


PARLIAMENT
 OF KENYA
 LIBRARY

REPORT	
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2021	DAY: TUESDAY
TABLED BY:	Lom
CLERK ASST:	Moses Lemura

THE AUDITOR-GENERAL

ON

**RICE BASED MARKET ORIENTED
 AGRICULTURAL PROMOTION PROJECT**

**FOR THE YEAR ENDED
 30 JUNE, 2020**

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



Project Name: Rice based Market Oriented Agriculture Promotion Project (RiceMAPP)

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

PROJECT GRANT/CREDIT NUMBER: 1161001009

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

Contents	Page
1. PROJECT INFORMATION AND OVERALL PERFORMANCE	ii
2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	vii
3. REPORT OF THE INDEPENDENT AUDITORS ON THE RICEMAP PROJECT.....	ix
4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020.....	1
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2020.....	3
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020	4
7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	5
8. NOTES TO THE FINANCIAL STATEMENTS	6
9. OTHER IMPORTANT DISCLOSURES	24
10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	25

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Rice based Market Oriented Agriculture Promotion Project (RiceMAPP)

Objective: The key objective of the project is the market-oriented approach established in Mwea Irrigation scheme is disseminated and adopted in other irrigation schemes

Address: The project headquarters offices are at MIAD centre, KANDONG'U, Kirinyaga County, Kenya.

The address of its registered office is: P.O. BOX 477-10303, WANG'URU

The project has no offices/branches elsewhere

Contacts: The following are the project contacts

Telephone: (254) 711847464

E-mail: ricemapp@gmail.com

Website: www.go.ke

1.2 Project Information

Project Start Date:	The project start date is 01/02/2012
Project End Date:	The project end date is 01/03/2017
Project Manager:	The project manager is Dr. Wilson A.Oyange
Project Sponsor:	The project sponsors are the Government of Kenya which contributed 31% and the Government of Japan (JICA) which contributed 69%

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Agriculture, Livestock, Fisheries and Co-operatives- State Department for Crop Development and Agricultural Research
Project number	1161001009
Strategic goals of the project	The strategic goals of the project are as follows: (i) The market-oriented approach established in Mwea Irrigation

Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020

	Scheme is disseminated and adopted in other irrigation schemes
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Trainings of farmers & stake holders (ii) Conduct Demonstrations (iii) Facilitating stakeholders
Other important background information of the project	The project is AIA donor funded together with the counterpart funds. Phase I of the project was successfully concluded in March, 2017. Phase II was expected to start in February 2019.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: i. To analyse the current situation of farm management, the existing market system, and propose the profitable rice-based & market oriented farming systems ii. Analyse the current situation & issues on water management and IWUA, develop counter measures for rational water management & formulate water Management Guidelines consistent with rice based farming systems iii. Conduct verifications and demonstrations on improved rice cultivation & sequential crops cultivation methods, iv. Propose and demonstrate appropriate mechanization systems in MIS v. Analyse the current situation of Extension system, Design an Extension plan and conduct workshops & trainings on different aspects of rice-based market oriented farming systems. vi. Conduct workshop/conferences for introducing experiences of rise-based and market oriented farming systems vii. Conduct survey on Agricultural profit of farmers
Project duration	Phase I-1st February, 2012- 1 st March ,2017- Phase II expected to commence in February 2019

1.4 Bankers

The following are the bankers for the current year:

- (i) District Treasury, Mwea West
- (ii) Equity Bank Ac. No 11013013111401

1.5 Auditors

The project is audited by the **Office of the Auditor General**, Anniversary Towers, Nairobi.

