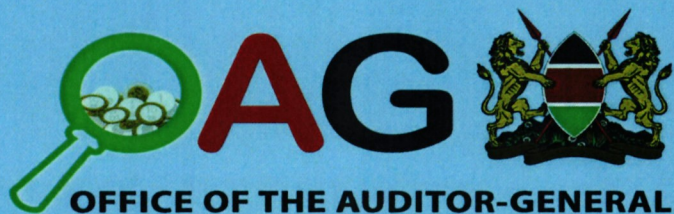


REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

**ON**

**AGRICULTURAL INFORMATION  
RESOURCE CENTRE REVOLVING FUND**

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



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**AGRICULTURAL INFORMATION RESOURCE CENTRE**

**REVOLVING FUND ACCOUNT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

**Agricultural Information Resource Centre Revolving Fund  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

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**I KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Agricultural Information Resource Centre (AIRC) is a Semi-Autonomous Governmental Agency (SAGA) in the State Department for Crop Development. The Centre started in 1966 to disseminate agricultural information to farmers, extension workers and other stakeholders. In 1993, the centre was made a SAGA through legal notice no. 163 of June 25, 1993. This established the AIRC revolving fund which enables it to fulfil its commercial obligations and the AIRC Management Board that oversees the activities of the Centre. AIRC has been involved in the production of agricultural information materials for extension workers, farmers and also stakeholders in the agricultural sector. In addition to this, the Centre has been carrying out training programmes that focus on communication, supervisory and management skills for extension and other development workers.

**(b) Principal Activities**

The primary mandate of AIRC is Agricultural Information and Knowledge Management. It is the main reference centre for agricultural information for farmers, extension providers and stakeholders in the Kenya and beyond. The Centre collects, collates, processes and disseminates agricultural information using various platforms to a wide spectre of stakeholder's. AIRC implements this mandate through the following specialized units:

- Training and Conference Unit,
- Agricultural Documentation Services Unit (ADSU),
- Agricultural Library Information Services Unit (ALIS),
- Business Development and Marketing Unit,
- Mass Media Services Unit (consists of Radio, Video and Publication sub-units)
- Monitoring and Evaluation Unit

**(c) Key Management (Head of Units )**

1. Henry Seth Ndege	Director, AIRC
2. Lumumba Kokeyo	Training and Conference Unit,
3. Rose Mwangi Makunzo	Deputy Director Agricultural Information Resource Centre (A.I.R.C)
4. Lynette Kibisu	Business Development and Marketing Unit
5. Festus Njogu	Mass Media Services Unit (consists of Radio, Video and Publication sub-units)
6. Nelco Mose	Head of Procurement Unit
7. Francis B. Magara	Head of Accounting Unit

**KEY ENTITY INFORMATION AND MANAGEMENT (Continued)**

**(a) Entity Headquarters**

Ministry of Agriculture Livestock and Fisheries  
P.O Box 34188-00100  
Cathedral Road  
Telephone: +254-20-2718870  
E-mail: info@kilimo.go.ke.  
Nairobi, KENYA.

**(b) Entity Contacts**

Telephone: (254) 792925859  
E-mail: agrifodata@gmail.com  
Website: www.airc.go.ke

**(c) Bankers**

Kenya Commercial Bank Limited  
Sarit Centre Branch  
Nairobi, Kenya

**(d) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O.Box 30084  
GOP 00100  
Nairobi, Kenya

**(e) Principal Legal Advisor**

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

Nairobi, Kenya

**Agricultural Information Resource Centre Revolving Fund**  
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**II THE BOARD OF DIRECTORS**

1 Macheru Karuku	Sustainable Environment and Agriculture Network (SEANet) International
2 Dr. Haron Mwangi ,PhD Resigned	Representing Media Council of Kenya
3 Eng.Leo Boruett	Representing Communications authority of Kenya
4 Mercy Rewe	Kenya National Farmers Federation
5 Ruth Mwangi	Representing PS State Department for Crops Development
6 Charles Mutiso	Representing The National Treasury

### **III CHAIRMAN'S STATEMENT**

The board scheduled to meet at least once per quarter. However due to budgetary constraints, the Board last met on 14th March, 2018. The Centre has been crippled with underfunding that has made the Board to be moribund. A case in point, despite budgeting for board activities, during the financial year 2019/2020 the Centre was allocated KShs. 0.00 for Board allowances. This has made it increasingly difficult for the Board to meet board expenses if the Board is to meet regularly as required.

