HHH6M	Outward RTGS Payment MT 102		1,200,000.00	0.00	38,820,815.55
				0070000047	STATE DEPT FOR CROP DEV AGR RESERC:CBK			
					R H DEVANI LIMITED			
				/REC/0070000047				
				PVS00257				
48	01/07/2021	01/07/2021	FT21182F5W2L	Outward RTGS Payment MT 102		1,290,000.00	0.00	37,530,815.55
				0070000049	STATE DEPT FOR CROP DEV AGR RESERC:CBK			
					SYSTRONICS SERVICES LIMITED			

				/REC/0070000049				
				PVS00250				
49	01/07/2021	01/07/2021	FT21182TVG56	Outward RTGS Payment MT 103	1,350,000.00	0.00	36,180,815.55	
				0070000043				
				STATE DEPT FOR CROP DEV AGRI RESERC:999999				
				PRONAN ENTERPRISE				
				0070000043				
				PVS00251				
50	01/07/2021	01/07/2021	FT21182918VM	Outward RTGS Payment MT 103	1,880,000.00	0.00	34,300,815.55	
				0070000045				
				STATE DEPT FOR CROP DEV AGRI RESERC:999999				
				EKAA AFRICA LIMITED				
				0070000045				
				PVS00254				
51	01/07/2021	01/07/2021	FT21182Q6W64	Outward RTGS Payment MT 102	2,998,700.00	0.00	31,302,115.55	
				0070000054				
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK				



				STATE DEPT FOR CROP DEV AGRI RESERC:CBK				
				INTERANGE COMPONENTS LIMITED				
				/REC/0070000044				
				PVS00255				
55	01/07/2021	01/07/2021	FT21182K7L4H	Outward RTGS Payment MT 102	7,000,000.00	0.00	13,897,315.55	
				0070000051				
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK				
				R H DEVANI LIMITED				
				/REC/0070000051				
				PVS00258				
56	05/07/2021	05/07/2021	FT21186YZQL7	Outward RTGS Payment MT 103	1,134,000.00	0.00	12,763,315.55	
				0070000023				
				STATE DEPT FOR CROP DEV AGRI RESERC:9999999				
				KALRO DAIRY RESEARCH INSTITUTE				
				0070000023				
				PVS00196				
57	07/07/2021	07/07/2021	FT211888F5MH	Outward RTGS Payment MT 102	182,400.00	0.00	12,580,915.55	

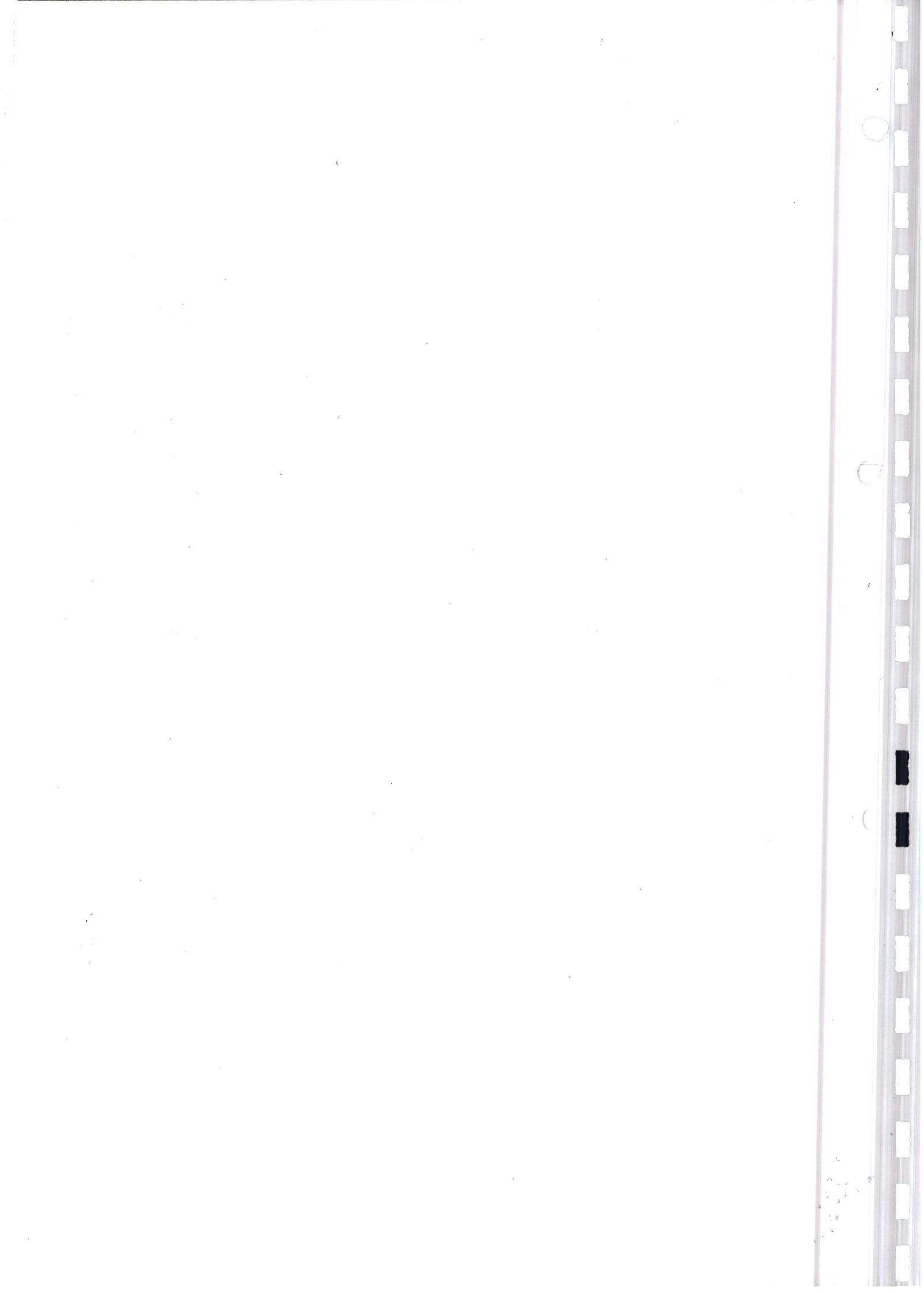
					0070000055							
					STATE DEPT FOR CROP DEV AGRI RESERC:CBK							
					RAIGWAYS TYRES AND AUTOMART							
					/REC/0070000055							
					PVS00243							
58	07/07/2021	07/07/2021	FT21188L9YZ6		Outward RTGS Payment MT 103		439,040.00	0.00			12,141,875.55	
					0070000061							
					STATE DEPT FOR CROP DEV AGRI RESERC:999999							
					JAMES OMONDI JUMA							
					0070000061							
					IMP4279001							
59	07/07/2021	07/07/2021	FT21188370D9		Outward RTGS Payment MT 102		527,900.00	0.00			11,613,975.55	
					0070000057							
					STATE DEPT FOR CROP DEV AGRI RESERC:CBK							
					GEORGE WACHIRA KAHURO							
					/REC/0070000057							
					IMP4077146							