1.6 Roles and Responsibilities

The project management is based at Mwea Irrigation Scheme and is responsible for the day to day running of the project headed by the Project Manager and assisted by a team of technical officers called the counterparts and supported by administrative staff. The project also had a team of long term experts led by a project advisor and various short term experts called in wherever necessary. The core counterpart staffs are as listed below;

Names & Contact details	Title designation	Key qualification	Responsibilities
Wilson A. Oyange 0711748464 woyange@yahoo.com	Project Manager (wef March,2017) Counterpart, Extension & Farmers Organization	Bsc-Agriculture, Msc (Agronomy) -Rice research & cultivation techniques (Japan)	Coordinating day to day activities of the project. -Design extension plan, conduct trainings & carry out demonstrations on farming systems
Daniel M Mwithia 0721952871	Counterpart, Crop management	Bsc.- Agriculture -Rice research & cultivation techniques (Japan)	Responsible for development and upscaling of alternative methods of rice cultivation & sequential crops
Silas A Owino 0720286520 owinosila@gmail.com	Monitoring & Evaluation	Bsc-Agriculture	Overall tracking of project progress, collation of data & reporting
Ibrahim Muriuki Joseph ibrahimjoseph@uno.ke	Agribusiness development & Marketing	Bsc-Agriculture	Support farmers on marketing issues & develop market information system
Juma A. Mohamed 0722494191 jjomadhar@gmail.com	Irrigation & Water management	Bsc-Agriculture & Diploma in Irrigation & Water	Responsible for irrigation & Water management issues
Peter K Kinuthia pkkinuthia@gmail.com	Mechanization Assistant	Diploma in Agriculture Engineering	Conduct trials on mechanization & develop mechanization systems in MIS
Charity W. Njagi	Administrative Assistant	Diploma in Purchasing & Supplies Management	Clerical duties
Antony Munene Njoka	Driver	Defensive driving	Driving

Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020

1.7 Funding summary

The Project was for duration of five (5) years from February 2012 to March 2017 with an approved budget of US\$ 1,854,368 equivalents to Kshs.191,050,000 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30.06.2018)		Undrawn balance to date (30.06. 2018)	
	Donor currency USD	KShs	Donor currency USD	KShs	Donor currency USD	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
JICA	1,128,155	116,200,000	1,271,650	130,980,000	(143,495)	(14,780,000)
Insert name of donor	0	0	0	0	0	0
(ii) Loan						
Insert name of development partner	0	0	0	0	0	0
Insert name of development partner	0	0	0	0	0	0
(iii) Counterpart funds						
Government of Kenya	726,214	74,800,000	575,922	60,070,000	150,292	14,730,000
Total	1,854,369	191,000,000	1,847,572	191,050,000	6,797	(50,000)

1.8 Summary of Overall Project Performance:

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

- During the year under review, the project received no funds and incurred no expenditure representing 0 % utilization.

Physical progress based on outputs, outcomes and impacts since project commencement:

- No Progress. The Project ended

Comment on value-for-money achievements:

- Not Applicable. The Project ended

Implementation challenges:

- Not Applicable. The Project ended

1.9 Summary of Project Compliance:

Not Applicable since the Project ended

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Ministry of Agriculture, Livestock, Fisheries and Co-operatives- State Department for Crop Development and Agricultural Research and the *Project Manager* for **Rice MAP 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, 2020 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 Co-operatives- State Department for Crop Development and Agricultural Research and the *Project Manager* for **Rice MAP 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 Co-operatives- State Department for Crop Development and Agricultural Research and the *Project Manager* for **Rice MAP 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 Agriculture, Livestock & Fisheries, State department of Agriculture and the *Project Manager* for **Rice MAP 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.

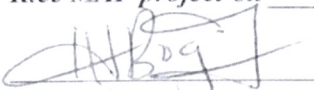
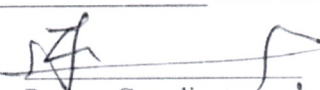
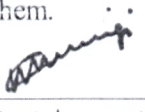
The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Co-operatives- State Department for Crop Development and Agricultural Research and the *Project Manager* for **Rice MAP project** confirm that the Project has complied fully with applicable Government Regulations and 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 Co-operatives- State Department for Crop Development and Agricultural Research and the *Project Manager* for

Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020

Rice MAP project on _____ 2020 and signed by them.