The board has been operating without a substantive Chairman since the term of the previous one expired in August, 2014. Further more the term of the Board members has expired as they were appointed on 29th August, 2016 for a period of three (3) years.

The Centre is in dire need for rehabilitation and upgrading. The board came up with are branding strategy which has not been implemented to date due to inadequate funding.

#### **WAY FORWARD**

- Appointment of new Board members including the Chairman
- Provide funding for Rehabilitation and Upgrading of the Centre (Rebranding)
- Provide funding for running Board activities
- The last grant of KS. 10 million was provided in 1993 when the Board was created. There is need to provide the Centre with a grant to run its operations.

**Agricultural Information Resource Centre Revolving Fund  
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**IV STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Director to prepare financial statements in respect of that Agricultural Information Resource Centre Revolving Fund, which give a true and fair view of the state of affairs of the Revolving Fund at the end of the financial year/period and the operating results of the Revolving Fund for that year/period. The Directors also required ensuring that the Agricultural Information Resource Centre Revolving Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors also responsible for Safeguarding the assets of the Agricultural Information Resource Centre Revolving Fund.

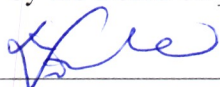
The Director is responsible for the preparation and presentation of the Agricultural Information Resource Centre Revolving Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Kenya Citizens and Foreign Nationals Management Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Director accepts responsibility for the Agricultural Information Resource Centre Revolving Fund'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 and the State Corporations Act. The Directors of the opinion that the Agricultural Information Resource Centre Revolving Fund's financial statements give a true and fair view of the state of Agricultural Information Resource Centre Revolving Fund's transactions during the financial year ended June 30, 2020 and of the Agricultural Information Resource Centre Revolving Fund's financial position as at that date. The Accounting Officer further confirm the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the Agricultural Information Resource Centre Revolving Fund's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Director to indicate that the Agricultural Information Resource Centre Revolving Fund 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 Agricultural Information Resource Centre Revolving Fund financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by:



**Rose M. Mwangi**  
**For: Director AIRC**

**Agricultural Information Resource Centre Revolving Fund**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**V REPORT OF THE INDEPENDENT AUDITORS ON THE AGRICULTURAL  
INFORMATION RESOURCE CENTRE REVOLVING FUND**

# REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR GENERAL

*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON AGRICULTURAL INFORMATION RESOURCE CENTRE REVOLVING FUND FOR THE YEAR ENDED 30 JUNE, 2020**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Adverse Opinion**

I have audited the accompanying financial statements of Agricultural Information Resource Centre Revolving Fund set out on pages 7 to 25, which comprise the statement of financial position as at 30 June, 2020, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Agricultural Information Resource Centre Revolving Fund as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012.

#### **Basis for Adverse Opinion**

##### **1. Employee Costs**

The statement of financial performance reflects an expenditure of Kshs.2,882,898 for employee costs which, as disclosed at Note 5 to the financial statements, comprised of Kshs.1,899,998 and Kshs.982,900 incurred on casual workers' wages and daily subsistence allowances respectively. However, the Fund did not maintain a master roll to record attendance and wage details for the casual employees. Further, the daily subsistence allowance payments included an amount of Kshs.550,000 that was not supported with schedules or any other verifiable documents.

Consequently, it was not possible to confirm the accuracy and validity of the expenditure of Kshs.2,882,898 on employee costs.

## **2. Property, Plant and Equipment**

The statement of financial position reflects a balance of Kshs.1,364,819 under property, plant and equipment which differs with the net book value balance of Kshs.5,539,640 reflected under Note 13 to the financial statements by Kshs.4,174,821. Further, it is not possible to ascertain how the balance of Kshs.5,539,640 was arrived at as depreciation, additions and disposal for the financial year 2019/20 are not reflected in Note 13 to the financial statements. In addition, the statement of financial performance reflects an expenditure of Kshs.1,539,640 for depreciation and amortization but the same is omitted from the fixed assets movement schedule in Note 13 to the financial statements.

