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REPORT

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ON

**KIMIRA OLUCH SMALLHOLDER FARM
IMPROVEMENT PROJECT
(ADF LOAN NO. 2100150012296)**

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

**STATE DEPARTMENT FOR REGIONAL AND
NORTHERN CORRIDOR DEVELOPMENT**



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KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

**STATE DEPARTMENT FOR REGIONAL & NORTHERN CORRIDOR
DEVELOPMENT**

ADF LOAN NO. 2100150012296

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is "Kimira Oluch Smallholder Farm Improvement Project" (KOSFIP).

Objective: The key objective of the project is to improve income levels in a sustainable manner for 3,000 rural households in Homa Bay County through improved agricultural productivity for poverty reduction and improved livelihoods.

Address: The Project Headquarters Offices are located in Homa Bay town, Kenya.

The address of its Registered Office is:

P.O. Box 293-40300
Ministry of Public Works Building
Kendu Bay –Homa Bay Road
Homa Bay, Kenya

Contacts: The following are the Project contacts:-

Telephone: (254) 059-223222

E-mail: kosfip@yahoo.com

Website: www.go.ke

1.2 Project Information

Project Start Date:	13th February, 2007
Project End Date:	30 th June, 2020
Project Manager:	Eng. Gyavira J. O. Omondi
Project Sponsor:	African Development Bank (ADB) and GOK

1.3 Project Overview

Line Ministry/State Department of the project	The Project is under the supervision of Ministry of East African Community and Regional Development, State Department for Regional & Northern Corridor Development ,
Project number	ADF LOAN NO. 2100150012296
Strategic goals of the project	The strategic goals of the project are as follows: (i) To enhance sustainable income levels for 3,000 rural households in Homa Bay County and thus help in alleviating poverty. (ii) To improve agricultural productivity and value of the produce for

*Kimira Oluch Smallholder Farm Improvement Project
 Reports and Financial Statements
 For the financial year ended June 30, 2020*

	poverty reduction and improved rural livelihoods in Homa Bay County.
Achievement of strategic goals	<p>The project management aims to achieve the goals through development of two sustainable and environmentally friendly smallholder irrigation schemes in Kimira and Oluch:-</p> <ul style="list-style-type: none"> ▪ Kimira Scheme in Rachuonyo North Sub County which covers a gross area of 1,790 Ha, with a net irrigable area of 808 Ha and a total of 44 irrigation blocks. It has 1,616 smallholder farmers' households. ▪ Oluch Scheme in Rangwe and North Rachuonyo Sub County, which covers a gross area of 1,308 Ha, with a net irrigable area of 666 Ha and total of 53 irrigation blocks. It has 1,334 smallholder farmers households. <p>A total number of 3000 households are to benefit directly from the two Irrigation Schemes, and another 400,000 to benefit indirectly.</p>

<p>Other important background information of the project</p>	<p>Project Components: The project implements its activities under three distinct components: A. <u>Irrigation Scheme Development and Management</u> with the following sub-components: 1. Formation of Water Users Associations 2. Irrigation Scheme Development 3. Supervision of Scheme Construction 4. Environmental Mitigation B. <u>Marketing and Extension</u> with the following sub-components: 1. Support to farmers 2. Support to Extension Workers 3. Marketing Linkages C. <u>Project Management and Coordination Component</u></p> <p>Project Achievements: Under Irrigation Scheme Development and Management, the Project has constructed the following structures: - <ul style="list-style-type: none"> ▪ 2 Gravity Intake Weirs ▪ 4 motorable Bridges ▪ 54.64 km of Reinforced concrete Water Conveyance System ▪ 85.5km Water Drainage System ▪ 10 Night Storage Reservoirs ▪ 8 Communal canal based water take off points ▪ 2 Irrigation Water Users Association (IWUA) offices buildings. ▪ 28.5km Road Networks (Access and Service Roads) ▪ 2 Sand trap. In Environmental Mitigation the following activities have been achieved : - <ul style="list-style-type: none"> ▪ 95 (24 – ADB Grant and 71- GoK) Resettlement Permanent Houses and 1No. Community Church, constructed.. The Project also supported: - <ul style="list-style-type: none"> • Vulnerable persons (school fees were paid to Universities, Colleges and Secondary Schools for 78 students from the vulnerable families in Oluch and 46 students in Kimira respectively. Livelihood start-up packages were also provided). • 3000 mosquito bed -nets provided. • 83 No. 8,000lts water tanks installed in schools, dispensaries and resettlement houses. • 3000 farmers trained on improved farming methods and project sustainability, among other capacity building activities. </p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following areas: (i) Low food security (ii) High poverty rates in the County.</p>
<p>Project duration</p>	<p>The Project started on 13th February, 2007 and is expected to run until 30th June 2020.</p>

1.4 Bankers

Project Account No.: 01141047028702:
Co-operative Bank of Kenya, Homa Bay Branch
P. O. Box 406-40300,
HOMA BAY

1.5 Auditors

The Project is audited by Office of the Auditor General

The Auditor General
Office of The Auditor General
P. O. Box 30085-00100
NAIROBI

1.6 Legal Advisors

The Project's legal affairs are handled by the Office of Attorney General.