 Principal Secretary Prof. Hamadi Idd Boga PhD Date	 Project Coordinator Wilson Oyange PhD Date	 Assistant Accountant General Charity W Muriuki ICPAK Member Number:5380 Date
---	--	--

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



Enhancing Accountability

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON RICE BASED MARKET ORIENTED AGRICULTURAL PROMOTION PROJECT FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Rice Based Market Oriented Agriculture Promotion Project set out on pages 1 to 25, which comprise the statement of financial assets and liabilities as at 30 June, 2020, 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, the financial statements present fairly, in all material respects, the financial position of the Rice Based Market Oriented Agriculture Promotion Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Agreement on Technical Cooperation between the Government of Japan and the Government of the Republic of Kenya dated 29 April, 2004 and the Record of Discussion agreed upon between the Government of the Republic Kenya (GOK) and Japan International Cooperation Agency (JICA) dated 19 October, 2011 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Rice Based Market Oriented Agriculture Promotion 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 opinion.

Emphasis of Matter

Project Closure

During the year under review the Project remained inactive and the only transactions were related to bank charges. The Project ceased operations in the year 2016/2017 but it had not been wound up as required in the financing agreement. The bank account was, however, closed after year end, on 3 October, 2020 and the remaining balance in the account of Kshs.344 was surrendered to the State Department for Crop Development and Agricultural Research.

Further, in the previous financial year, it had been reported that an amount of Kshs.130,980,000 relating to direct payments made by JICA on behalf of the Project remained unsupported. The Principal Secretary consequently wrote to JICA on this matter, and in response, JICA indicated that the Project's expenditures were audited as part of the Public Expenditure in Japan but certified copies of the said expenditures remained a challenge due to the voluminous physical records. In addition, on 8 November, 2020, in a letter referenced TC-19-(SOV), JICA confirmed an amount of Kshs.164,631,389 as having been direct payments. It is not clear at what point the expenditure increased by Kshs.33,651,389.

My opinion is however not modified based on the effects of the above matter.

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.

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

Basis for Conclusion

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 Projects' ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 Project's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 entity's policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Rice Based Market Oriented Agriculture Promotion Project 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 sustaining 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

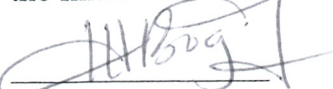
05 January, 2021

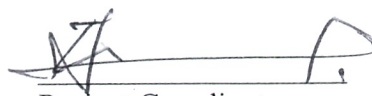
Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020


4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020		2018/19		Cumulative to-date
		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	
RECEIPTS						
Transfer from Government entities	8.3	0	0	0	0	60,070,000
Proceeds from domestic and foreign grants	8.4	0	0	0	0	130,980,000
Loan from external development partners	8.5	0	0	0	0	
Miscellaneous receipts (Direct bank receipts debited)	8.6	544	0	0	0	
TOTAL RECEIPTS		544	0	0	0	191,050,540
PAYMENTS						
Compensation of employees	8.7	0	0	0	0	
Purchase of goods and services	8.8	180	0	0	-	191,050,180
Social security benefits	8.9	0	0	0	0	
Acquisition of non-financial assets	8.1	0	0	0	0	
Transfers to other government entities	8.11	0	0	0	0	
Other grants and transfers and payments - Balance Transferred to the PS- State department of Crop Development	8.12	0	0	0	139	139
TOTAL PAYMENTS		180	0	139	0	191,050,180
SURPLUS/DEFICIT		364	0		0	60

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


Principal Secretary
Prof. Hamadi Idd Boga PhD


Project Coordinator
Wilson Oyange PhD


Assistant Accountant General
Charity W Muriuki
ICPAK Member Number:5380

Date

Date

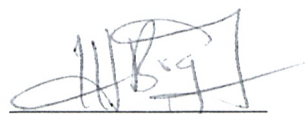
Date

***Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020***

5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30th JUNE 2020

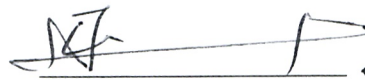
STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2020			
	Note	2019/2020	2018/19
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.13.A	364	-
Cash Balances	8.13.B	-	-
Total Cash and Cash Equivalents	8.13.C	364	-
Accounts receivables – Imprest and Advances	8.14	-	-
TOTAL FINANCIAL ASSETS		364	-
REPRESENTED BY			
Fund balance b/fwd	8.15	364	0
Balance transfers/ Prior year adjustments	8.16	-	-
Surplus/Deficit for the year		0	0
NET FINANCIAL POSITION		364	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on _____ 2020 and signed by:



Principal Secretary
Prof. Hamadi Idd Boga PhD

Date



Project Coordinator
Wilson Oyange PhD

Date



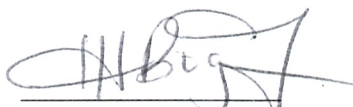
Assistant Accountant General
Charity W Muriuki
ICPAK Member Number:5380

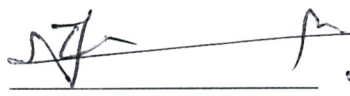
Date

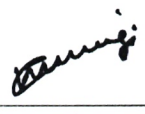
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019/2020	2018/19
	Note	KShs	KShs
Receipts for operating activities			
Transfer from Government entities	8.3	0	0
Proceeds from domestic and foreign grants	8.4	0	0
Miscellaneous receipts	8.6	544	0
Payments for operating activities			
Compensation of employees	8.7	0	0
Purchase of goods and services	8.8	-180	0
Social security benefits	8.9	0	0
Transfers to other government entities	8.11	0	0
Other grants and transfers	8.12	0	0
Balance tranfers/ Prior year adjustments	8.16	-	-
Net cash flow from operating activities		364	-
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8.1		
Net cash flows from Investing Activities		364	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	8.5	0	0
Net cash flow from financing activities		0	-
NET INCREASE IN CASH AND CASH EQUIVALENT		364	
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		364	-

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 _____ 2020 and signed by:


 Principal Secretary
 Prof. Hamadi Idd Boga PhD


 Project Coordinator
 Wilson Oyangé PhD


 Assistant Accountant General
 Charity W Muriuki
 ICPAK Member Number:5380

Date

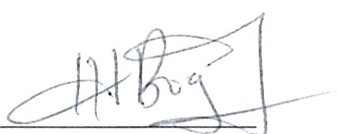
Date

Date


7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	A	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	0	0	0	0	0	
Proceeds from domestic and foreign grants	0	0	0	0	0	
Proceeds from borrowings	0	0	0	0	0	
Miscellaneous receipts	0	0	0	544	-544	#DIV/0
Total Receipts	0	0	0	544	-544	#DIV/0
Payments					0	
Compensation of employees	0	0	0	0	0	#DIV/0
Purchase of goods and services	0	0	0	180	-180	#DIV/0
Social security benefits	0	0	0	0	0	
Acquisition of non-financial assets	0	0	0	0	0	
Transfers to other government entities	0	0	0	0	0	
Other grants and transfers	0	0	0	0	0	
Total Payments	0	0	0	180	-180	#DIV/0


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


Principal Secretary
Prof. Hamadi Idd Boga PhD

Date


Project Coordinator
Wilson Oyange PhD

Date


Assistant Accountant General
Charity W Muriuki
ICPAK Member Number:5380

Date

8. NOTES TO THE FINANCIAL STATEMENTS

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

8.1. Basis of Preparation

8.1.1. Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

8.1.2. Reporting entity

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

8.1.3. Reporting currency

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

8.2. 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.

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

- **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 recognised in the financial statements the time associated cash is received.

b) Recognition of payments

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

- **Compensation of employees**

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

- **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.

- **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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.