Under the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.1,364,819 could not be confirmed.

## **3. Undisclosed Imprests**

Information available indicated that the Fund had outstanding imprests amounting to Kshs.811,840 which remained unsurrendered as at 30 June, 2020. However, the outstanding imprests were not included in the receivables from exchange transactions balance of Kshs.7,053,619 disclosed in the statement of financial position. Further, the outstanding imprests balance of Kshs.811,840 included Kshs.436,640 owed by former employees who had retired or passed on casting doubt on their recoverability.

Consequently, the completeness and accuracy of receivables from exchange transactions balance of Kshs.7,053,619 could not be ascertained.

## **4. Unexplained Differences Between the Financial Statements and the Trial Balance**

The statement of financial performance reflects a depreciation charge of Kshs.1,539,640 while the trial balance provided for audit did not reflect the depreciation charge for the year. Further, the reserves and accumulated surplus balances totalling Kshs.8,193,313 reflected in the trial balance differed with the statement of changes in net assets and statement of financial performance balances of Kshs.3,047,795 and Kshs.8,295,785, respectively. In addition, included in the trial balance is an amount of Kshs.3,087,980 for opening stock as at 1 July, 2019 which differs with the statement of financial position's closing stock balance of Kshs.2,095,540 as at 30 June, 2019 by Kshs.992,440.

The statement of financial performance also reflects an amount of Kshs.3,879,566 in respect of purchase of goods while the ledger/trial balance reflects an amount of Kshs.4,376,456. The difference of Kshs.496,890 between the two sets of records has not been explained or reconciled.

## **5. Inaccuracy of Statement of Financial Position**

The statement of financial position reflects an amount of Kshs.1,598,650 for inventories which differs with the stock-take valuation report figure of Kshs.1,232,000 by Kshs.366,650. The variance of Kshs.366,650 has not been reconciled. Further, the statement of financial position reflects a balance of Kshs.1,904,667 under current liabilities but there was no Note disclosing the amount and the balance was also not supported by a schedule or any other verifiable records.

Consequently, the accuracy, completeness and validity of the balances reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

## **6. The Statement of Changes in Net Assets**

The statement of changes in net assets reflects capital reserves and accumulated surplus balances of Kshs.2,761,802 and Kshs.285,993 respectively. However, the closing balances as at 30 June, 2018 were omitted from the opening balances as at 1 July, 2018. Further, the changes in reserves and accumulated surplus for the 2018/2019 financial year were omitted from the statement of changes in net assets.

Consequently, the completeness and accuracy of the balances of Kshs.2,761,802 and Kshs.285,993 reflected in the statement of changes in net assets under reserves and accumulated surplus respectively as at 30 June, 2020 could not be ascertained.

## **7. Statement of Cash Flows**

The statement of cashflows reflects a net cash flow from operating activities amount of Kshs.1,825,633 which differs with the amount of Kshs.9,753,618 in Note 14 to the financial statements by Kshs.7,927,985. The variance has not been reconciled. Further, the statement reflects net cash flows used in investing activities amounting to Kshs.1,668,388 which is computed based on incorrect comparative balances.

Consequently, the accuracy of the balances reflected in the statement of cash flows for the year ended 30 June, 2020 could not be confirmed.

## **8. Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects final budgeted total income of Kshs.41,400,000 and total budgeted expenditure of Kshs.30,604,000. The IFMIS reports for the State Department for Crop Development indicated that the approved budget estimates for the Fund was Kshs.36,828,494 while the vote book reflected a total budget utilization of Kshs.31,473,095. The variances between the financial statements and the records at the parent Ministry were not explained.

In addition, the statement of comparison of budget and actual amounts reflects actual total income on comparable basis of Kshs.27,672,728 and total expenditure of Kshs.22,548,410 which differed with the figures reflected in the statement of financial

performance of Kshs.12,412,107 under total revenue and Kshs.12,126,114 under total expenses by Kshs.15,260,621 and Kshs.10,422,296 respectively.