The Attorney General
Sheria Hse, Harambee Avenue
P. O. Box 40112-00100
NAIROBI

1.7 Roles and Responsibilities

The key people involved in the project are:

Names	Title designation	Responsibilities
Dr. Margaret Mwakima, CBS	Principal Secretary, State Department for Regional & Northern Corridor Development	Accounting Officer
Mr. Maina Kiondo	Ag. Director, Regional Development Authorities.	Liaison Officer for Project activities at State Department for Regional & Northern Corridor Development
Eng. Gyavira J. O. Omondi	Ag. Project Manager	Project Manager

1.8 Funding summary

The Project is for a duration of (14) years from 2007 to 30th June 2021 with an approved ADF budget of UA 22,978,992 equivalent to Kshs 2,851,000,000 and GoK counterpart of Kshs. 5,187,998,011 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30/6/2020)		Undrawn balance to date (30/6/2020)	
	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	<i>(A)UA</i>	<i>(A')</i>	<i>(B)UA</i>	<i>(B')</i>	<i>(A)-(B) UA</i>	<i>(A')-(B')</i>
(i) Grant						
African Development Fund	1,147,529	142,408,349	1,147,529	142,408,349	0	(
(ii) Loan						
African Development Fund	22,978,992	2,851,000,000	22,978,992	2,851,000,000	0	(
(iii) Counterpart funds						
Government of Kenya	41,804,980	5,187,998,011	34,128,909	4,235,397,613	7,676,071	952,600,398
Total	65,931,501	8,181,406,360	58,255,430	7,228,805,962	7,676,071	952,600,398

1.9 Summary of Overall Project Performance:

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

Cumulatively since the project commenced its implementation activities, Kshs.7,086,397,613 has been disbursed. During this reporting period, the project received Kshs.398,408,500 for implementation of activities. The Project's overall utilization of allocated funds of Ksh 398,408,500 therefore translates to 100% absorption rate during the period under review. The project utilised over 70% of its budget on the development of irrigation infrastructure. This was considered significant since it enabled connection of more farmers to the irrigation infrastructure, thus increasing overall crop production, Therefore, the performance is considered satisfactory since the project achieved the required threshold of 30% to 70%, with regards to recurrent expenditure (operating services) and development expenditure respectively. As such, there was no unfavourable variance in the absorption of the funds advanced to the project.

Physical progress based on outputs, outcomes and impacts since project commencement together with value-for-money achievements:

- A 59 Km main water conveyance system and associated infrastructure developed and currently conveying water to 97 irrigation blocks.
- 122.4 Km of tertiary canals (in-block irrigation infrastructure) has been constructed and supplying water to 75 irrigation blocks. Irrigation agriculture is ongoing in the connected block which has resulted in increased income for the beneficiaries.
- 2 No Irrigation Water Users Associations (IWUAs) formed and sensitized which has enhanced ownership and participation by the project beneficiaries.
- 1,389 farmers have been trained on modern irrigation agriculture and are currently adopting modern farming methods and utilizing the irrigation infrastructure with current crop production standing at 8,000 M/T per year, in the net irrigable areas.

Implementation challenges and recommended way forward

- The adverse effects of project activities have been mitigated through execution of both social and physical environmental safeguards as prescribed in the Environmental Management Plan (EMP).
- Livelihood of the households affected by the irrigation infrastructure has been restored by resettling them away from the effects of the irrigation infrastructure.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

The project is still in its implementation stage and all the initial project objectives are expected to be fully met when the project reaches completion stage. The challenges which may contribute towards slowing down achievements include; low funding levels for the planned activities, slow rate of contractors to complete construction of the in- block irrigation infrastructure, which would increase the net irrigable area, and the slow uptake by farmers for the irrigated agriculture as mentioned above.

Objectives of the project as per the program plan

1. To develop sustainable and environmentally friendly smallholder irrigation schemes in Kimira and Oluch areas of 44 and 53 irrigation blocks on 808ha and 666ha net irrigable area respectively.
2. To empower farmers through acquisition of entrepreneurial skills to manage the schemes.
3. To increase household incomes and food security through irrigated agriculture

The key development objectives of the *project's 2018-2022* plan are to:

To contribute towards the country's development plan of poverty reduction, which is achieved through increased food security thereby contributing to the realisation of the Big 4 Agenda.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Kimira Oluch Smallholder Farm Improvement project(KOSFIP)	To develop sustainable and environmentally friendly smallholder irrigation schemes in Kimira and Oluch areas	-Increased cropped area (more land under crops)	Hectares of land under agricultural production	In FY 2019/20, 7.3Km of the in-block irrigation infrastructure was completed, thus increasing irrigable area by 9%.
	To empower farmers through acquisition of entrepreneurial skills to manage the schemes	Improved agriculture processing and market access.	Crop yield (in Metric tonnes) per hectare	There was an increase of 34% production levels.
	To increase household incomes and food security through irrigated agriculture	Increased farm income resulting from increased volumes of produce sold	% of population with adequate income to meet basic necessities of life.	There was an increase of 23% in number of farmers trained and adopting modern irrigation technologies.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/ SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

The project's efforts to ensure sustainability are hinged on three pillars, namely; economy, society and the environment. Best practices and policies have been put in place to align the project activities to these pillars. The project has identified ways and means of ensuring proper management and sustainability of the irrigation schemes after completion so that the infrastructure is optimally utilized. These include training of farmers to foster acceptability,

ownership and capacity to operate and manage the irrigation scheme upon completion; Formation of Cooperatives, Extension & Marketing and Micro financing to address issues of production in the irrigation schemes; Identification of an institution to provide technical backstopping to farmers and mainstream the project interventions, and deliberate linkage and collaboration with other relevant agricultural sectors. The environmental management of the schemes will also be guided by the applications of Environmental Management & Coordination Act (EMCA 1999) and other environmental policies and regulations in the country. Since women and youth are the dominant actors in production, the project is has deliberate efforts to promote their involvement and participation in the scheme leadership as a way of fostering sustainability.

2. Environmental performance

The project design was made to provide for environmental mitigation. This was necessary given that the project was classified under ADB's Environmental and Social Assessment Procedures (ESAP) as Category 1. Environmental Impact Assessment (EIA) was conducted in line with the Environmental Management & Coordination Act (EMCA 1999).

The environmental and social sustainability of the schemes has been addressed by including the negative environmental impacts in the Code of Good Practices for Construction and developing an Environmental & Social Management Plan (ESMP) that would be used to monitor the environmental issues occurring in all the phases of the Project.