60	07/07/2021	07/07/2021	FT21188MKCJD	Outward RTGS Payment MT 102	661,500.00	0.00	10,952,475.55
				0070000060			
				STATE DEPT FOR CROP DEV AGR			
				RESERC:CBK			
				JOSEPH KAMULA MUIA			
				/REC/0070000060			
				IMP4077150			
61	07/07/2021	07/07/2021	FT2118805G85	Outward RTGS Payment MT 102	718,900.00	0.00	10,233,575.55
				0070000059			
				STATE DEPT FOR CROP DEV AGR			
				RESERC:CBK			
				JOSPHAT NYAMWAMU OMARI			
				/REC/0070000059			
				IMP4077149			
62	07/07/2021	07/07/2021	FT21188W0T6D	Outward RTGS Payment MT 103	1,279,000.00	0.00	8,954,575.55
				0070000062			
				STATE DEPT FOR CROP DEV AGR			
				RESERC:9999999			
				LAWISH INVESTMENTS			
				0070000062			

63	07/07/2021	07/07/2021	FT21188G322R	PVS00252	Outward RTGS Payment MT 102	1,986,962.00	0.00	6,967,613.55
				0070000056	STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
					HILLARY KIPROTICH NGENO			
				/REC/0070000056				
				IMP4279002				
64	07/07/2021	07/07/2021	FT21188MJQ2B	Outward RTGS Payment MT 103	2,557,900.00	0.00	4,409,713.55	
				0070000058	STATE DEPT FOR CROP DEV AGRI RESERC:999999			
					EZEKIEL KIPYEGON MARINDANY			
				0070000058				
				IMP4279003				
65	07/07/2021	07/07/2021	FT211889R0Z6	Outward RTGS Payment MT 102	3,104,200.00	0.00	1,305,513.55	
				0070000063	STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
					JACKSON MOI MAGEMBE			

					/REC/0070000063				
					IMP4279005				
66	08/07/2021	08/07/2021	FT21189068C7	Outward RTGS Payment MT 103	108,750.00	0.00	1,196,763.55		
				0070000066					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:999999					
				JONAH KIPKURGAT KEBENEY					
				0070000066					
				PVS00259					
67	08/07/2021	08/07/2021	FT21189V5FW2	Outward RTGS Payment MT 103	318,100.00	0.00	878,663.55		
				0070000065					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:999999					
				HILLARY KIPROTICH NGENO					
				0070000065					
				PVS00268					
68	08/07/2021	08/07/2021	FT2118911R5N	Outward RTGS Payment MT 103	482,300.00	0.00	396,363.55		
				0070000064					
				STATE DEPT FOR CROP DEV AGR					
				RESERC:999999					

			GERALD KARIUKI KOREMA			
			0070000064			
			PVS00266			
			<b>Totals</b>	<b>86,696,513.25</b>	<b>0.00</b>	
				<b>Closing Balance</b>		<b>396,363.55</b>



REPUBLIC OF KENYA

---

Date 14/7/2021

Report of the Board of Survey on the Cash and Bank Balances of SMALL SCALE IRRIGATION AND VALUEADDITION PROJECT – ADF GRANT NO.5570155000751 as at the close ofbusiness on 30-6-2021

The Board, consisting of- (Names and Official titles)

MOSES KAMAU - CHAIRMANCHARLES M. LUSWETI - MEMBERMERCY W. GITU - MEMBERAssembled at the office of PROJECT ACCOUNTANTS OFFICEat 10.10 A.M. (time) on theNotes NIL (Shs. NIL)Silver NIL Shs. NILcopper NIL Shs. NIL

Cheques (as per details on reverse) Shs. \_\_\_\_\_

NILIt was observed that cheques amounting to Shs. NIL cts NIL

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30-6-2021Cash on hand NIL (Shs. NIL)Bank balance Shs. 688,469.80688,469.80The Bank Certificate of Balance showed a sum of Shs. 42,493,875.55


- cts - (shs. \_\_\_\_\_)

