

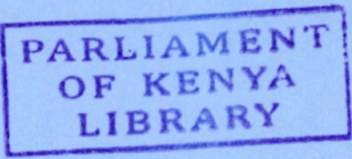
REPUBLIC OF KENYA



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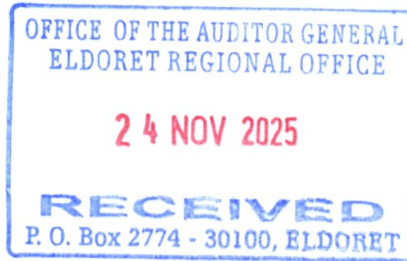
KERIO VALLEY DEVELOPMENT AUTHORITY

FOR THE YEAR ENDED
30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	08 APR 2026
	DAY: Wed
TABLED BY:	Hon. Samuel Chepkong'o
CLERK AT THE TABLE:	Mudo

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements
For the year ended June 30, 2025.



**KERIO VALLEY DEVELOPMENT AUTHORITY
ANNUAL REPORT AND FINANCIAL
STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025**

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

KERIO VALLEY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements
For the year ended June 30, 2025.



KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

Table of Contents

1.	Acronyms and Definition of Key Terms	ii
2.	Key Entity Information and Management.....	iii
3.	The Board of Directors	ix
4.	Key Management Team	xv
5.	CHAIRMAN'S STATEMENT	xviii
6.	REPORT OF THE CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR.....	xix
7.	Statement of Performance against Predetermined Objectives for FY 2024/2025.....	xxi
8.	CORPORATE GOVERNANCE STATEMENT	xxvi
9.	MANAGEMENT DISCUSSION AND ANALYSIS	xxix
10.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxxvi
11.	REPORT OF THE DIRECTORS	xliv
12.	STATEMENT OF DIRECTORS RESPONSIBILITIES	xlvi
13.	REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS ENDED 30TH JUNE 2025 (KERIO VALLEY DEVELOPMENT AUTHORITY)	xlvii
14.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025.....	1
15.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.	2
16.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025.....	3
17.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.....	4
18.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025	5
19.	NOTES TO THE FINANCIAL STATEMENTS.....	6
20.	Appendices	45

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

1. Acronyms and Definition of Key Terms

A: Acronyms

CBK	Central Bank of Kenya
CS	Cabinet Secretary
ICPAK	Institute of Certified Public Accountants of Kenya
IG	Inspector General
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations

B: Definition of Key Terms

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

Comparative Year - Means the prior period.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

2. Key Entity Information and Management

(a) Background information

The Authority was incorporated/ established under the Act of Parliament Chapter 441 of the Laws of Kenya on 31st August 1979. The Authority is domiciled in Kenya and it covers Five counties namely Samburu, Baringo, Elgeyo Marakwet, West Pokot, Turkana and parts of Nakuru and Marsabit counties and is mandated to plan and coordinate the implementation of development projects in the Kerio and Turkwel river basins.

(b) Principal Activities

Vision Statement:

A prosperous, Green and Conflict Free Society

Mission Statement:

To promote conservation and sustainable management of River Basin Based Natural Resources through Integrated Development for Improvement of Livelihoods.

Core Values:

Integrity

As an Authority we will be sincere and uncompromising in serving the public.

Respectful

We will serve people with courtesy and fairness

Accountability

We will conduct business in a transparent and accountable manner

Teamwork

We will operate and work together for the common good of the people.

Creativity & Innovation

We will nurture and adopt new technologies in our operations.

Customer Focus

We will endeavour to understand our customers' needs and consistently strive to satisfy them.

KERIO VALLEY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements
For the year ended June 30, 2025.

(c) Key Management

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

No.	Designation	Name
1.	Board of Directors	Mark Chesergon-Chairman
2.	Managing Director	Sammy Naporos
3.	Director Finance & Administration	Moses Kipchumba
4.	Director Technical Services	Daniel Kimutai
5.	Director Planning	David Onyango
6.	Director Business	John Kangogo

(d) Fiduciary Management

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

No.	Designation	Name
1.	Managing Director	Sammy Naporos
2.	Director Finance & Administration	Moses Kipchumba
3.	Director Technical Services	Daniel Kimutai
4.	Director Planning	David Onyango
5.	Director Business	John Kangogo
6.	Deputy Director Supply Chain Management	William Maina
7.	Deputy Director Corporate Communication	Carolyne Chemitei
8.	Deputy Director Internal Audit	Peter Kurui
9.	Deputy Director Legal Services	Getrude Mabele

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

Audit and Risk Management Committee

The Committee is responsible for ensuring that internal control functions are effectively followed; oversee internal audit function are effectively followed; oversee Audit's work-plan is executed; ensure compliance to legal and statutory requirements; assess audit risks portfolio of the organization; review external reports and ensure recommended actions are addressed; Ensure Audit charter and risk management policies are in place and up to date.

The members of this Committee are:

- | | |
|----------------------------|--|
| 1) Capt. Augustine Ekitela | - Chairman |
| 2) Ms. Christine Jepkoech | - Member |
| 3) Mr. Simon Kalekem | - Member |
| 4) Mr. Jeremiah Sang | - Member |
| 5) Mr. David Komen | - Alt. Director to CS, The National Treasury |
| 6) Mr. Denis Wabwire | - Alt. Director to the Attorney General |
| 7) Mr. Isaac Odek | Representing the IG of State Corporations |
| 8) Mr. Peter Kurui | Deputy Director Internal Audit (Secretary) |

The Audit and Risk Management Committee meets quarterly and during the financial year under review, the Audit Committee held four meetings.

Finance Committee

The Finance Committee is responsible for Authority's budget, work plans, and procurement plans and forward the same for Board's approval; prioritization and allocation of financial resources for projects; financial reporting on income and expenditure accounts, proposed and actual budget expenditure, project cost versus completion status, variance trends that may have material effect on institution's financial health, compliance to accounting policies and standards and also to statutory and regulatory procedures of the Authority.

The members of this Committee are:

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

Name		Designation
1	Ms. Rosemary Parengiro	Chairman
2	Reuben Chepsongol	Member
3	Shadrack Kiptugen	Member
4	Ms. Jostine Chepnyango	Member
5	Amb. John Lanyasunya	Member
6	Mr. Jeremiah Sang	Member
7	Mr. David Komen	Alt. Director to CS, The National Treasury
8	Ms. Cecilia Ngoyoni	Alt. Director, Office of the President
9	Mr. Sammy Naporos	Managing Director (Secretary)

During the financial year under review, the Finance Committee met four times.

Development and Environment Committee

The Committee is responsible for identification, prioritization and recommendation (from the master plan and Strategic Plan) for approval of investment projects; Consider and recommend approval of project budget and work-plans; Report on quality of works in projects; Report on project status; Report on project evaluation process and indicate whether there is value for money and ensure and report on compliance to all relevant policies, laws and regulations for development of projects.

The members of this Committee are:

Name		Designation
1	Amb. John Lanyasuna	Chairman
2	Mr. Reuben Chepsongol	Member
3	Mr. Simon Kalekem	Member
4	Ms. Jostine Chepnyango	Member
5	Mr. Noah Lokamar	Member
6	Ms Mirriam Chebungei	Alt. Director to the PS, ASALS and Regional Development
7	Mr. Isaac Odek	Rep. Inspectorate of State Corporations
8	Mr. Sammy Naporos	Managing Director (Secretary)

The Committee met four times in the financial year under review.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

Human Resources Committee

The Committee is responsible for: -

Overseeing and reporting on HR management and development issues regarding recruitment, selection, discipline, retirement and compensation; consider and advice Management on legal matters related to the Authority; and Performance Contract; progress and status.

The members of this Committee are:

Name		Designation
1)	Mr. Shadrack Kiptugen	Chairman
2)	Ms Christine Jepkoech	Member
3)	Ms Rosmary Parengiro	Member
4)	Mr.Noah Lokamar	Member
5)	Ms Miriam Chebungei	Alt.Director to the PS, ASALS and Regional Development
6)	Dennis Wabwire	Alt Director to the Attorney General
7)	Cecilia Ngoyoni	Alt.Director Office of the President
8)	Mr. Sammy Naporos	MD (Secretary)

During the financial year under review, the Committee met four times.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

(f) Entity Headquarters

KVDA Plaza, 13th Floor,
Oloo Street,
P.O. Box 2660- 30100,
Eldoret.

(g) Entity Contacts

Tel: 053-2063361/3 Fax 2063364
Email: info@kvda.go.ke
Website: www.kvda.go.ke

(h) Entity Bankers

Kenya Commercial Bank,
Kencom House,
P.O. Box 48400-00100,
Nairobi.

(i) Independent Auditor

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

(j) Principal Legal Adviser




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

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

3. The Board of Directors

Ref	Directors	Details	
1	 Mr. Mark Chesergon Chairman	Year of Birth	1982
		Appointed	28/10/2021
		<p>Mr. Chesergon is the Chairperson of the Board. He has served as Chief officer and Economic advisor to the Governor Elgeyo Marakwet County; has also worked as Manager in the Petroleum Industry and Financial Services sectors. He holds Master's in Business Administration (MBA-Finance & Accounting)</p>	
2	 Mr. Dennis Wabwire Board Member	Year of Birth	1981
		Appointed	27/7/2020
		<p>Mr. Wabwire Works with State Law Office and has been a Legal Practitioner for over 10 years and is a member of Law Society of Kenya (LSK). He holds Both Master's and Bachelors degree in law; Diploma, Kenya school of law.</p> <p>Denis is Senior Counsel and Alternate Director to Attorney General.</p>	
3	 Mr. David Komen Board Member	Year of Birth	1965
		Appointed	5/5/2021
		<p>Mr. Komen is an Economist Ministry of Planning with expansive knowledge in Finance and economic planning and has served in the National Treasury for over 20 years. He Holds MSc. University of Brandford United Kingdom, BA Economics UoN, S. A. he has served as Director KEMRI,</p> <p>He is the Alt. Director, P.S. The National Treasury.</p>	
4		Year of Birth	1965
		Appointed	2/2/2021
		<p>Mr. Odek is an Economist and has a wealth of experience spanning over 20 years in corporate governance and strategic management. He holds MBA and B.ED</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements




For the year ended June 30, 2025.

	 <p>Mr. Isaac Omondi Odek Board Member</p>	<p>Mr.Odek is Alt representative to the inspectorate of State corporations.</p>	
5	 <p>Hon. Jeremiah K Sang Board Member</p>	<p>Year of Birth</p>	<p>1969</p>
		<p>Appointed</p>	<p>03/11/2023</p>
		<p>Hon. Sang has over 20 years’ experience in administration and policy development. He has served in various institutions including being Board Member at Turbo Technical and Vocational Education and Training (Uasin Gishu); Member of County County Assembly (Uasin Gishu); Vice Chair of Eldoret North Constituency Development Fund; served in various capacities at the Kenya National Assurance Company Limited and Unilever (k) Ltd formerly known as East Africa Industries.</p> <p>Hon. Sang holds Diploma in Public Administration and is an Independent Director He is an independent director.</p>	
6	 <p>Ms. Jostine Chepyango Board Member</p>	<p>Year of Birth</p>	<p>1969</p>
		<p>Appointed</p>	<p>26/05/2023</p>
		<p>Hon. Chepyango holds Diploma in Business Management from Moi University. Has experience in leadership and community empowerment. Has worked in the education sector as Board member in various schools.</p> <p>Hon. Chepyango is an independent director.</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

7	 <p>Mr. John Lepi Lanyasunya, MBS Board Member</p>	Year of Birth	1955
		Appointed	26/05/2023
		<p>Amb. John L. Lanyasunya is a Diplomat with wide experience. He has served as Kenyan Ambassador to the Federal Republic of Germany Austria, Romania and Bulgaria; High Commissioner to the Commonwealth of Australia, Zealand and Canada; Dean of the African Diplomatic Corps in Australia; served as Director of the Asia and Australasia directorate in the Ministry of Foreign Affairs and International Trade; coordinator of the Intergovernmental Authority on Development (IGAD's) Somalia peace process; served for many years at the Kenya Utalii College in Various Managerial roles. He holds Masters degree in Economic/Linguistics.</p> <p>Amb. Lanyasunya is an independent director and Chair Development Committee</p>	
8	 <p>Ms. Christine Jepkoech Board Member</p>	Year of Birth	1978
		Appointed	26/05/2023
		<p>Ms. Christine has a wealth of experience in administration, Strategic leadership as well as human resources management. She holds Bachelors in Human Resource Management and is an independent director.</p>	
9	 <p>Mr. Reuben Chepsongol Board Member</p>	Year of Birth	1969
		Appointed	26/05/2023
		<p>Hon. Chepsongol is the UDA Party Whip, Rift Valley and has served as MCA and Majority Whip in Baringo County Assembly. He contested for Member of Parliament for Baringo North. He has also served in the Ministry of Interior and National Coordination as an Administrator.</p> <p>He holds certificate in Administration & Disaster management. and is an independent director.</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements




For the year ended June 30, 2025.

10	 <p>Ms. Rosemary Nchenyei Paringiro Board Member</p>	Year of Birth	1978
		Appointed	26/05/2023
		<p>Ms. Rosemary is a trained media professional who has work experience spanning over 15 years in the main stream media, corporate organizations and government. She holds Masters degree in Journalism/Communications from Cardiff University(United Kingdom) and currently pursuing PhD at Walden University in the USA.</p> <p>She has served in the Truth, Justice and Reconciliation Commission as the Senior Public Communications Expert; the defunct Judges and Magistrates’ Vetting Board as the Head of the Communications Department; she also worked for Turkana County Government for ten years as Director of Communications and Chief Officer.</p> <p>She also served in the Board of Directors for the National Drought and Management Authority where she was the Chairperson for the Audit Committee.</p> <p>Ms Paringiro is an independent director and Chair Finance Committee.</p>	
11	 <p>Mr. Shadrack Kiptugen Board Member</p>	Year of Birth	1965
		Appointed	9/06/2023
		<p>Mr. Shadrack has a wealth of experience in Strategic Leadership, Oversight, Stakeholder engagement, Planning and Corporate social responsibilities. Previously worked as farm manager, Rift Valley Hatcheries, and Animal health assistant in the Ministry of Livestock Development. He holds Diploma in Livestock Management</p> <p>Mr. Kiptugen is an independent director and Chair HR Committee</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements




For the year ended June 30, 2025.