Under the circumstances, the accuracy of the statement of comparison of budget and actual amounts could not be confirmed.

## **9. Comparative Year Figures**

The comparative year balances differed with the 2018/2019 audited financial statements for all the components of the financial statements. However, no schedules were provided for audit to support the restated balances and there were no disclosures included in the financial statements to explain the restatement of the prior year balances.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Agricultural Information Resource Centre Revolving Fund 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 adverse opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **Engagement of Casual Employees**

The Fund engaged five (5) employees on temporary basis on a three months' renewable contract commencing on 1 October, 2019 and they served the entity for a continuous period of more than one year. However, the terms of employment were not converted, contrary to Section 37 of the Employment Act, 2007 which provides for conversion of the casual employment to regular employment terms for employees who have worked in an entity continuously for more than two months.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective 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.

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

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

In preparing the financial statements, Management is responsible for assessing the Fund'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 intention to terminate the Fund 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 is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Fund 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 Fund's policies and procedures may deteriorate.

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**21 May, 2021**

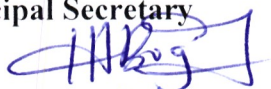
**Agricultural Information Resource Centre Revolving Fund  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**VI STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30  
JUNE 2020**

	Notes	2019-2020 Kshs	2018-2019 Kshs
<b>Revenue from exchange transactions</b>			
Rendering of services	3	12,412,107.00	21,017,074.20
<b>Total revenue</b>		<b>12,412,107.00</b>	<b>21,017,074.20</b>
<b>Expenses</b>			
Purchase of goods and services	4	3,879,566.00	7,246,405.70
Employee costs	5	2,882,898.00	5,823,344.00
Depreciation and amortization expense	6	1,539,640.00	217,210.29
Repairs and maintenance	7	1,180,074.00	1,005,685.00
General Expenses	8	2,643,936.00	2,192,615.20
Board Allowances	9	0.00	71,000.00
<b>Total expenses</b>		<b>12,126,114.00</b>	<b>16,556,260.19</b>
<b>Surplus for the year</b>		<b>285,993.00</b>	<b>4,460,814.01</b>

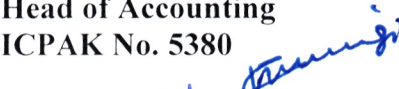
The Financial Statements set out on pages 9 to 14 were signed on behalf of the Fund by:

**Prof, Hamadi I Boga PhD  
Principal Secretary**



Date.....18/5/2021.....

**Charity W. Muriuki  
Head of Accounting  
ICPAK No. 5380**



Date.....18/5/2021.....

**Agricultural Information Resource Centre Revolving Fund  
Annual Reports and Financial Statements  
For the year ended June 30, 2020**

**VII STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Notes	2019-2020 Kshs	2018-2019 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	183,363.25	332,370.80
Receivables from exchange transactions	11	7,053,619.00	7,850,200.00
Inventories	12	1,598,650.00	2,095,540.00
		<b>8,835,632.25</b>	<b>10,278,110.80</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	1,364,819.71	1,364,819.71
<b>Total assets</b>		<b>10,200,451.96</b>	<b>11,642,930.51</b>
<b>Liabilities</b>			
Current liabilities		1,904,667.00	889,569.00
Non-current liabilities			-
<b>Total liabilities</b>		<b>1,904,667.00</b>	<b>889,569.00</b>
<b>Net assets</b>		<b>8,295,784.96</b>	<b>10,753,361.51</b>
Reserves		8,009,791.96	2,160,000.00
Accumulated surplus		285,993.00	8,593,361.51
<b>Total net assets and liabilities</b>		<b>8,295,784.96</b>	<b>10,753,361.51</b>

The Financial Statements set out on pages 9 to 14 were signed on behalf of the Fund by:

**Prof, Hamadi I Boga PhD**  
**Principal Secretary**

Date.....18/5/2021

**Charity W. Muriuki**  
**Head of Accounting**  
**ICPAK No. 5380**

Date.....18/5/2021

**Agricultural Information Resource Centre Revolving Fund**  
**Annual Reports and Financial Statements**  
**For the year ended June 30, 2020**