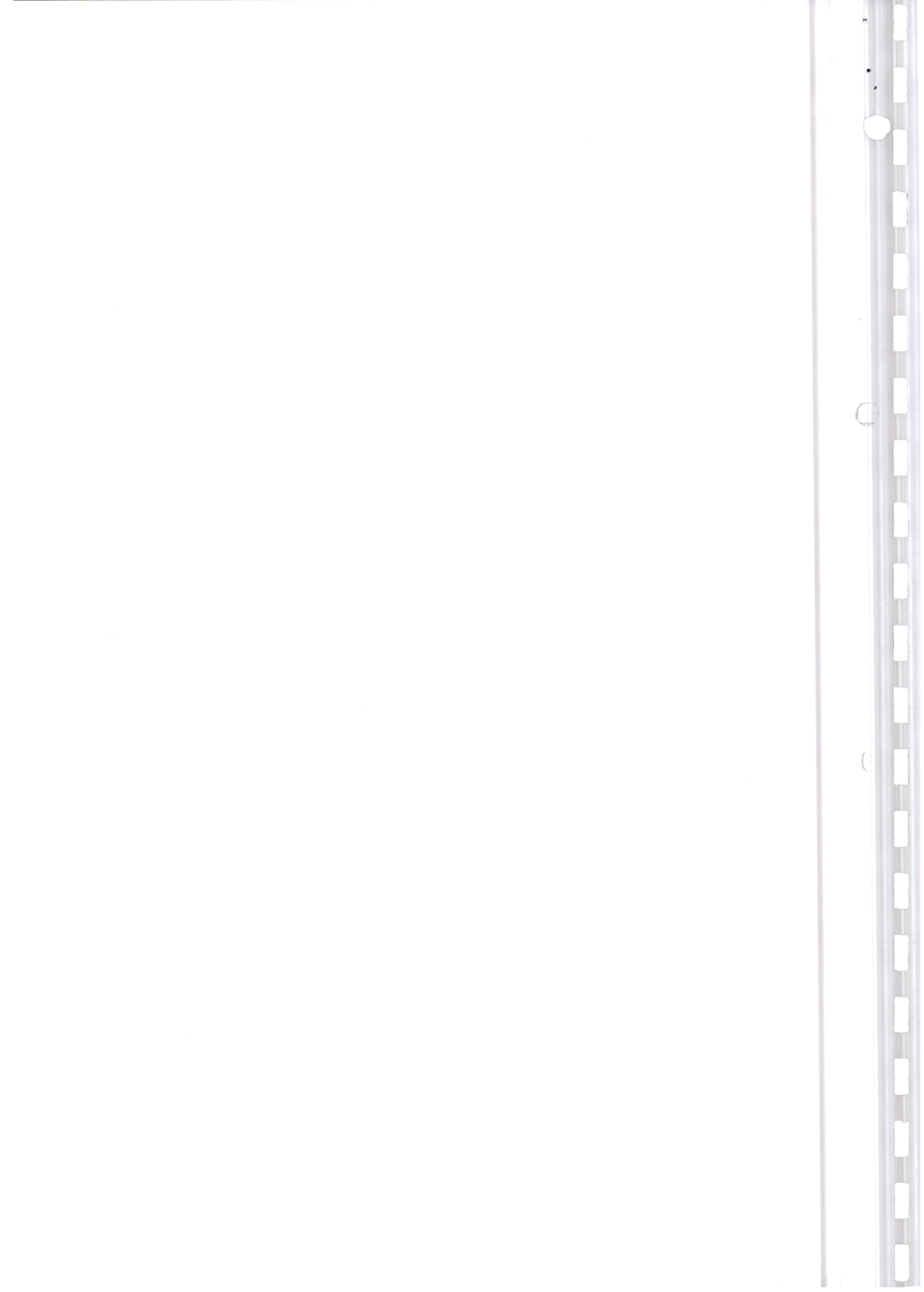
cts \_\_\_\_\_

Standing to the credit of the account on 30-6-2021

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Chairman


Date 14-7-2021



BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

July 5, 2021

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000. Fax: 340192

## CERTIFICATE OF BALANCES

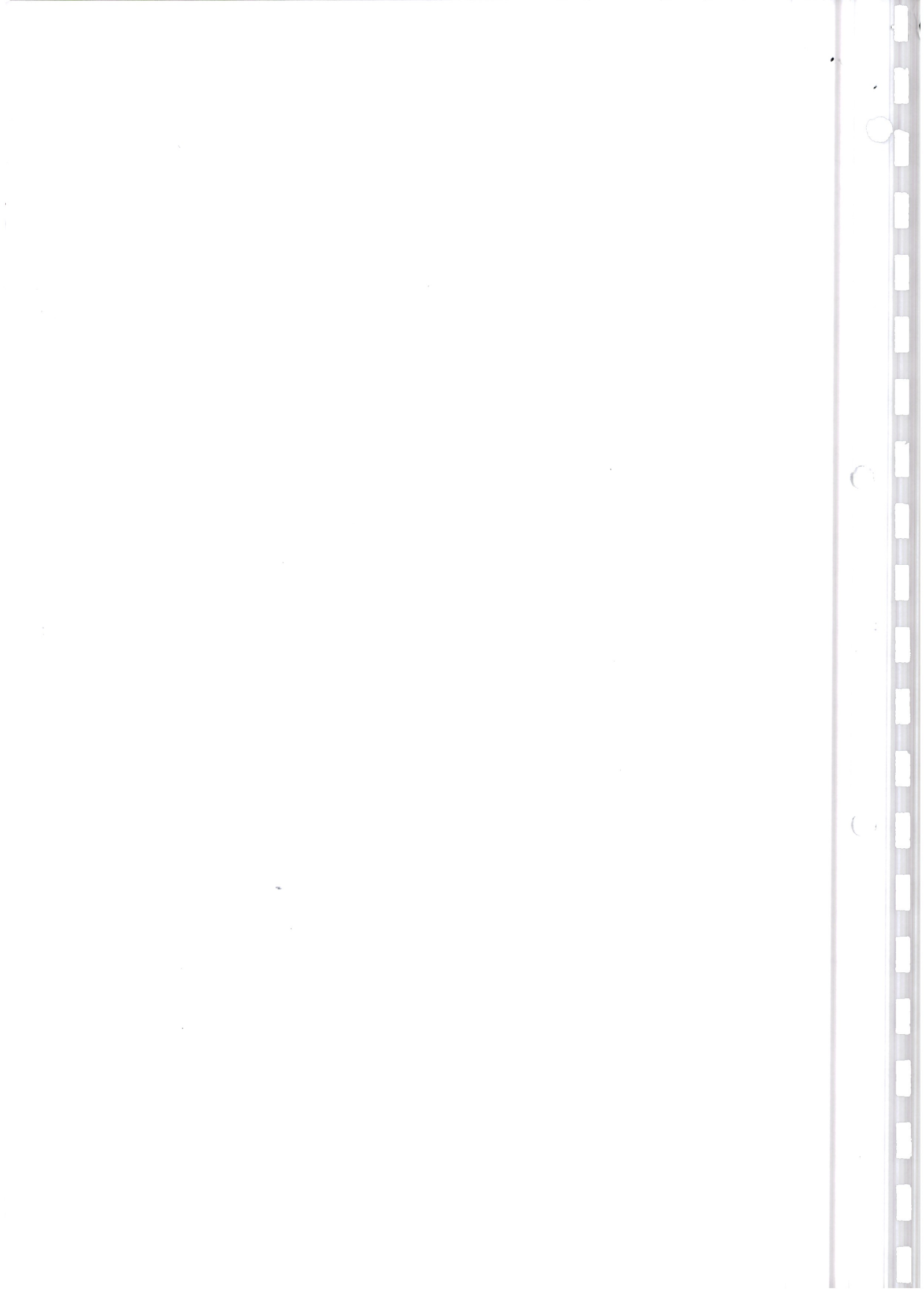
Customer: 145028 – STATE DEPT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH

Balance Date: 30 JUN 2021

Account No	Account Name	Balance
1000456957	REC-STATE DEPT FOR CROP DEV AGRI RE	6,494,708.35
1000456965	DEV-STATE DEPT FOR CROP DEV AGRI RE	561,547,426.40
1000456973	DEP-STATE DEPT FOR CROP DEV AGRI RE	159,118,413.85
1000456981	CBK165-STATE DEPT FOR CROP DEV AGRI	0.00
1000457627	FERTILIZER PROCEEDS	0.00
1000457635	STRATEGIC FOOD RESERVE	0.00
1000457643	DROUGHT RESIL SUSTAIN LAND PROJ GOK	0.00
1000457651	FERTILIZER REVENUE COLLECTION ACCOU	0.00
1000457667	DROUGHT RESIL SUSTAINABLE LAND PROJ	4,658.40
1000457678	KENYA CLIMATE SMART AGRICULTURE	110,015,622.00
1000457686	MULTINATIONAL RURAL LIVI CLIMATE CH	49,804,922.05
1000457694	NATIONAL AGRIC AND RURAL INCL GROWT	320,766,511.69
1000457708	SMALL SCALE IRRIG VAL ADD PROJ GOK	0.00
1000457716	SMALL SCALE IRR VAL ADD PROJ LOAN	76,741.35
1000457724	SMALL SCALE IRR VAL ADD PROJ GRANT	42,493,875.55
1000457732	STRENGTH FERTILIZER QUAL AND REGUL	7,315,321.75
1000457748	MSA AGRI SECT DEV SUPPORT PROGRAMME	0.00
1000457759	ENABLE YOUTH KENYA PROGRAMME	9,708,346.10
1000485566	EMERGENCY LOCUST RESPONSE PROG ELRP	185,478,472.00

LAWRENCE RWERIA  
AUTHORISED SIGNATORY  
BANKING SERVICES

JOYCE NASIEKU  
AUTHORISED SIGNATORY  
BANKING SERVICES



SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30TH JUNE 2021  
 PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No. 2000130014530

Bank Account No.1000289918 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1	Amount advanced by ADB		2,240,317.86
	Less		
2	Total amount justified to ADB		1,181,593.68
3	<b>Outstanding amount advanced to Designated Account</b>		<b>1,058,724.18</b>
	<b>Represented by:</b>		
4	Ending Designated Account Balance at 30.06.2021		
5	Amount claimed but not credited at 30.06.2021		-
6	Amount withdrawn and not claimed as at 30.06.2021		1,058,724.18
7	Service charges (if not included in 5 & 6 above)		-
	Less		
8	Interest earning (if included in Designated Account)		-
9	<b>Total advance to Designated Account year ended 30.06.2021</b>		<b>1,058,724.18</b>