- **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.

c) 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.

d) 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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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.

f) 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.

g) 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 recognized 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.

h) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, no grant disbursements were received in form of direct payments from third parties.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Exchange rate differences

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

j) 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.

k) 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, 2020

l) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2019/20 KShs	2018/19 KShs	Cumulative to-date
<i>Counterpart funding through Ministry</i>			
Counterpart funds Quarter 1	0	0	0
Counterpart funds Quarter 2	0	0	60,070,000
Counterpart funds Quarter 3	0	0	0
Counterpart funds Quarter 4	0	0	0
<i>Other transfers from government entities</i>			
Ministry xx	0	0	0
Ministry xy	0	0	0
Project zxy	0	0	0
Agency xz	0	0	0
Appropriations-in-Aid	0	0	0
	<u>0</u>	<u>0</u>	<u>60,070,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2020 we received no 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	
						FY 2019/20	FY 2018/19
			KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)							
GOVT. of JAPAN (JICA)	-	0	0	0	0	0	130,980,1
Grants Received from Multilateral Donors (International Organisations)							
N/A	-					0	
Grants Received from Local Individuals and organizations							
N/A	-					0	
Total						0	130,980,1

*. The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that adequate documents and support document is requested from the donors to support this grant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 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 cash	Loans received as direct payment*	Total amount KShs	
			KShs	KShs	FY19/20	FY18/19
Loans Received from Bilateral Donors (Foreign Governments)						
N/A	0	0	0	0	0	
Loans Received from Multilateral Donors (International Organizations)						
N/A	0	0	0	0	0	
Total	0	0	0	0	0	

8.6. MISCELLANEOUS RECEIPTS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs	KShs	KShs		
Property income	0	0	0	0	
Sales of goods and services	0	0	0	0	
Administrative fees and charges	0	0	0	0	
Fines, penalties and forfeitures	0	0	0	0	
Voluntary transfers other than grants	0	0	0	0	
Other receipts not classified elsewhere	544	0	544	0	5

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.7. COMPENSATION OF EMPLOYEES

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	0	0	0	0	0
Basic wages of temporary employees	0	0	0	0	0
Personal allowances paid as part of salary	0	0	0	0	0
Personal allowances paid as reimbursements	0	0	0	0	0
Personal allowances provided in kind	0	0	0	0	0
Pension and other social security contributions	0	0	0	0	0
Compulsory national social security schemes	0	0	0	0	0
Compulsory national health insurance schemes	0	0	0	0	0
Social benefit schemes outside government	0	0	0	0	0
Other personnel payments	0	0	0	0	0
Total	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.8. PURCHASE OF GOODS AND SERVICES

Particulars	FY 2019/20				KShs
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Payments made by the entity in cash	
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	0	0	0	0	203,570
Communication, supplies and services	0	0	0	0	54,900
Domestic travel and subsistence	0	0	0	0	1,732,300
Foreign travel and subsistence	0	0	0	0	-
Printing Advertising and information system	0	0	0	0	137,230
Rentals of produced assets	0	0	0	0	-
Training payments	0	0	0	0	63,400
Hospitality supplies and services	0	0	0	0	-
Insurance costs	0	0	0	0	-
Specialized materials and services	0	0	0	0	-
Other operating payments	180	0	0	0	142,840
Routine maintenance – vehicles and other transport equipment	0	0	0	0	579,100
Routine maintenance- – other assets	0	0	0	0	129,850
Exchange rate losses/gains (net)	0	0	0	0	-
Total	0	0	0	0	3,043,290
Cumulative totals – (Up to 2015/2016)					188,006,700
Total Expenditure (Cumulative to date-2019/2020 FY)					191,050,041

The donor spent and did not give account of their spending.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.9. SOCIAL SECURITY BENEFITS

	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KSh
Government pension and retirement benefits	0	0	0	0	
Social security benefits in cash and in kind	0	0	0	0	
Employer social benefits in cash and in kind	0	0	0	0	
Total	0	0	0	0	

8.10. ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2019/20			FY 2018/19	Cumulative
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Balance
	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	0	0	0	0	
Construction of buildings	0	0	0	0	
Refurbishment of buildings	0	0	0	0	
Construction of roads	0	0	0	0	
Construction of civil works	0	0	0	0	
Overhaul & refurbishment of construction and civil works	0	0	0	0	
Purchase of vehicles & other transport equipment	0	0	0	0	
Overhaul of vehicles & other transport equipment	0	0	0	0	
Purchase of household furniture & institutional equipment	0	0	0	0	
Purchase of office furniture & general equipment	0	0	0	0	
Purchase of specialised plant, equipment and machinery	0	0	0	0	
Rehabilitation & renovation of plant, equipment & machinery	0	0	0	0	
Purchase of certified seeds, breeding stock and live animals	0	0	0	0	
Research, studies, project preparation, design & supervision	0	0	0	0	
Rehabilitation of civil works	0	0	0	0	
Acquisition of strategic stocks	0	0	0	0	
Acquisition of land	0	0	0	0	
Acquisition of other intangible assets	0	0	0	0	
Total	0	0	0	0	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2020, we transferred funds to reporting government entities as shown below:

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
Ministry ABC	0	0	0	0	0
Project XYZ	0	0	0	0	0
Transfers to County Government					
County ABC	0	0	0	0	0
County XYZ	0	0	0	0	0
TOTAL	0	0	0	0	0

There was no funds transfer

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	0	0	0	0	0
Transfers to lower levels of government e.g schools	0	0	0	0	0
Miscellaneous payments	0	0	0	0	0
Total	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 8.13A)	364	0
Cash in hand (Note 8. 13B)	0	0
Cash equivalents (short-term deposits) (Note 8.13C)	0	0
Total	<u>364</u>	<u>0</u>

The project has one (1) project account spread within the project implementation area and one number of foreign currency designated accounts managed by the National Treasury as listed below:

8.13. A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.....]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Others (<i>specify</i>)	0	0
Total Foreign Currency balances	<u>0</u>	<u>0</u>
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No.....]	0	0
Kenya Commercial Bank [A/c No.....]	0	0
Co-operative Bank of Kenya [A/c No.....]	0	0
Equity Bank [A/c No.11013013111401]	364	0
	0	0
Total local currency balances	364	0
	0	0
Total bank account balances	<u>364</u>	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 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

	2019/20	2018/19
	KShs	KShs
(i) A/c Name [A/c No.....]		
Opening balance	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
Closing balance (as per SDA bank account reconciliation attached)	0	0
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	0	0
Total amount deposited in the account	0	0
Total amount withdrawn (as per Statement of Receipts & Payments)	0	0
Closing balance (as per SDA bank account reconciliation attached)	0	0

No Special Deposit Account(s) reconciliation statement(s) has (have) been attached as there is zero closing balances.

8.13. B Cash In Hand

	2019/20	2018/19
	KShs	KShs
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other locations (<i>specify</i>)	0	0
Total cash balances	0	0

[Provide a cash count certificate for each location above]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.13. C Cash equivalents (short-term deposits)

	2019/20	2018/19
	KShs	KShs
Kenya Commercial Bank [A/C No.....]	0	0
Co-Operative Bank of Kenya [A/C No.....]	0	0
Others (<i>Specify</i>)	0	0
Total	0	0

8.14 OUTSTANDING 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 2019/2020</i>	<i>Balance 2018/2019</i>
				0	9
Total	0	0	0	0	0

8.15 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Outstanding imprests and advances	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16 PRIOR YEAR ADJUSTMENT

	2019/20	2018/19
	KShs	KShs
Bank accounts	0	0
Cash in hand	0	0
Cash equivalents (short-term deposits)	0	0
Receivables - Outstanding Imprests	0	0
Cash & bank balance transferred	0	0
Total	<u>0</u>	<u>0</u>

9. OTHER IMPORTANT DISCLOSURES

9.1 PENDING ACCOUNTS PAYABLE

	2019/20	2018/19
	KShs	KShs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

9.2 PENDING STAFF PAYABLES

	2019/20	2018/19
	KShs	KShs
Permanent employees – management	0	0
Permanent employees – others	0	0
Temporary employees	0	0
Others (<i>specify</i>)	0	0
	0	0

9.3 OTHER PENDING PAYABLES

	2019/20	2018/19
	KShs	KShs
Amounts due to National Government entities	0	0
Amounts due to County Government entities	0	0
Amounts due to third parties	0	0
Others (<i>specify</i>)	0	0
Total	0	0