Implementation of the works has also taken care of environmental and social concerns by providing appropriate and adequate crossings over the works, upgrading and equipping health facilities, provision of clean drinking water (from roof catchments and communal water points). The project has also trained farmers on various aspects of environmental conservation,

However, some of the conservation activities that were geared towards environmental and social sustainability remain fragile given the low level of adoption of technologies by the farmers. The main canals have been lined to reduce the risk of siltation and the growth of weeds. However, the weak soil structure in the project area which is susceptible to erosion poses a threat to the earthen drainage canals through scouring. In addition, the project design excluded environmentally sensitive areas (problem areas) from the irrigation layout, especially, areas with serious risk of salinity and fragile ecosystem. Conservation of the upper catchment areas of the two rivers, which are the sources of the irrigation water for the two schemes, is being done to reduce land degradation and ensure the protection and sustainable use of the upstream water catchments. The conservation measures have since reduced the level of solid deposits in the Kibuon and Tende river waters

3. Employee welfare

The project has a mixed workforce consisting of staff seconded from other government institutions, staff contracted by the parent ministry and staff on temporary employment. The hiring process has been competitive and above board with advertisement of positions put in the local dailies (where applicable). The project has gender considerations with 30% of the staff being females. The project has deliberate efforts to improve the skills and knowledge of

the work force by implementing a training program, where staff is supported to undertake short courses relevant to their areas of competence. This is done in strict adherence to the set rules guiding the process. After training, there is continuous sharing of the training experiences, where the trained staff discusses with the rest of the project staff. Performance appraisal of staff is also routinely done with the support of the parent ministry. This has ensured that the employees are oriented towards achieving the results as stated in the project objectives.

Policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

The project ensures that as far as possible, every employee has adequate safe and healthful working conditions. This is done by conducting routine risk assessment, providing safety protective materials (gears) while performing activities which have recognized hazards, proper maintenance of machineries and equipment (eg vehicles), availing fire extinguishers at the exit points, as well as having regularly supervised safety drills. The project also has a provision for assembly point in case of fire break outs. All these are done in compliance with Occupational Safety and Health Act of 2007, (OSHA.2007).

4. Market place practices-

a) Efforts to Responsible competition practice.

The project observes fair and responsible competition practices by ensuring that all its undertakings are done above board and competitively. All the requirements are made known to potential persons (stakeholders) who intend to be involved in the processes as a way of curtailing possible corruption cases. Responsible political involvement is ensured by tapping in on the participation of the local political leadership. This has enabled the project to acquire political support which is very key in mobilisation of the community to accept the project and effectively utilise the infrastructure.

b) Responsible Supply chain and supplier relations-

The project has been operating a satisfactory procurement system, where the list of pre-qualified (local) bidders is obtained and used. The open and fair tendering system has seen the project honouring the contracts by promptly settling payments for and works completed or services delivered. (This can be confirmed by the fact that there are no pending payments for services rendered in this financial year). Further, the project committed to comply with the presidential directives on considerations to local contents (in procurement). The project has also assimilated the value contents of the Access to Government Procurement Opportunities provisions (AGPO) and is adhering very well to its requirements.

c) Responsible marketing and advertisement towards maintaining ethical marketing practices

Online advertisement for tenders has not been duly effected. However, going forward, the project will make efforts to have its tenders and any other advertisement uploaded on the website of the Parent Ministry.

d) Product stewardship

The project is making considered efforts to safeguard its stakeholders rights and interests by providing right and adequate information (through reports and announcements), holding stakeholder meetings to create forums for contributions (eg sensitisation forums) as well as avenues for redress (resolution of public complaints) in case there are complains or issues raised with regard to the activities undertaken by the project. In cases of procurements of works and services, the potential participants are accorded right information through advertisements, which spell out clear requirements for one to participate in such activities.

5. Community Engagements-

The project is classified as 'without- community-cash-project'. In which case, the community was to provide in-kind contribution by giving way leave for construction of the irrigation system. Thus sections of the land have been forfeited for construction of irrigation infrastructure. Further, the community has been providing labour during routine cleaning and maintenance of the irrigation system. Other forms of engagement include representation and participation in the Project Steering Community (PSC) meetings and participation in the project implementation through the Irrigation water users associations (IWUA) activities. Several community based self- help groups, especially among women, aimed at social functions or small scale savings for production or marketing have also come up and are participating alongside the umbrella farmers body (IWUA).

The project implemented environmental social safeguard measures activities which are also part of corporate social responsibility (CSR). In particular, it completed construction of a health facility (in Oluch scheme) thereby improving access to health services in the area. In addition, the community has been benefiting from the irrigation system by drawing water for domestic use as opposed to earlier period when women had to walk for long distances to fetch water.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.



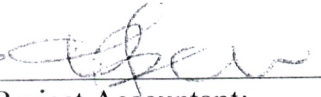
The Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The The Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

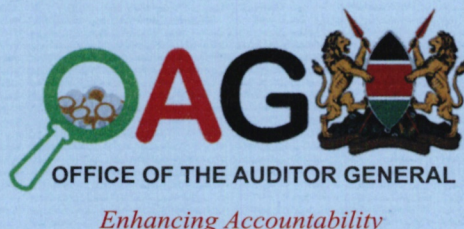
Approval of the Project financial statements

The Project financial statements were approved by the Principal Secretary State Department for Regional & Northern Corridor Development and the Project Manager for Kimira Oluch Smallholder Farm Improvement Project on 25.9. 2020 and signed by them.