Descripancy between total appearing on lines 3 and 9

-

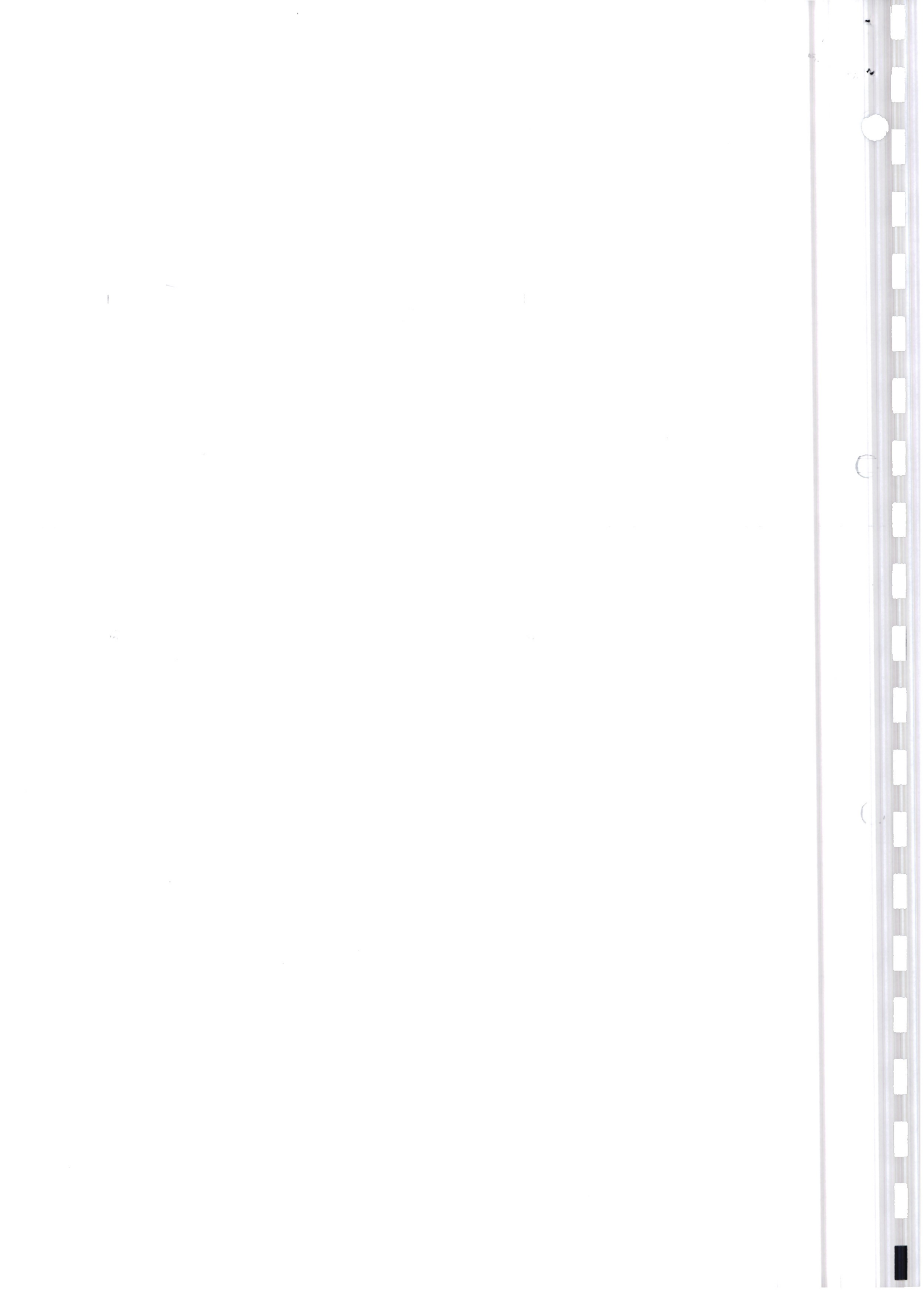
Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by ADB and provide reasons for not claiming the expenditures

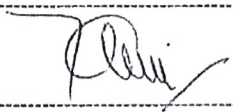
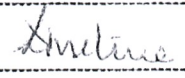
**The amount appearing on line 6 is due to unrepresented SOEs as at 30.6.2021**

  
 AUTHORIZED REPRESENTATIVE

RESOURCES MOBILIZATION DEPARTMENT - TREASURY DATE: 30 07 2021



## SPECIAL ACCOUNT STATEMENT

For period ending	<b>30th JUNE, 2021</b>	
Account No.	<b>1000289918</b>	
Depository Bank	<b>CENTRAL BANK OF KENYA.</b>	
Address	<b>CENTRAL BANK OF KENYA.</b>	
Related Loan	<b>SMALL SCALE IRR.&amp;VALUE ADDITION PRJ ✓</b>	
Credit Agreement		
Currency	<b>USD</b>	
<b><u>Part A - Account Activity</u></b>		
Beginning balance of 1st July, 2020 as per C.B.K. Ledger Account		<b>0.00</b>
<b>Add:</b>		
Total Amount deposited by World Bank		<b>739,119.44</b>
Total Interest earnings if deposited in account		
Total amount refunded to cover ineligible expenditure		
<b>Deduct:</b>		
Total amount withdrawn		<b>739,119.44</b>
Total service charges if not included above in amount withdrawn		
Ending balance on 30th June, 2021		<b>0.00</b>
<b><u>AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA</u></b>	<b>SIGNATURE:</b>	
	<b>DATE</b>	22.07.2021
<b><u>AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY</u></b>	<b>SIGNATURE:</b>	
	<b>DATE</b>	30.07.2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.



Results 1 - 2 of 2

Run Date: 15/07/2021 Run Time: 14:53:52  
 CENTRAL BANK OF KENYA  
 BANKI KUU YA KENYA  
 P.O.BOX 60000-0200  
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000289918

ACCOUNT TITLE : SMALL SCALE IRR.&VALUE ADDITION PRJ  
 30/06/2021

STATEMENT PERIOD: From 01/07/2020 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
-----	------	--------------	---------	-------	----------------

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	13/11/2020	FT20318KCB9Q	FUNDING	0 00	739,119 44	739119 44
2	24/11/2020	FT20329NTXMS	PA 125472	-739,119 44	0 00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites TAM E STMT OF ACCT EPRM [More Options](#) [Clear Selection](#) [Find](#)

Account	equals	1000289918
Statement From	equals	20200701
Statement To	equals	20210630