12	 Mr. Simon Kalekem Board Member	Year of Birth	1962
		Appointed	9/06/2023
		<p>Mr Kalekem is a passionate Teacher and has wide experience in education matters, Motivation and Business Administration. He has served as member of County assembly and has vied for the position for Member of Parliament. He holds Bachelors Degree in Business Administration</p> <p>Hon Kalekem is an independent director.</p>	
13	 Ms. Mirriam Chebungei Board Member	Year of Birth	1986
		Appointed	18/01/2024
		<p>Ms. Chebungei has over 10 years work experience in policy formulation, research, programmes development and coordination; expert in natural resource management and mainstreaming of environmental management, climate change actions.</p> <p>Holds master's in integrated water resource. Management; First Level Masters in Irrigation Water Use Management for Developing Countries; Bachelor of Environmental Studies (Community Development)</p>	
14	 Captain Augustine Lekitela Board Member	Year of Birth	1982
		Appointed	01/09/2023
		<p>A Governance, Peace and Security expert with deep academic and professional training. Possesses Seventeen (17) years of hands-on experience gained from working in County and National Government, Corporate and Humanitarian Sectors in Kenya and Eastern Africa Region. Formerly a County Chief Officer; Acting Chief of Staff/Head of Strategy Delivery Unit; Senior Advisor for Peace, Security and Borderlands Initiatives in Turkana County. Capt. Ekitela is an Independent Director.</p> <p>Currently Pursuing PHD in International Relations, MSc (Governance) BSc(Military Science); Dip, in International Security.</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.




15	 <p>Hon. Noah Lokamar Board Member</p>	Year of Birth	1978
		Appointed	03/11/2023
		<p>Hon. Lokamar has over 15 years of experience in various fields. Has been Safety Nets Officer (Mercy Corps Kenya) Program Officer, SBCC (MoH); Social Performance Advisor-Grievance Management and Stakeholder Engagement Tullow Kenya BV; Project Officer (World Vision Kenya); Program Officer(Paralegal and access to Justice: Catholic Diocese of Lodwar; Social Community Mobilizer: (Merlin International)</p> <p>Hon. Lokamar is an Independent Director Holds Bachelor’s degree in Development Studies; Diploma in Community Development; Diploma in Business Administration</p>	
16	 <p>Mr. Sammy Naporos Managing Director</p>	Year of Birth	1974
		Appointed	3/02/2020
		<p>Holds a PHD in Development Studies; Masters (Project Planning Management) and BBA</p> <p>He is the Managing Director, KVDA</p>	
17	 <p>Ms. Gertrude Mabele Deputy Director- Legal Services</p>	Year of Birth	1983
		Appointed	2/2/2021
		<p>Gertrude holds a Bachelor of Laws(LLB), Post Graduate Diploma In Law; Advocate and member of the Law Society of Kenya.</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.




4. Key Management Team

Ref	Management	Details	
1	 Mr. Sammy Naporos Managing Director	Year of Birth	1974
		Holds a PHD in Development Studies; Masters (Project Planning Management) and BBA He is the Managing Director, KVDA	
2	 Ms. Gertrude Mabele Deputy Director	Year of Birth	1983
		Head of	Legal Services
		Holds a Bachelor of Laws(LLB), Post Graduate Diploma In Law; Advocate Legal services	
3	 Mr. David Onyango Director	Year of Birth	1966
		Director	Planning Research & Development.
		Holds MBA (Project Management) and BA(Economics) .	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements




For the year ended June 30, 2025.

4	 Mr. John Kangogoi Director	Year of Birth	1969
		Director	Business Development & Investment Promotion.
		Holds MBA, B.com, CPA(K), CPS(K) and other short Management courses.	
5	 Eng. Daniel Kimutai Director	Year of Birth	1974
		Director	Technical Services
		Holds MSC (Biosystems), Bsc, Member IEK	
6	 CPA Moses Kipchumba Director	Year of Birth	1975
		Director	Finance & Administration
		Holds MBA (Finance), Bcom, Financial Analyst (FA)	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

7	 Mr. William Maina Deputy Director	Year of Birth	1968
		Deputy Director	Supplies Chain Management
		Holds master's in business administration (Finance) B. CoM; Member of KISM	
8	 Ms. Carolyn J. Chemitei Deputy Director	Year of Birth	1974
		Deputy Director	Corporate Communication
		Holds master's in communication studies, Bachelors of Communication & Public Relations..	
9	 Mr. Peter Kurui Deputy Director	Year of Birth	1974
		Deputy Director	Internal Audit
		Holds Bachelor of Business Management, CPA III, Member IIA	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

5. CHAIRMAN'S STATEMENT

It is with great pleasure that I present the Kerio Valley Development Authority's Accounts for 2024/2025 financial year. The Authority focuses on delivery of public services in line with the Government Bottom-Up Economic Transformation Agenda (BETA). In doing this, the Authority has undertaken promotion of sustainable integrated development programmes through implementation of drought mitigation programmes, Conservation and community livelihood programmes. The annual report and financial statements for the year ending 30th June 2025 is therefore based on the aspiration of achieving above mentioned initiatives.

The implementation of projects and programmes cover the KVDA area of jurisdiction which includes the Counties of Turkana, West Pokot, Elgey-Marakwet, Baringo, Samburu and parts of Nakuru and Marsabit

During the year under review, the Authority focused on the following.

- Implementation of the Strategic Plan for the period 2023-2027. This Plan is guided by the GOK Vision 2030, Integrated Regional Development Master Plan 2012-2033 and SDG goals among others
- Promotion of food security initiatives through development and maintenance of irrigation projects. Notable irrigation projects include the Weiwei, Napuu and Lomut irrigation schemes.
- Continuous collaboration with the County governments and various partners and stakeholders.
- Resource mobilization through active engagements with the National Treasury and development partners aimed at progressing implementation of projects/programs of the Authority
- Enhanced the production of assorted fruit and tree nurseries to support the live hoods of the people within the basin and conservation of the basin.
- Supported the farmer communities through the uptake of harvested honey and mango fruits in line with the strategic goal of supporting sustainable livelihoods.
- Actively supporting conservation by working with communities and public institutions in environmental conservation activities through planting tree/fruit seedlings.
- Continued enhancement of Mango factory capacity through automation of the Mango Juice production line by installing an automatic refilling unit.

In conclusion, the Board looks forward to continuous engagements of all stakeholders in undertaking development initiatives within the region.



Mark Chesergon
Chairman of the Board
Date: August 8, 2025

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

6. REPORT OF THE CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

It is my honour to present the Financial Statement for the year ending **30th June 2025**. During the period, the Authority received budgetary support from the National treasury amounting to kshs 1,027.5 million for both development and recurrent projects/programmes. The support from Government was in furtherance of deliberate action of enhancing environmental conservation and protection in addition to improving livelihoods of the communities within the KVDA area of operation.

To supplement the Government support, the Authority also enhanced income generation activities in line with the goal of sustaining community livelihoods as well as conserving the environment. During the year, the Authority faced challenges of securing raw materials for honey processing due to scarcity of the product in the market. This also contributed to rising costs of production thus negatively affecting profit margins. Following this, challenge, the Authority realized a slightly lower AIA output of Kshs 157 million compared to the previous achievement of Ksh 161 million.

The Authority will continue focusing on enhancing production and marketing strategies to promote products and build on the already laid down foundation for sustainability through expansion of revenue streams, enhancing operational efficiency with the long-term goal of making the Authority self-reliant.

Overall, the Authority reported a deficit of Kshs 644.8 million compared to a surplus of Kshs 1,143 million in the previous year. The negative performance was attributed to decreased receipt of government grants; provision of write off government grants budgeted revenues recognized in 2023/2024 FY but not received and reduced AIA revenues due to increased business costs.

The government grants received are being used to implement the strategic projects and programmes as planned. Intervention areas targeted include drought mitigation, climate change resilience, environmental conservation and sustainable livelihoods. During the reporting period, the Authority managed to initiate/ implement over 56 water harvesting projects with the aim of enhancing community access to water and mitigate on effects of climate change.

Going forward, the Authority is determined to pursue both short term and long-term goals with the aim of contributing to Government development agenda.

Short Term Measures

- Enhance rental income from KVDA Plaza to a projected level above Kshs. 120 million per annum

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

- Purchasing and refining 150 tons of semi-processed honey and marketing honey products to raise Kshs 80 million per annum.
- Enhancement of operationalization of Mango factory in Tot, Elgeyo Marakwet County to increase revenues from mango product line.
- Undertake resource mobilization of funds from development partners.

Long Term Measures:

- Upscale mango seed production business through prudent management of existing farms and expansion of irrigable land to achieve at least 3,000 hectares in the next five years.
- Unlocking of the Arror and Kimwarer multipurpose dam development projects.
- Implement development at Turkwel downstream irrigation project to put an additional 30,000 ha of land under irrigation to enhance national food security and peace within the Region.
- Expansion of existing revenue base to support operating activities and create sustainability in our area of jurisdiction.
- Development of pasture and pasture related products for sustainable livelihoods in the semi-arid lands

In conclusion, the Management is grateful to our Ministry of East Africa Community, the ASALs and Regional Development; Stakeholders, the entire KVDA Board of Directors and Staff for their contributions towards the achievements made during the year.



Sammy Naporos
August 8, 2025.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements
For the year ended June 30, 2025.

7. Statement of Performance against Predetermined Objectives for FY 2024/2025

IRRIGATION PROJECTS

Weiwei Phase III Project - West Pokot County

Project Objectives	Project Status
To develop 325 ha of land under irrigation for food production, improve house hold income and reduce insecurity	<ul style="list-style-type: none"> a. Land development and supply of water to farm modules on the 325ha under phase III completed. b. 325 No. Irrigation laterals and sprinklers procured and supplied to the scheme. The irrigation laterals and sprinklers are currently being branded for allocation to individual beneficiaries. c. 70No. Solarised water pumps and 140No. Solar panels procured and distributed to farmers in Sigor. d. 3No. Tractors delivered to the scheme and currently operational e. 456 tons of maize produced. Low production from farmers due to delay in acquiring farm input f. 200 No. Farmers trained on best farming practices g. Ptokou Sangat intakes rehabilitated h. Project is 96% complete i. Contract extended to 31st December 2025

Napuu Irrigation Scheme

County	Project Activities	Project Status
Turkana	i. To establish centre pivot irrigation infrastructure on 150 acres for crop production to enhance food security and reduce dependency on relief food.	<ul style="list-style-type: none"> a) 150 acres of land developed and fenced for irrigation b) 2No. Centre pivot irrigation system installed c) 2No. water storage tanks each with a capacity to hold 3,400 m³ of water. d) 4No. boreholes drilled and equipped to supply water to the farm and community e) 250 kw solar power installed
	Crop Production	40 tons of crop produced from 75 acres of land. Crops include sorghum, watermelon and pasture. Trials for cassava, sweet potato and dragon fruit undertaken
	Establishment of nursery	Mango fruit seedlings nursery established and maintained.
	Capacity building for youth and women	100 farmers trained on best practices
	Construction of farm store and farm office	Farm store and office constructed and operational

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

Lomut irrigation Scheme - West Pokot County

Project Objectives	Project Status
To develop irrigation infrastructure on 200 acres for food production.	<ul style="list-style-type: none"> a. Phase I of the project has been implemented and 200 acres developed for food production. b. Water intake weir completed c. Sedimentation basin constructed d. Surge tank constructed e. 5km conveyance pipeline laid and operational. f. Extension of 4.5 km main pipeline ongoing and will open another 250 acres for food production g. installation of the HDPE main pipeline is in progress h. A total of 30 tons of sorghum and 26 tons of maize were produced during the year.

Kamsiwet Small Holder Irrigation Project

Project Objectives	Project Status	% Completion
To develop and operationalize 100 acres of land for food production	100 acres of land developed and planted with sorghum	Completed
	234 tons of sorghum produced	Completed
	50 farmers trained on best practices	Done
	Repairs of the damaged water pipeline undertaken	Completed
	Rehabilitation of Irrigation System at the scheme	Completed
	Construction of farm store	Completed

Chepkum Small Holder Irrigation Project in Elgeyo Marakwet County

Project Objectives	Activities	Project Status
To develop and operationalize 300 acres of land for food production	Land preparation and crop production	200 acres of land developed and planted with sorghum
	Capacity building	200 farmers trained on best farming methods
	Rehabilitation of water storage and distribution system	Rehabilitation of water intake ongoing, water distribution system partially completed and holding tank completed

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements
For the year ended June 30, 2025.

DROUGHT MITIGATION PROJECTS.

The region is in a water deficit and receives relatively low and highly unpredictable rainfall in frequency and amount. Coupled with severe drought, the region has suffered due to lack of adequate water for domestic consumption (human and livestock) and for irrigation.

Over the years, the Authority has been implementing drought mitigation programme aimed at supplementing the existing water supply. During FY2024/2025, the Authority developed 35No. boreholes, 7No Small dams and 14No. water pans in 5 counties as follows (details in Appendix I):-

No	Construction of Water Structure	Output (No.)	Volume /Yield in m ³	Number of Beneficiaries
1	Boreholes	35	750,000 m ³	a) 300,000 persons b) 1,500,000 livestock
2	Waterpans	14	450,000 m ³	a) 20,000 persons b) 750,000 livestock
3	Small Dams	7	500,000 m ³ of water	a) 35,000 persons b) 600,000 livestock

ENVIRONMENTAL CONSERVATION - Cherangany Watershed

Over the years, Cherangany has faced serious degradation due to effects of climate change and human activities caused by ever increasing population pressure.