		
Principal Secretary Dr. Margaret W. Mwakima, CBS	Project Coordinator Eng. Gyavira J. O. Omondi	Project Accountant: Mr. Benson O. Ouma:

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT (ADF LOAN NO. 2100150012296) FOR THE YEAR ENDED 30 JUNE, 2020 – STATE DEPARTMENT FOR REGIONAL AND NORTHERN CORRIDOR DEVELOPMENT

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kimira Oluch Smallholder Farm Improvement Project (ADF Loan No. 2100150012296) set out on pages 14 to 34, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya, Section 35 of the Public Audit Act, 2015 and the Loan Agreement No. 2100150012296 dated 27 August, 2009 between African Development Fund (ADF) and the Government of Kenya. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kimira Oluch Smallholder Farm Improvement Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the terms of the Loan Agreement and the Public Finance Management Act 2012.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kimira Oluch Smallholder Farm Improvement Project 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.

Emphasis of Matter

Unsupported Pending Bills

Annex 2A to the financial statements reflects pending bills totalling Kshs.700,656,527 out of which bills totalling Kshs.198,472,177 are not supported with relevant and reliable records such as invoices and certificates of work done.

As a result, the accuracy and validity of the pending bills balance totalling of Kshs.700,656,527 as at 30 June, 2020 has not been confirmed.

My opinion is, however, not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matters

Budgetary Control and Performance

The statement of comparative budget and actual amounts for the year under review reflects aggregate budgeted receipts amounting to Kshs.450,000,000 and actual receipts totalling Kshs.398,408,500 resulting to a shortfall of receipts amounting to Kshs.51,591,500 or 10% of the year's budget. Further, the statement reflects approved final budgeted expenditure amounting to Kshs.450,000,000 and actual expenditures amounting to Kshs.466,089,116 resulting to over-expenditure of Kshs.16,089,116 or 4% of the budget.

Therefore, the Project did not utilize all its budget for the year and as a result, some of the activities due for implementation in the year were not executed. Further, approval of the over-expenditure amounting to Kshs.18,095,516 was not availed for audit review and as a result, its validity could not be confirmed.

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 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

1.0 Irregular Payment of Personal Allowances

Records on compensation of employee's expenditures for the year under review indicated that personal allowance payments totalling Kshs.24,637,311 were made to seventeen (17) staff seconded to the Project. The payments were designated as salary - hardship allowances- and were paid at rates ranging from Kshs.31,000 to Kshs.77,500 per month. Although the Management explained that the allowances were approved by the Project Steering Committee on 23 February, 2012, authority for the payments from the Salaries and Remuneration Commission (SRC) was not presented for audit. As a result, the validity of the allowances totalling Kshs.24,637,311 could not be confirmed.

2.0 Purchase of Goods and Services

2.1 Procurement of Computers and Stationary

Procurement records examined indicated that Kshs.1,436,940 was spent on purchase of computers and accessories. However, no evidence was availed for audit review to show that the procurement was done competitively as provided for in Section 105 of the Public Procurement and Asset Disposal Act, 2015.

Similarly, no evidence was availed for audit review to confirm whether procurement of stationary costing Kshs.420,720 was done competitively as provided for in the Public Procurement and Asset Disposal Act, 2015.

As a result, the regularity and value for money on the expenditure totalling Kshs.1,857,660 spent on the two items could not be confirmed.

2.2 Repair of Motor Vehicle

Records on repair of motor vehicles indicated that a sum of Kshs. 1,288,204 was spent on repair of one of the Project's motor vehicles - GK 784Q- at the Dealer's garage. However, the pre-repair report prepared by the Ministry of Infrastructure, Housing and Urban Development had estimated that the repairs would cost Kshs.750,000 and therefore the payment resulted in the over-expenditure of Kshs.538,204.

Further, no post-repair inspection report was prepared to confirm that the vehicle was repaired as contracted or paid for.

Consequently, the regularity and value for money on payments totalling Kshs.1,288,204 incurred on repair of the vehicle could not be confirmed.

2.3 Travel Costs and Accommodation Expenses

Examination of records on travel and accommodation costs totalling Kshs.25,563,305 incurred in the year under review highlighted the following anomalies:

- i) Two (2) officers travelled to collect laptops from a supplier in Nairobi where they stayed for five days while, reportedly, awaiting the payment cheque to mature.

Their stay in the City cost taxpayers Kshs.199,250 which sum amounted to wasteful expenditure.

- ii) Several Officers attended a sector working group retreat held in Mombasa and incurred Kshs.834,310 in travel and accommodation. However, evidence of their presence at the retreat and the reports, if any, submitted on return were not availed for audit. As a result, validity and value for money on this expenditure could not be confirmed.

3.0 Construction of Resettlement Houses and Chain-Link Fencing for Water Storage Reservoir

During the year under review, the Management awarded contracts to various contactors for construction of sixteen (16) lots of resettlement houses and chain-link fencing for water storage reservoirs. The contracts had an aggregate value of Kshs.125,262,400. However, Management applied restricted tendering instead of open tendering to procure the contractors' services. This was contrary to Section 91 of Public Procurement and Asset Disposal Act, 2015 which provides open tendering as the conventional way to procure common-user goods, works and services.

No plausible explanation was provided by Management for the failure to follow the Procurement Law.

As a result, the contracts worth Kshs.125.262,400 were irregular and there was no confirmation that value for money was attained on the contracts.

4.0 Ethnic Composition of Staff

During the year under review, the Project had thirty-two (32) employees out of whom twenty-four (24) representing 75% of the workforce were from the dominant community in the Project region. The status was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires all public entities to represent the diversity of the people of Kenya in the employment of staff and not have more than one third of staff from one ethnic community.

Consequently, the Management is in breach of law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion

on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Risk and Disaster Management Policies

Section 165(1a) of the Public Finance Management (National Government) Regulations, 2015, requires the Accounting Officer of each entity to develop risk management strategies. The audit has, however, confirmed that the Project has not established a risk management framework. In the absence of a risk management policy, the Project may not be able to identify, measure and control the impacts of unfavorable events that may have adverse effect on its operations.