TAM E STMT OF ACCT EPRM



E

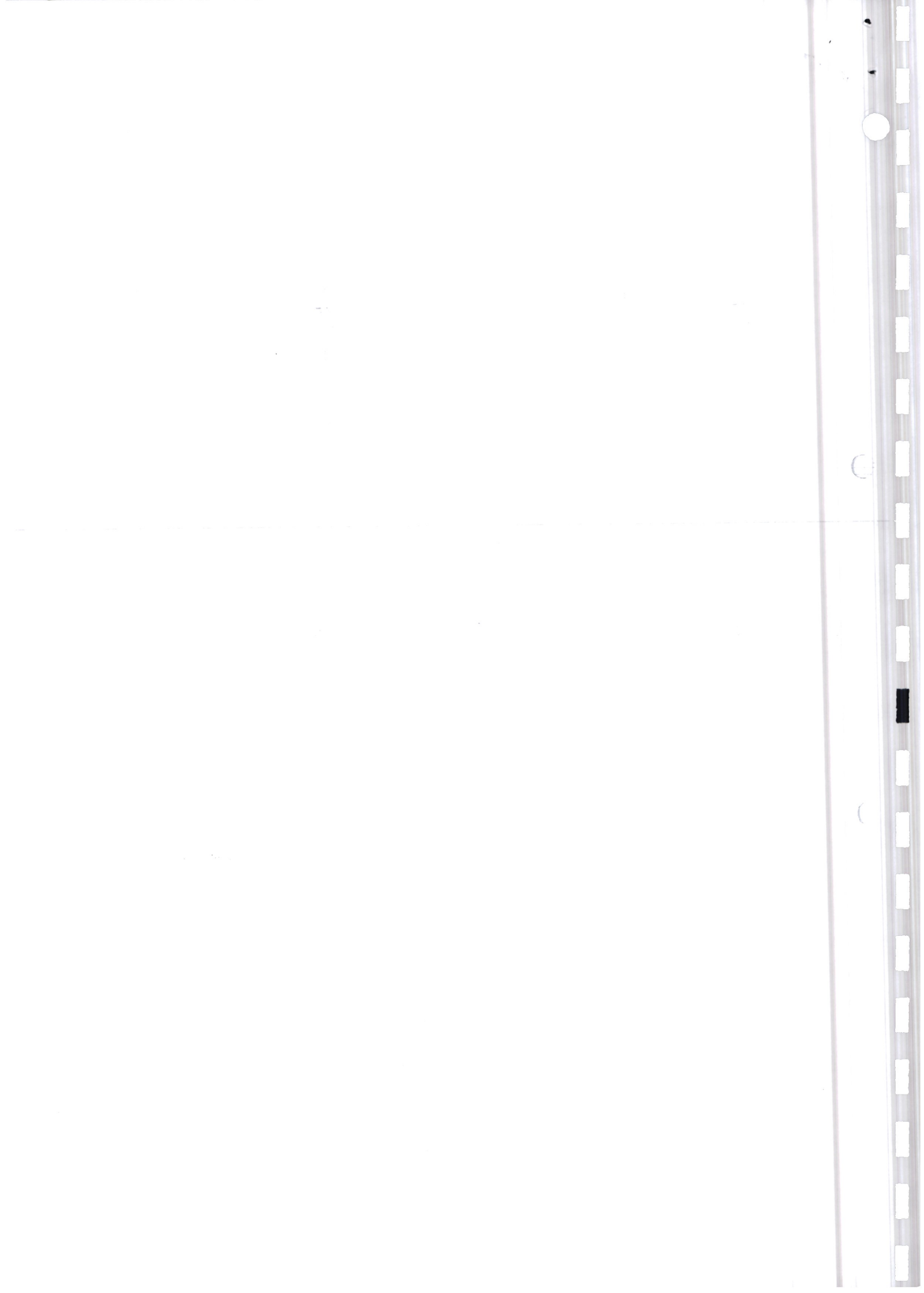
(

African Development Bank  
 Summary of Revolving Funds By Loan ( In Paid Currency )  
 Public sector As at 01.07.2021  
 Loan Number : 2000130014530  
 Project ID : P-KE-AA2-009  
 Project Title : SMALLSCALE IRRIG. & AGRIC. VALUE CHAIN  
 Borrower : MINISTRY OF FINANCE

Printing Date : 01.07.2021  
 Page : 1  
 System : PRD / 400  
 Loan Contract Currency : USD  
 Closing Date : 30.06.2022  
 Commitment Capital : 39,546,000.00  
 Available Balance : 0.00

LDV Number	Reference	Curr	Amount Approved Approval Currency	Amount Justified Approval Currency	Balance to Justify Approval Currency	Amount Disbursed USD	Amount Justified USD	Balance to Justify USD	%Justified	Disburse. Value Date	Last Just. Date
(A)	(B)		(X)	(Y)	(Z) = (X) - (Y)	(C)	(D)	(E) = (C) - (D)	F = D / C	(G)	(H)
2000130014530											
1 All activitie	RE NO0001A	USD	626,289.58	626,289.58	0.00	626,289.58	626,289.58	0.00	100.00	11.07.2016	26.06.2020
1/KE/2016/18020	RE NO0003A	USD	194,175.00	194,175.00	0.00	194,175.00	194,175.00	0.00	100.00	20.06.2018	22.06.2020
1/KE/2018/44875	RE NO00078	USD	680,733.84	361,129.10	319,604.74	680,733.84	361,129.10	319,604.74	53.05	13.06.2019	26.06.2020
1/KE/2019/60080	RE NO0136A	USD	739,119.44	0.00	739,119.44	739,119.44	0.00	739,119.44	0.00	12.11.2020	00.00.0000
1/KE/2020/80804											
Total 2000130014530 All activities						2,240,317.86	1,181,593.68	1,058,724.18	52.74		
						2,240,317.86	1,181,593.68	1,058,724.18	52.74		

3240317.86 1181593.68 1058724.18



**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES**  
**SMALL SCALE IRRIGATION AND VALUE ADDITION PROJECT**  
**AfDB LOAN NO. 2000130014530**  
**BANK RECONCILIATION AS AT 30TH JUNE 2021**

	Kshs	Kshs	Kshs
			76,741.35
	-		
	-		-
			0.00
	-		
			76,741.35

**Balance as per Bank Statement**

- Less-**
1. Payments in the cash book not appearing on bank statement
  2. Receipts in Bank statement not posted in Cash Book
- Add-**
3. Payments in Bank Statement not recorded in the Cash Book
  4. Receipts in Cash Book not yet banked