Specific Objectives

- To promote agro-forestry activities for communities living adjacent to the forest aimed at supporting livelihood activities thereby making them self-reliant. Specific activities include planting of early maturing high value crops, beekeeping, livestock improvement.
- To undertake restoration/afforestation of Kipkabus Forest within Cherangany Watershed for future generation. This is aimed at making significant contribution to the national target of 10 per cent tree cover.

Achievements realized during the year ended 30th June 2025

- Over 10 million tree seedlings have been raised and planted for conservation purposes in collaboration with schools, local communities and other public institutions. This has contributed to the forest cover of 12.5% to 13%.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

- b) The Authority maintained the adopted 12.5Ha of Kipkabus Forest block where over 60,000 bamboo seedlings were planted.
 - c) Promoted environmental conservation in the region by holding 30No. Of publicity and awareness campaigns during the year.
 - d) Established 2No. New Tree nurseries
 - e) Over 3 million tree/mango seedlings raised from the nurseries
 - f) Increased forest and tree cover from 12.5% to 13%;
 - g) Ecological integrity and functioning of ecosystems restored
 - h) Strengthened communities resilience to climate change
- Sustainable supply of environmental products and services (water and

AGRI-BUSINESS AND VALUE ADDITION PROGRAMMES

Mango Value Chain Project

The project involves raising and distribution of mango fruit seedlings, capacity building of mango farmers and value addition (processing mango fruits into pulp and juice) in Tot, Elgeyo Marakwet County.

Achievements :-

- a) Over 112,787 litres of ready-to-drink (RTD) juice was processed during the year
- b) Provided ready market for 156.7 tons of mango fruits worth over Kshs. 30 million to the mango farmers
- c) Maintenance and grafting of fruit seedlings was undertaken in the certified nurseries of Kerio Roses, Weiwei, Tot, Kimao, Aror, Bartabwa, Napuu farm, Kimngorom, Tot factory and Kimwarer stations.
- d) Procured and installed Automatic juice filler machine aimed at increasing the processing capacity from 2000 litres per day to 10,000 litres per day.

Honey Value Chain Programme

Honey Value Chain programme aims to improve livelihoods and promote conservation in the region. The main activities undertaken include; capacity building of honey producers, honey purchase, processing and marketing.

Honey processing and packing is ongoing at Rokocho factory.

Achievements: -

- a) Purchased 101 tons of semi processed honey worth over Kshs. 40 million during the year and paid to farmers.
- b) Processed 63.9 tons of pure acacia honey worth Kshs. 45 million during the year.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended June 30, 2025.

Rokocho honey factory was renovated and branded

Aquaculture

The Authority promotes aquaculture in Turkwel Dam and at Kalokol in Turkana County. During the year, the Authority achieved the following: -

- a) Trained 52no. Fishermen in Kalokol in modern fishing methods and supported them with life saver jackets.
- b) Stocked Yokot Dam with 100,000 fingerlings

Infrastructure Development

The Authority progressed the following infrastructure projects:-

- i. Rehabilitation of KVDA administration block, staff houses , camp facilities and construction of new restaurant at Turkwel at a cost of Kshs. 124,822,902. The project is 50% complete.
- ii. Construction of Training Hall, store, abolition block, septic tank and fencing of KVDA Chemeron Station at a cost of Kshs. 13,388,431. The project is 45% complete.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

8. CORPORATE GOVERNANCE STATEMENT.

Kerio Valley Development Authority underscores the importance of corporate governance. It believes in setting the tone at the top in order to have an organization wide culture that fosters good corporate governance. This ensures implementation of collective processes, policies, structures and relationships to control and direct the institution to uphold good and desirable practices.

In doing so and being a public institution; we are guided by the Constitution of Kenya and the relevant laws and regulations. This is in order to emphasize on the rule of law, responsible leadership, following best practices, embracing of sustainable growth and transparency in carrying out of Company affairs.

i. Appointment of Board members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter

Directors are appointed by the Parent Ministry responsibly for management of the Authority as constituted from time to time while the Chairman is appointed by the President. KVDA falls under the Ministry of East African Community, the ASALs and Regional Development Authority.

The Authority has 11 independent Directors and five (5) Alternate Directors drawn from different State Departments.

The Authority has an approved board charter describing the roles, responsibilities, and processes of the board of directors. This applies to both individual member and the Board as a whole.

ii. Roles and functions of the board

The Board is composed of the Chair and Board Members with the MD being the Secretary to the Board. The Board chairs is responsible for providing overall leadership and is not a member of any Board Committee. The Board has established four (4) committees with specific mandates and roles.

The Board has appointed Independent Directors to chair the respective committees.

iii. Induction, training, and development

New board members will want to contribute to the organization as soon as they are appointed. Board members are inducted and trained in line with the Government policy from time to time and the Mwongozo code of conduct. All the Board members have received internal and external induction.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended June 30, 2025.

iv. Board and members' performance

The Board conducts evaluation once every year to measure the performance of individual members and the Board as a whole. The evaluation are guided by State Corporations Advisory Committee (SCAC).

v. Number of Board meetings held and the attendance to those meetings by members

The Authority holds its meeting as per the approved Board Almanac. During the financial year, the Board sat four times. All the meetings convened were well attended by members with only few instances of apologies recorded.

vi. Succession plan

Appointment of Board members is structured in a way to allow successive continuity and avoid situations where there is completely new membership. This ensures preservation of Institutional memory as far as Board matters are concerned.

vii. Policy to manage conflicts of interest.

A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal interests and professional duties or responsibilities. When such a situation arises, the party with the conflict of interest is usually asked to remove themselves or can be legally required to recuse themselves.

Declaration of interest is a mandatory agenda in all Board sittings and members are require registering any or non-existence of interest.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

ix. Board remuneration

The Board members are remunerated as per government circulars issued from time to time. The remuneration includes a sitting allowance, and reimbursements for accommodation, mileage and Lunch. In addition to this remuneration, the Chair is entitled to a monthly honoraria and airtime.

x. Ethics, Conduct and Governance audit

The audit and risk management committee of the board is responsible for evaluating the ethical conduct and governance of the institution from time to time.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements
For the year ended June 30, 2025.

9. MANAGEMENT DISCUSSION AND ANALYSIS

No	Project Name	County	Project Objective	Project Output
1	Wei Wei Phase 3 Integrated Project	West Pokot	<ul style="list-style-type: none"> ■ To develop 325 ha of land under irrigation for food production, improve household income and reduce insecurity ■ Phase III: 325ha implementation ongoing to benefit 325 households. ■ Phase III of this project was started in 2016 as an extension of the project with additional 325 ha to a total of 600 ha. ■ Building capacity of 1000 farmers annually ■ Maintain irrigation infrastructure for Phase 1&2. ■ Korrellach catchment area conservation ■ Bush Clearing of block 9 equivalent to 117 ha 	<ul style="list-style-type: none"> ■ 325 ha of land developed under irrigation ■ 1050 farmers trained previously. ■ 200 farmers trained 2024-2025. ■ Irrigation system maintained ■ Korrellach catchment conserved. ■ Bush clearing done. ■ 325 No. Irrigation laterals and sprinklers procured and supplied to the scheme. The irrigation laterals and sprinklers are currently being branded for allocation to individual beneficiaries ■ 70No. Solar water pumps and 140No. Solar panels procured and distributed to farmers in Sigor. ■ 3No. Tractors delivered to the scheme and currently operational

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

				<ul style="list-style-type: none"> ■ 456 tons of maize produced. Low production from farmers due to delay in acquiring farm input ■ Project is 96% complete.
2	Napuu Centre Pivot Project	Turkana	<ul style="list-style-type: none"> ■ Establish 2 centre pivot systems to irrigate 150 acres for food security ■ Drilling of Boreholes. ■ Crop Production. ■ Construction of Farm store and office. 	<ul style="list-style-type: none"> ■ 150 acres of land developed and fenced for irrigation ■ 2No. Centre pivot irrigation system installed ■ 2No. water storage tanks each with a capacity to hold 3,400 m³ of water. ■ 4No. boreholes drilled and equipped to supply water to the farm and community ■ 250 kw solar power installed ■ 40 tons of crop produced from 75 acres of land. Crops include sorghum, watermelon and pasture. Trials for cassava, sweet potato and dragon fruit undertaken ■ Mango fruit seedlings nursery established and maintained. ■ 100 farmers trained on best practices ■ Farm store and office constructed and operational

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

3	Lomut Irrigation Project	West Pokot	Develop 200 acres for crop production.	<ul style="list-style-type: none"> ■ Lomut farmers produced various subsistence crops, they managed to extend the crop land to 150 acres. ■ Phase I of the project has been implemented and 200 acres developed for food production. ■ Water intake weir completed ■ Sedimentation basin constructed ■ Surge tank constructed ■ 5km conveyance pipeline laid and operational. ■ Extension of 4.5 km main pipeline ongoing and will open another 250 acres for food production ■ installation of the HDPE main pipeline is in progress
4	Kamsiwet Small Holder Irrigation Project	Elgeiyo Marakwet	To develop and operationalize 100 acres of land for food production.	<ul style="list-style-type: none"> ■ 100 acres of land developed and planted with sorghum. ■ 234 tons of sorghum produced. ■ 50 farmers trained on best practices. ■ Repairs of the damaged water pipeline undertaken.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

				<ul style="list-style-type: none"> ■ Rehabilitation of Irrigation System at the scheme. ■ Construction of farm store.
5	Chepkum Small Holder Irrigation Project	Elgeyo Marakwet County	<p>To develop and operationalize 300 acres of land for food production</p> <p>Capacity building</p> <p>Rehabilitation of water storage and distribution system</p>	<ul style="list-style-type: none"> ■ 200 acres of land developed and planted with sorghum ■ 200 farmers trained on best farming methods ■ Rehabilitation of water intake ongoing, water distribution system partially completed and holding tank completed
6	Mango Factory	Elgeiyo Marakwet	<p>The project involves raising and distribution of mango fruit seedlings, capacity building of mango farmers and value addition (processing mango fruits into pulp and juice)</p>	<ul style="list-style-type: none"> ■ Over 112,787 litres of ready to drink (RTD) juice was processed during the year ■ Provided ready market for 156.7 tons of mango fruits worth over Kshs. 30 million to the mango farmers ■ Maintenance and grafting of fruit seedlings was undertaken in the certified nurseries of Kerio Roses, Weiwei, Tot, Kimao, Arror, Bartabwa, Napuu farm, Kimngorom, Tot factory and Kimwarer stations. ■ Procured and installed Automatic juice filler machine aimed at increasing the

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

				<p>processing capacity from 2000 litres per day to 10,000 litres per day.</p> <ul style="list-style-type: none"> ■
6	Honey Value Chain	Elgeiyo Marakwet	<p>The main activities undertaken include; capacity building of honey producers, honey purchase, processing and marketing.</p>	<ul style="list-style-type: none"> ■ Purchased 101 tons of semi processed honey worth over Kshs. 40 million during the year and paid to farmers. ■ Processed 63.9 tons of pure acacia honey worth Kshs. 45 million during the year. ■ Rokocho honey factory was renovated and branded ■ Honey processing and packing is ongoing at Rokocho factory.
7	Cherangany Water Shed Conservation	All counties under KVDA	<p>To promote agro-forestry activities for communities living adjacent to the forest</p> <p>Specific activities include planting of early maturing high value crops, beekeeping, livestock improvement.</p> <p>To undertake restoration/afforestation of</p>	<ul style="list-style-type: none"> ■ Over 10 million tree seedlings have been raised and planted for conservation purposes in collaboration with schools, local communities and other public institutions. This has contributed to the forest cover of 12.5% to 13%. ■ The Authority maintained the adopted 12.5Ha of Kipkabus Forest block where over 60,000

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

			Kipkabus Forest within Cherangany Watershed	<p>bamboo seedlings were planted.</p> <ul style="list-style-type: none"> ■ Promoted environmental conservation in the region by holding 30 No. Of publicity and awareness campaigns during the year. ■ Established 2 No. New Tree nurseries ■ Over 3 million tree/mango seedlings raised from the nurseries ■ Increased forest and tree cover from 12.5% to 13%;
8	Drought mitigation programme.	All counties under KVDA	Construction of boreholes and water pans in the regions	<ul style="list-style-type: none"> ■ Drilled and equipped Boreholes ■ Developed Water pans in the region.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

CHALLENGES FACED BY THE AUTHORITY

NO.	Description	Challenges	Way forward/Solutions
1	Project Implementation	Insecurity in the region Inadequate funding for projects Delay by contractors in project implementation	<ul style="list-style-type: none">■ Enhance resource mobilization strategies■ Engage local leaders & community to promote peace■ Enhance facilitation of contractors to implement the projects
2	Environment	Degraded Environment	Enhance conservation activities

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING.

The Authority exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

10.1 Sustainability strategy and profile

The Authority will focus on projects and program mes that will ensure sustainability of its activities by effectively utilizing the available resources while at the same time enhancing collaborative efforts with relevant stakeholders.

10.2 Environmental Performance

Increase forest and tree cover to at least 10% in the areas of operation:

This will be accomplished through promoting and sensitizing communities on the available opportunities on tree-based enterprises, creating awareness and building communities' capacities on forest management, identifying possible partners or collaborators for tree planting campaigns and establishing linkages with KEFRI on appropriate trees to propagate at specific sites.