2. Lack of Audit Committee

Available information indicates that the Project has not established an Audit Committee contrary to Section 73(5) of the Public Finance Management Act, 2012 which states that every public entity shall establish an Internal Audit Committee whose composition and functions are prescribed in Regulations.

Consequently, Management has contravened the law on internal control and as a result, oversight on the Project is weak.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the African Development Fund (ADF), I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

30 December, 2020

Kimira Oluch Smallholder Farm Improvement Project
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6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	9.3	398,408,500		687,000,000	-	4,235,397,613
Miscellaneous receipts	9.4	430,000		0	0	2,071,020
TOTAL RECEIPTS		398,838,500		687,000,000	0	4,237,468,633
PAYMENTS						
Compensation of employees	9.5	41,094,847		57,002,316		894,802,954
Purchase of goods and services	9.6	55,899,253		68,744,523		774,022,026
Acquisition of non-financial assets	9.7	369,095,016		383,721,677		2,458,362,786
TOTAL PAYMENTS		466,089,116		509,468,516		4,127,187,766
SURPLUS/(DEFICIT)		(67,250,616)		177,531,484	-	110,280,867

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



Principal Secretary
 Dr. Margaret W. Mwakima, CBS



Project Coordinator
 Eng. Gyavira J. O. Omondi


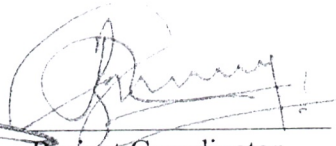
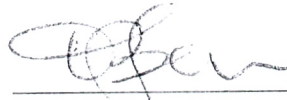


Project Accountant
 Mr. Benson O. Ouma:

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9. 8A	110,270,236	177,572,838
Cash Balances	9.9B	241,842	189,856
Total Cash and Cash Equivalents		110,512,078	177,762,694
TOTAL FINANCIAL ASSETS		110,512,078	177,762,694
REPRESENTED BY			
Fund balance b/fwd	9.9	177,762,693	231,209
Prior year adjustments	9.10	1	0
Surplus/(Deficit) for the year		(67,250,616)	177,531,484
NET FINANCIAL POSITION		110,512,078	177,762,693

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 25.9. 2020 and signed by:

		
Principal Secretary Dr. Margaret W. Mwakima, CBS	Project Coordinator Eng. Gyavira J. O. Omondi	Project Accountant Mr. Benson O. Ouma

8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

		2019-2020	2018-2019
	Note	KShs	KShs
Receipts from operating activities			
Transfer from Government entities	9.3	398,408,500	687,000,000
Miscellaneous receipts	9.4	430,000	0
Payments from operating activities			
Compensation of employees	9.5	41,094,847	57,002,316
Purchase of goods and services	9.6	55,899,253	68,744,523
Net cash flow from operating activities		301,844,400	561,253,161
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9.7	369,095,016	383,721,677
Net cash flows from Investing Activities		369,095,016	383,721,677
NET INCREASE IN CASH AND CASH EQUIVALENT		(67,250,616)	177,531,483
Cash and cash equivalent at BEGINNING of the year		177,762,693	231,210
Cash and cash equivalent at END of the year		110,512,078	177,762,693

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



Principal Secretary
 Dr. Margaret W. Mwakima, CBS



Project Coordinator
 Eng. Gyavira J. O. Omondi



Project Accountant
 Mr. Benson O. Ouma

Kimira Oluch Smallholder Farm Improvement Project
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9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	559,432,000	10,9432,000	450,000,000	398,408,500	51,591,500	89%
Miscellaneous receipts			0	430,000	(430,000)	0%
Total Receipts	559,432,000		450,000,000	398,838,500	51,161,500	89%
Payments						
Compensation of employees	69,929,000	28,679,000	41,250,000	41,094,847	155,153	99.6%
Purchase of goods and services	166,710,736	108,960,236	57,750,500	55,899,253	1,851,247	96.8%
Acquisition of non-financial assets	322,792,264	(28,207,236)	350,999,500	369,095,016	(18,095,516)	105.2%
Total Payments	559,432,000	109,432,000	450,000,000	466,089,116	(16,089,116)	103.6%

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



Principal Secretary
 Dr. Margaret W. Mwakima, CBS



Project Coordinator
 Eng. Gyavira J. O. Omondi



Project Accountant
 Mr. Benson O. Ouma

10. NOTES TO THE FINANCIAL STATEMENTS

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

9.1. Basis of Preparation

9.1.1. Statement of compliance and basis of preparation

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

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

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

9.1.2. Reporting entity

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

9.1.3. Reporting currency

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

9.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

- **Other receipts**

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

b) Recognition of payments

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

- **Compensation of employees**

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

- **Use of goods and services**

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

- **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Contingent Liabilities

A contingent liability is:

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

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

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

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

g) 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.

h) Pending bills

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

i) Budget

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

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

j) Third party payments

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

During the year no disbursements were received in form of direct payments from third parties.

k) Exchange rate differences

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Comparative figures

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

m) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

n) Errors

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.3. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2019/20	2018/19	Cumulative
	KShs	KShs	to-date(from
			inception)
Counterpart funding the State Department For Regional & Northern Corridor Development			
Counterpart funds Quarter 1	0	0	856,349,278
Counterpart funds Quarter 2	114,512,400	343,000,000	1,083,759,685
Counterpart funds Quarter 3	215,784,600	0	1,011,208,290
Counterpart funds Quarter 4	68,111,500	344,000,000	1,284,080,360
	<u>398,408,500</u>	<u>687,000,000</u>	<u>4,235,397,613</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.4 MISCELLANEOUS RECEIPTS