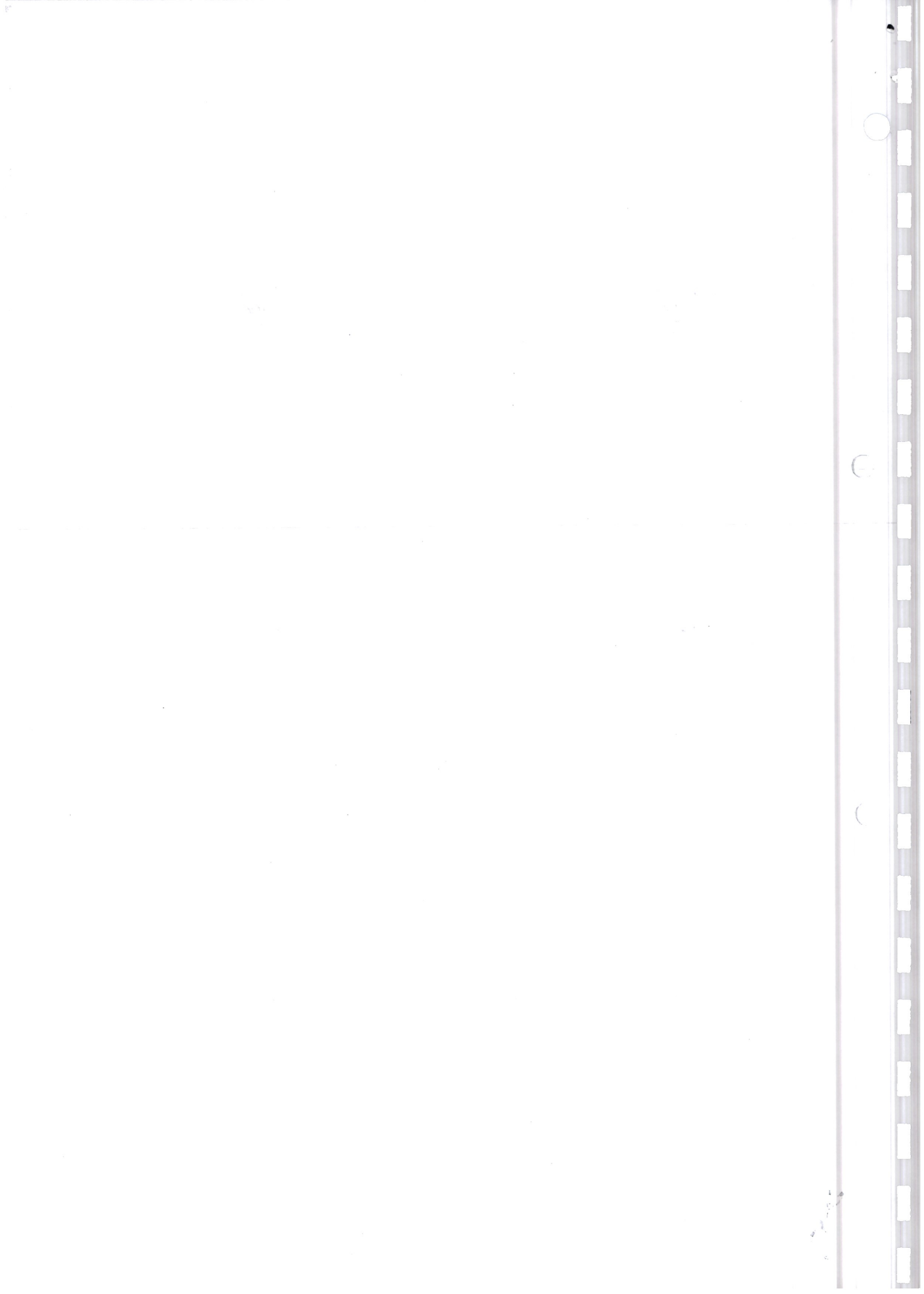
**Bank Balance as per Cash Book**

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement and that the above Reconciliation is correct.

.....  
 Signature

PREPARED BY  
 PRINCIPAL ACCOUNTANT  
 Designation

30-6-2021  
 .....  
 Date



83	06/05/2021	06/05/2021	FT21126PZWZF	Outward RTGS Payment MT 102	1,714,916.00	0.00	2,585,039.35
				0060000062			
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
				MAKUENI COUNTY SMALL SCALE IRRIGATI			
				/REC/0060000062			
				PVS00145			
84	06/05/2021	06/05/2021	FT21126DQ2X1	Outward RTGS Payment MT 102	2,064,916.00	0.00	520,123.35
				0060000061			
				STATE DEPT FOR CROP DEV AGRI RESERC:CBK			
				SIVAP THARAKA NITHI COUNTY			
				/REC/0060000061			
				PVS00145			
85	09/06/2021	09/06/2021	FT21160BSC5X	Outward RTGS Payment MT 103	443,382.00	0.00	76,741.35
				0060000064			
				STATE DEPT FOR CROP DEV AGRI RESERC:999999			
				GERALD KARIUKI KOREMA			
				0060000064			

			PVS00184			
			Totals	81,286,972.00	81,363,713.35	
			Closing Balance			76,741.35

Date 14/7/2021

Report of the Board of Survey on the Cash and Bank Balances of SMALL SCALE IRRIGATION AND VALUE

ADDITION PROJECT – AfDB Loan No. 2000130014530 as at the close of

business on 30-6-2021

The Board, consisting of- (Names and Official titles)

MOSES KAMAU - CHAIRMAN

CHARLES M. LUSWETI - MEMBER

MERCY W. GITU - MEMBER

Assembled at the office of SIVAP PROJECT ACCOUNTANTS OFFICE

at 10.30 A.M. (time) on the

Notes NIL (Shs. NIL)