**VIII STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020**

<b>At July 1, 2018</b>	<b>19,458,361.00</b>	<b>19,460,909.00</b>	<b>58,377,628.00</b>
Depreciation reserve	17,028,930.01	-	17,028,930.01
Surplus /Deficit for the period		4,460,814.01	4,460,814.01
Transfers to/from accumulated surplus	6,890,245.00	13,831,694.00	20,721,939.00
<b>At June 30, 2019</b>	<b>23,919,175.01</b>	<b>18,292,508.01</b>	<b>42,211,683.02</b>
<b>At July 1, 2019</b>	<b>23,919,175.01</b>	<b>18,292,508.01</b>	<b>42,211,683.02</b>
Depreciation reserve			
Surplus /Deficit for the period			
Transfers to/from accumulated surplus			
Depreciation reserve			
<b>At June 30, 2020</b>	<b>2,761,801.80</b>	<b>285,993.00</b>	<b>3,047,794.80</b>

*Note:*

1. *For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
2. *Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances need to be done.*

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**IX STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

		2019-2020	2018-2019
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering of services	3	12,412,107.00	21,017,074.20
<b>Total Receipts</b>		<b>12,412,107.00</b>	<b>21,017,074.20</b>
<b>Payments</b>			
Compensation of employees	5	2,882,898.00	5,823,344.00
Purchase of Goods and services	4	3,879,566.00	7,246,405.70
General Expenses	8	2,643,936.00	2,192,615.20
Repair and Maintenance	7	1,180,074.00	1,005,685.00
Board Allowance	9	-	71,000.00
<b>Total Payments</b>		<b>10,586,474.00</b>	<b>16,339,049.90</b>
<b>Net cash flows from operating activities</b>		<b>1,825,633.00</b>	<b>4,678,024.30</b>
<b>Cash flows from investing activities</b>			
Decrease in Stock		(496,890)	-
Increase in Debtors		(156,400)	-
Increase in Creditors		11,015,098	
<b>Net cash flows used in investing activities</b>		<b>1,668,388.00</b>	<b>4,678,024.30</b>
<b>Cash flows from financing activities</b>			
Decrease in Government Grants			(5,939,700.50)
<b>Net cash flows used in financing activities</b>			<b>(5,939,700.50)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>(1,261,676.20)</b>
Cash and cash equivalents at 1 JULY 2019		332,370.80	1,594,047.00
<b>Cash and cash equivalents at 30 JUNE 2020</b>		<b>183,363.25</b>	<b>332,370.80</b>

The Financial Statements set out on pages 9 to 14 were signed on behalf of the Fund by:

**Prof, Hamadi I Boga PhD**  
Principal Secretary

Date..... 18/15/2021

**Charity W. Muriuki**  
Head of Accounting  
ICPAK No. 5380

Date..... 18/15/2021

**1. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020**

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference	
	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs	2019-2020	Kshs
<b>Revenue</b>										
Radio Unit	1,400,000		-		1,400,000		-		(1,400,000)	
Video Unit	12,200,000		-		12,200,000		1,552,500		(10,647,500)	
Publication Unit	13,600,000		-		13,600,000		16,478,428.		(2,878,428)	
Training Unit	14,200,000		-		14,200,000		9,641,800.		4,558,200	
<b>Total income</b>	<b>41,400,000</b>		<b>-</b>		<b>41,400,000</b>		<b>27,672,728</b>		<b>(13,727,272)</b>	
<b>Expenses</b>										
Casual labour	145,200		-		145,200		829,972		(684,772)	
Electricity	240,000		-		240,000				240,000	
Water and sewerage charges	1,360,000		-		1,360,000		445,199		914,801	
Cooking Gas	400,000		-		400,000		172,120		227,880	
Telephone Expenses	60,000		-		60,000				60,000	
Internet connection	300,000		-		300,000		37,452		262,548	
Postal and Telegrams Expenses	360,000		-		360,000		44,610		315,390	
Official entertainment	144,000		-		144,000				144,000	
Daily subsistence allowance	3,113,000		-		3,113,000		1,650,890		1,462,110	
Publishing and Printing Expenses	7,568,000		-		7,568,000		8,202,117		(634,117)	
Boards Allowance	240,000		-		240,000		402,693		(162,693)	
Supplies for broadcasting & information	1,440,000		-		1,440,000				1,440,000	
Purchase of Food and ration	615,000		-		615,000		1,745,099		(1,130,099)	