	2019/20			2018/19	Cumulative to- date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		(from inception)
	KShs	KShs	KShs		
Other receipts not classified elsewhere	430,000	0	430,000	0	2,071,020
	<u>430,000</u>	<u>0</u>	<u>430,000</u>	<u>0</u>	<u>2,071,020</u>

[Sale of Tender Documents]

9.5 COMPENSATION OF EMPLOYEES

	2019/20			2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
-					
Basic wages of temporary employees	16,042,816	0	16,042,816	18,102,718	372,008,725
Personal allowances paid as part of salary	24,637,311	0	24,637,311	38,491,718	516,318,181
Compulsory national social security schemes	414,720	0	414,720	410,680	6,476,048
Total	41,094,847	0	41,094,847	57,005,116	894,802,954

*Kimira Oluch Smallholder Farm Improvement Project
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9.6 PURCHASE OF GOODS AND SERVICES

	2019/20			2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	159,788	0	159,788	117,817	2,206,989
Communication, supplies and services	2,442,872	0	2,442,872	2,582,595	32,482,420
Domestic travel and subsistence	25,563,305	0	25,563,305	25,046,590	294,487,916
Printing, advertising and – information supplies & services	673,100	0	673,100	234,750	1,195,176
Training payments	4,561,880	0	4,561,880	9,362,741	102,102,034
Hospitality supplies and services	5,425,785	0	5,425,785	17,609,527	177,067,973
Insurance costs	37,577	0	37,577	37,577	403,358
Specialised materials and services	78,605	0	78,605	0	78,605
Other operating payments	9,974,494	0	9,974,494	3,239,570	59,859,386
Routine maintenance – vehicles and other transport equipment	6,957,147	0	6,957,147	10,513,356	103,395,153
Routine maintenance- – other assets	24,700	0	24,700	0	743,016
Total	55,899,253	0	55,899,253	68,744,523	774,022,026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.7 ACQUISITION OF NON-FINANCIAL ASSETS

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Construction of civil works	369,095,016	0	369,095,016	383,721,677	2,458,362,786
Total	369,095,016	0	369,095,016	383,721,677	2,458,362,786

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.8 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 9.8A)	110,270,236	177,572,838
Cash in hand (Note 9. 8B)	241,842	189,856
Total	110,512,078	177,762,694

9.8A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
Local Currency Accounts		
Co-operative Bank of Kenya [A/c No. 01141047028702, Homa Bay Branch]	110,270,236	177,572,838
Total local currency balances	110,270,236	177,572,838
Total bank account balances	110,270,236	177,572,838

9.8B Cash In Hand

	2019/20	2018/19
	KShs	KShs
Cash office at the Project HQ Homa Bay	241,842	189,856
Total cash balances	241,842	189,856

9.9 FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts	177,572,838	13,022
Cash in hand	189,856	218,187
Total	177,762,694	231,210

9.10 PRIOR YEAR ADJUSTMENT

	Note	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error		Kshs	Kshs	Kshs
Fund balance b/fwd	9.9	177,762,693	1	177,762,694
		177,762,693	1	177,762,694

(In the financial year 2017/18, bank balance was Kshs 13,022.34 while cash balance was Kshs 218,187.25. When summed up, we get Cash and cash equivalent c/fwd into 2018/19 of Kshs. 231,209.59, which if rounded off to the nearest whole number as required in the latest Financial Reporting guidelines gives us Ksh. 231,210. However, the two balances were rounded off individually and this led to the loss of Kshs 1 now adjusted as above).

*Kimira Oluch Smallholder Farm Improvement Project
Reports and Financial Statements
For the financial year ended June 30, 2020*

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

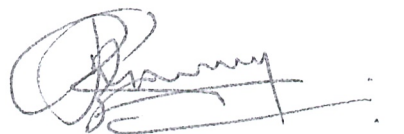
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Budgetary Performance-Under Expenditure	Where the under expenditure is due to delayed release of funds by the National Treasury, it is out of our control	Maina Kiondo, Director, Regional and Nothern Corridor Development	Not Resolved	End of second quarter
2	Pending Bills-Delayed settlement of Pending Bills	Settlement of Pending bills has been delayed due to Budget cuts and underfunding	Maina Kiondo, Director, Regional and Nothern Corridor Development	We have reduced the Pending bill by Kshs 154,035,320 to Kshs 700,656,527.	End of this Financial Year



Principal Secretary
Dr. Margaret W. Mwakima, CBS

Date 25/09/2020



Project Coordinator
Eng. Gyavira J. O. Omondi

Date 25.9.20

*Kimira Oluch Smallholder Farm Improvement Project
Reports and Financial Statements
For the financial year ended June 30, 2020*

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	450,000,000	398,408,500	51,591,500	89%	The budget was not fully funded due to Sector ceiling and re allocation of funds for COVID 19
Miscellaneous receipts	0	430,000	(430,000)	0%	Revenue was raised from sale of tender documents
Total Receipts	450,000,000	398,838,500	(430,000)	89%	
Payments					
Compensation of employees	41,250,000	41,094,847	155,153	99.6%	The number of staff reduced
Purchase of goods and services	57,750,500	55,767,753	2,029,247	96.5%	Some of the activities were cancelled or reduced due to Covid 19 in the fourth quarter.
Acquisition of non-financial assets	350,999,500	369,095,016	(18,095,516)	105.2%	Contractors were paid for work certified from the funds committed and brought forward from the previous year.
Total payments	450,000,000	465,957,616	(15,910,616)	103.5%	

*Kimira Oluch Smallholder Farm Improvement Project
Reports and Financial Statements
For the financial year ended June 30, 2020*

ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of civil works						
1. Sinohydro Corporation and Machiri Joint Venture Ltd (Major Civil Works)	4,277,237,943	9 th September 2009	3,583,505,606	693,732,337	801,604,578	Inadequate funding due to sector ceiling
2. Otieno Odongo Consulting Engineers & Partners	76,122,500	6 th December 2011	69,198,310	6,924,190	6,924,190	Inadequate funding due to sector ceiling
3. Sinohydro Corporation Ltd (Minor Civil Works)	142,829,338	4 th February 2014	142,829,338	0	44,439,594	Balance cleared
4. Leafy Construction Co. Ltd	16,907,986	24 th March 2016	16,907,986	0	1,723,486	Balance cleared
Grand Total	4,513,097,767		3,812,441,240	700,656,527	854,691,848	

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

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/20	*Purchases/Add itions in the Year (KShs) 2019/20	**Disposals in the Year (KShs) 2019/20	Transfers in/(out) Kshs 2019/20	Closing Cost (KShs) 2019/20
	(a)	(b)	(c)	(d)	(e)= (a)+ (b)-(c)+(-)d
Transport equipment	21,895,952	0	0	0	21,895,952
Office equipment, furniture and fittings	7,283,066	0	0	0	7,283,066
ICT Equipment,	18,694,963	1,988,540	0	0	20,683,503
Other Machinery and Equipment	6,762,923	0	0	0	6,762,923
Total	54,636,904	1,988,540			56,625,444

APPENDICES

- i. Bank Reconciliations
- ii. Cash Count Certificate

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 30TH JUNE, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		110,166,876.94
<i>Less</i> : Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	68,008,141.15	
-Receipts In Bank Statement not yet recorded in Cash Book	-	
Sub -Total		(68,008,141.15)
<i>Add</i> : Payments in Bank Statement not yet recorded in Cash Book	-	
-Receipts in Cash Book not yet recorded in Bank Statement	68,111,500.00	
Sub -Total		68,111,500.00
Balance as per Cash Book		110,270,235.79

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

Prepared By: Mantiri D. Tiroi Sign: [Signature] DATE: 18th July 2020

Reviewed By: Benjamin O. Ouma Sign: [Signature] DATE: 18/7/20

I

Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
24.06.2020	NSSF	003806	68,040.00
30.06.2020	Eicht Technologies	003820	87,575.00
30.06.2020	Cooperative Bank Of Kenya	003821	2,360,000.00
30.06.2020	Cooperative Bank Of Kenya	003822	415,000.00
30.06.2020	Cooperative Bank Of Kenya	003823	92,170.00
30.06.2020	Cooperative Bank Of Kenya	003824	291,700.00
30.06.2020	Trident Insurance Co Ltd	003825	37,577.00
30.06.2020	Cooperative Bank Of Kenya	003827	69,750.00
30.06.2020	Sinohydro Corporation Ltd	003832	43,168,305.75
30.06.2020	Damlo General Contractors Ltd	003835	21,363,064.40
30.06.2020	Paymaster General	003837	54,959.00
	Total		68,008,141.15

II

Receipts In Cash Book Not yet Recorded In Bank Statement			
Date	Source	Receipt No.	Amount Ksh
30.06.2020	MEAC&RD	-	68,111,500.00
	Total		68,111,500.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST MAY, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		118,424,159.04
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	303,260.00	
-Receipts In Bank Statement not yet recorded in Cash Book	-	
Sub -Total		303,260.00
Add: Payments in Bank Statement not yet recorded in Cash Book -Receipts in Cash Book not yet recorded in Bank Statement	-	
Sub -Total		-
Balance as per Cash Book		118,120,899.04

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

Prepared By: Martin O. Tind Sign: [Signature] DATE: 5th June 2020

Reviewed By: Jason O. Simon Sign: [Signature] DATE: 5/6/20

I			
Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
20.01.2020	Koru Girls High School	003645	208,120.00
28.05.2020	NSSF	003774	68,040.00
27.04.2020	NHIF	003775	27,100.00
	Total		303,260.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 30TH APRIL, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		124,204,923.44
<i>Less:</i> Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	333,260.00	
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		333,260.00
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		123,871,663.44

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 12th May 2020

Reviewed By: Benson O. Omondi Sign: [Signature] DATE: 12/5/20

I			
Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
20.01.2020	Koru Girls High School	003645	208,120.00
27.04.2020	NHIF	003750	27,100.00
27.04.2020	NSSF	003751	68,040.00
30.04.2020	Sabaniah Kitur	003756	30,000.00
	Total		333,260.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST MARCH, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		209,599,006.89
Less: Payments In Cash Book not yet recorded in Bank State (Unpresented Cheques)	49,593,254.00	
-Receipts In Bank Statement not yet recorded in Cash B	-	
Sub -Total		49,593,254.00
Add: Payments in Bank Statement not yet recorded in Cash -Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		160,005,752.89

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

Prepared By: Maria C. Tendi Sign: [Signature] DATE: 15th April 2020

Reviewed By: [Signature] Sign: [Signature] DATE: 15/4/20

I

Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
20.01.2020	Koru Girls High School	003645	208,120.00
27.03.2020	NSSF	003719	68,040.00
27.03.2020	NHIF	003720	27,100.00
30.03.2020	Sinohydro Corporation Ltd	003725	49,289,994.00
	Total		49,593,254.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 29TH FEBRUARY, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		5,279,627.84
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	338,060.00	
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		338,060.00
Add: Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		-
Balance as per Cash Book		4,941,567.84

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

Prepared By: Martin O. Timdi Sign: [Signature] DATE: 3rd March 2020

Reviewed By: Person O. Amin Sign: [Signature] DATE: 2/3/20

I Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
20.01.2020	Koru Girls High School	003645	208,120.00
19.02.2020	The Copycat Ltd	003679	34,800.00
26.02.2020	NSSF	003687	68,040.00
26.02.2020	NHIF	003688	27,100.00
	Total		338,060.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST JANUARY, 2020