10.3 Conservation of key water catchment areas.

The Authority shall formulate proposals and source for financial support to implement the conservation of one of Kenya's Key water tower of Cherangany water catchment. It will sensitize and mobilize communities living within this water catchment area to undertake conservation & management activities and promote on-farm woodlots establishments to minimize forest encroachment and encourage rehabilitation of degraded forest area.

10.4 Support effective implementation of Forests policies and legislations.

This will be achieved through establishing close partnership with other organizations, for example, Kenya Forest Service (KFS), with a view to implementing certain policies on watershed management. The Authority will domesticate forest policies and legislations in areas where it operates.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

10.5 Support appropriate forest-based development mechanisms in the emerging carbon markets

This will be done through building the capacity of local communities to enable them adapt to the adverse impacts of climate change and enhance partnerships with KFS and other stakeholders so as to benefit from opportunities granted by the Reduced Emissions from Deforestation and Degradation (REDD) with a view to trading in carbon markets.

10.6 Fresh water and Wetland Ecosystem.

The Authority shall promote rehabilitation and restoration of degraded wetlands, riverbanks and lakeshores through conservation of the ecologically sensitive areas. It shall promote alternative sources of livelihoods for the communities and collaborate with other stakeholders in the establishment of wetlands and catchment management plans. Community Based Organizations, groups, associations will be actively involved in the management of wetlands for the achievement of this target.

10.7 Conservation of Mountain Ecosystems.

The Authority will accomplish this through: Identifying key stakeholders to build synergies for conservation initiatives, Promotion of integrated watershed management and alternative livelihood opportunities to enhance community participation in the conservation and management of mountain ecosystems and enhancing the adoption of appropriate land use planning and watershed management practices for sustainable development of mountain ecosystems by the local communities

10.8 Promote integrated natural resource management in ASALs.

The Authority shall promote the planting of high value dry land tree species in Arid and Semi-Arid Lands (ASALs) (e.g., Baringo, West Pokot, Elgeyo-Marakwet, Samburu and Turkana) coupled with the sensitization of local communities on conservation of ASALs. It will also promote projects in these areas, such as water harvesting through construction of water pans, weirs, boreholes, sand dams, check dams. Disasters, for instance floods, are common in these areas and mitigation measures will involve the construction of flood protection structures along the river banks such as dykes, trenches, gabions etc. KVDA will promote alternative livelihood for the local communities in these areas. For instance, it will promote beekeeping for income diversification. It will also promote livestock improvement through the introduction of new breeds that are resistant to drought and diseases.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

10.9 Land Resource Management.

The Authority shall encourage; best farming practices such as agroforestry, mixed farming, support soil and water conservation techniques, such as, construction of terraces, support drip irrigation technology, encourage organic farming and greenhouse technology. It shall also identify and conserve environmentally significant areas such as; eco-tourism sites, hilltops, riparian areas, springs, wetlands. It shall encourage the rehabilitation of degraded areas and strengthen stakeholders' participation and partnerships in the management of land resources.

10.10 Soil conservation.

The institution shall promote eco-friendly farming practices and enhance soil conservation through the use of structures such as; terraces, retention ditches and biological methods in areas prone to gully erosion, for example, Baringo, Kongelai in West Pokot, among other areas along the Kerio Valley.

10.11 Wildlife Resources KVDA will:

- Support community conservancy initiatives.
- Facilitate development of eco-tourism facilities.
- Embark on community sensitization exercises.
- Establish partnerships and linkages for funding of ecotourism activities.

10.12 Promotion of sustainable management and utilization of fishery resources

The authority will also establish fish farming demonstration farms to support community based fish farming initiatives as a way of promoting alternative livelihood.

10.13 Climate change adaptation

The Authority shall:

- Identify and promote climate change adaptation technologies
- Promote environmental awareness programmes on the effects of climate change
- Promote climate change adaptation and mitigation initiatives such as energy saving, reducing Green House Gas emissions and water harvesting
- Create awareness on opportunities for carbon markets and support development of carbon credit programs in its area of operation.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended June 30, 2025.

10.14 Partnerships and Stakeholder Involvement.

The Authority shall build Partnerships with Stakeholders on various environmental and development issues in order to foster Sustainable Development and achieve desired goals namely:

10.15 Reducing energy, water and paper intensity of office and field-based operations.

This will be accomplished through the use of renewable energy, for instance the use of gravity flow of water to supply water to irrigation farms and tree nurseries. There is a need to reduce water wastage by enhancing water storage through construction of dams. The conventional channel irrigation is wasteful as most of the water is lost through seepage and evaporation. Piping of water from the source will be necessary so that water is sufficient for intended purpose. The use of solar energy will be embraced in field offices to provide energy. The Authority will ensure all staff is computer literate in order to embrace e-technology in communication. e.g, circulating memoranda via e-mail rather than printing them on paper.

10.16 Reducing the amount of waste produced, and maximizing the amount Reused and Recycled.

The Authority will ensure that waste generated in its activities adheres to the rule of 3R's. That is; Reduce, Re-use and Recycle. This will ensure maximum utilization of raw materials, thereby reducing cost involved in the purchase of raw materials and disposal of wastes. These measures will reduce environmental degradation (Pollution). Separation of office waste into reusable, recyclable, compost and true waste components will be done in the course of day-day activities. Wastes will be disposed off in accordance with the Waste Disposal Guidelines stipulated by NEMA. Staff will be sensitized on the 3R's so that the culture of efficient utilization of input materials is adopted.

10.17 Reducing greenhouse gas emissions and excess noise associated with vehicles and Machinery

This will be achieved through frequent maintenance of vehicles and machinery. For instance, changing engine oil from time to time. Machinery during construction works, e.g. dam construction should be operated during the day so that noise and excessive vibration does not cause nuisance to the public.

Trees will be planted in order to absorb noise and carbon dioxide generated in a site where processing activities takes place.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

10.18 Ensuring all new capital works programs incorporate comprehensive Environmental Sustainability principles.

This entails carrying out Environmental Impact Assessment prior to the start of major projects and instituting annual Environmental Audits on such projects so as to enhance Environmental Sustainability of these projects and at the same time complying with the regulations stipulated in the Environmental Management and Co-ordination Act, 1999 and (EMCA AMENDED ACT 2015).

10.20 Making environmentally-sound purchasing decisions for capital items and consumables.

The Authority will ensure quality items are procured. Decisions governing quality of products will be based on how durable the item is, how efficient the item to be procured is and how the item will enhance environmental quality. i.e., the item will not result in environmental pollution when it is put into use.

10.21 Adopting a pollution prevention approach to our activities.

The Authority will employ the precautionary principle in its undertakings so as to mitigate any adverse impact to the environment, e.g, pollution. Mitigation measures should be put in place in advance through the use of tools, such as, Environmental Impact Assessment, feasibility study, among others. This will prevent the organization from incurring losses in the event that it causes pollution to the environment or to third parties and the Polluter Pays Principle is exercised.

10.22 Communicating environmental performance through regular reporting.

The Authority shall submit quarterly environmental sustainability reports to the National Environmental Management Authority (NEMA), regarding environmental performance Guidelines. The Authority is no exception in complying with this regulation.

10.23 Striving for continual improvement in environmental performance.

The Authority will achieve this by investing in Income Generating Projects that are environmentally friendly. Production of assorted tree/fruit seedlings will be promoted so as to plant more trees in many of degraded areas especially in Cherang'any water catchment. Sensitization of community groups on environmental conservation through tree planting will be done to accomplish this goal. New technologies

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

will be adopted provided it brings positive environmental change. Partnerships with other stakeholders will be embraced in so far as development and environmental conservation is concerned.

10.24 Domesticating the Environmental Policy

This will be accomplished through cascading of the formulated policy to all departments, divisions, sections, for easy reference and guidance. Staff will be sensitized on Environmental Management and will be reminded that each individual has a responsibility of conserving his/her immediate environment. Sensitization of staff on Environmental Health and Safety will be done in order to mitigate Occupational Health Hazards.

i. Employee welfare

The authority has four HR tools which are used in hiring process, these are:-

- Human Resource policies and procedure manual
- Grading and structure
- Staffing establishment
- Career progression

The above policies have incorporated provisions of the constitution 2010, the labour Laws, PSC Act 2017, the Public Service Human Resource Manual 2016 and other relevant legal statutes. The Authority during recruitment is guided by provisions of Article 10 and 232 of the constitution of Kenya, which provides that organization should practice inclusiveness, fair labour practices and offering equal opportunities.

The current HR tools were approved in 2018; the Authority has embarked on reviewing the same to be in line with the current policy and regulatory frameworks to respond effectively to emerging issues.

The Authority has put in place OSHA which is used to implement policies and programs that ensure protection of both employees and clients from such hazards and disasters. It also maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents.

ii. Market place practices-

a) Responsible competition practice.

Our markets are constantly changing owing to environmental factors and demographics, and this has given us an impetus to improve on service delivery and constant customer engagement. It has necessitated us to become innovative and by using the point of sale and till number, this has gone a long way in improving our efficiency and effectiveness as well.

b) Responsible Supply chain and supplier relations

We have made a milestone in ensuring that our clients are satisfied by addressing their complains promptly, supplying them with our products whenever they need and offering them after sales and services and through this, we have been able to generate value to our esteemed shareholders.

We have also crafted strategies that embrace the principles and practices of responsible competitiveness by recognizing our clients and appreciating them for partnering and doing business with us.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

We have remained truthful to our exceptional brand by not misleading the public on our nutritional labels.

We have also ensured that our products and services are affordable to our clients. We have also been on the forefront by ensuring that we adhere to production, customer care or quality control procedures in conformity with the Kenya Bureau of Standards requirements.

We have also remained steadfast in ensuring that we pay taxes through the use of ETR machine and documenting sales on the cash sales receipt book.

d) Product stewardship or Awareness creation

Outline efforts to safeguard consumer rights and interests issues include protection of health and safety, providing adequate product information, dispute resolution and redress, consumer data and privacy protection) or how the entity safeguards citizens' rights and interests (Providing adequate service information e.g. NHIF/SHA, NSSF, application of licenses, ID, Passport, logbook, connection to power, water, right to representation when arrested/ bail, right to peaceful demonstration, dispute resolution and redress, whistle blowers rights, citizen data and privacy protection)

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

iii. Corporate Social Responsibility /Community Engagements

The Authority area of operation covers Counties of Turkana, West Pokot, Elegeyo Marakwet, Baringo, Samburu, parts of Nakuru and Marsabit. These are the arid and semi-arid areas where the communities rely on the Authority on development programs and support on other challenges associated with the terrains. In implementing the conservation of these areas, the authority donated 350,000 tree and Fruit seedlings respectively to the local schools and farmers for environmental protection and conservation.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended June 30, 2025.

11. REPORT OF THE DIRECTORS

The Board of Directors submit their report together with Financial Statements for the year ended 30th June 2025 showing the state of KVDA's affairs.

i. Principal activities:

- To formulate Integrated Regional Development Master Plan in partnership with other stakeholders.
- To undertake resource mapping for data bank and promotion of Integrated Multi-Sector Investments.
- To carry out appraisal of multi-sectoral investments.
- To monitor, evaluate, document and disseminate data on development levels.
- To market and implement multi-sectoral development projects/investments.
- To mobilize active engagement of stakeholders through various forums.

ii. Results.

The results of the entity for the year ended 30th June, 2025 are set out on pages 1 to 45

iii. Directors.

The members of the Board of Directors who served during the year are shown on page vii-xxiii

iv. Surplus remission.

There were no remissions due during the financial year under review.

v. Auditors

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



Gertrude Mabele (Ms)

Secretary to the Board

August 8, 2025

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements For the year ended June 30, 2025.

12. STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

These responsibilities include:

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

The Directors accept responsibility for the KVDA's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act).

The Directors are of the opinion that the KVDA's financial statements give a true and fair view of the state of KVDA's transactions during the financial year ended June 30, 2025, and of the KVDA's financial position as at that date.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

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

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

Approval of the Financial statements

The KVDA's financial statements were approved by the Board on August 8, 2025, and signed on its behalf by:



Mr. Mark Chesergon
Chairman of the Board



Mr. Sammy Naporos
Managing Director

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KERIO VALLEY DEVELOPMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kerio Valley Development Authority set out on pages 1 to 50, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in

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

In my opinion, 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 Kerio Valley Development Authority as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Kerio Valley Development Authority Act, Cap 441 of 1979 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Advance Payments for Multi-Purpose Projects

The statement of financial position reflects advance payments for multi-purpose projects balance of Kshs.7,778,151,688 as disclosed in Note 22 to the financial statements. However, the balance had been outstanding for more than one (1) year without any movement, raising concerns regarding its regularity and recoverability.

In the circumstances, the accuracy and completeness of the advance payments multi-purpose projects balance of Kshs.7,778,151,688 could not be confirmed.

2. Restricted Liability-Error

The statement of financial position reflects restricted liability-Error balance of Kshs.497,507,493 as disclosed in Note 26 to the financial statements. However, the balance had been outstanding for more than one (1) year without any movement, raising concerns regarding its propriety and recoverability.

In the circumstances, the propriety and recoverability of the restricted liability-Error balance of Kshs.497,507,493 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kerio Valley Development Authority 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.

Material Uncertainty Related to Going Concern

Uncertainty on the Continuity of the Authority

Review of records established that the Authority's ability to continue as a going concern remains subject to significant doubt. In 2024, the Government of Kenya issued Executive Order No. 3 of 2024, which provided for the merger, dissolution, or divestiture of 42 State Corporations into 20, placing the Kerio Valley Development Authority (KVDA) among the entities slated for restructuring. Although the High Court of Kenya, in a ruling delivered in November 2025, nullified the Executive Order, thereby granting the Authority a temporary reprieve and allowing it to continue its operations, the long-term sustainability of the Authority remains uncertain. The persisting ambiguity regarding future government policy directions indicates the existence of a material uncertainty that may cast significant doubt on KVDA's ability to continue as a going concern. However, the financial statements have been prepared on a going-concern basis on the assumption that the Authority will continue to receive the necessary support to sustain its operations.