Silver NIL Shs. NIL

copper NIL Shs. NIL

Cheques (as per details on reverse) Shs. \_\_\_\_\_

NIL

It was observed that cheques amounting to Shs. NIL cts NIL

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30-6-2021

Cash on hand NIL (Shs. NIL)

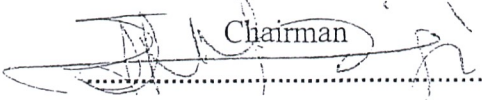
Bank balance Shs. 76,741.35

The Bank Certificate of Balance showed a sum of Shs. 76,741.35


- cts - (shs. \_\_\_\_\_)

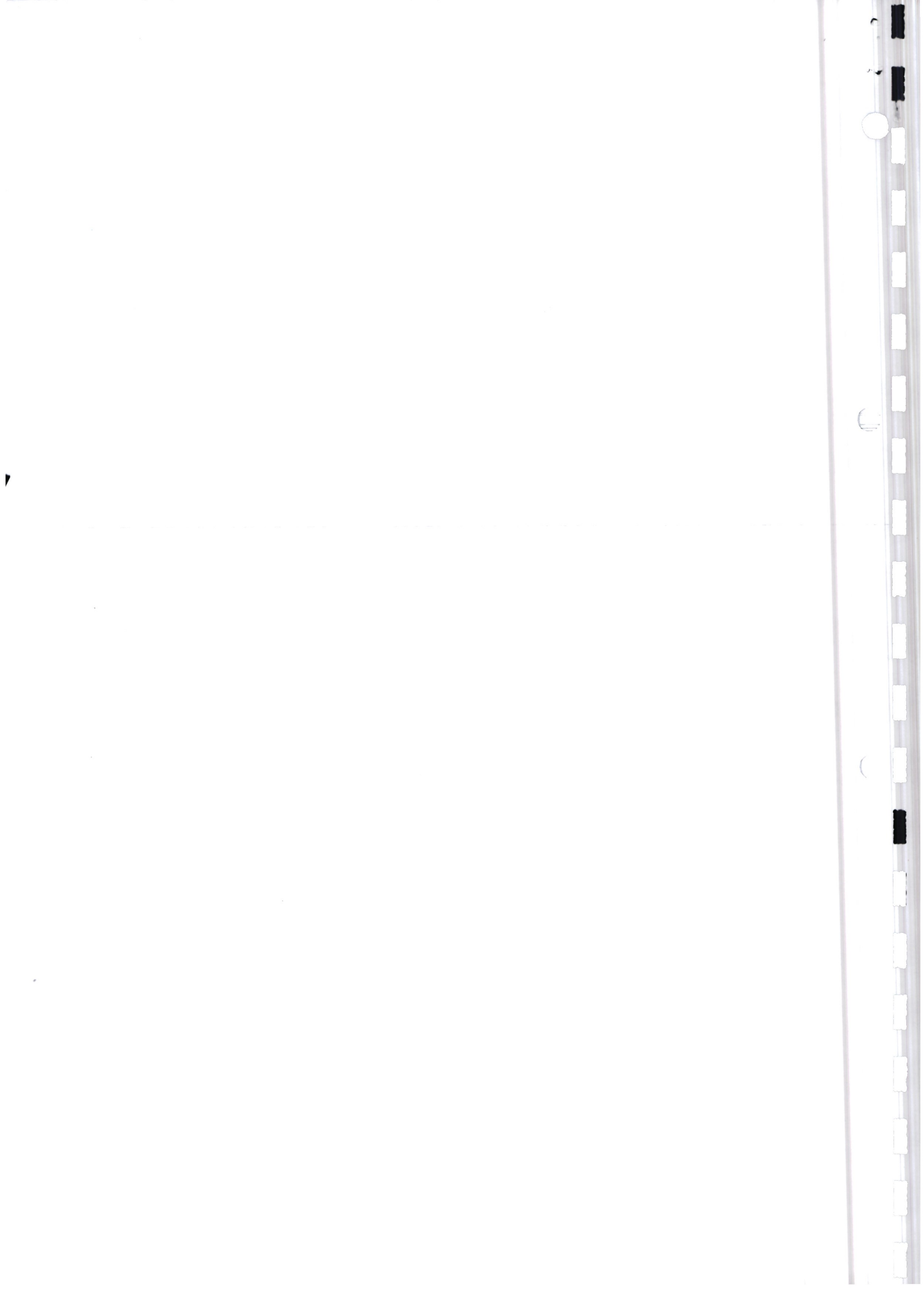
Standing to the credit of the account on 30-6-2021

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

 Chairman

Date 14-7-2021

 Members of the Board



BANKI  
KUUYA  
KENYA



CENTRAL  
BANK OF  
KENYA

July 5, 2021

Haile Selassie Avenue  
P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2860000. Fax: 340192

## CERTIFICATE OF BALANCES

Customer: 145028 – STATE DEPT FOR CROP DEVELOPMENT & AGRICULTURAL RESEARCH

Balance Date: 30 JUN 2021

Account No	Account Name	Balance
1000456957	REC-STATE DEPT FOR CROP DEV AGRI RE	6,494,708.35
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1000456973	DEP-STATE DEPT FOR CROP DEV AGRI RE	159,118,413.85
1000456981	CBK165-STATE DEPT FOR CROP DEV AGRI	0.00
1000457627	FERTILIZER PROCEEDS	0.00
1000457635	STRATEGIC FOOD RESERVE	0.00
1000457643	DROUGHT RESIL SUSTAIN LAND PROJ GOK	0.00
1000457651	FERTILIZER REVENUE COLLECTION ACCOU	0.00
1000457667	DROUGHT RESIL SUSTAINABLE LAND PROJ	4,658.40
1000457678	KENYA CLIMATE SMART AGRICULTURE	110,015,622.00
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