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Photographic Materials	4,888,000	-	4,888,000	1,313,974	3,574,026
General office supplies (papers, pencils, etc)	831,000	-	831,000	1,665,108	(834,108)
Sanitary and Cleaning Materials	325,800	-	325,800	532,738	(206,938)
Refined Fuel and Lubricants for Transport	1,065,000	-	1,065,000	748,171	316,829
Bank charges	475,000		475,000	20,213	454,787
Fees and commission	216,000	-	216,000	-	216,000
Security Services	360,000	-	360,000	558,000	(198,000)
Contracted Professional Services	1,966,000	-	1,966,000	2,660,350	(694,350)
Maintenance Expenses - motor vehicles	744,000	-	744,000	617,987	126,013
Maintenance of Plant, machinery and Equipments	810,000	-	810,000	519,615	290,385
Maintenance of buildings and stations	2,938,000	-	2,938,000	382,102	2,555,898
<b>Total expenditure</b>	<b>30,604,000</b>	<b>-</b>	<b>30,604,000</b>	<b>22,548,410</b>	<b>8,055,590</b>
<b>Surplus for the period</b>	<b>10,796,000</b>	<b>-</b>	<b>10,796,000</b>	<b>5,124,318</b>	<b>5,671,682</b>

## **XI NOTES TO THE FINANCIAL STATEMENTS**

### **1. 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 AIRC accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the AIRC

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.

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Revenue recognition**

##### **i) 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.

#### **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.

#### **Budget information**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts

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

### **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.

### **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.

### **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:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor 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.

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

**Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of 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.

**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.

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

### **Comparative figures**

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

## **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: e.g

### **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 values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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. Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

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

### **Significant judgments and sources of estimation uncertainty**

Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the rehabilitation provision due to passage of time is recognized as finance cost in the statement of financial performance.

The cost of ongoing programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2015.

### **h) Depreciation policies**

The fund depreciates its fixed assets as follows:-

- Plant and machineries are depreciated on straight line basis at a rate of 10% per year
- Furniture and fitting are depreciated on a straight line at a rate of 12.5% per year
- Computers are depreciated on a straight line at a rate of 33.33% per year
- Motor vehicles are depreciated on a straight line at a rate of 25% per year
- Intangible assets are amortized over a period of three years
- Assets bought in June or at the end of the financial are not depreciated

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

**3 RENDERING OF SERVICES**

Revenue from Radio, Video ,desktop publishing and Training unit	12,412,107.00	21,017,074.20
<b>Total revenue from the rendering of services</b>	<b>12,412,107.00</b>	<b>21,017,074.20</b>

**4 PURCHASE OF GOODS AND SERVICES**

Opening Stock	3,087,980.00	3,087,980.00
<b>Add;Production Material Purchased</b>		
Food and Ration	1,832,356.00	2,462,134.70
Printing Materials	1,865,210.00	3,287,521.00
Photographic Materials	182,000.00	504,310.00
Total Production Materials	<b>3,879,566.00</b>	<b>9,341,945.70</b>
Less: Closing Stock	(3,087,980.00)	(2,095,540.00)
<b>Total Production Materials Used</b>	<b>791,586.00</b>	<b>7,246,405.70</b>

**5 EMPLOYEE COSTS**

Casual Workers' Wages	1,899,998.00	2,035,874.00
Daily Subsistence Allowance	982,900.00	3,787,470.00
<b>Total employee costs</b>	<b>2,882,898.00</b>	<b>5,823,344.00</b>

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

**6 DEPRECIATION AND AMORTIZATION EXPENSE**

Description	2019-2020	2018-2019
	KShs	KShs
Property, plant and equipment	1,539,640.00	217,210.29
<b>Total depreciation and amortization</b>	<b>1,539,640.00</b>	<b>217,210.29</b>