My opinion is not modified in respect of this matter.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budgeted receipts and actual amount on a comparable basis of Kshs.2,834,190,465 and Kshs.1,684,544,206 respectively, resulting to an underfunding of Kshs.1,149,646,259 or 59% of the budget. Similarly, the Authority spent Kshs.1,547,251,176 against actual receipts of Kshs.1,684,544,206 leading to under-expenditure of Kshs.137,293,030 or 8% of the actual receipts.

The under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised, one (1) issue under the Report on Financial Statements, one (1) issue on the Report on Lawfulness and Effectiveness in Use of Public Resources, and four (4) issues on the Report on

Effectiveness of Internal Controls, Risk Management and Governance. The issues have remained unresolved. See **Appendix I**.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Trade and Other Payable

The statement of financial position reflects trade and other payables balance of Kshs.194,194,845 as disclosed in Note 27 to the financial statements. Included in the balance is Kshs.69,643,603 and Kshs.8,541,800 in respect of creditors and National Industrial Training Authority respectively. Review of the creditors ageing analysis revealed that the creditors balance of Kshs.69,643,603 includes a balance of Kshs.43,300,822 or approximately or 22% which has been outstanding for more than

ninety days. The outstanding balance of Kshs.8,541,800 has also been outstanding for more than ninety days. This was contrary to Section 53(8) of the Public Procurement and Assets Disposal Act, 2015 and section 10.1.1 of the Kerio Valley Development Authority Financial Management Policy in which the latter states that the purpose of the creditors and accruals system is to ensure that all liabilities of KVDA are recognized as and when they are incurred, and all liabilities are reviewed monthly to ensure that KVDA can honor its obligations as and when they fall due.

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

2. Non-Compliance with Ethnicity and Regional Balance in Staffing

As previously reported, review of Human Resource Data revealed that the Authority had a total of two hundred and twenty-five (225) employees (excluding casual workers). However, out of the two hundred and twenty five (225) staff, one hundred and fifty eight (158) are from the dominant community representing 70% of staff population contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3. Rental Revenue from Facilities and Equipment - Turkwel Multi-Purpose Dam

During the year, the statement of financial performance indicates total revenue from exchange transactions amount of Kshs.156,948,784. Included in the amount is Kshs.97,163,584 which relates to rental revenue from facilities and equipment as disclosed in Note 8 to the financial statements. This amount includes Kshs.45,000,000 as revenue from Kenya Electricity Generating Company (Kengen). However, it was observed that Kengen has been remitting Kshs.45,000,000 annually to KVDA for purposes of conservation of the dam and its catchment area since 1995 against the current conservation costs amounting to Kshs.120,000,000. KVDA has not been able to enforce the increase of dam conservation costs to Kshs.120,000,000 or USD 1.75 million negotiated fees as recommended by an inter-ministerial steering committee. In addition, the Authority does not have ownership rights of the Dam.

In the circumstances, the ownership of the dam could not be confirmed.

4. Violation of Rights and Privileges of Persons with Disabilities

During the year, it was noted that the Authority did not adhere to the principle requiring that they meet at least five (5%) percent of all appointments for persons with disabilities. As at time of audit, persons with disability were three (3) which represented 1% of the total population of one hundred and twenty-four (225) employees in the payroll. This was contrary to the provisions of Section B.23(2) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 on rights and privileges of persons with disabilities.

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

5. Employees Earning less than a Third (1/3) of the Basic Salary

As previously reported , thirty-eight (38) employees from the month of June, 2025 payroll were paid net salaries that were less than a third (1/3) of their respective basic pay contrary to the provisions of Section 19(3) of the Employment Act, 2007 which prohibit employers from making deductions in excess of two thirds of their employees' basic salary.

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

6. Lack of Annual Recruitment Plans

Review of payroll data and Human Resource documentation revealed that the company recruited one (1) employee during the period under review. It was however noted that the Authority did not have an annual recruitment plan to guide its recruitments. Further, no evidence was provided as proof that budgetary availability was being sought before recruitments were made. As a result, the effectiveness of internal controls in human resource management could not be verified.

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

7. Failure to Conduct Legal Compliance and Independent Legal Audits

The Authority did not conduct mandatory legal compliance audits annually or an independent legal audit within the last two years, contrary to Section 8.4 of Mwongozo which requires Boards to ensure annual legal compliance audits and an independent legal audit every two years, thereby constituting a material governance deficiency in legal oversight and regulatory adherence

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

The audit was conducted in accordance with ISSAI 3000 and 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 effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

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

Basis for Conclusion

Lack of an ERP Automation System

Review of transactions revealed that the Authority handled transactions exceeding Kshs.1,000,000,000 annually. However, the Authority continues to maintain its books of accounts using manual Excel spreadsheets rather than leveraging a robust Enterprise Resource Planning (ERP) or integrated financial management system. Considering the foregoing, the entity is compelled to produce manual financial reports which are prone to errors and manipulations.

In the circumstances, the reliability, integrity, and completeness of the financial reports could not be confirmed.

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

Responsibilities of Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intentions to liquidate the Authority or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 November, 2025

Appendix I: Unresolved Prior Year Audit Matters


S/No	Issue
	Report on Financial Statements
1.	Property Plant and Equipment
	Emphasis of Matter
2.	Budgetary Control and Performance
	Report on Lawfulness and Effectiveness in use of Public Resources
3.	Trade and Other Payables
4.	Non -Compliance with Law on Ethnic Composition
5.	Excessive Deductions on Staff Pay
6.	Rental Revenue from facilities and Equipment-Turkwel Multi-Purpose Dam

KERIO VALLEY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements
For the year ended June 30, 2025.


14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

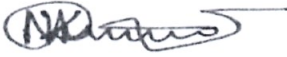
	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	1,027,595,422	1,945,469,998
Aror kimwarer restricted liability	16 (b)	-	41,380,050
		1,027,595,422	1,986,850,048
Revenue from exchange transactions			
Sale of goods	7	18,472,321	56,596,801
Rental revenue from facilities and equipment	8	97,163,584	94,886,423
Finance income	9	41,312,879	9,580,621
		156,948,784	161,063,845
Total revenue		1,184,544,206	2,147,913,892
Expenses			
Use of goods and services	10	69,193,867	68,923,983
Employee costs	11	240,770,417	243,436,165
Board Expenses	12	25,976,929	29,065,144
Depreciation and amortization expense	13	37,192,476	113,981,697
Repairs and maintenance	14	11,163,656	5,808,172
Grants and subsidies	16	1,445,175,787	503,268,329
Aror kimwarer restricted liability	16 (b)	-	41,380,050
Total expenses		1,829,473,133	1,005,863,541
Other gains/losses			
Gain/Loss on sale of assets	17	125,350	965,907
Surplus/ (deficit)before tax		(644,803,577)	1,143,016,259

The notes set out on pages 7 to 45 form an integral part of these Financial Statements.


Sammy Naporos
Accounting Officer

August 8, 2025


Moses Kipchumba
Head of Finance
ICPAK No. 11872
August 8, 2025


Mark Chesergon
Chairman of the Board

August 8, 2025

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025.****15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025.**

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	18	1,392,056,125	1,189,225,133
Receivables from Exchange Transactions	19	37,309,240	34,218,468
Receivables from Non-Exchange Transactions	20	879,996	912,424,996
Inventories	21	100,149,179	93,236,775
Advance Payments multi-purpose Projects	22	7,778,151,688	7,778,151,688
Total Current Assets		9,308,546,228	10,007,257,060
Non-Current Assets			
Property, Plant and Equipment	23	22,426,018,529	4,041,307,800
Investment Property	24	1,084,185,344	1,093,860,404
Biological Assets	25	9,894,500	8,183,995
Total Non- Current Assets		23,520,098,373	5,143,352,199
Total Assets (A)		32,828,644,601	15,150,609,259
Liabilities			
Current Liabilities			
Restricted Liability-Arror	26	497,507,493	497,507,493
Trade and Other Payables	27	194,194,845	112,159,202
Refundable Deposits from Customers	28	995,554	1,972,120
Audit Fees	29	1,624,000	4,872,000
Total Current Liabilities		694,321,892	616,510,815
Non-Current Liabilities			
Domestic Borrowings	30	124,775,658	173,302,301
Total Non- Current Liabilities		124,775,658	173,302,301
Total Liabilities(B)		819,097,550	789,813,116
Total Net Assets(A-B)		32,009,547,051	14,360,796,144
Represented by:			
Capital Reserves		26,6004,712,752	7,711,158,268
Revenue Reserves		6,004,834,298	6,649,637,876
Net Assets		32,009,547,051	14,360,796,144

The financial statements set out on pages 1 to 4 were signed on behalf of the Board of Directors by



Sammy Naporos
Accounting Officer

August 8, 2025



Moses Kipchumba
Head of Finance
ICPAK No. 11872

August 8, 2025



Mark Chesergon
Chairman of the Board

August 8, 2025

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

Description	Capital Reserves	Revenue Reserves	Total
	Kshs	Kshs	Kshs
As at July 1, 2023	7,708,759,073	5,506,621,617	13,215,380,690
Surplus/ deficit for the year	-	1,143,016,259	1,143,016,259
Changes in Equity	2,399,195	-	2,399,195
As at June 30, 2024	7,711,158,268	6,649,637,876	14,360,796,144
As at July 1, 2024	7,711,158,268	6,649,637,876	14,360,796,144
Surplus/ (deficit) for the year	-	(644,803,577)	(644,803,577)
Accumulated Depr. Eliminated on revaluation	3,104,004,584		3,104,004,584
Revaluation Reserve	15,189,549,900		15,189,549,900
As at June 30, 2025	26,004,712,752	6,004,834,299	32,009,547,051

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements
For the year ended June 30, 2025.

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025.

	Notes	2024-2025 Kshs	2023-2024 Kshs
Cashflows from operating activities			
Receipts			
Transfers from other governments entities	6	1,527,595,422	1,038,581,704
AIA received		182,335,334	156,252,539
Total receipts		1,709,930,756	1,194,834,243
Payments			
Use of goods and services	10	63,450,740	66,619,024
Employee costs	11	237,351,410	243,965,198
Board Expenses	12	25,933,929	28,908,144
Repairs and maintenance	14	9,426,838	4,656,703
kra fines	15	-	2,290,852
Grants and subsidies	16	1,004,286,292	538,297,307
Arror kimwarer restricted laibility	16(b)	-	41,380,050
Total payments		1,340,449,210	926,117,278
Netcashflowsfrom/(used in)operating activities		369,481,546	268,716,965
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(118,673,661)	(35,444,318)
Proceeds from sale of Biological asset		549,750	1,921,850
Purchase of investments		-	-
Sale of investments		-	-
Netcashflows from/(usedin)investingactivities		(118,123,911)	(33,522,468)
Cashflows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings(loop)		(48,526,643)	(41,481,428)
Proceeds from issue of shares			
Net cash flows from financing Activities		(48,526,643)	(41,481,428)
Net increase/(decrease)in cash Cash equivalents		202,830,992	193,713,069
Cash and cash equivalents at 1 July 2024	18	1,189,225,133	995,512,064
Cashandcashequivalentsat30 June2025	18	1,392,056,125	1,189,225,133

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025.

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Budget items	Original budget	Adjustments	Final	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments ent	381,595,422	646,000,000	1,027,595,422	1,027,595,422	-	100%
Sale of Goods	51,000,000	-	51,000,000	59,785,200	(8,785,200)	117%
Rental Revenue from Facilities and Eq	144,000,000	-	144,000,000	97,163,584	46,836,416	67%
Balance B/F 2023-24	1,611,595,043		1,611,595,043	500,000,000	1,111,595,043	31%
Total Income	2,188,190,465	646,000,000	2,834,190,465	1,684,544,206	1,149,646,259	59%
Expenditure:						
Recurrent						
Use of Goods and Services	95,738,050	(263,456)	95,474,594	63,733,820	31,740,774	67%
Employee costs	111,375,422	128,763,456	240,138,878	240,770,417	(631,539)	100%
Remuneration of Directors	26,020,000	2,500,000	28,520,000	32,169,284	(3,649,284)	113%
Repairs and Maintenance	23,179,925	-	23,179,925	11,163,656	12,016,269	48%
	256,313,397	131,000,000	387,313,397	347,837,177	39,476,220	90%
Development						
Lower Turkwel	-	25,000,000	25,000,000	21,211,709	3,788,291	85%
Weiwei Phase III	18,220,000	-	18,220,000	13,259,081	4,960,919	73%
Mango Value Chain	-	90,000,000	90,000,000	11,627,599	78,372,401	13%
Cherengany Watershed Conservation F	30,000,000	20,000,000	50,000,000	33,837,793	16,162,207	68%
Yokot Phase II	-	200,000,000	200,000,000	203,750	199,796,250	0%
BETA Priorities and Drought mitigatic	122,000,000	30,000,000	152,000,000	17,061,987	134,938,013	11%
Chemiron Dam	99,743,020	-	99,743,020	15,353,503	84,389,517	15%
Etio Phase II Water distribution	-	150,000,000	150,000,000	2,656,978	147,343,022	2%
Balance B/F 2023-24	1,495,240,387	-	1,495,240,387	917,001,293	578,239,094	61%
	1,765,203,407	515,000,000	2,280,203,407	1,032,213,695	1,247,989,712	45%
Capital Expenditure						
Loan repayment	48,000,000	-	48,000,000	48,526,643	(526,643)	101%
Use of Goods and Services	1,741,950	-	1,741,950	1,741,950	-	100%
Repairs and Maintenance	320,075	-	320,075	320,075	-	100%
Chemiron Dam	256,980	-	256,980	256,980.00	-	100%
Balance B/F 2023-24	116,354,656	-	116,354,656	116,354,656	-	100%
	166,673,661	-	166,673,661	167,200,304	(526,643)	100%
Total Expenditure	2,188,190,465	646,000,000	2,834,190,465	1,547,251,176	1,286,939,289	55%
Surplus for the period	-	-	-	137,293,030	(137,293,029)	

19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Kerio Valley Development Authority is established by and derives its authority and accountability from an Act of Parliament Chapter 441. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to plan and coordinate the implementation of development projects in the Kerio and Turkwel catchment areas.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 45-Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the</p>

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Standard	Effective date and impact:
	<p>criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Standard	Effective date and impact:
	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. State the expected impact of the standard to the Entity if relevant
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. State the expected impact of the standard to the Entity if relevant

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The Entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Summary of Significant Accounting Policies (Continued)

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

Sales tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period or investment property is measured at fair value with gains and losses recognized through surplus or deficit. Investment properties are de-recognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

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

a) Financial assets

Classification of financial assets

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

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

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

j) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

l) Social Benefits

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

m) Contingent liabilities

The 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.

n) 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.