	Kshs.	Kshs.
Balance as per Bank Statement		13,336,675.69
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	303,260.00	
-Receipts In Bank Statement not yet recorded in Cash Book	-	
Sub -Total		303,250.00
Add: Payments in Bank Statement not yet recorded in Cash Book	-	
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		13,033,415.69

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 3rd February 2020

Reviewed By: Benson O. Omondi Sign: [Signature] DATE: 3/2/20

I			
Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
20.01.2020	Koru Girls High School	003645	208,120.00
27.01.2020	NSSF	003653	68,040.00
27.01.2020	NHIF	003654	27,100.00
	Total		303,260.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST DECEMBER, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		21,984,436.59
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	102,114.95	
-Receipts In Bank Statement not yet recorded in Cash Book		102,114.95
Sub -Total		
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		21,882,321.64

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

Prepared By: Maria O. Tindi Sign: [Signature] DATE: 2nd January 2020

Reviewed By: Benson Omondi Sign: [Signature] DATE: 23/12/2020

I			
Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
18.12.2019	G4S (K) Ltd	003616	3,414.95
23.12.2019	NSSF	003627	70,200.00
23.12.2019	NHIF	003628	28,500.00
	Total		102,114.95

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 30TH NOVEMBER, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		149,582.44
<i>Less:</i> Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)		
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		149,582.44

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

Prepared By: Martin Oluoch Sign: [Signature] DATE: 3/12/2019

Reviewed By: Benjamin O. Ouma Sign: [Signature] DATE: 3/12/2019

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 30TH NOVEMBER, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		149,582.44
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)		
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		
Add: Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		149,582.44

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

Prepared By: Miriam Oluoch Tich Sign: [Signature] DATE: 3/12/2019

Reviewed By: Benson C. Ouma Sign: [Signature] DATE: 3/12/2019

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST OCTOBER, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		1,857,963.74
<i>Less:</i> Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	678,753.30	
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		678,753.30
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		1,179,210.44

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 14th November 2019

Reviewed By: Benson O. Omondi Sign: [Signature] DATE: 14/11/2019

Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
28.10.2019	NSSF	003570	70,200.00
31.10.2019	Cooperative Bank of Kenya	003575	116,259.00
31.10.2019	Cooperative Bank of Kenya	003576	376,035.00
31.10.2019	Cooperative Bank of Kenya	003577	116,259.30
	Total		678,753.30

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 30TH SEPTEMBER, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		6,393,551.39
<i>Less:</i> Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	98,700.00	
-Receipts In Bank Statement not yet recorded in Cash Book	26,750.00	
Sub -Total		125,450.00
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book -Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		6,268,101.39

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 3rd October 2019

Reviewed By: Benson O. Ouma Sign: [Signature] DATE: 3/10/2019

I

Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
27.09.2019	NSSF	003551	70,200.00
27.09.2019	NHIF	003552	28,500.00
	Total		98,700.00

IV

Receipts In Bank Statement Not yet Recorded In Cash Book			
Date	Source	Cheque No.	Amount Ksh
30.09.2019	Co-op. Bank-Reversed Payment		26,750.00
	Total		26,750.00

KIMIRA OLUCHI SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST AUGUST, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		18,335,645.89
<i>Less:</i> Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)		
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		
<i>Add:</i> Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		17,456,244.89

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 24 September 2019

Reviewed By: Benison O. Omondi Sign: [Signature] DATE: 24/9/2019

1			
Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount Ksh
29.08.2019	Cold Springs Hotels	003514	183,600.00
29.08.2019	Mums Catering Kobierra	003515	50,700.00
29.08.2019	Lakeside Auto Rescue S. Ltd	003516	35,000.00
29.08.2019	Cads Motors Limited	003517	610,101.00
	Total		879,401.00

KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT

A/C NO.01141047028702 (GOK - A/C)

BANK RECONCILIATION STATEMENT AS AT 31ST JULY, 2019

	Kshs.	Kshs.
Balance as per Bank Statement		87,961,174.34
Less: Payments In Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	267,934.60	
-Receipts In Bank Statement not yet recorded in Cash Book		
Sub -Total		267,934.60
Add: Payments in Bank Statement not yet recorded in Cash Book		
-Receipts in Cash Book not yet recorded in Bank Statement		
Sub -Total		
Balance as per Cash Book		87,693,239.74

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

Prepared By: Martin O. Tindi Sign: [Signature] DATE: 10th August 2019

Reviewed By: Benjamin O. Omondi Sign: [Signature] DATE: 10/8/2019

Payments in Cash Book Not Yet Recorded in Bank Statement			
Date	Payee	Cheque No.	Amount (Kshs)
28.06.2019	Rentokii Initial (K) Ltd	003469	17,934.60
28.06.2019	Zam Zam Petrol Station	003470	250,000.00
	Total		267,934.60

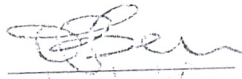
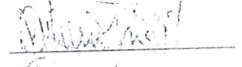

**KIMIRA OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT
CASH SURVEY FORM**

GoK Cash Book A/C No. 01141047028702 as at 30th June, 2020

PARTICULARS	KSHS.	
Cash Book Balance:	-	241,842.00
Represented By: -		
1. Cash in Hand	241,842.00	
Total		241,842.00

CASH DENOMINATIONS

<u>Denomination</u>	<u>Times</u>	<u>Amount (Kshs)</u>
Notes		
1,000.00	241	241,000.00
100.00	8	800.00
Coins		
20.00	1	20.00
10.00	2	20.00
1.00	2	2.00
Total		241,842.00

<u>Name of Officer</u>	<u>Designation</u>	<u>Signature</u>
1. Benson O. Oketch	Project Accountant	
2. Martin Tindi	Accounts Assistant	
3. Joshua Onyuna	Registry -In-Charge	



12/20/2011

12/20/2011

12/20/2011

12/20/2011

12/20/2011