10. PROGRESS ON FOLLOW UP OF AUDITOR 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.

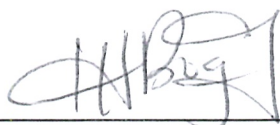
Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Failure to provide accounting and other records	Most of the Accounting records and information required for audit purposes have now availed for 2017/18 & 2018/19 Financial years	Project Coordinator / Manger Mr. Wilson Oyange	Un-resolved	2019/2020 FY
2.	Un-supported cumulative receipts- Kshs.191,050,000	All GOK receipts support schedules, analysis and support documents now availed but still following up the JICA component balance of Kshs130,980,000	Project Accountant	Not resolved	2019/2020 FY
3.	Un-supported cumulative Expenditure- Kshs.191,049,861	The support schedules, analysis and support documents now availed but still following up the JICA component balance of Kshs130,980,000	Project Accountant	Not resolved	2019/2020 FY
4	Purchase of Goods and Services – Un-supported balance of Kshs.188,006,751		Project Accountant	Not resolved	2019/2020 FY
5	Rice MAPP administration block – Un-supported amount		Project Accountant/ Manager	Not resolved	2019/2020 FY

**Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020**

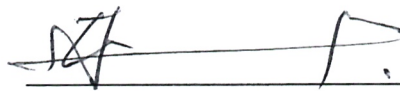
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs35,000,000				
6	Projects Assets and assets management and distribution and hand over		Project Manager	Not resolved	2019/2020 FY
7	Cash and Cash equivalents- Long overdue reconciling items and non-closure of dormant bank account		Project Manager	Not resolved	2019/2020 FY

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



Project Manager

Date

Date

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	0	0	0	0%	
Proceeds from domestic and foreign grants	0	0	0	0	
Proceeds from borrowings	0	0	0	0	
Miscellaneous receipts	0	544	-544	#DIV/0!	The receipt amount is direct debits by the bank owing to over paid bank charges
Total Receipts	0	0	0	0%	
Payments					
Compensation of employees	0	0	0	0	
Purchase of goods and services	0	180	-180	#DIV/0!	The project had since been concluded and the variance was occasioned by bank charges which had not been budgeted for
Social security benefits	0	0	0	0	
Acquisition of non-financial assets	0	0	0	0	
Transfers to other government entities	0	0	0	0	
Other grants and transfers	0	0	0	0	
Total payments	0	0	0	0	

Explain all variance below 90% and above 100%

*Rice MAPP Project
Reports and Financial Statements
For the financial year ended June 30, 2020*

- (i) There is a variance of 0 % on the receipts from government. The Government did not provide funding during the financial year
(ii) The figures captured exclude the Donor component, since they were yet to come.

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	A	b	C	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						

*Rice MAPP Project
 Reports and Financial Statements
 For the financial year ended June 30, 2020*

ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	B	C	d=a-c		
Permanent Employees – Management							
1.							
2.							
3.							
Sub-Total							
Permanent Employees – Others							
4.							
5.							
6.							
Sub-Total							
Temporary employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

*Rice MAPP Project
 Reports and Financial Statements
 For the financial year ended June 30, 2020*

ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
		A	B	C	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total							
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total							
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

*Rice MAP Project
Statement of Budget Performance
For the year ended June 30, 2020*

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2018/19 (a)	*Purchases/Additions in the Year (KShs) 2018/19 (b)	**Disposals in the Year (KShs) 2018/19 (c)	Closing Cost (KShs) 2018/19 (d)= (a)+ (b)-(c)
Land	0	0	0	0
Buildings and structures	35,000,000	0		35,000,000
Transport equipment	2,100,000	0	0	2,100,000
Office equipment, furniture and fittings	500,000	0	0	500,000
ICT Equipment, Software and Other ICT Assets	100,000	0	0	100,000
Other Machinery and Equipment	300,000	0	0	300,000
Heritage and cultural assets	0	0	0	0
Intangible assets	50,000	0	0	50,000
Total	38,050,000	0	0	38,050,000

- *No purchases/additions during the year*

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations
- iii. Cash Count Certificate
- iv. Special Deposit Account(s) reconciliation statement(s)