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Entity to state the reserves maintained and appropriate policies adopted.

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

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

r) Foreign currency transactions

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

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

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

u) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents.

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

w) Comparative figures

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

x) Subsequent events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

The condition of the asset based on the assessment of experts employed by the Entity.

a) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

b) The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset

Provisions

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

(include provisions applicable for your organisation e.g. provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements**

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)**6. a) Transfers from Other Government entities**

Description	2024-2025	2023-2024
	Kshs	KShs
Unconditional Grants		
Operational Grant	242,375,422	242,379,998
Development grants	785,220,000	1,703,090,000
Total Unconditional Grants	1,027,595,422	1,945,469,998

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Entity Sending the Grant	Total transfers as per the statement of performance	
	(2024-2025)	(2023-2024)
	KShs	KShs
Ministry of East Africa Community	242,375,422	242,379,998
Ministry of East Africa Community	785,220,000	1,703,090,000
Total	1,027,595,422	1,945,469,998

7. Sale of goods

Description	2024-2025	2023-2024
	Kshs	Kshs
Beekeeping & Beehives	2,075,034	16,473,973
Sale of Farm Produce	3,415,483	2,794,668
Sale of Mango Juices	2,044,981	61,367
sale of Tree and Fruits Seedlings	9,877,635	32,577,593
Pasture Seeds & Livestock	1,059,188	4,689,200
Total revenue from the sale of goods	18,472,321	56,596,801

8. Rental Revenue from rental facilities and Equipment

Description	2024-2025	2023-2024
	Kshs	Kshs
Rental income	44,011,350	43,817,841
Kenya Electricity Generating Co. Ltd	45,000,000	45,000,000
Contingent Rentals	8,152,234	6,068,582
Total Rentals	97,163,584	94,886,423

9. Finance Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest in Income on Deposits	41,312,879	9,580,621
Total finance income	41,312,879	9,580,621

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****10. Use of goods**

Description	2024-2025	2023-2024
	Kshs	Kshs
Electricity	1,963,379	1,534,254
Water	406,081	141,232
Professional Services	249,060	188,010
Subscriptions	54,500	468,345
NITA	215,600	181,150
Provision for Bad Debts	5,460,047	-
Advertising (Sales& Marketing	2,060,014	2,877,775
Audit Fees	812,000	812,000
Hospitality	9,062,994	8,085,345
Fuel and oil	2,657,773	2,970,054
Insurance	7,447,670	1,743,236
Legal Expenses	3,131,134	12,100
Benevolent Expense	417,400	732,407
Purchase of workshop tools	275,835	253,438
Printing and Stationery	3,244,485	3,544,746
Livestock Vet	22,000	41,600
Rent expenses	2,573,512	602,148
Uniforms & Safety Measures	-	123,991
Purchase of Protective Clothing	314,850	470,163
Employee satisfaction	-	61,590
Telecommunication	3,180,666	3,990,075
Training	3,000,168	14,913,358
Travel, Subsistence & Other Allowances	18,233,070	20,980,325
Work Environment	-	196,624
Rewards	427,900	580,198
HIV& AIDS	-	272,500
ISO, PC ,M&E & strategic plan	1,773,100	1,230,040
Detergents & Cleaning Materials	121,723	448,262
ICT (Internet Services	2,088,906	1,469,017
Total	69,193,867	68,923,983

11. Employee Cost

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	159,798,181	187,350,194
Employer contribution to health insurance schemes	26,126,398	5,071,438
Employer contribution to pension schemes	6,652,135	6,680,804
Housing benefits and allowances	33,633,100	31,025,099
Social contributions	8,288,630	3,610,456
Gratuity	2,493,088	6,048,669
Housing Levy (AHL)	3,778,885	3,649,505
Total Employee costs	240,770,417	243,436,165

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****12. Board Expenses**

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman/Directors' Honoraria	977,500	1,020,000
Sitting Allowances	8,300,000	8,580,000
Board medical cover	17,560	324,089
Induction and Training	298,600	2,671,355
Travel and Accommodation	16,383,269	16,469,700
Total	25,976,929	29,065,144

13. Depreciation and Amortization Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	37,192,476	113,981,697
Total depreciation and amortization	37,192,476	113,981,697

14. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Property and equipment (Maintenance of assets)	6,856,436	2,350,260
Vehicles	4,197,293	2,956,247
Computers and Accessories	109,928	501,666
Total Repairs and Maintenance	11,163,656	5,808,172

15. KRA Assessments

Description	2024-2025	2023-2024
	Kshs	Kshs
KRA Tax Assessments		5,998,298
Payment		(2,290,852)
Total KRA Assessments	-	3,707,446

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****16. (a) Grants and Subsidies**

Description	2024-2025	2023-2024
	Kshs	Kshs
Pasture & Livestock Development	-	
Honey Value Chain Project	6,036,040	11,467,956
Lower Turkwel	21,211,709	1,424,298
Napuu Irrigation Project	1,388,683	8,046,261
Arror/ Kimwarer Project	-	6,895,040
Drought Mitigation	215,229,881	306,204,685
Bad Debts Written Off	411,545,000	-
Weiwei Phase III	53,939,327	9,919,490
Mango Value Chain	11,627,599	32,022,062
Cherengany Watershed Conservation Project	34,910,162	37,866,696
Upper Yokot Kapteren Dam	116,201,629	789,450
Kabuswo Dam	34,371,367	26,600
Development of Boreholes	80,147,071	4,713,905
Lomut Irrigation	-	294,400
Development of Water pans	34,399,089	2,079,080
Development of Emsoo	67,460,615	3,531,380
Small Holder Irrigation Scheme Napuu Kamsiwet	8,419,560	21,597,919
Small Holder Irrigation Scheme Arror & Chepkum	10,839,591	12,113,940
Turkwel Multipurpose Dam Infrastructure	2,570,320	19,885,245
Rehabilitation of community furrows	50,600	-
Lotongot Dam	84,870,340	23,870,233
BETA Priorities and Flood Control	231,946,722	519,689
Chemiron Dam	15,353,503	-
Etio Phase II Water distribution	2,656,978	-
Total Grants and Subsidies	1,445,177,787	503,268,329

16. b) Grants and Subsidies

Description	2024-2025	2023-2024
	Kshs	Kshs
Arror kimwarer restricted liability		41,380,050
Total	-	41,380,050

17. Gain on Sale of Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant, and equipment		965,907
Biological Asset	125,350	
Total gain on sale of assets	125,350	965,907

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****18. Cash and Cash Equivalents**

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	1,391,934,465	1,188,525,263
Others (Specify) - Mpesa Balances & Cash In Hand	121,660	699,870
Total Cash and Cash Equivalents	1,392,056,125	1,189,225,133

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
KVDA Premises A/C	1169785719	18,482,178	29,730,670
KVDA Development A/C	1169784720	1,274,284,407	1,090,345,537
KVDA Recurrent A/C	1169784984	1,593,544	14,978,903
KVDA Turkwel A/C	1169785344	241,766	8,063,755
KVDA Depreciation A/C	1169786111	246,631	252,862
KVDA Farm Produce & Other Business A/C	1133480969	3,379,132	3,543,341
KVDA Service Charge A/C	1133481035	1,457,083	2,349,618
KVDA Honey & Other Business A/C	1146518099	1,215,251	4,024,338
KVDA Retention A/C	1181606381	84,743,150	28,782,455
Economic Stimulus Project	1169785492	120,554	126,785
National Water Harvesting & Storage Program A/C	1169783589	6,170,770	6,327,001
Sub- Total		1,391,934,465	1,188,525,263
Mpesa Balances & Cash in Hand			
Cash in Hand Recurrent		10,035	69,447
Cash in Hand Development		111,625	630,423
		121,660	699,870
Grand Total		1,392,056,125	1,189,225,133

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****19. (a). Receivables from Exchange Transactions (Current)**

Description	2024-2025 Kshs	2023-2024 Kshs
Receivables		
Trade debtors- Other Clients	16,111,970	23,397,811
Trade debtors- Tenants	21,116,270	10,165,757
Staff Debts	81,000	654,900
Total Current Receivables	37,309,240	34,218,468

(b) Ageing analysis for Receivables from exchange transactions

	2024-2025		2023-2024	
	Kshs		Kshs	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	37,309,240	100%	34,218,468	100%

(c) Aging analysis for Receivables from exchange transactions

Description	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	37,309,240	100%	34,218,468	100%
Total	37,309,240	100%	34,218,468	100%

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****20. Receivables from Non-Exchange Transactions**

Description	2024-2025	2023-2024
	Kshs	Kshs
Wambwa Musembi, Chebii & Co. Advocates	879,996	879,996
Development grants	-	911,545,000
Total receivables from non- exchange transactions	879,996	912,424,996

Ageing Analysis- Receivables from non- exchange transactions.	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	-		911,545,000	100%
Between 1-2 years	-		-	0%
Over 3 years	879,996	100%	879,996	100%
Total	879,996	100%	912,424,996	100%

Description	2024-2025	2023-2024
		Kshs
At the beginning of the year	912,424,996	912,424,996
Additional provisions during the year	-	-
Recovered during the year	(500,000,000)	-
Written off during the year	(411,545,000)	-
At the end of the year	879,996	912,424,996

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****21. Inventories**

Description	2024-2025	2023-2024
	Kshs	Kshs
Processed Honey	8,844,000	12,280,955
Semi processed Honey	14,751,655	3,275,195
Building, plumbing& Electrical Materials	1,679,633	1,659,787
Spare parts	191,725	51,060
Beehive & Honey Equipment	81,300	104,950
Tools & Equipment	1,039,803	731,627
Farm Inputs	314,800	515,130
Office Stationery	2,004,902	1,640,330
Pasture seed & Haybales	320,500	448,500
Agrovet Livestock	23,760	98,300
General Stores	660,500	559,878
Packaging Materials	2,611,405	3,756,957
Industrial Chemicals	1,100,772	1,990,056
Mango Puree	2,000,000	120,000
Mango Juice	419,860	458,930
Mature Seedlings	64,104,565	65,545,120
Total inventories at the lower of cost and neutralizable value	100,149,179	93,236,775
22. Aror/Kimwarer Multipurpose		
Description	2024-2025	2023-2024
	Kshs	Kshs
Bal/ b/f	7,778,151,688	7,778,151,688
Aror Multipurpose project prior year advance	-	-
Kimwarer Multipurpose project Advance	-	-
Bal c/d	7,778,151,688	7,778,151,688

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

23. Property, Plant and Equipment

Cost	Land	Survey & Drawing Equipment	Buildings-semi permanent	Buildings-Permanent	Plant, Machinery & Equipment	Office Machinery	Motor vehicles & Lorries	Tractors & Dozers	Office Furniture and fittings	House Furniture & Fittings	Loose Tools & Equipment	Turkwel Gorge Project	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	87,879,950.00	7,161,701	11,182,751.00	1,501,959,851	15,967,328	27,735,954	84,103,241	29,463,384	15,276,835	1,983,566	3,440,459	7,001,309,300		8,787,464,320
Additions					85,000	1,431,054	33,725,715		2,072,549					37,314,318
Valuation														-
Disposals					(650,000)		(3,579,650)	(5,450,649)						(9,680,299)
Transfers/ Adjustments														-
As at 30 th June 2024	87,879,950	7,161,701	11,182,751	1,501,959,851	15,402,328	29,167,008	114,249,306	24,012,735	17,349,384	1,983,566	3,440,459	7,001,309,300	-	8,815,098,339
Additions				12,451,171	11,972,100	1,982,945			377,060				91,890,385	118,673,661
Valuation	6,101,330,000											9,088,219,900		15,189,549,900
Disposals														-
Transfer/ Adjustments														-
As at 30 th June 2025	6,189,209,950	7,161,701	11,182,751	1,514,411,022	27,374,428	31,149,953	114,249,306	24,012,735	17,726,444	1,983,566	3,440,459	16,089,529,200	91,890,385	24,123,321,900
Depreciation And Impairment														
As at 1 July 2023	-	6,428,449	9,679,876	385,775,765	15,570,056	19,858,618	72,214,758	27,365,918	9,443,913	1,889,965	2,741,273	3,024,467,753	-	3,575,436,344
Depreciation	-	91,657	150,288	22,323,682	(41,932)	1,163,549	10,508,637	(838,296)	988,184	11,700	87,398	79,536,831	-	113,981,697
Impairment	-	-	-	-	(649,985)	-	(3,569,812)	(5,268,109)	-	-	-	-	-	(9,487,906)
Transfers/ Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 th June 2024	-	6,520,106	9,830,164	408,099,447	14,878,139	21,022,167	79,153,583	21,259,513	10,432,097	1,901,665	2,828,671	-	-	575,925,551
Depreciation	-	80,199	135,259	22,126,232	3,124,072	1,265,973	8,773,931	688,305	911,793	10,238	76,473	-	-	37,192,476
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 th June 2025	-	6,600,305	9,965,422	430,225,678	18,002,211	22,288,140	87,927,514	21,947,819	11,343,890	1,911,903	2,905,145	-	-	613,118,027
Net Book Values														
As at 30 th June 2024	87,879,950	641,596	1,352,588	1,093,860,404	524,189	8,144,841	35,095,723	2,753,222	6,917,287	81,901	611,788	3,897,304,716	-	5,135,168,205
As at 30 th June 2025	6,189,209,950	561,396	1,217,329	1,084,185,344	9,372,217	8,861,813	26,321,792	2,064,916	6,382,554	71,663	535,314	16,089,529,200	91,890,385	23,510,203,873

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Valuation

Land, buildings, and equipment were valued by professional government-appointed valuers according to the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020).