**7 REPAIRS AND MAINTENANCE**

Description	2019-2020	2018-2019
	KShs	KShs
Maintenances of station	810,701.00	303,260.00
Maintenances of Plant and Equipment	237,654.00	598,785.00
Maintenances of Motor Vehicles	131,719.00	103,640.00
<b>Total repairs and maintenance</b>	<b>1,180,074.00</b>	<b>1,005,685.00</b>

**8 GENERAL EXPENSES**

Description	2019-2020	2018-2019
	KShs	KShs
Board ,seminars and conference	-	124,600.00
Refined Fuel & Lubricant	398,152.00	211,853.00
Contracted Services (Security Guards)	313,200.00	350,320.00
Bank Charges	5,584.00	7,239.50
Stationary Expenses	190,909.00	243,650.00
Internet connection	65,321.00	449,122.70
Contracted Professional services	1,034,000.00	1,373,000 .00
Sanitary and cleaning material	103,440.00	230,724.00
Gas	127,500.00	171,730.00
Water and Sewerage Services	396,380.00	393,526.00
Courier and Postage Services	9,450.00	9,850.00
<b>Total general expenses</b>	<b>2,643,936.00</b>	<b>3,565,615.20</b>

**9 BOARD ALLOWANCE**

Description	2019-2020	2018-2019
	KShs	KShs
Board Allowance	-	71,000.00
<b>Total Board Allowance</b>	<b>-</b>	<b>71,000.00</b>

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

**10 CASH AND CASH EQUIVALENTS**

Current account	183,363.25	332,370.80
<b>Total cash and cash equivalents</b>	<b>183,363.25</b>	<b>332,370.80</b>

**11 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

<b>Current receivables</b>		
Other exchange debtors	7,053,619.00	7,850,200.00
<b>Total current receivables</b>	<b>7,053,619.00</b>	<b>7,850,200.00</b>

**12 INVENTORIES**

Other goods held for resale	1,598,650.00	2,095,540.00
<b>Total inventories at the lower of cost and net realizable value</b>	<b>1,598,650.00</b>	<b>2,095,540.00</b>

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

**13 PROPERTY, PLANT AND EQUIPMENT**

At 1 July 2018	4,000,000	1,964,460	19,442,287	12,940,852	38,347,572
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> June 2019</b>	<b>4,000,000</b>	<b>1,964,460</b>	<b>19,442,287</b>	<b>12,940,852</b>	<b>38,347,572</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0
<b>At 30<sup>th</sup> June 2020</b>	<b>4,000,000</b>	<b>1,964,460</b>	<b>19,442,287</b>	<b>12,940,852</b>	<b>38,347,572</b>
<b>Depreciation and impairment</b>					
At 1 July 2018	4,000,000	1,530,852	19,235,557	11,999,133	36,765,541
Depreciation		54,200	68,841	94,169	217,210
Impairment	0	0	0	0	0
<b>At 30 June 2019</b>	<b>4,000,000</b>	<b>1,585,052</b>	<b>19,304,348</b>	<b>12,093,302</b>	<b>36,982,751</b>
Depreciation	0	330,464.00	103,210.00	104,632.00	470,381.00
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0
<b>At 30<sup>th</sup> June 2020</b>	<b>4,000,000</b>	<b>1,530,852</b>	<b>19,235,557</b>	<b>11,999,133</b>	<b>36,765,541</b>
<b>Net book values</b>	0	0	0	0	0
<b>At 30<sup>th</sup> June 2020</b>	<b>4,000,000</b>	<b>245,557.00</b>	<b>-</b>	<b>1,294,083.00</b>	<b>5,539,636.50</b>
<b>At 30<sup>th</sup> June 2019</b>		<b>379,408</b>	<b>137,939</b>	<b>847,550</b>	<b>1,364,821</b>

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

**14 CASH GENERATED FROM OPERATIONS**

<b>Surplus for the year before tax</b>	<b>285,993.00</b>	<b>4,460,8014.01</b>
<b>Adjusted for:</b>		
Depreciation	1,539,640.00	217,210.29
Non-cash grants received		-
<b>Working Capital adjustments</b>		
Decrease in inventory	496,890.00	(992,440.00)
Decrease in receivables	6,415,996.70	2,654,940.00
Increase in creditors	1,015,098.00	135,577.00
<b>Net cash flow from operating activities</b>	<b>9,753,617.70</b>	<b>6,476,101.30</b>