23 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	6,189,209,950	-	6,189,209,950
Survey & Drawing Equipment	7,161,701	6,600,305	561,396
Buildings Semi- permanent	11,182,751	9,965,422	1,217,329
Plant, Machinery & Equipment	27,374,428	18,002,211	9,372,217
Office Machinery	31,149,953	22,288,140	8,861,813
Motor Vehicles & Lorries	114,249,306	87,927,514	26,321,792
Tractors & Dozers	24,012,735	21,947,819	2,064,916
Office Furniture & Fittings	17,726,444	11,343,890	6,382,554
House Furniture & Fittings	1,983,566	1,911,903	71,663
Loose Tools & Equipments	3,440,459	2,905,145	535,314
Turkwel Gorge Project	16,089,529,200	-	16,089,529,200
Capital Work in Progress	91,890,385	-	91,890,385
Total	22,608,910,878	182,892,349	22,426,018,529

24. Investment Property

Description	2024-2025	2023-2024
	Kshs	Kshs
At beginning of the year	1,501,959,851	1,501,959,851
Additions	12,451,171	-
Disposal during the year	-	-
Depreciation	430,225,678	408,099,447
Impairment	-	-
(Gain/loss) in fair value (if fair value is elected)	-	-
At end of the year	1,084,185,344	1,093,860,404

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements**

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)**25. Biological Assets**

Description	2024-2025	2023-2024
	Kshs	Kshs
Animal Goats	400,000	326,100
Orchards	5,000,000	4,727,000
Animal Sahiwal Cattle	4,494,500	3,130,895
Total	9,894,500	8,183,995

26. Restricted Liability – Aror

Description	2024-2025	2023-2024
	Kshs	Kshs
Bal b/f	497,507,493	538,887,543
Expenditure	-	41,380,050
Bal c/f	497,507,493	497,507,493

27. Trade and Other Payables

Description	2024-2025		2023-2024	
		Kshs		Kshs
Creditors		69,643,603		43,300,822
National Industrial Training Authority		8,541,800		9,041,800
Accrued VAT		2,883,215		3,764,900
Salary Clearances Payable		9,111,035		6,262,782
Staff Debts Payable/ Accrued Wages		4,865,540		4,316,886
Retention-Waterpans & Others)		89,183,314		35,505,674
Tax Assessments		8,043,294		8,043,294
Whole Life Insurance		1,923,044		1,923,044
Total trade and other payables		194,194,845		112,159,202
Aging analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	137,383,278	71%	50,613,371	45%
1-2 years	5,727,765	3%	4,284,859	4%
2-3 years	1,583,596	1%	23,636,255	21%
Over 3 years	49,500,206	25%	33,624,266	30%
Total (tie to above total)	194,194,845	100%	112,158,751	100%

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

28. Refundable Deposits

Description	2024-2025	2023-2024		
	Kshs	Kshs		
Customer deposits				
Prepayments	995,554	1,972,120		
Total deposits	995,554	1,972,120		
Aging analysis: (Refundable deposits)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	995,554	100%	1,972,120	100%
Total	995,554	100%	1,972,120	100%

29. Audit fees

Description	2024-2025	2023-2024
	Kshs	Kshs
Bal b/f	4,872,000	4,060,000
Current Year	812,000	812,000
	5,684,000	4,872,000
Less Paid	4,060,000	-
Amount Payable	1,624,000	4,872,000

30. Borrowings

Description	2024-2025	2023-2024
	Kshs	Kshs
a) Domestic borrowings		
Balance b/f	173,302,301	214,783,729
Repayments during the year	(48,526,643)	(41,481,428)
Balance c/f	124,775,658	173,302,301

The analysis of both external and domestic borrowings are as follows:

	2024-2025	2023-2024
	Kshs	Kshs
Domestic Borrowings		
Kenya Shilling Loan From KCB	124,775,658	173,302,301
Total Balance at End of The Year	124,775,658	173,302,301
Description	2024-2025	2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)		-
Long Term Borrowings	124,775,658	173,302,301
Total	124,775,658	173,302,301

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

31. Cash Generated from Operations

Description	2024-2025	2023-2024
	Kshs	Kshs
Surplus for the year before tax	(644,803,577)	1,143,016,259
Adjusted for:		
Depreciation	37,192,476	113,981,697
Non-cash grants received		-
Contributed assets		-
Donations	4,500,000	-
Gains and losses on disposal of assets	(125,350)	(965,907)
Contribution to provisions	5,460,047	-
Contribution to impairment allowance		-
Working capital adjustments		
Increase in inventory	(6,912,404)	(37,947,481)
Increase in receivables	908,454,228	(904,126,697)
Increase in deferred income		-
Increase in payables	65,716,126	(45,240,905)
Net cash flow from operating activities	369,481,546	268,716,965

32. Financial Risk Management

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

i) Credit risk

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

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

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

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Receivables from exchange transactions	37,309,240	31,849,193	-	5,460,047
Receivables from non-exchange transactions	879,996		879,996	-
Bank balances	1,392,056,125	1,392,056,125	-	-
Total	1,430,245,361	1,423,905,318	879,996	5,460,047
As at 30 June 2024				
Receivables from exchange transactions	34,218,468	34,218,468	-	-
Receivables from non-exchange transactions	912,424,906	912,424,906	-	-
Bank balances	1,189,225,133	1,189,225,133	-	-
Total	2,135,868,507	2,135,868,507	-	-

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2025				
Trade payables	30,026,509	11,027,030	28,590,064	69,643,603
Current portion of borrowings	-	-	124,775,658	124,775,658
Provisions	-	-	812,000	812,000
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	30,026,509	11,027,030	154,177,722	195,231,261
As at 30th June 2024				
Trade payables	542,793	2,382,283	40,375,746	43,300,822
Current portion of borrowings	-	-	173,302,301	173,302,301
Provisions	-	-	812,000	812,000
Deferred income	-	1,972,120	-	1,972,120
Employee benefit obligation	-	-	-	-
Total	542,793	4,354,403	214,490,047	219,387,243

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

b) Interest rate risk

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

Notes to the Financial Statements (Continued)

Management of interest rate risk

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

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2024-2025	2023-2024
	Kshs	Kshs
	Kshs	Kshs
Revaluation Reserve	18,293,554,484	2,399,195
Retained Earnings	6,004,834,298	6,649,637,876
Capital Reserve	7,711,158,268	7,708,759,073
Total Funds	32,009,547,051	14,360,796,144
Total Borrowings	124,775,658	173,302,301
Less: Cash and Bank Balances	1,392,056,125	1,189,225,133
Net Debt/(Excess Cash and Cash Equivalents)	(1,267,280,467)	(1,015,922,832)
Gearing	0.4%	1%

33. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025****Notes to the Financial Statements (Continued)****Related Party Disclosures(continued)**

Description	2024-2025	2023-2024
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Rent income from govt. Agencies	70,245,075	70,245,075
Total	70,245,075	70,245,075
b) purchases from related parties		
Electricity purchases from KPLC	11,945,335	12,630,123
Purchase of water from govt service providers	3,660,823	2,549,614
Training and conference fees paid to govt. Agencies	1,654,313	-
Total	17,260,471	15,179,737
c) Grants /transfers from the government		
Grants from national govt	1,027,595,422	1,945,469,998
Total	1,027,595,422	1,945,469,998
d) Key management compensation		
Directors' emoluments	19,784,574	29,065,144
Compensation to key management	74,518,965	43,834,685
Total	94,303,539	72,899,829

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

34. Contingent Assets and Contingent Liabilities

Included in the non-Exchange transaction is a receivable deposited by the authority to enable it to make an appeal in a **court case no. 96 of 2013 kes 879,996**.

The former managing director was awarded **kes 23.4M** by the court for wrongful termination the matter has since been appeal by the authority.

35. Events after the Reporting Period

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

36. Ultimate and Holding Entity

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

37. Currency

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

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
Property plant and equipment	As reported previously, the statement of financial position reflects property, plant and equipments balance of Kshs.4,041,307,800 and investment property of Kshs.1,093,860,404 both totalling to Kshs.5,135,168,204 as disclosed in note 23 and 24 to the financial statements. However examination of fixed asset register and the asset movement schedule revealed that the Authority's assets have not been revalued over time contrary to paragraph 44 of IPSAS 17 which states that after recognition as an asset an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.	The valuation process for property, plant and equipment was initiated by writing to the principal secretary, State department for ASALs and Regional Development to assist in requesting of technical support for the valuation of Turkwel Dam from the state department for public works. Valuation process is therefore ongoing and the books will be updated once the valuation report is received. Attached are the correspondences and the draft valuation report which is awaiting finalization.	Resolved, valuation of both land and Turkwel dam done and report adopted.	
Budgetary Control and Performance	The statement of comparative budget and actual amounts reflects an actual expenditure of Kshs.968,841,837 against an approved	The under absorption of 63% is attributed to slow disbursement of funds. At	Resolved- the balance that was not funded were	End of June 2025

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

	budget of Kshs.2,629,123,422 resulting into an under-expenditure of 1,660,281,585 or 63% of the budget.	the close of the financial year, 50% of the funds had not been received as indicated in appendix (V) while 25 % was received in the third quarter. Considering the dates of release of funds and the subsequent procurement processes, it was not practical to achieve 100% absorption rate. The programmed projects will be implemented to completion once the balance of Kshs 911,545,000 is received.	received to the tune of ksh 500,000,000 and the projects are now underway towards completions.	
Unresolved Prior Year Matters	In the audit report of the previous year, several paragraphs were raised under the Report of the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, Report on Effectiveness of Internal Controls, Risk Management and Governance, Emphasis of Matter and Other Matter. Even though Management has provided explanation on the progress made on the recommendations made by the auditors, the issues have remained unresolved as the relevant Parliamentary Committee had not discussed them	Management provided responses on the issues although some issues remain unresolved due to factors beyond the Authority's control. The authority has presented the issues before Parliamentary Committee and shall be guided by the recommendations once the report is released.	Not Resolved- awaiting appearance to the Public Accounts committee	
Trade and Other Payables	The statement of financial position reflects trade and other payables balance of kshs.112,159,202 which as disclosed in Note	The outstanding payables has been as a result of inadequate budgetary	Not resolved- Awaiting the report from the	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

	<p>27 to the financial statements, included creditors and National Industrial Training Authority balances of Kshs.43,300,822 and Kshs.9,041,800 respectively. Review of the creditors ageing analysis revealed that the creditors balance of Kshs.43,300,822 includes a balance of Kshs.33,624,717 or approximately 30% which has been outstanding for more than ninety days. The outstanding balance of Kshs.9,041,800 due to the National Industrial Training Authority has also been outstanding for more than ninety days. This is contrary to Section 53(8) of the Public Procurement and Assets Disposal Act, 2015 and section 10.1.1 of the Kerio Valley Development Authority Financial Management Policy in which the latter states that the purpose of the creditors and accrual system is to ensure that all liabilities of KVDA are recognized as and when they are incurred, and all liabilities are reviewed monthly to ensure that KVDA can honor its obligations as and when they fall due.</p>	<p>resources. In respect to NITA dues of kshs 9,041,800; Management has forwarded the same to the Pending Bills Committee and is awaiting feedback.</p>	<p>Pending bills committee on the way forward and allocation of resources to clear the pending bills</p>	
<p>Non-Compliance with Law on Ethnic Composition</p>	<p>As previously reported, review of the Human Resource revealed that the Authority had a total of two hundred and thirty-one (231) employees (excluding casual workers). However, of all the two hundred and thirty-one (231) staff, one hundred and seventy-two (172) are from one dominant community representing 74% of staff population contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.</p>	<p>The Authority was established in 1979 under cap 441 of the laws of Kenya. Its area of operation covers the counties of west Pokot, Elgeyo-Marakwet, Baringo, Turkana and Samburu. Activities undertaken include catchment conservation, crop production, livestock upgrading, water development and hydro-power generation among</p>	<p>Not Resolved</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements
For the year ended June 30, 2025

	<p>In addition, the Authority recruited a total of seventy-seven (77) staff during the financial year, however, no breakdown was provided on the ethnic composition of the recruited staff.</p>	<p>others. The above-mentioned projects/activities are performed by the Authority in collaboration with communities in the mentioned counties with an agreement that the Authority will engage the community members to undertake implementation of the projects. This contributed to the status where majority of staff are from the surrounding communities. To address this, the Authority is planning to achieve National cohesion in the establishment through future recruitment by giving employment opportunities to underrepresented communities. This approach will go on progressively until representation of all communities is achieved.</p>		
<p>Excessive Deductions on Staff Pay</p>	<p>During the year under review, fifty-five (55) employees from the month of June, 2024 payroll were paid net salaries that were less than a third (1/3) of their respective basic pay. In allowing the excessive deductions, Management contravened provisions of Section 19(3) of the Employment Act, 2007 which prohibit employers from making deductions in excess of two thirds of their employees' basic salary.</p>	<p>It is regrettably noted that a number of staff are receiving less than a third of their salaries. This is largely attributed to the introduction</p>	<p>Not resolved</p>	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

	In the circumstances, Management was in breach of the law	of new or enhanced statutory deductions onto the already committed individual staff pay. In particular, the Affordable Housing Levy (AHL); and enhanced NSSF contributions affected the respective staff pay to less than a third in net earnings. Going forward management will engage the affected staff in seeking for ways to correct this situation.		
Rental Revenue from Facilities and Equipment-Turkwel Multi-purpose Dam	During the year under review, the statement of financial performance indicates revenue from exchange transactions of Kshs.161,063,845 out of which Kshs.94,886,423 is rental revenue from facilities and equipment. Included in this amount, is Kshs.45,000,000 disclosed under note 8 to the financial statements as revenue from Kenya Electricity Generating Company (Kengen). However, it was observed that Kengen has been remitting Kshs.45,000,000 annually to KVDA for purposes of conservation of the dam and its catchment area since 1995 against the current conservation costs amounting to Kshs. 120,000,000. KVDA has not been able to enforce the increase of dam conservation costs to Kshs. 120,000,000 or USD 1.75 million negotiated fees as	Turkwel land is the property of KVDA as per the approved Boundary Plan No. 179/120. During the power sector reforms of the 1990's, Ken Gen was required to compensate KVDA a determined amount of Kshs	Not Resolved	

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

	recommended by an inter-ministerial steering committee. In addition, the Authority does not have ownership rights of the Dam.	120,000,000 for using the Dam in power generation. However, this was not honoured and instead Ken Gen paid only 45 million. Negotiations to increase the amount as recommended is yet to bear fruit.		
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Sammy Naporos
August 8, 2025.