**15. Explanation of Variances between budgets and Actual 2018-2019**

	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>%</b>	<b>Explanation</b>
	<b>2019-2020</b>	<b>2018-2019</b>		
<b>Revenue</b>	<b>Kshs</b>	<b>Kshs</b>		
Radio Unit	1,400,000	-	100%	The cost of radio is expensive compared to other electronic media thus decline in clients
Video Unit	12,200,000	1,552,500.00	87%	This was result less of video coverage in the year and also effects of devolution
Publication Unit	13,600,000	16,478,428.00	-21%	The centre was awarded to print mirra and fertiliser receipts
Training Unit	14,200,000	9,641,800.00	32%	There was training during the year
<b>Total income</b>	<b>41,400,000</b>	<b>27,672,728</b>	<b>33%</b>	
<b>Expenses</b>	<b>-</b>			
Casual labour	145,200	829,972	-472%	Two support staff were deployed back in kilimo
Electricity	240,000	-	100%	The centre utilised allocation from state department of Crop and Research
Water and sewerage charges	1,360,000	445,199	67%	The centre utilised allocation from state department of Crop and Research
Cooking Gas	400,000	172,120	57%	The cooking of tea was centralised
Telephone Expenses	60,000	-	100%	The centre utilised allocation from state department of Crop and Research

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Internet connection	300,000	37,452	88%	The centre utilised allocation from state department of Crop and Research
Postal and Telegrams Expenses	360,000	44,610	88%	The centre was using other means of communication
Official entertainment	144,000	-	100%	There was no provision
Daily subsistence allowance	3,113,000	1,650,890	47%	The centre utilised allocation from state department of Crop and Research
Publishing and Printing Expenses	7,568,000	8,202,117	-8%	The centre was awarded to print mirra and fertiliser receipts
Boards Allowance	240,000	402,693	-68%	The was inadequate allocation from kilimo
Supplies for broadcasting & information	1,440,000	-	100%	There was low turnout of clients who needed video coverage
Purchase of Food and ration	615,000	1,745,099	-184%	There was reduction from state department of Crop and Research
Photographic Materials	4,888,000	1,313,974	73%	There was low turnout of clients who needed video coverage
General office supplies (papers,pencils, etc)	831,000	1,665,108	-100%	The was inadequate allocation from kilimo
Sanitary and Cleaning Materials	325,800	532,738	-64%	The centre increased products to meet clients demands
Refined Fuel and Lubricants for Transport	1,065,000	748,171	30%	The centre utilised allocation from state department of Crop and Research
Bank charges	475,000	20,213	96%	The was less bank transaction
Fees and commission	216,000	-	100%	The was no litigation during the year
Security Services	360000	558,000	-55%	We hired extra guards during kakis conferences
Contracted Professional Services	1,966,000	2,660,350	-35%	The centre had to hire professional to supplement our staff
Maintenance Expenses - motor vehicles	744,000	617,987	17%	The centre utilised allocation from state department of Crop and Research
Maintenance of Plant, machinery and Equipment's	810,000	519,615	36%	The centre utilised allocation from state department of Crop and Research
Maintenance of buildings and stations	2,938,000	382,102	87%	The centre utilised allocation from state department of Crop and Research

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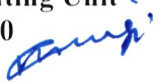
<b>Total expenditure</b>	<b>30,604,000</b>	<b>22,548,410</b>		
<b>Surplus for the period</b>	<b>10,796,000</b>	<b>5,124,318</b>		

The Financial Statements were signed on behalf of the Fund by:

**Prof. Hamadi.I. Boga , PhD  
Principal Secretary.**

**Date.....**

**Charity W. Muriuki  
Head of Accounting Unit  
ICPAK No. 5380**



**Date.....**

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>

**Guidance Notes:**

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

**Rose M. Mwangi**  
**For: Director AIRC**

Date.....

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