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements**

For the year ended June 30, 2025

**Appendix II: Projects implemented by Kerio Valley Development Authority
Status of Projects completion**

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	CONSTRUCTION OF UPPER YOKOT KAPTEREN DAM	100,667,270.87	104,888,878	100%	120,000,000	104,888,878	GOK
2	Development of Kabuswo/sabor Dam works pment of Kabuswo Dam	33,876,986	34,629,537	100%	69,000,000	34,629,537	GOK
3	Loogarooj Waterpan (Desilting) (Samburu North	8,230,647.50	8,095,500	100%	9,000,000	8,095,500	GOK
4	Pirar borehole, Samburu West	8,499,792	8,292,480	100%	9,000,000	8,292,480	GOK
5	Soit Nanyokie, Samburu North	8,497,762.50	2,075,000	20%	9,000,000	2,075,000	GOK
6	Lomeyena, Samburu North	8,497,762.50	7,632,500	100%	9,000,000	7,632,500	GOK
7	Koibir Borehole, Marakwet East	8,493,047.50	6,735,650	80%	9,000,000	6,735,650	GOK
8	Chebagon Water project, Keiyo North (Phase I)	41,000,905	40,787,364	100%	45,000,000	40,787,364	GOK
9	Muskut Community and Primary school borehole, Keiyo South	8,493,047.50	3,706,000	100%	9,000,000	3,706,000	GOK
10	Barsumbat Waterpan (Desilting), Marakwet West	8,429,124.23	8,426,066	100%	9,000,000	8,426,066	GOK

KERIO VALLEY DEVELOPMENT AUTHORITY
Annual Report and Financial Statements
For the year ended June 30, 2025

11	Amareth Borehole in Turkana East	8,907,455	8,631,500	100%	10,000,000	8,631,500	GOK
12	Ngaabakan borehole, Turkana South	8,850,875	8,522,000	100%	10,000,000	8,522,000	GOK
13	Cheploch Borehole, Baringo South	8,902,740	8,322,600	100%	9,000,000	8,322,600	GOK
14	Borehole in Biriokwonin/Loruko boreholes, Baringo North	17,013,749	15,357,780	100%	18,000,000	15,357,780	GOK
15	Nasolot Centre Borehole, Pokot Central	9,000,000	8,910,263	100%	9,000,000	8,910,263	GOK
16	Kalas/Kodich Boreholes, Kacheliba	8,867,275	8,468,000	100%	9,000,000	8,468,000	GOK
17	Saramek Primary School and community borehole	8,851,387.50	7,057,500	60%	9,000,000	7,057,500	GOK
18	Naurien Pri. Sch. Borehole	8,851,900	7,697,200	100%	9,000,000	7,697,200	GOK
19	Kapenguria	8,272,262.50	7,671,613	100%	9,000,000	7,671,613	GOK
20	Sigor Town Center	9,000,000	8,745,170	100%	9,000,000	8,745,170	GOK
21	Iria, Turkwel/West Pokot	9,000,000	8,766,155	100%	9,000,000	8,766,155	GOK
22	Cheploliet Dispensary borehole	8,038,050	2,867,000	98%	9,000,000	2,867,000	GOK
23	Morkokei School and Community borehole	8,688,925	8,344,000	100%	9,000,000	8,344,000	GOK
24	Mutwot Secondary and Community Borehole, Uasin Gishu	7,915,050	3,244,500	100%	9,000,000	3,244,500	GOK
25	Kapsanayan Borehole	8,550,037.50	8,332,500	100%	10,000,000	8,332,500	GOK
26	Kapkepot Borehole Batei	8,201,127.50	1,999,600	100%	10,000,000	1,999,600	GOK

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

27	Kawap borehole	8,900,000	6,329,384	100%	9,000,000	6,329,384	GOK
28	Ileret Borehole - South Horr	9,989,244.30	9,513,566	100%	9,000,000	9,513,566	GOK
29	Kadengoi Water Pan in Turkana S. Shared between Pokot	22,146,463.50	15,838,040	100%	27,000,000	15,838,040	GOK
30	Dam works: Disilting of Dam Reservoir and rehabilitation of the infrastructure:	59,692,517.95	67,460,615	100%	70,000,000	67,460,615	GOK
31	Pasture Development and Infrastructure Improvement at Chemeron	13,338,431	8,397,001	70%	18,000,000	8,397,001	GOK
32	Rehabilitation of Irrigation infrastructure in Kamsiwet	10,277,527	5,180,300	100%	13,500,000	5,180,300	GOK
33	Rehabilitation of Chepkum small holder irrigation scheme	17,046,844.50	8,519,790	80%	15,000,000	8,519,790	GOK
34	Rehabilitation of Buildings (VIP Guest house, Administration block and staff houses)	124,822,902	72,455,491	70%	125,000,000	72,455,491	GOK
35	Development of Lotongot Dam	18,170,512.50	17,881,260	100%	20,000,000	17,881,260	GOK
36	Extension of Lomut irrigation infrastructure (5km)	86,068,762.50	88,527,696	100%	105,000,000	88,527,696	GOK
37	Iokichar, borehole	15,244,825	15,173,000	100%	18,000,000	15,173,000	GOK
38	Lokwipuo Water Pan/Chepserum Water Pan Rehabilitation	17,013,749	11,808,000	100%	27,000,000	11,808,000	GOK
39	Noolturuka Water Pan	15,507,870	15,507,870	100%	18,000,000	15,507,870	GOK
40	Miskwony/Adurkoit Water Pans	32,444,013	21,533,350	100%	18,000,000	21,533,350	GOK
41	Dungdung Borehole	7,341,050	1,587,500	20%	9,000,000	1,587,500	GOK

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

42	Kakou (Alale) Borehole	8,499,792	8,292,480	100%	9,000,000	8,292,480	GOK
43	Kamanau primary Borehole	7,341,050	6,479,000	100%	9,000,000	6,479,000	GOK
44	Kamayech School Borehole/Rukei waterpan	26,771,442	20,536,800	100%	18,000,000	20,536,800	GOK
45	Kapunia Borehole	8,272,262.50	3,213,900	100%	9,000,000	3,213,900	GOK
46	Katikit Water Pan	14,445,637.50	11,264,700	100%	9,000,000	11,264,700	GOK
47	Kaywongole Borehole(Kaptagat borehole)	8,888,492.50	13,074,100	100%	9,000,000	13,074,100	GOK
48	Kitelarengen Water Pan	16,499,164.50	13,966,470	100%	9,000,000	13,966,470	GOK
49	Kopotarit Water Pan Rehabilitation	15,657,022.50	10,727,250	100%	9,000,000	10,727,250	GOK
50	Kosholoi Borehole	8,049,325	7,663,000	100%	9,000,000	7,663,000	GOK
51	Lmisigiyo Borehole	8,499,792	8,292,480	100%	9,000,000	8,292,480	GOK
52	Lorach Borehole	7,555,357	1,810,000	10%	9,000,000	1,810,000	GOK
53	Loruko Borehole-Samburu	8,723,775	8,641,275	100%	-	8,641,275	GOK
54	Pamba Borehole	7,555,357	6,782,480	100%	9,000,000	6,782,480	GOK
55	Roso (Cheptulel) Borehole	8,049,325	2,450,000	15%	9,000,000	2,450,000	GOK
56	Smallholder Irrigation Solar Generators	8,607,536	8,722,356	100%	9,000,000	8,722,356	GOK
57	Weiwei Irrigation Scheme Improvement	48,218,500.00	24,341,500		70,000,000		GOK

KERIO VALLEY DEVELOPMENT AUTHORITY**Annual Report and Financial Statements****For the year ended June 30, 2025**

58	Amutto / Masol & Riwo Boreholes	16,763,076.80	14,403,600	100%	18,000,000	14,403,600	GOK
59	Salenga & Cheparkulei Waterpans	18,023,775	11,559,496	100%	27,900,000	11,559,496	GOK
60	Kasitot Community & Kalas Boreholes	16,775,897.80	14,273,700	100%	18,000,000	14,273,700	GOK
61	Mpatmpat & Iltiil Matebes Boreholes	18,761,232	16,735,900	100%	18,000,000	16,735,900	GOK
62	Nkutoto Arus & Garma Boreholes	17,107,957.25	16,385,910	100%	19,800,000	16,385,910	GOK
63	Netwel Loima ward & Nayanae Epoul Boreholes	18,111,480.94	16,697,881	100%	18,000,000	16,697,881	GOK
64	Seretion & Kalabata Boreholes	18,662,380	17,583,800	100%	18,000,000	17,583,800	GOK
65	Barkitiew Waterpan	14,808,915	14,281,157	100%	19,350,000	14,281,157	GOK
66	Kabuswa Dam	34,227,930	33,876,986	100%	31,500,000	33,876,986	GOK
67	Mogotio Dam	14,272,005	13,793,551	100%	18,000,000	13,793,551	GOK
68	Chemugul Dam	35,995,575	26,638,020	100%	38,700,000	26,638,020	GOK
69	Kuber Dam	26,717,240	26,717,240	100%	28,800,000	26,717,240	GOK
70	Kibekaa Biretwo & Cherebes Boreholes	17,174,080	16,938,200	100%	18,000,000	16,938,200	GOK
71	Leet Segoo & Kokwop Sitet Boreholes	17,174,080	15,894,600	100%	18,000,000	15,894,600	GOK
72	Kapkayo & Kokwao Kocholwo Boreholes	17,848,325	17,257,650	100%	18,000,000	17,257,650	GOK
73	Yokot Kapteren Dam	53,981,098.50	53,980,873	100%	58,500,000	53,980,873	GOK

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Appendix III: Transfers from Other Government Entities.

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development	Total Amount – KES	Where	Total Transfers during the Year
				Recorded/recognized	
Ministry of EAC, ASAL & Regional Development	02/08/2024	RECURRENT	9,281,285	9,281,285	
Ministry of EAC, ASAL & Regional Development	12/09/2024	RECURRENT	9,281,285	9,281,285	
Ministry of EAC, ASAL & Regional Development	16/10/2024	RECURRENT	37,125,141	37,125,141	
Ministry of EAC, ASAL & Regional Development	07/11/2024	RECURRENT	18,562,571	18,562,571	
Ministry of EAC, ASAL & Regional Development	11/12/2024	RECURRENT	18,562,571	18,562,571	
Ministry of EAC, ASAL & Regional Development	03/01/2025	RECURRENT	18,562,571	18,562,571	
Ministry of EAC, ASAL & Regional Development	11/4/2025	RECURRENT	131,000,000	131,000,000	
					242,375,422
Ministry of EAC, ASAL & Regional Development	20/11/2024	DEVELOPMENT		167,555,000	
Ministry of EAC, ASAL & Regional Development	15/01/2025	DEVELOPMENT		502,665,000	
Ministry of EAC, ASAL & Regional Development	23/05/2025	DEVELOPMENT		515,000,000	
					1,185,220,000
Total					1,427,595,422

KERIO VALLEY DEVELOPMENT AUTHORITY

Annual Report and Financial Statements

For the year ended June 30, 2025

Appendix IV- Inter-Entity Confirmation Letter

Name of Transferring entity: State Department for ASALs and Regional Development

Name of Beneficiary entity: Kerio Valley Development Authority

Confirmation of amounts received by Kerio Valley Development Authority as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	02/08/2024	9,281,285		9,281,285	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	12/09/2024	9,281,285		9,281,285	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	16/10/2024	37,125,141		37,125,41	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	07/11/2024	18,562,571		18,562,571	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	20/11/2024		167,555,000	167,555,000	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	11/12/2024	18,562,571		18,562,571	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	03/01/2025	18,562,571		18,562,571	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	15/01/2025		502,665,000	502,665,000	
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	11/04/2025	131,000,000			
Inward SWIFT Pa STATE DEPT FOR KE/NAIROBI/KE/N	23/05/2025		515,000,000	515,000,000	
Total		242,375,422	1,185,220,000	1,427,595,422	

Head of Accounts Department - Beneficiary Entity:

NAME: MOSES KIPCHUMBA

Sign 

Date August 8, 2025